

# **HOUSING AUTHORITY OF BALTIMORE CITY**

## **Moving To Work Program Annual Report for Fiscal Year 2013**

**United States Department of Housing and Urban Development: Office of Public & Indian Housing  
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## **I. Introduction and Overview**

The Housing Authority of Baltimore City (HABC) entered into a ten-year Moving to Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD) effective as of December 24, 2008. Through a previous agreement between HUD and HABC, HABC has been a full participant in the MTW program since 2005.

MTW is a national demonstration program authorized by Congress which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher (HCV) programs. The MTW statutory objectives include the following:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the statutory objectives.

This document is the MTW Annual Report for Fiscal Year 2013, which is the period from July 1, 2012 to June 30, 2013. HABC is required to prepare this Annual Report in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

### **A. Overview of FY 2013 Goals, Objectives and Activities**

HABC’s long term goals for the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency.

During Fiscal Year 2013, HABC undertook a broad range of housing, capital improvement, resident services and development activities consistent with its long-term MTW vision and the MTW Annual Plan. Significant initiatives and accomplishment:

- Public Housing Occupancy – HABC achieved a 95% adjusted occupancy rate in its public housing developments at the end of the fiscal year. The average occupancy rate for the year was 95%. Actual occupancy (10,418) exceeds the

number served in the public housing program at the beginning of the MTW Demonstration by approximately 1,000 households.

- **Leased Housing Program** - Due to uncertainty on the level of funding starting in CY 2011, HABC ceased to issue new vouchers in FY2011. After careful analysis of CY2012 funding levels HABC began issuing new vouchers in May 2012 to increase households served for FY2013. Overall, HABC served 15,024 households in the leased housing program at the end of FY 2013 which reflects an increase of 785 units since December 2011. During this period, HABC continued to increase the number of households served through a number of special programs that includes 214 veterans housed under the Veterans Affairs Supportive Housing (VASH) program; 94 families housed using Family Unification Program (FUP) vouchers; and 40 families housed using the Category II non-elderly persons with a disability (NEDs II) vouchers. In addition, 183 more Bailey tenant-based vouchers and 89 more Bailey project-based vouchers for non-elderly persons with a disability (NEDs) have been leased over those previously leased in December 2011.
- **Thompson Partial Consent Decree** – Significant progress continued to be made in meeting the requirements of the Thompson Partial Consent Decree. Included in the MTW Leased Housing program referenced above are 2,153 households assisted under the Thompson Tenant Based and Project Based initiatives. This represents an increase of 416 households assisted since December 2011. Finally, as part of the Thompson Homeownership Demonstration Program, 2 new families became homeowners, resulting in a total of 54 low-income homeowners assisted to date.
- **Capital Planning** –HABC continues its program of capital improvements and development activities. HABC expended \$49.9 million on capital improvements including the continued retrofitting of 5 family developments with a variety of energy conservation measures and HABC's initiatives involving major improvements to the exterior of the mixed population inventory..
- **Development Activities** – HABC, in conjunction with the City of Baltimore made progress on its ten- year; \$375 million plan to develop over 3,000 housing units, including an estimated 1,066 low-income rental units to replace severely distressed units in its current inventory. Progress in FY 2013 included the completion of 416 affordable housing units of which 165 units utilized project based voucher assistance.
- **Portfolio Strategic Planning** –HABC has recently conducted workshops to review and update the work related to the development of a strategic plan for the public housing portfolio. This plan will provide a framework and roadmap for future investments and development activities. With input from residents and other community stakeholders, HABC will continue to conduct a comprehensive review of its assets including analyzing capital needs, waiting list demand, development

potential and other relevant factors, including the potential for a Rental Assistance Demonstration Program at selected sites. In tandem, both traditional and non-traditional sources of funding will be assessed including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments.

- Resident Services – HABC served more than 4,500 households through a wide array of self sufficiency, personal development and supportive service program offerings.
- Two Year Recertifications –Under MTW, HCV households continued to be recertified every two years. In FY 2010, HABC began implementation of two year recertifications for public housing households who are seniors or on fixed incomes. Both initiatives continued during FY 2013.
- Family Self Sufficiency – HABC continued to implement FSS activities that provide supportive services and family savings for both public housing and HCV residents.
- Project Based Vouchers – In FY2013, HABC entered into 8 Project Based Housing Assistance Payment (HAP) contracts with a total of 165 project based units. The projects that converted from an AHAP contract to a HAP contract were: Uplands; Dayspring Square; M on Madison; The Greens at Irvington Mews, Clarksvie, 2301 North Charles, 1512 W. Mt. Royal and Lillian Jones Apartments.
- Homeownership – Ongoing efforts to promote homeownership for public housing residents and other low-income households continued through HABC's Homeownership Programs. In FY 2013, three (3) new families purchased a home under the Housing Choice Voucher (HCV) Homeownership Program. To date seventy-five (75) homes have been purchased by HCV participants with sixty-three (63) families still active in the program.

## II. General Operating Information

This section of the Annual Report provides detailed information on HABC's current inventory, including actual versus planned leasing activities and waiting lists for both the Public Housing and HCV programs as of the end of FY 2013. It includes details on actual changes to the housing stock as a result of new development, demolition and disposition efforts. Significant capital expenditures are also summarized in this section.

### A. Housing Stock Information

#### 1. Public Housing Inventory

Table 1 provides information on HABC's MTW public housing inventory and leasing, comparing the periods ending December 2011 and June 2013. As of June 2013, HABC's existing public housing inventory included 11,811 units, of which 11,006 were available for occupancy. While this number seems to reflect an increase in HABC's inventory of 466 units over June 2012, implementation of a new software system has engineered corrections to the agency's data and data reporting. Moving forward expectations are for increased accuracy in the data reported and used by HABC.

A total of 10,418 households resided in public housing as of June 2013 which represents a decrease of 40 households over the December 2011 figures. HABC's occupancy rate (95%) did not meet the projected occupancy rate of 97.1% from the FY 2013 Annual Plan largely due to a transition from one software system to another for the Public Housing Program between February 19, 2013 and July 1, 2013 when the new system became live. During this period, testing of systems and procedures necessitated delays in entering data in order to cross-check for data integrity, or re-write software programming.

**Table 1:**  
**MTW Public Housing Inventory and Leasing**

BR Size	December 2011				JUNE 2013			
	Inventor y	Available for Occupanc y	Actual Occupanc y	Adjusted Occupanc y Rate	Inventor y	Available for Occupanc y	Actual Occupanc y	Adjusted Occupanc y Rate
OBR	1,237	1,214	1,174	96.7%	1,312	1213	1,186	98%
1BR	3,719	3,617	3,534	97.7%	3,999	3785	3,561	94%
2BR	3,432	3,304	3,234	97.8%	3,499	3370	3,196	95%
3BR	2,079	1,920	1,885	98.2%	2,129	1968	1,851	95%
4BR	677	520	512	98.5%	677	550	513	93%
5BR	169	101	101	101%	155,	101	93	92%
6BR	33	18	18	100%	40	19	18	95%
TOTAL	<b>11,345</b>	<b>10,714</b>	<b>10,458</b>	<b>97.6%</b>	<b>11,811</b>	<b>11,006</b>	<b>10,418</b>	<b>95%</b>

\* As of June 30, 2013 the total number of units under HABC's ACC was 11,742 however, available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 901.5. These exempt units include units: a)

*undergoing or identified to undergo renovation and/or vacated due to a consent decree mandated alterations; b) undergoing or identified to undergo modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration*

*\*\* The Adjusted occupancy rate reflects the percentage of units that are available for occupancy against those that are actually occupied.*

*\*\*\* The majority of the vacant four bedrooms are long-term vacant units located at Mt. Winans. An Application was submitted to HUD in March, 2013, pending HUD Approval,*

Please note that none of HABC's MTW Capital expenditures exceeded 30% of the Annual MTW capital fund budget. An update to planned capital activities is described in Section 3 below.

The FY 2013 Annual Plan projected that 50 units were to be acquired and developed as per the Revised Hollander Ridge Revitalization Plan. The Plan was approved after submission of the FY2013 MTW Plan on 04/15/12. Due to delays in issuing the Request for Qualifications to procure a developer for the project, no units were acquired in FY 2013. A development team led by Homes for America and the French Development Company was selected by HABC in FY 2013 to develop 110 units for the project to which AMP number 125 has been assigned.

**Table 2:  
Actual New Public Housing Units for FY 2013**

<b>Structure Type</b>	<b>*Project Number</b>	<b>**Accessible Features</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>Total</b>
Detached	N/A			0	0	0		0
Semi-Detached	N/A			0	0	0		0
Row House								
Walk-Up								
Elevator								
Sub-Total				<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

The FY 2013 Annual Plan also projected that a total of 143 public housing units would be disposed of and/or demolished. Table 3 identifies units that were removed from public housing inventory due to demolition and/or disposition.

HABC planned to dispose of 143 distressed and obsolete units from the public housing inventory in FY 2013. Of these 13 of the units were disposed of for the development of affordable rental housing, and 7 were disposed of for the development of homeownership units. Three units scheduled for demolition in FY 2013 will be demolished in FY 2014. .

Additionally 37 public housing units in HABC's Scattered Sites inventory were disposed of to Baltimore City as part of HABC's long-term plan to support neighborhood revitalization. The units will be grouped with other vacant properties for targeted demolition, land banking or re-development under the City's Vacants to Value Program. .

**Table 3:  
Actual Demolition/Disposition of Public Housing Units for FY 2013**

<b>Project Name</b>	<b>Project Number</b>	<b>Projected Units</b>	<b>Actual Units</b>	<b>Reason for Demo or Dispo</b>	<b>Status as of June 2013</b>
Barclay: (Demolition and/or Disposition)  Demolition Only	MD0020121	13  3	20	HABC disposed of 20 units to the developer in FY 2013. Thirteen of the units were disposed of for the development of affordable rental housing, and 7 were disposed of for the development of homeownership units. Three units scheduled for demolition in FY 2013 will be demolished in FY 2014.	Disposition approval received April 7, 2008. Demolition Approval received by 7/18/11.
<b>Somerset Homes</b> (Disposition of Vacant Land)	MD0020010	Vacant Land	Vacant Land	Distressed obsolete housing.	Disposition Application to be submitted to HUD FY 2014.
<b>O'Donnell Heights</b> (Disposition of Vacant Land)	MD0020009	Vacant Land	Vacant Land	Disposition for redevelopment.	Disposition approval for Phase IA and IB Rental component received August, 16, 2012. Disposition Application for Phase IB homeownership component to be submitted to HUD FY 2014.
Scattered Sites	MD0020200, 0201,0202, & 0203	37	37	Distressed/obsolete housing	Disposition approval received October 8, 2009.
Coppin Redevelopment	MD0020203	2	2	Distressed obsolete housing	Disposition Application approved by HUD on 12/17/12. Sale to Coppin closed on 3/06/13.
<b>Mt. Winans</b> <b>(Disposition of Long Term Vacant Units)</b>	MD0020029	<b>88</b>		Distressed Obsolete Housing	Application submitted to HUD in March, 2013, pending HUD Approval,
<b>TOTAL</b>		<b>143</b>	<b>59</b>		



## 2. Section 8/Housing Choice Voucher Program Inventory

Table 4 lists leasing levels by voucher type as of December 2011 and the projected and actual leasing levels through the end of FY 2013 (June 2013). The actual number of total households served through MTW vouchers is 13,877 ( 102.8% of HABC's projected target).

Overall, HABC reached just under 103% of its projected MTW voucher target:

- 100.9% of its non-Thompson target with 11,724 households served
  - MTW Tenant Based Vouchers (Non Consent Decree) – 9,309
  - MTW Project Based Vouchers (Non Consent Decree) – 1,126
  - MTW Tenant Based Vouchers (Bailey) – 987
  - MTW Project Based Vouchers (Bailey) - 302
- 114.8% of its Thompson target with 2,153 households served;
  - MTW Thompson Partial Consent Decree Vouchers – 1,788
  - MTW Thompson Remedial Vouchers – 365

**Table 4:  
Housing Choice Voucher Program Inventory and Leasing**

	<b>Actual Leased as of December 2011</b>	<b>Projected FY June 2013 Leasing</b>	<b>Actual Leased as of June 2013</b>
MTW Tenant Based Vouchers (Non Consent Decree)	9,535	9,313	9,309
MTW Project Based Vouchers (Non Consent Decree)	950	1,063	1,126
MTW Tenant Based Vouchers – Bailey	804	850	987
MTW Project Based Vouchers – Bailey	213	395	302
<i>Sub-Total</i>	<i>11,502</i>	<i>11,621</i>	<i>11,724</i>
MTW Thompson Partial Consent Decree Vouchers	1,583	1,650	1,788
MTW Thompson Remedial Vouchers (Project Based Vouchers)	154	225	365
<i>Sub-Total</i>	<i>1,737</i>	<i>1,875</i>	<i>2,153</i>
<b>TOTAL MTW VOUCHERS</b>	<b>13,239</b>	<b>13,496</b>	<b>13,877</b>
Non-MTW Section 8 Moderate Rehab	333	370	337
Non-MTW Section 8 New Construction/Substantial Rehab	596	596	596
Non-MTW VASH Vouchers	71	150	214
<i>Sub-Total</i>	<i>1,000</i>	<i>1,116</i>	<i>1,147</i>
<b>TOTAL MTW AND NON-MTW</b>	<b>14,239</b>	<b>14,612</b>	<b>15,024</b>

Table 4 also indicates that there were 1,428 MTW Project Based vouchers (non-Thompson) and 365 MTW Thompson Remedial vouchers leased at the end of the Plan year. As of June 30, 2013, HABC has 1,583 MTW Project Based vouchers (non-Thompson) under HAP and 92 under AHAP which includes the 76 project-based vouchers in Table 5 below. There were 16 units under AHAP carried over from FY2012, five (5) of which were delayed indefinitely from Gertrude Stein House due to start of

construction issues. North Avenue Gateway was also delayed in construction but is nearing HAP execution. They initially had 11 units under AHAP but have requested five (5) additional units to be added to the contract for a total of 16 units. HABC expects North Avenue to enter into a HAP contract in FY2014.

Table 5 provides a description of new Project Based commitments made during the Plan year. As indicated, in FY 2013 HABC has a total of 76 project-based units under AHAP contract:

**Table 5  
New Project Based Commitments in FY 2012**

<b>Project</b>	<b>Description</b>	<b>Units</b>
Columbus School	Multifamily Housing	8
Fells Point Station	Multifamily Housing	14
Barclay II	Multifamily Housing	15
O'Donnell Phase IA	Multifamily Housing	39
	<b>Grand Total</b>	<b>76</b>

- Columbus School – Multifamily housing which will included 8 units of project based housing for non-elderly disabled residents.
- Fells Point Station– Multifamily housing which will include 6 project-based units of housing for non-elderly disabled residents and 8 project-based Bailey UFAS units.
- Barclay II – Multifamily housing which will include 11 units of housing for non-elderly disable residents and 4 project-based Bailey UFAS units.
- O'Donnell IA- Multifamily housing which will contain project based units for 12 non-elderly disabled, 4 Bailey UFAS units, and 23 project-based units for Returning Residents.

As of June 2013, HABC has contract authority under its ACC to issue 18,579 MTW vouchers (excluding Thompson), and a total of 1,238 Non-MTW vouchers under its ACC (see Table 6 below); however, available HUD funding does not support this level of leasing for MTW vouchers. It is important to note that neither HABC nor any other HCV administering agency is funded based on its ACC.

**Table 6: Authorized Non-MTW Vouchers**

<b>Type of Vouchers</b>	<b>Authorized Lease Total</b>
Non-MTW Section 8 Moderate Rehab	417
Non- MTW Section 8 New Construction/Substantial Rehab	596
Non-MTW VASH Vouchers	225
<b>Total</b>	<b>1,238</b>

\*Funding was provided for an additional eighty (80) VASH vouchers on August 7, 2013. These VASH vouchers are not shown in

The FY2005 Consolidated Appropriations Act changed the method and formula for allocation of HAP funds. The ACC utilization figure reflects the maximum number of families which may be assisted if adequate funds are provided by HUD. The ACC number is now merely a cap on the maximum number of households which may receive assistance, not a “full utilization” goal. Full utilization is considered either a) HAP contracts for a number of units equal to the ACC number; or b) expenditure of all HAP Grant funds.

Under its MTW Block Grant authority, HABC may funge monies between programs for authorized purposes. Therefore, any difference between the HAP Grant amount and expenditures on HAP and UAP which are reallocated to meet other appropriate HABC requirements must be considered “utilized”. Therefore, HABC’s HCV program is at full utilization.

### 3. Capital Planning Expenditures

This section provides an update to the planned capital activities described in HABC’s FY 2013 Annual Plan to reflect actual performance through June 30, 2013. Please refer to Table 7 below for specific information on planned vs. actual funding amounts and a discussion and explanation of the variances.

HABC expended \$49.9 million (a combination of MTW and non-MTW funding) in capital program activities during the FY 2013 period. Capital expenditures focused on five major priorities: (1) 504 UFAS and ADA Compliance (handicap accessibility); (2) vacancy renovation; (3) improvements to major systems, infrastructure, extraordinary maintenance; (4) installation of energy conservation measures; and, (5) creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant Funds.

**Table 7**

<b>Planned vs. Actual Capital Expenditures for FY 2013</b>					
<b>Devel Name</b>	<b>Description of Work</b>		<b>Planned Spending July 1, 2012 - June 30, 2013</b>	<b>Actual Spending July 1, 2012 - June 30, 2013</b>	<b>Explanation for Difference</b>
Arbor Oaks	Repair UFAS Compliant Sidewalk	-		9,287	Completed; funds made available through contingency dollars in FY13, emergency.

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
Authority-Wide	Administration, Equipment, A & E, Planning and Legal Fees		5,126,297	5,888,515	Expenses underestimated, actual expenditures reflected.
Authority-Wide	Relocation		112,770	114,464	Completed; actual expenditures reflected.
Authority-Wide	Debt Service for Capital Fund Financing Program (CFFP) and Energy Performance Contracting (EPC)		9,691,878	9,736,655	Completed; actual expenditures reflected.
Authority-Wide	Non-Elderly Disabled Units		360,000	222,696	Planned expenses overestimated, actual expenses reflected.
Authority-Wide	Management Improvements		736,449	553,514	Completed; actual expenditures reflected.
Bailey -New Construction UFAS Units	New Construction UFAS Units - 63 Units		4,260,000	180,293	Planned expenses overestimated. 16 units under construction. Project scheduled for completion in FY15.
Bel-Park Tower	Landscaping - Plants and Shrubs for HABC Properties		-	1,319	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
B.E.Mason	Landscaping - Plants and Shrubs for HABC Properties		-	1,828	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
Brentwood	Replace Water Lines		50,000	-	Partial funding, work scheduled to be completed in FY14.
Brentwood	Repairs to the Boiler Room		-	288,145	Emergency funding made available through contingency, actual expenditures reflected, work scheduled to be completed in FY14.
Brentwood	Electrical Distribution Upgrade		-	255,134	Completed; funds made available through contingency dollars in FY13.
Brooklyn Homes	Handicap Accessibility Modifications		456,000	735,629	Work planned to be completed in FY12. Relocation issues. Scheduled to be completed in FY14.
Chase House	Replace Water Lines, Landscaping, Signage and Emergency Repairs		50,000	296,568	Completed; construction work accelerated, emergency funding made available through contingency, actual expenditures reflected.
Cherry Hill Homes	Roof Replacement		459,463	1,081,088	Completed; construction work accelerated, actual expenditures reflected.
Cherry Hill Homes	Heating Line Relocation, Gas Pipe Replacement, Chiller Installation, Replace Air Handlers, Landscaping and Emergency Repairs.		963,000	111,803	Expenses incurred for heating line relocation and emergency repairs. Contingency

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
					funds made available for gas pipe replacement, chiller installation and air handlers to be completed in FY14.
Cherry Hill Homes	Piping Modernization Project		1,738,050	2,175,176	Planned expenses underestimated, actual expenditures reflected, work scheduled to be completed in FY14.
Douglas Homes	Emergency Heating and Flooding Repairs		150,000	81,465	Completed; actual expenditures reflected.
Dukeland	Electrical Systems Revitalization		150,000	258,341	Completed; planned expenses underestimated, actual expenditures reflected.
Ellerslie	Landscaping - Plants and Shrubs for HABC Properties		-	1,569	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Gilmor Homes	Security Cameras		-	5,847	Emergency Funding and Security Grant provided funding for cameras. A change order was processed with Capital Funds for additional cameras to complete the work.

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
Govans Manor	Landscaping - Plants and Shrubs for HABC Properties	-	-	619	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Hollins House	Landscaping - Plants and Shrubs for HABC Properties	-	-	203	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Latrobes Homes	Handicap Accessibility Modifications	379,350	330,890		Completed; actual expenditures reflected.
Lakeview Towers	Landscaping - Plants and Shrubs for HABC Properties	-	-	129	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
McCulloh Homes, Ext.	Replace Old Water Lines with New Shut Off Valves	-	-	8,978	Completed; work originally planned to be completed in FY12 was actually completed in FY13.
McCulloh Homes	Replace Buckled and Damaged Concrete Walkways	50,000	38,357		Completed; actual expenditures reflected.
Perkins Homes	Emergency Repairs to Heating System, Handicap Accessibility Modifications	190,250	193,655		Completed; actual expenditures reflected.
Pleasant View Gardens	Electrical Submetering	7,000	3,500		Completed; actual expenditures reflected

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
Primrose Place	Exterior Waterproofing & Tuckpointing and Window Replacement	-	-	3,525	Completed; work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Rosemont/Dukeland	Erosion Control	354,000	354,000	156,323	Planned expenses underestimated, Work scheduled to be completed in FY14.
Rosemont/Dukeland	Gas Pipe Replacement, Piping, Survey and Mapping	375,000	375,000	-	Project delayed, Work scheduled to be completed in FY14.
Rosemont Towers	Landscaping - Plants and Shrubs for HABC Properties	-	-	1,463	Completed; Work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Scattered Sites	Roof Replacement, Vacancy Renovation, 504 Handicap Accessibility Modifications	502,001	502,001	484,754	Completed; Work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Thompson (22 Units)	Acquisition of 22 Dwelling Units and Start of Rehabilitation	600,000	600,000	752,535	Completed; Expenses planned for FY12 were actually spent in FY13.
Van Story Branch (West Twenty)	Exterior Waterproofing & Tuckpointing and Window Replacement	5,599,980	5,599,980	2,193,877	Construction Delays, actual expenditures reflected. Work scheduled to be completed in FY14.



## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
	<b>MTW TOTAL</b>		<b>32,361,488</b>	<b>26,168,142</b>	
AHI	Affordable Home Ownership		7,063,252	530,657	Closing delays. Project targeted for completion over the next 12- 18 months.
Authority Wide	Administration, Technical and Non- Technical Salaries, A &E, Staffing and Consultant Fees		3,569,611	2,359,711	Expenses overestimated, Actual expenditures reflected.
Bel-Park Tower	Family Service Center		-	25	Completed; Expenses anticipated in FY12 were actually spent in FY13.
Broadway 58 Units	Acquisition of 57 Dwelling Units and Start of Rehabilitation		-	433,333	Completed; Work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Brooklyn Homes	Energy Conservation Measures		614,277	296,090	Planned expenditures overestimated. Contingency funds reprogrammed. All work scheduled to be completed in FY14.
Cherry Hill Homes	Energy Conservation Measures		11,372,282	4,847,107	The planned expenses for the piping modernization project, asbestos removal and hospitality suites were overstated in FY13. Work scheduled to be completed in FY14.

## Planned vs. Actual Capital Expenditures for FY 2013

Devel Name	Description of Work		Planned Spending July 1, 2012 - June 30, 2013	Actual Spending July 1, 2012 - June 30, 2013	Explanation for Difference
Gilmor Homes	Energy Conservation Measures		1,009,092	1,009,092	Completed.
Hollander Ridge	Replacement Housing		-	5,120	Advertising Fees incurred for Developers. Revitalization Plan submitted to HUD and approved. 5 year project.
Latrobe Homes	Energy Conservation Measures		13,051,643	11,482,156	Planned expenditures overestimated. Contingency funds reprogrammed. All work scheduled to be completed in FY14.
McCulloh Homes	Weatherization		1,000,000	48,952	Planned expenditures overestimated. All work is complete.
O'Donnell Heights	Development of 76 Low Income Housing Tax Credit and Section 8 Units		13,000,000	1,350,144	Delay in closing. Project schedule revised and expected to be completed in FY14.
Scattered Sites	Vacancy Renovation		1,190,048	861,722	Completed; Work was originally scheduled to be completed in FY12 but was actually completed in FY13.
Westport Homes	Energy Conservation Measures		466,905	466,905	Completed; Work was originally scheduled to be completed in FY12 but was actually completed in FY13.

<b>Planned vs. Actual Capital Expenditures for FY 2013</b>					
<b>Devel Name</b>	<b>Description of Work</b>		<b>Planned Spending July 1, 2012 - June 30, 2013</b>	<b>Actual Spending July 1, 2012 - June 30, 2013</b>	<b>Explanation for Difference</b>
	<b>NON-MTW TOTAL</b>		<b>52,337,110</b>	<b>23,691,014</b>	
	<b>GRAND TOTAL</b>		<b>84,698,598</b>	<b>49,859,156</b>	

**504 Accessibility Improvements** In FY 13, HABC continued to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities.

Of the 146 UFAS units that HABC is obligated to complete under the Bailey Consent Decree, a total of 32 were created and certified by HABC in FY 2013 within existing developments; in part through low income housing tax credits and HOME Funds. HABC is continuing construction and will complete the balance by FY 2016.

Under the ARRA Formula Grant, HABC has renovated 158 long term vacant units; and under the ARRA Competitive Grant, HABC has renovated 80 long-term vacant units. As part of this renovation process, HABC was to create 13 UFAS units. In FY 12 HABC completed 9 of the 13 units and the remaining 4 UFAS units were completed in FY 2013.

#### **Long Term Vacancy Reduction**

In FY 13, HABC received a Community Development Block Grant (“CDBG”) to renovate four (4) long-term vacant Scattered Sites buildings and replace the roof at Somerset Extension and Monument East. The work will be completed in FY 14.

**Energy Performance Contracting** Due to the age of boilers, roofs, electrical systems and other infrastructure systems, HABC’s consumption of energy is high and will continue to increase until such time as improvements to these systems are implemented. In addition, due to the inefficiencies of these systems and dramatically rising utility rates, HABC’s energy costs will also increase unless these issues are addressed.

HABC began implementation of a comprehensive energy reduction capital improvement program in order to lower consumption and energy costs. HABC contracted with an Energy Service Company (ESCO) vendor who completed an Energy Audit in 2006. The energy audit identified all building and site components, which, if replaced or upgraded, will decrease energy consumption. Energy conservation measures (ECMs) that will reduce consumption are also part of the audit findings. HABC anticipates using the annual savings from the reduced energy cost to pay for the debt service that is required to fund energy related capital improvements.

HABC subsequently decided to be its own ESCO and self-perform its own Energy Performance Contracting (EPC). In FY 2010, HABC started Phase 1 of the EPC which involved: i) the installation of energy conservation measures (“ECM”) at 5 developments with anticipated energy reductions of approximately \$3.2 million; ii) a tax exempt municipal lease for \$51,150,000 secured through Grant Capital Management and Crews Associates as the underwriter for the energy reduction capital improvements; and, iii) resident training for the implementation, use and maintenance of the ECMs. .

In FY 13 HABC developed a maintenance and replacement plan and a utility consumption and management system to address the life cycle of the ECMs and control energy consumption..

HABC’s EPC Phase 1 Program (“EPC 1”) is currently made up of three funding sources including the American Recovery Reinvestment Act (ARRA) (\$24,271,627), a loan from Harbor Bank (\$502,204) and a loan from Capital Grant Management (\$51,150,000) for a total of \$75,923,831. In the first quarter of FY12 the program was approximately 95% obligated with all ARRA funds at 100% obligation.

In FY 13, approximately 85% of the EPC 1 is expended with 100% of expenditures achieved under the ARRA program. Additional reporting information on the EPC is included in Appendix D. HABC in FY 13 began to collect excessive consumption charges (“EEC”) from two developments that were part of HABC’s EPC 1, EECs will be collect in FY 14 from the balance of 3 developments. HABC will explore the possibility of performing and EPC Phase 2 program.

**Infrastructure and Major Projects:** In FY 13 HABC: (i) started the exterior waterproofing at J Van Story Branch and Chase House; (ii) the exterior waterproofing, window and door replacement at J Van Story Branch and Chase House; (iii) and is continuing to work on soil erosion control measures at Rosemont/Dukeland which will be completed in FY 2014.

*Family Sites:* In FY 13, HABC: (i) continued to develop plans noting physical areas of concern and a course of action to rectify (landscaping, egress, hazards, etc.); (ii) completed concrete walkway projects; (iii) performed major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies;

and (iv) continued the process to replace the heating system infrastructure at Cherry Hill and Latrobe Homes.

### **Marketability Projects**

In FY 13, HABC: completed roof replacements for 20 Scattered Sites properties.

### **Security**

Since its inception, HABC has installed 259 interior CCTV cameras at 19 high-rise mixed population buildings and 180 exterior CCTV cameras at 6 family sites to record and monitor criminal activity. In addition to the fixed CCTV cameras, there are 14 PODSS. In FY 13 HABC continued to monitor the mixed population building interior cameras, while the Baltimore Police monitored the family site exterior cameras. In addition, in FY13 maintenance contracts have been issued to insure their viability. In FY 11, HABC received its second Safety and Security Grant. This Grant was used to install security lighting and Gun Shot Technology (“GST”) cameras at Cherry Hill to supplement its existing CCTV camera system. In FY 13 the lighting was completed and the GST cameras installed. In FY 14 the GST cameras will be tested and activated. In FY 13, HABC submitted an application for a competitive Safety and Security Grant for Poe Homes.

## **4. Neighborhood Development Activities and Expenditures**

As described in the Annual Plan, HABC, in conjunction with the City of Baltimore plans to develop approximately 3,000 housing units, including 1,066 low-income rental units over a ten year period to replace severely distressed units in its current inventory. These figures do not include units in the redevelopment of O’Donnell Heights or Somerset Homes.

Many of the units will be developed using the mixed finance development method, and all units will be developed to assist in the creation of economically diverse, stable neighborhoods. The 1,066 low-income rental units will use MTW resources, Low Income Housing Tax Credits, or other available sources to finance their development. Approximately 654 affordable for-sale units will be developed using MTW and non-MTW sources including private funding. The balance of the units will be developed with private funding. Combined, the mix will provide public housing and HCVP eligible households with expanded housing choices in stable, diverse neighborhoods, and will increase choices for non-elderly persons with disabilities and households that need UFAS compliant accessible features.

### **Housing Production Strategies**

HABC’s housing development accommodates four distinct strategies, which include MTW funding, and proposed private leveraged funding. Each of the three strategies (Neighborhood Reinvestment, New Housing Production, Thompson Partial Consent Decree Production and Bailey Consent Decree Housing Production) is summarized

below. (See also Table 5: Housing Production from FY 2013 MTW Annual Plan.) As these projects are all in the development and/or pre-development stages, the final unit numbers may vary from those presented below. The narrative below summarizes the activities that occurred during FY 2013 under each of the four strategy areas.

### **Neighborhood Reinvestment**

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in gentrifying neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. Major activities that occurred through FY 2013 include:

*Barclay* – HABC selected Telesis through a competitive Request for Qualifications in 2006 to redevelop its inventory of distressed housing and vacant City owned property. The Phase 1 Rental portion of the project was completed in FY 2012. In FY2013, the developer commenced construction on Phase 2 which will consist of a total of 69 affordable rental housing units. The construction is scheduled to be completed by second quarter of FY2014. Additionally, in FY 2013, fifteen affordable homeownership units were created and sold..

*(Poppleton Co-op Phase III* – In FY2013, The developer received Low Income Tax Credits for the construction of 32 affordable rental housing units. The closing of the financing will occur by 2<sup>nd</sup> quarter FY2014.

*Johnston Square* - is a part of a larger transformation that is taking place over a broad swath of the Central City beginning in EBDI and continuing to Barclay. The development strategy for Johnston Square is built from a strong base of existing assets including: existing concentrations of homeownership, prominent green and open spaces, St. Frances Academy, and nearby redevelopment activities including Barclay, Oliver/Preston Place, and City Arts.

*The French Development Company and Empire Homes of Maryland, JV*- In FY2013, using LIHTC and other financing, the French Development Company and Empire Homes of Maryland, completed construction on a 74 unit green apartment building in the 1300 block of Greenmount Avenue, representing a \$16M investment.

*Mi Casa Inc.*- Additionally, 30 units of affordable housing were rehabilitated to be sold to homebuyers in the 700 and 800 blocks of Preston Street. Six of the 30 units have been sold.

### **New Housing Production Program**

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2013,

HABC continued its efforts to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city:

*Uplands* – The construction of 104 rental housing units were completed in the Phase I redevelopment of Uplands. Additionally, twenty-one affordable homeownership units were constructed in FY2013. Fifteen (15) of the twenty-one (21) units have been sold. The construction of an additional twenty-three (23) homeownership units is underway and is anticipated to be completed in 4<sup>th</sup> quarter FY2014.

*East Baltimore* – The 88-acre East Baltimore Initiative includes up to 2,100 new and rehabilitated residential units, new green space, and up to 8,000 new jobs and new retail uses. As part of a large-scale public and private investment in Life-Sciences research, commercial and mixed income residential development adjacent to the Johns Hopkins Medical Campus, HABC anticipates PBV support for approximately 200 low-income rental units over the course of the build out. These units will provide replacement rental housing for low-income households displaced by redevelopment activities. Phase I of this effort is on 31 acres and has 215 units of affordable rental housing in three projects, which are complete and leased. Phase I also includes 254 units of for-sale housing. Five new construction townhomes are underway, and East Baltimore Development Inc. is undertaking a series of “green rehabs” that are intended to be sold to east Baltimore residents. In addition, EBDI continues to renovate vacant properties in the 1700 block of East Chase Street that are then occupied by former residents.

*Orchard Ridge (formerly Claremont/Freedom)* – The Claremont/Freedom redevelopment, now known as Orchard Ridge, consists of 444 newly constructed mixed-income rental and for-sale units and a newly constructed 8,200 square foot community center. Of the total, 249 units are rental homes while the remaining 195 will be for sale housing. Construction is complete for Phase I, II and III of the rental development. Phase I homeownership consists of 72 units of which 42 homes have been constructed and sold. In FY2013, Habitat For Humanity of the Chesapeake constructed and sold 15 homes. Habitat completed construction of the remaining units during FY2014.

*Thompson Partial Consent Decree*- In November 2012, the District Court approved a final Settlement Agreement between the parties in *Thompson v. HUD*, No. MJG 95-309. Although HABC has met all of its production requirements under Thompson, HUD will continue the successful Baltimore Regional Housing Mobility Program launched under the Thompson *Partial* Consent Decree, which has provided Housing Choice Vouchers and high-quality housing mobility counseling to assist families who have voluntarily chosen to move from areas of concentrated poverty in Baltimore City to Communities of Opportunity (neighborhoods with better schools, lower crime, and more job opportunities) in Baltimore City and throughout the Baltimore Region.

The *Thompson* Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 (“*Thompson* Remedial Vouchers”), in addition to the 1,788 Housing Choice Vouchers already utilized under the *Thompson* Partial

Consent Decree (“*Thompson* PCD-Leased Vouchers”). The Settlement Agreement also provides for the continuation of the *Thompson* Homeownership Voucher Program. All *Thompson* Remedial, PCD-Leased, and Homeownership Vouchers must be used in Communities of Opportunity throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement. Funding for the vouchers is provided by HUD as is the cost of an administrator to oversee the program (Baltimore Regional Housing Mobility Program).

A Special Administrative Plan has been developed to address all aspects of the Baltimore Regional Housing Mobility Program. A copy of The Special Administrative Plan is included as Appendix II in HABC’s Housing Choice Voucher Administrative Plan. All units will be administered as Housing Choice Vouchers consistent with the *Thompson* Settlement Agreement, and is included as a part of the Housing Authority of Baltimore City (HABC) Moving to Work (MTW) demonstration program.

The Thompson Consent Decree included a provision that prohibited HABC from using public housing capital and operating funds to create public housing units in impacted areas in Baltimore City. The settlement of the Consent Decree has removed this prohibition and HABC is no longer prohibited from creating public housing units in these areas.

*Bailey Consent Decree Production*-Bailey UFAS Scattered Sites- In an effort to meet the Bailey Consent Decree requirement to provide 755 units of Uniform Federal Accessibility Standards (UFAS) housing, HABC will construct approximately 63 UFAS units to complete the conditions of the consent decree. In FY2013, construction of sixteen (16) units are underway, and HABC has awarded contracts for the construction of an additional thirteen (13) units be constructed in FY2014.

*Homeownership Demonstration Program* – Metropolitan Baltimore Quadel (MBQ) has implemented the Thompson Homeownership Demonstration Program, which was created pursuant to the Partial Consent Decree. Funding for this program was carved out of the Lafayette HOPE VI Grant to create 168 homeownership opportunities, if feasible, in non-impacted Areas. In FY 2013 two (2) new families became homeowners. To date, 54 families have purchased a home through this program; of which, 42 were receiving ongoing monthly HAP assistance on June 30, 2013. During FY 2014 HABC anticipates that no additional families will become homeowners through the mobility program.

*Project-Based Development Program* - Additionally, under the Thompson partial consent Decree, MBQ is implementing a project based development program to create project based units in non-impacted areas. Subject to funding availability, MBQ is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership Demonstration Program (MD-06-URD-002-I294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts.



Under this initiative, MBQ originally placed 20 units in the Hilltop development project under AHAP. As of June 30, 2013, 11 of the units were made available for leasing. MBQ's goal is to create up to 120 scattered site project based units in addition to the units in the Hilltop development project during fiscal years 2014 and 2015.

### **Other Development Activities**

*O'Donnell Heights* – HABC's selected developer, the joint development team of Michaels Development Company and AHC Greater Baltimore is moving forward with the first phase of the redevelopment, having received a reservation award for Low Income Housing Tax Credits from the Maryland Department of Housing and Community Development in June 2011. Phase 1 will consist of 76 rental units, of which 39 will be deeply affordable through the issuance of project based vouchers. The construction of 76 rental units started in FY2013, are expected to be complete by the second quarter of FY2014.

*Somerset* – The agency is currently in negotiations with the Baltimore Development Corporation to issue a joint Request for Proposal to redevelop Somerset and the adjacent Old Town Mall property as a mixed-use, mixed income development.

*Hollander Ridge HOPE VI Funding* –In FY 2013, HABC awarded development rights to joint venture between Homes For America and the French Company to create and/or acquire up to 110 scattered site units of public housing.

The units will generally be individual rowhouses and detached homes. However, the project may include some small multifamily buildings or rowhouses that contain two or more separate units. All of the units will be reserved for public housing residents. Some number of units will be set aside for non-elderly persons with disabilities in order to meet the requirements of the Bailey Consent Decree.

*Mt. Winans* – HABC submitted a disposition application to HUD in March 2013 for 88 units at Mt. Winans. HUD approval is pending.

*Existing Scattered Site Units* – HABC is using ARRA funds to renovate 238 of its scattered site units located throughout Baltimore that were not in service. In FY 2012, 68 units were renovated and placed back in service for rental and homeownership opportunities. Of the 238 scattered sites units planned for rehabilitation a total of 219 have been completed.

## **5. Homeownership Programs**

In addition to the Thompson Homeownership Demonstration Program and various homeownership activities planned or underway as part of HABC development efforts as discussed above, HABC continued to implement two programs to encourage first-time homeownership by eligible low-income households:

*MTW Homeownership Program* – Using its MTW flexibility, HABC submitted a revised MTW Homeownership Plan, which was approved by HUD in 2009. Under the revised Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents.

In FY2012 over 250 homeownership interest surveys were sent out to Scattered-Sites residents. Thirty-three (33) responses were received of which 28 families expressed interest in purchasing a home. The remaining five (5) families stated that they were not interested in homeownership. The 28 families were invited to a homeownership orientation and housing tour of which three (3) families attended. Of the three families who attended the tour, two (2) families have attended counseling and are working towards homeownership.

In spite of these efforts, no Scattered Sites homes were sold to HABC families in FY 2013 due to the continuing challenges posed by the economy and the changing criteria of mortgage lenders.

HABC will continue to expand its efforts to assist residents in becoming new homeowners and reach its goal to sell fifteen (15) homes by 2018.

*Housing Choice Voucher Homeownership Program* – During FY 2012 three (3) families purchased a home under the Housing Choice Voucher Homeownership Program (HCVHP). To date, 75 homes have been purchased by participants in the Housing Choice Voucher Homeownership Program with 63 families still active in the program. Of the twelve families no longer active in the HCVHP; 4 were terminated because they failed to recertify; 3 were terminated because they were over the income limit; another 3 families voluntarily terminated their participation; and two families are deceased.

## **6. Public Housing Actual Leasing**

As noted in Table 1 above, a total of 10,418 households reside in public housing as of June 2013 which represents a decrease of 40 households over the December 2011 occupancy rates used as the benchmark for the FY 2013 MTW Plan. Also, HABC fell below the projected occupancy rate of 97.1% to 95% largely due to a transition from one software system to another for the Public Housing Program between February 19, 2013 and July 1, 2013 when the new system became live. During this period, testing of systems and procedures necessitated delays in entering data in order to cross-check for data integrity, or re-write software programming.

## **7. Section 8/Housing Choice Voucher Program Actual Leasing**

Statistics on Section 8/HCV program leasing are provided in Tables 4 and 5 above. A total of 15,024 households are leased up under all MTW and Non-MTW Voucher

programs as of June 2013. Since submission of the of FY 2013 Plan in April 2012 , the total number of households served under HABC's Leased Housing programs increased from 14,239 to 15,024 – an increase of 785 vouchers.

In FY 2013 HABC leased 11,724 MTW (non-Thompson) vouchers, an increase of 255 vouchers over FY 2012 and 103 units above FY 2013 targets.

Included in the overall figures are the 1,428 MTW Project Based vouchers (non-Thompson) under lease at the end of the Plan year, and 365 MTW Thompson Remedial (project0based) vouchers. As of June 30, 2013, HABC has 1,583 MTW Project Based vouchers under HAP. In addition there are 92 under AHAP..

The number of MTW Thompson vouchers leased in FY 2013 is 2,153, an increase of 278 units over and HABC's projection for FY 2013.

Although the number of Project Based units overall increased during the Plan year, actual leasing for Non-Thompson Project Based vouchers fell just below the projection of 1,458 (97.9% of target) and Thompson Remedial vouchers exceeded the projection of 225 ( 162% of target). HABC has not been as successful in entering into Project Based contracts with developers/property owners as it anticipated because of the complexities of the program, the concern of certain landlords regarding the tenant population, the size of the subsidy, and the availability of other market options. Second, the federal requirements associated with achieving HUD approval on PB grant funding, made an extremely long and arduous process. This kept some participating landlords/developers from coming back for more projects/units.

HABC revised the NOFA/RFP to address these problems. The subsidy amounts were changed and the processing requirements were negotiated with HUD to reduce the amount of time it takes to process applications. HABC engaged the services of an outside vendor to handle much of the review work. The result was a clearer and more streamlined process. The NOFA/RFP process yielded 1-3 contracts per submission.

## **8. Waiting List Information**

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of June 2013, there are a total of 37,421 applicants for HABC's programs including: 26,046 public housing-only applicants; 8,236 HCV-only applicants; and, 3,139 applicants on both the public housing and HCV waiting lists. HABC does not prohibit anyone from applying for assisted housing due to income. Eligibility screening is performed once the applicant reaches the top of the waiting list. Demographics on current waiting list households are included in Appendix A.

The HCV waiting list is currently closed, with the exception of the Project Based Non-Elderly Persons with Disabilities wait list which will remain open until December 31, 2013. The Public Housing waiting list remains open.

**Preference for Thompson Consent Decree Units** - In the FY 2013 Annual Plan, HABC noted that it planned to create a preference for current and former public housing residents for 22 units created under the Thompson Consent Decree, in Sandtown-Winchester and other areas of Baltimore City. HABC's Admissions and Leasing Office is responsible for screening the families in accordance with Chapter 2 of the public housing Admissions and Continued Occupancy Policies (ACOP) while Metropolitan Baltimore Quadel (MBQ) is under contract to counsel and prepare the families prior to moving into the units. Families selected by the Admissions and Leasing Office for UFAS units are also referred to MBQ for pre-move counseling. As of June 2013, 21 of the 22 units created under Thompson were occupied.

The families found eligible to move into the 22 units were housed in accordance with the following preferences:

- 1<sup>st</sup> Preference— Current and former public housing residents displaced by HOPE VI redevelopment projects and demolition/disposition activity who are in MBQ's caseload; and
- 2<sup>nd</sup> Preference – Current residents of HABC public housing who are in MBQ's case load.

HABC's Admissions and Leasing Office is also responsible for screening families to occupy the Uniform Federal Accessibility Standards ("UFAS") units in accordance with the following preferences:

- 1<sup>st</sup> Preference – HABC public housing residents who are on the reasonable accommodation transfer wait list and need the features of a UFAS unit; and
- 2<sup>nd</sup> Preference – Applicants on HABC's public housing wait list who need the features of a UFAS unit.

**Units Created for Non-elderly Persons with Disabilities:** Also included in the FY 2013 Annual Plan was HABC's intention to require that units created for non-elderly persons with disabilities and subsidized by funding other than the use of Housing Choice Vouchers, (such as Section 811 funds, Shelter Plus Care vouchers and Supportive Housing Program grants), be tenanted only by non-elderly persons with disabilities with active applications on HABC's HCVP waiting list. In these cases, property management of included units will request and receive referrals from HABC and will be required to offer tenancy to persons meeting site eligibility requirements in the order in which names appear on the referred list.

The units would be counted toward the total number of required project-based units under the Bailey Consent Decree. An HABC-referred person who accepted an offer of tenancy at one of the included units will have his/her HCVP application placed in an inactive status for a minimum of one year from the date of occupancy of the unit. At the end of that period, the applicant may request reactivation of his/her application. HABC will then reactivate the application with its original application date. While this change to our

waiting list policy and procedures does not require any additional MTW flexibilities, it was included in Volume 2 of the FY 2011 Annual Plan (the HCV Administrative Plan), Chapter 20.

As of June 30, 2013, no units have been leased using this preference.

### **III. Non-MTW Related Information**

#### **A. Description of Non-MTW Activities**

The MTW Agreement and the revised Attachment B (HUD Form 50900) requires HABC to report separately on “MTW activities” and, at HABC’s option, on “Non-MTW activities”. MTW activities are those that require use of the authority granted to HABC under its MTW Agreement with HUD *and* that promote one or more of the MTW statutory objectives. HABC’s progress in implementing approved MTW activities is described in Chapters V and VI. On a practical level, HABC has incorporated MTW flexibility throughout its operations; however, this section of the Plan summarizes those activities undertaken over the past year which do not specifically require MTW authority to implement with a focus on public housing, HCV and Resident Services.

#### **1. Public Housing**

HABC’s Housing Operations Division has established five broad objectives for the Public Housing program, which are to:

- Maximize Occupancy
- Continuously Improve Customer Service
- Maximize Rent Collection
- Preserve Public Housing Physical Assets
- Provide a Safe Residential Environment for Residents and Neighbors

A brief discussion of progress made during the Plan year for each of these objectives follows:

##### **Maximize Occupancy**

HABC achieved a 95% adjusted occupancy rate at the end of FY 2013, which is 2.1% less than the projected occupancy rate of 97.1%. The decrease in the average occupancy rate to 95% was essentially due to a transition from one software system to another for the Public Housing Program between February 19, 2013 and July 1, 2013 when the new system became live. During this period, testing of systems and procedures necessitated delays in entering data in order to cross-check for data integrity, or re-write software programming.

##### **Improve Customer Service**

HABC continued to respond promptly and efficiently to work order requests. In FY 2013:

- 99% of emergency work orders were abated within 24 hours
- The average number of days to respond to and complete a routine work order in FY 2013 was 11.6 days. This appears to be an increase in response time by

HABC staff over last year (5.5 days) but can actually be attributed to HABC's transitions from one software system to another. Testing of systems and procedures necessitate cross-checks for data integrity, and/or re-writing of software programming.

- HABC implemented customer service surveys using an integrated voice response system (IVR). Based on the lack of response to "robocalls," managers and supervisors at a selected number of sites also make weekly customer service calls to residents whose maintenance requests were completed the previous week. This practice was not employed in FY 2013 as HABC concentrated on installing its new software system which required that all staff undergo several days of training between February and June 2013.

### **Maximize Rent Collections**

Changes in Baltimore City's rent court system procedures continued to cause delays for HABC in FY 2013 when filing "Failure to Pay Rent" court cases. In addition HABC's automated "Failure to Pay" (FTP) system was converted to new software which also necessitated delays in filing.

Although the agency experienced delays HABC collected 96.1% of rent during FY 2013. This represents a decrease of .9% from the previous year.

### **Preservation of Viable Housing Assets**

In addition to completing over \$49.6 million in capital improvements over the past year, HABC:

- Inspected 100% of units at least once.
- Inspected 100% of systems.

HABC has now outsourced its preventive maintenance inspections of units and systems for the past three years. It is expected that thorough inspections will begin to result in long-term reduction in maintenance costs as more maintenance issues are identified and addressed as early as possible.

### **Safety and Security**

HABC continued to implement a several initiatives to increase resident safety. The Office of the Inspector General, Security Cameras (including CCTV), and the Building Monitor Program for high-rise buildings represents key investments and commitments to resident safety:

*The Office of the Inspector General (OIG)* has assumed the responsibility of the former LEU and continues to work in partnership with Housing Operations staff, residents, and BPD to identify and implement strategies designed to improve security in public housing.

- The OIG has expanded its complement of investigators and auditors in order to address allegations of fraud, waste and abuse to include employee and tenant misconduct.
- The OIG has entered into a collaborative effort with the federal “Safe Streets” initiative as well as commenced an intelligence sharing program with the High Intensity Drug Trafficking Area (HIDTA) federal Task Force.
- The OIG is working closely with HABC Housing Operations to consult on security control measures including security force multipliers, updated CCTV operations, and review of physical security functions at HABC mixed population housing developments.
- The OIG will obtain a new Case Management System (CMS) to automate the tracking, review, assignment, and monitoring of investigations within the HABC.

OIG also has a working relationship with the following law enforcement and crime prevention agencies.

#### Allied Agencies and Organizations

- Baltimore Police Department (BDP)
- Resident Advisory Board
- Federal Bureau of Investigation
- HUD Office of Inspector General
- Baltimore City States Attorney’s Office
- Maryland State Parole and Probation
- Mayor’s Office of Criminal Justice
- Middle Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLN)
- Baltimore City School Police
- Governor’s Office on Crime Prevention
- HABC Office Of Legal Affairs
- Sheriffs Office of Baltimore City
- Baltimore Executive Security Team (B.E.S.T.)
- Domestic Violence Coordinating Committee
- The Drug Enforcement Agency

*Camera Monitoring Systems* - HABC in collaboration with the BPD has implemented a CCTV system. The CCTV system is a series of permanently mounted cameras that monitor the exterior of some of HABC’s family and mixed population developments. HABC has installed 180 fixed exterior security cameras at six family housing sites (Latrobe, Gilmor, Perkins, McCulloh, PVG and Cherry Hill). The cameras are monitored by the BCPD as well as some Senior HABC staff who are able to view the family sites from their desktops. HABC has also installed 252 interior security cameras within nineteen (19) of its mid-and high-rise mixed population buildings.



The CCTV system has been effective, resulting in the reduction of crime in the family developments—especially drug-related crimes—as well as increasing success in prosecutions and lease enforcement. Because the CCTV system has an expandable infrastructure, HABC will continue to pursue the addition of CCTV equipment at other family developments as new funding sources are identified.

HABC has also installed fourteen (14) PODSS at various developments. PODSS are “flashing blue light”, mobile-mounted exterior cameras that are easily relocated as needed. Strategic deployment of these camera units has been successful at interrupting and reducing criminal activity in targeted areas.

These efforts have been complemented by revised building rules and procedures regarding visitors to the buildings to achieve greater effectiveness in controlling access to the buildings and to discourage any behavior and activity that pose a threat to residents and visitors

*Building Monitor Program* – All mixed-population high rises continued to be staffed with a building monitor, whose primary responsibility is to control access into and out of the buildings. This is a 24-hour, 7 days-a-week operation. In addition to being strategically located to ensure that only residents and authorized staff and visitors are allowed to enter the buildings, staff in this program monitors the security cameras installed in and around their buildings. All residents are required to show their HABC-issued photo IDs when they enter their buildings. Visitors are required to leave their IDs with the monitor and retrieve them upon departure.

## **2. Housing Choice Voucher Program**

HABC’s Leased Housing Division has established four objectives for the Leased Housing programs, which are to:

- Maximize Occupancy
- Expand Housing Choice
- Improve the quality of leased housing units
- Efficiently allocate subsidy resources

A brief discussion of progress made during the Plan year for each of these objectives follows:

### **Maximize Occupancy**

As of the end of FY 2013, HABC was 103 units above its overall (MTW non-Thompson) projected leasing targets, due in large part to the following:

- An increase in the total amount of households served under the MTW Tenant Based (Non Consent Decree) vouchers;

- An increase in the total amount of households served under the MTW Project Based (Non Consent Decree) vouchers; and

An increase in the total amount of households served under the MTW Tenant Based Bailey vouchers.

### **Expand Housing Choice**

HABC continued its initiatives to increase housing choice by program participants. In FY 2013, HABC:

- Increased the number of Project Based Vouchers (PBV) committed by 76 units maintaining a total commitment of 92 units.
- Executed the HAP contract for 18 units of transitional housing for homeless families who must surmount the barriers of substance abuse; all units have been leased.
- Entered into long-term affordable PBV contracts (15 years) that reflect the owner's obligation to request renewals of the HAP contract for PBV's to subsidize housing for the non-elderly disabled (NED), and to set forth what rights, privileges and benefits must be afforded the NEDs.

### **Improve the Quality of Leased Housing Units**

HABC completed pre-contract HQS inspections on 100% of new units and conducted annual HQS inspections on 99.2% of leased units.

### **Efficiently Allocated Limited Subsidy Resources**

In January 2008, Baltimore City launched the Ten Year Plan to End Homelessness, which includes commitments from HABC and City agencies to provide assistance to chronically homeless persons in the City. HABC set aside 500 vouchers, subject to appropriations, for the Housing First Initiative, which is administered through the HCV Program, to assist chronically homeless persons referred by the Mayor's Office of Human Services/Homeless Services Program in obtaining housing. As of June 2013, HABC served 312 households under this initiative. HABC continues to accept referrals for the chronically homeless.

## **3. Resident Services**

The Office of Resident Services, (ORS) creatively explored avenues to provide opportunities for self-sufficiency and to improve the overall quality of life for public housing and Housing Choice Voucher program families. The pursuit of grants and the expansion of partnerships was a significant challenge during this difficult economic period. During FY 2013, certain grant funded services were reduced in the important areas of employment services and self-sufficiency due to the expiration of grants. In spite of funding reductions, services were provided to more than 4,500 residents. The focus for the Office of Resident Services continued to be stabilization of families through referrals to partners for services, economic self-sufficiency and emphasis on special populations to include the elderly, the disabled and youth.

ORS continued to provide supportive services to address issues in family living and promote family stability. Critical partnerships with many in the community who help with crisis intervention, food services, health care, eviction prevention and a host of other services addressed the needs of families at our public housing developments. ORS restructured its staff and functions in order to meet program goals and address its focus areas. Service Coordination replaced previous counseling activities with staff relying on community partners to meet the supportive service needs of residents. The overall number of supportive service counselors was reduced in order to hire Job Development Specialists encouraging our residents to seek and retain employment. While still in progress, the restructuring also allowed for the hiring of youth workers to assure that youth residing in public housing become self-sufficient adults.

Several grant-funded and special initiatives continued in FY 2013. These programs included a partnership with the city for youth training and employment, a state funded parenting program – Our House, child care services, the Boys and Girls Clubs and other expanded youth initiatives. The Ticket-To-Work employment program promoted employment and economic self-sufficiency for the disabled and residents benefitted from HUD mandates that employers contracting with HABC hire housing residents. The Dr. Emerson Julian Child Care Center, the remaining HABC child care center, was privatized under the auspices of RSI.

### **Self-Sufficiency and Supportive Service Programs**

Self-sufficiency and Supportive Service Programs are the key operational areas for the HABC/ ORS. Though program funding for self-sufficiency has been reduced, key programs such as Family Self-Sufficiency and PACE continued. During FY 2013, 188 residents were placed in employment with an average hourly wage of \$12.70. Included in the total number of placements were 61 Section 3 jobs. The Family Self-Sufficiency program graduated 26 residents. Crisis intervention, service coordination, Our House Family Support Center, literacy training, computer training were key components under supportive services and served a total of 3,517 residents.

The following tables depict the numbers of residents served in various programs offered by the Office of Resident Services either directly or through established partnerships:

**Table 8:  
Residents Served in Self-Sufficiency Programs FY 2013**

<b>Service Program Area</b>	<b>Actual # Residents Served</b>
Family Self-Sufficiency	669
Job Training Services	60
Employment Services	362
Resident Training and Technical Assistance	140
<b>Totals</b>	<b>1231</b>

**Table 9:  
Residents Served in Support Service Programs FY 2013**

<b>Service/Program Area</b>	<b>Actual # Residents Served</b>
Crisis Intervention/Service Coordination	3184
Child Daycare Program	65
Our House Family Support Center	145
Pre and Post Occupancy	774
Building Communities Initiative	309
Mega Resource Center	500
<b>Totals</b>	<b>4,977</b>

### **Pre and Post Occupancy**

The Pre and Post Occupancy Program successfully introduced residents to housing with the information and responsibilities needed for them to maintain their units and be good neighbors. The workshop assisted new and existing public housing residents in understanding the responsibilities of their lease, complying with the community service requirement, becoming self-reliant in the upkeep and maintenance of their units and being informed on the resources and programs that exist within their communities and Baltimore City. In FY 2013, ORS served 774 residents through this training initiative.

### **Building Communities Initiative**

Designed to address the growing challenge of the social integration of seniors and residents with disabilities in our mixed population sites, the Building Communities Initiative showed some success in FY 2013 although sustaining improvement was an on-going challenge. 309 members serving on 12 established Boards. The core component of the program consists of both the elderly and the non-elderly disabled populations within the buildings designed to intervene and negotiate conflict between the two groups as well as to develop programs and activities that promote safe and friendly environments. Special attention was focused on the two most troubled sites – Bel-Park Towers and J. Van Story Branch Apartments.

### **Youth Services**

Baltimore Housings eleven Youth Clubs provided public housing youth with an opportunity to develop leadership, advocacy, outreach and communication skills as well as professional and social development and civic involvement. The focus for youth services was on increased staff involvement and partnering with the tenant councils and Parents Against Drugs resident organization to more effectively implement on-site youth leadership clubs. The second youth summit was held on August 7, 2013 to empower youth's leadership growth and development as well as involvement in their communities. Over two hundred youth attended. The partnership with the Boys and Girls Club of Metropolitan Baltimore, Living Classrooms and the Carmello Anthony Foundation for

on-site youth programs will continue at Brooklyn Homes, O'Donnell Heights, Westport, Perkins Homes and Pleasant View Gardens.

## **Resource Development**

Consistent and effective Resource Development is essential to the ongoing growth and success of HABC's Office of Resident Services (ORS). In FY 2013, as a result of grant writing, fundraising and the establishment of partnerships and collaborations, more than \$4 million of programs and services were added to ORS offerings. Of this amount, more than \$1.5 million in grant and contracts were awarded to Resident Services, Inc, thereby establishing its credibility and in doing so, increasing its ability to access new funding streams. This combination of resources have been critical in the filling of gaps in ORS's overall service delivery strategy.

## **Training and Technical Assistance for Resident Organizations**

Building the capacity for the HABC Resident Advisory Board and the HABC Resident Councils to function as professional community-based organizations and to assist them with resource development activities continued as key goals for HABC during FY 2013. Last year, ORS assisted eleven resident councils in receiving grant funding. The councils operated programs with technical assistance support from ORS to implement services in their communities that help improve the overall quality of life.

## **3. Information Technology**

In support of the MTW Annual Plan initiatives, HABC's Information Technology Department undertook and/or completed the following initiatives in FY 2013:

**Project:** HABC will solicit proposals for a turnkey Document Management System capable of handling current and future housing application needs. The system must be flexible and scalable and have the capacity for future growth and meet all current specifications and requirements.

**Status:** The project is fully installed and implemented for the divisions of Planning and Development, Office of Legal Affairs, Housing Operations Admissions and Leasing, and the Office of the Board of Commissioners. Additionally, the Information Technology division created an end-user quick and easy guide on the use of the document management system and thoroughly trained the Help Desk staff on the installation process and the contents of the end-user guide.

**Project:** HABC will issue an RFP for a vendor to replace the current Housing Management Enterprise System (HMES). An HMES is a complete suite of software that will offer an integrated solution to our Agency's day-to-day management. It allows you to maximize your ability to manage Housing Choice Vouchers, conventional Low-Rent

Public Housing, Project-Based leased housing, and many special state and locally subsidized programs. The following is a sample list of integrated housing management modules:

- Waiting Lists
- Housing Choice Voucher Program
- Rent Reasonableness
- Affordable Housing (50059, TRACS)
- Public Housing & Property Management
- Work Orders
- Utility Billing
- Handheld Inspections

HABC will be looking for superior functionality and forward-thinking technology to help streamline daily business processes, improve productivity and promote cost efficiency in all operations.

**Status:** HABC selected Emphasys Computer Solutions and their housing software, Elite. The following modules went live on July 1, 2013, Low Income Public Housing (LIPH), the Public Housing Work Order module, and the Public Housing Waiting List. HABC is on schedule to go live with the Housing Choice Voucher Program on September 25, 2013.

**Project:** HABC will procure and implement an Interactive Voice Response system (IVR) to accomplish the following tasks:

- Allow HABC to interact with our Waitlist clients to verify identifiable information such as name, address and phone number.
- Allow HABC to conduct surveys, and polls to collect certain information about our customer service to our residents.

**Status:** HABC has reviewed two vendors Angel; a Cloud based IVR Company, and Centurion CARES Call Center IVR. IVR is an acronym for Interactive Voice Response technology. With Angel IVR, callers will appreciate a seamless and consistent experience. The Outbound IVR automates the outreach process, enabling you to better manage staff resources and reduce costs through more efficient call handling.

**Project:** HABC will evaluate the feasibility of installing a Kiosk for the Applications Department. This is to explore the effectiveness of our clients using a Kiosk to access their information on our Waitlist and apply for housing.

**Status:** HABC decided to suspend moving forward with this project until October 2013 because the software vendors evaluated, have Web Application, Vendor and Resident Portals as part of their housing software systems.

## B. Planned vs. Actual Sources & Uses of Other HUD Funds (Excluding HOPE VI)

This section of the Annual Plan provides information on HABC's planned vs. actual sources and uses of non-MTW HUD funds. As required by the MTW Agreement, information on HABC's planned sources and uses for MTW, State and Local funds is included in Chapter VII. This section also includes a summary of HABC's planned vs. actual non-MTW activities, i.e. activities that do not specifically require use of MTW Agreement authority in order to be implemented.

HABC's Other HUD or Other Federal Funds (excluding HOPE VI) include the following funding sources:

- Formula American Recovery Reinvestment Act (ARRA)
- Competitive ARRA
- Resident Opportunity Self Sufficiency (ROSS)
- Other Section 8 Programs, which include the moderate rehabilitation, substantial rehabilitation and the new construction programs

## C. Planned vs. Actual Sources and Uses of Other HUD Funds excluding HOPE VI

**Table 10:**  
**FY 2013 Planned vs. Actual Sources of Other HUD Funds excluding HOPE VI**

UNAUDITED	Budget	Actual	Variance
Housing assistance payments	8,331,881	8,769,952	438,071
Ongoing administrative fees earned	728,218	698,132	(30,086)
FSS Coordinator	344,040	344,040	-
HUD Operating Grants	24,607	-	(24,607)
<b>Total Operating Grants</b>	<b>9,428,746</b>	<b>9,812,124</b>	<b>383,378</b>
Capital Grants - Hard cost Only	832,733	375,380	(457,353)
Other Government Grant	304,280	289,341	(14,939)
Investment Income	2,681	2,242	(439)
Other Revenue	9,000	-	(9,000)
<b>Total Other HUD Funds Sources</b>	<b>10,577,440</b>	<b>10,479,087</b>	<b>(98,353)</b>

### Narrative Explanation of Differences

1. Revenue for Housing Assistance Payments exceeded budget due to the increase for the VASH program.
2. Ongoing Administrative Fees were below budget because of lower than anticipated fees received from HUD.

3. HUD Operating Grants were under budget due to decreased revenue for reduced administrative costs in ARRA. The ARRA grants expired in September 2012.
4. Capital Grants – Hard Cost were under budget due to decreased ARRA construction activities. These costs are reimbursed dollar for dollar by HUD.
5. Other Government Grants include the ROSS grant, in which activities were budgeted based on actual grants activity. The grants are reimbursed by HUD dollar for dollar.
6. Other Revenue was budgeted for Other Section 8 programs audit cost reimbursement from HUD; however, none was received in FY 2013.

**Table 11**  
**FY 2013 Planned vs. Actual Uses of Other HUD Funds excluding HOPE VI**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Administrative	619,775	480,050	139,725
Tenant Services	518,808	490,867	27,941
Ordinary Maintenance & Operations	-	-	-
Protective Services	-	2,207	(2,207)
General Expenses	132,090	313,207	(181,117)
<b>Total Operating Expenses</b>	<b>1,270,673</b>	<b>1,286,331</b>	<b>(15,658)</b>
Housing Assistance Payments	8,331,881	8,769,952	(438,071)
Hard Costs	832,733	375,380	457,353
<b>Total Other HUD Funds Uses</b>	<b>10,435,287</b>	<b>10,431,663</b>	<b>3,624</b>

### **Narrative Explanation of Differences**

1. Administrative expenses were under budget primarily due to the closing of the ARRA grants in September 2012.
2. Tenant Services were under budget due to the decreased activities in the ROSS grant. These costs are reimbursed dollar for dollar by HUD.
3. General Expenses exceeded budget because HABC made a litigation settlement payment, as approved by HUD, utilizing the Section 8 New Construction program reserve fund.



4. Housing Assistance Payments (HAP) exceeded budget due to the increase in VASH vouchers.
5. Hard Costs include ARRA activities that were closed in September 2012.

## D. Planned vs. Actual Sources and Uses of Non- MTW Funding

Programs under the Non-MTW activities include the following:

- Energy Performance Contract (EPC)
- HOPE VI
- Other business activities, which include Partnership Rental Housing Programs (PRHP) market rate units, HABC's forced account – HABC Co, and the resident service grant – Friends of the Family.

**Table 12**  
**FY 2013 Planned vs. Actual Sources of Non-MTW Activities**

UNAUDITED	Budget	Actual	Variance
Net Tenant Revenue	1,253,678	1,345,846	92,168
Tenant Revenue Other	32,595	35,363	2,768
<b>Total Tenant Revenue</b>	<b>1,286,273</b>	<b>1,381,209</b>	<b>94,936</b>
HUD Operating Grants	520,590	66,028	(454,562)
Capital Improvement Hard Cost	35,962,770	23,882,074	(12,080,696)
Other Government Grant	250,000	354,356	104,356
Other Revenue	2,582,449	2,202,227	(380,222)
<b>Total Non-MTW Source</b>	<b>40,602,082</b>	<b>27,885,894</b>	<b>(12,716,188)</b>

### Narrative Explanation of Difference:

1. Net Tenant Revenue exceeded budget due to higher rental income for the Partnership Rental Housing Program (PRHP) market rate units managed by HABC's privatized firms.
2. HUD Operating Grant Revenue was under budget because the HOPE VI activities for the Affordable Home Initiative (AHI) were delayed.
3. Capital Improvement Hard Cost revenue was under budget because the planned construction activities for HOPE VI AHI and EPC were delayed.

4. Other revenue was under budget because of lower than anticipated construction and maintenance activities from HABCo in FY 2013.

**Table 13**  
**FY 2013 Planned vs. Actual Uses of Non-MTW Activities**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Administrative	2,126,174	1,969,427	156,747
Tenant Services	225,274	282,202	(56,928)
Utilities	171,179	163,660	7,519
Ordinary Maintenance & Operations	754,328	1,049,186	(294,858)
Protective Services	13,843	10,151	3,692
General Expenses	928,455	1,365,911	(437,456)
<b>Total Operating Expenses</b>	<b>4,219,253</b>	<b>4,840,537</b>	<b>(621,284)</b>
Extraordinary Maintenance	-	-	-
Casualty Loss	-	-	-
Hard Costs	36,362,770	23,882,074	12,480,696
<b>Total Non-MTW Uses</b>	<b>40,582,023</b>	<b>28,722,611</b>	<b>11,859,412</b>

### **Narrative Explanation of Differences**

1. Administrative expenses were under budget because of lower than anticipated HABCo activities in FY 2013.
2. Tenant Services include salaries and benefits of the Friends of the Family grant. Also included in this expense category is materials and contract costs relating to this resident services area.
3. Utilities include expenses for water, electricity, and gas consumed by the market rate units in the PRHP.
4. Ordinary Maintenance & Operations include maintenance materials and contract for the PRHP. Actual Ordinary Maintenance exceeded budget due to renovation of various PRHP market rate units.
5. General Expenses exceeded budget due to higher than anticipated workers compensation insurance premium charged to HABCo.
6. Hard Costs were under budgeted due to delays in the HOPE VI AHI and several EPC funded projects, which included decentralization of heating system at Latrobe Homes, piping modernization projects at Cherry Hill Homes, and improvement of local controls, energy efficient lighting, water conservation and tenant metering at the five housing sites. These capital

Improvement activities are discussed in more detail under the Capital Plan section.

## **IV. Long-Term MTW Plan**

In its initial request for MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self-sufficiency.

HABC is committed to creating new affordable housing opportunities for City residents at a wide range of incomes. Within its financial constraints and consistent with site and neighborhood standards, HABC plans to replace lost public housing units through the production of new homes for existing public housing residents and others with incomes that would qualify for public housing. In its redevelopment efforts, HABC will strive to create vibrant, mixed-income neighborhoods that will benefit both local residents and the wider community.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to increase the number of households housed in public housing by approximately 1,000 households between June 2006 and June 2013. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources shifted back to the Housing Choice Voucher program in FY 2011 which resulted in HABC serving 4,040 more households during the same period (this number excludes Substantial Rehab, New Construction and Thompson Tenant and Project Based Vouchers).

HABC is also planning to undertake a portfolio wide asset review to help shape its capital spending and development priorities. This effort will provide a roadmap and framework for future investments and development activities. HABC will explore ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC continues to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources is a key component of HABC's neighborhood reinvestment, new housing production, Thompson Partial Consent Decree and Bailey Consent Decree production initiatives;

- Developing 1066 low-income rental units over the next ten years, as part of the City of Baltimore's plans to develop an overall total of 3,080 new housing units. MTW funds will be combined with Low Income Housing Tax Credits and other financial resources in support of this goal. Specific development plans are summarized above, and discussed in the FY 2013 Annual Plan.
- Streamlining income, deduction and rent calculation policies and procedures. For instance HABC is considering performing a full reexamination only every 36 months with expedited recertifications in the interim years.
- Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding and development flexibility is an essential component of these efforts; and
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components. As an example, HABC's Homeownership Plan uses MTW flexibility to promote first time home buying opportunities for public housing residents.

HABC will continue to pursue this long term vision – and identify new ways to utilize MTW flexibility in support of the MTW statutory objectives - over the ten-year term of the new MTW Agreement.

## **V. Proposed MTW Activities**

Approval of proposed MTW activities is accomplished through the Annual Plan process. For the Annual Report, HUD requires that this section identify any MTW activities for FY 2013 that have already been proposed by HABC and approved by HUD, but have not yet been implemented.

*New Investment Policies for HABC*- As part of the FY 2013 Annual Plan, HABC adopted investment policies consistent with state law for both HABC program funds and Other Post Employment Benefit (OPEB) Trust funds to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The policy was intended to increase investment revenue and alleviate some of the federal expenditures necessary to carry out federal programs. For example, if investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset OPEB liability.

Unfortunately, because of State rules, the Maryland Local Government Investment Pool could not execute the required General Depository Agreement with HABC. Therefore, HABC will withdraw from this proposed MTW activity.

*Rent Increase Suspension/Freeze for Landlords* – Suspending rent increase adjustments will keep Housing Choice Voucher Program (HCVP) spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners. At this time it is not necessary for the HCVP to implement this MTW activity.

## VI. Ongoing MTW Activities

### A. Updates to Ongoing Activities

HABC continues to implement a wide array of MTW activities in support of HABC's mission and the national MTW statutory objectives. This section of the Annual Report provides an update on approved MTW activities including progress in meeting agency-specified benchmarks. Note that for MTW activities approved prior to 2010, HABC has developed required benchmarks and metrics as part of this Annual Report process. For MTW activities approved from 2010 on, benchmarks and metrics were specified during the MTW Annual Plan approval process. At this point, HABC does not intend to use external evaluators to assess progress in meeting MTW initiatives. Internal reports are generated on a periodic basis to assess performance against proposed targets.

Table 14 provides FY 2013 updates to ongoing MTW activities in the public housing program.

**Table 14:**  
**Ongoing MTW Activities for Public Housing – FY 2013 Update**

MTW Plan Year/Activity	FY 2006 – Two Year Recertifications - This activity was originally approved in the FY2006 MTW Plan and subsequently implemented in FY2010 for fixed income households only.
<b>Description</b>	<p>HABC is responsible for the annual reexamination and verification of household income, household composition and other eligibility data. Using MTW authority, HABC will conduct a full reexamination of household income and composition for households with fixed income one time every twenty-four (24) months in order to achieve greater efficiency and effectiveness. In the year between full reexaminations, an expedited review will be done that adjusts rents based on annual adjustments in Social Security and SSI payments.</p> <p><u>Statutory Objective:</u> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C (C)(4) to waive the requirement that HABC conduct annual recertifications.</p>
<b>Projected vs. Actual Impact</b>	<p>This MTW activity is projected to simplify the rent policy for staff and residents by only requiring fixed-income households to submit income verification once every two years. The program began with recertifications due on February 1, 2010. Once fully implemented, HABC expects that 100% of recertifications will be completed and 98% will be completed in a timely manner.</p> <p><u>Impact Analysis:</u> 1. Because rents are still be based on annual income, there is no impact on rent revenue. 2. Residents' rents continue to be calculated based on 30% of their adjusted income, so there is no increase in rent burden. 3. Staff are able to complete their recertifications more efficiently because half of all recertifications of fixed income households have expedited rent reviews in any one year. 4. As the changing population in HABC's high rises becomes more demanding and challenging for management, staff will be able to devote more time to deal with their tenants.</p> <p><u>Actual Impact:</u> This year HABC changed the metrics for this MTW activity in order to show cost avoidance in staff time, and greater efficiency when performing annual recertifications.</p> <p>In FY 2013 HABC realized a cost avoidance of \$54,197.94 which is approximately 4% below the projected cost savings due to a decrease in the actual number of bi-annual recertifications completed. .</p>

	<p><b>Hardship Policy:</b> Under the policy, no resident will be required to pay more than 30% of their adjusted income. The hardship policy and criteria are described in Section 6 of Volume 3 of the MTW Plan (ACOP)..</p> <p><b>Annual Reevaluation of the Policy:</b> Annually, the outcomes of the policy are evaluated to determine the effectiveness of this activity (see <b>Progress in Meeting Benchmarks/Metrics</b>, below).</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>HABC implemented this change by Operating Order in FY 2010 and it became effective for recertifications that were due on February 1, 2010. This year HABC is changing the way it measures this MTW activity in order to show cost avoidance in staff time, and greater efficiency when performing annual recertifications.</p> <p>The average time spent to complete an annual recertification 1.25 hours per recertification. Instead of counting the percentage of recertifications completed each year, HABC will calculate the time saved from performing annual recertifications.</p> <p>2. The average caseload for a recertification specialist is about 450 recertifications per year. Implementing a 2-year recertification schedule and interims for changes to family income and composition will decrease the time staff spend doing recertifications and allow them to use that time more efficiently in the performance of other duties.</p> <p><b><u>Baseline as of June 30, 2009:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 3,468</li> <li>• Amount of time needed to complete annual recertifications: 1.25 hours</li> <li>• Number of hours needed to complete all annual recertifications: 4,335 hours (3468*1.25)</li> <li>• Average cost of a recertifier (without overhead) = \$25.55/Hour</li> <li>• Average cost to complete annual recertifications = \$110,759.25 (4335*25.55)</li> </ul> <p><b><u>Proposed Benchmark for 6/30/13:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 3400</li> <li>• Number of bi-annual recertifications: 1,700</li> <li>• Amount of time needed to complete a recertification: 1.25 hours</li> <li>• Number of hours needed to complete bi-annual recertifications: = 2,125 (1.25*1700)</li> <li>• Average cost of a recertifier (without overhead) = \$25.55/Hour</li> <li>• Cost of bi-annual recertifications = \$54,293.75 (25.55*2125)</li> <li>• Projected cost avoidance: \$56,465.50</li> </ul> <p><b><u>Outcome as of June 30, 2013:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 3,394</li> <li>• Number of bi-annual recertifications: 1,697</li> <li>• Amount of time needed to complete annual recertifications and interims: 1.25 hours</li> <li>• Number of hours needed to complete bi-annual recertifications: = 2,121.25 (1.25*1697)</li> <li>• Average cost of a recertifier (without overhead) = \$25.55/Hour</li> <li>• Average cost of annual recertifications = \$108,395.88 (3394*1.25*25.55)</li> <li>• Cost of bi-annual recertifications = \$54,197.94 (25.55*2121.25)</li> <li>• Actual cost avoidance: \$54,197.94</li> </ul>
<b>Data Collection Method</b>	Internal reports are used. Only data gathered during the recertification process is used. Snapshots of end of fiscal years are used to compare outcomes.
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	There were no hardship requests for this initiative.
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2010 – Gilmor Homes Demonstration – Implemented FY 2010



<b>Description</b>	<p>Gilmor Homes has the lowest average rents (\$190 versus \$240) and household incomes (\$8,800 versus \$11,250) of all HABC family sites. Within HABC, it also represents a higher poverty concentration than other public housing communities. Using MTW authority, the activity described below will allow HABC to simplify the rent calculation process while encouraging residents to achieve self-sufficiency. The demonstration program has several components:</p> <p><b>1. Employment Services:</b> Residents at the site receive enhanced employment services, including, but not limited to, job placement and “replacement” services. Special efforts are made to connect qualified residents with jobs offered by HABC and its contractors.</p> <p><b>2. Admissions Preference:</b> HABC’s Admissions and Leasing Office ensures that at least 50% of all new residents have employment as a primary source of income. This admissions “preference” is in effect until the demonstration site’s average rent equals the average rent of an HABC resident.</p> <p><b>3. Rent Policy:</b> HABC implemented a demonstration rent policy designed to (a) ensure affordable rent (no more than 30% of adjusted income); (b) assist residents in obtaining employment, (c) give residents incentive to retain employment, (d) encourage residents to obtain job skills that maximize their earning potential and encourage savings.</p> <p><b>4. Hardship Policy:</b> Under the policy, no resident is required to pay more than 30% of their adjusted income. The current hardship policy will apply as described in Section 6 of Volume 3 of the MTW Plan (ACOP).</p> <p><u>Statutory Objective:</u> The statutory objective is to give incentives to families with children whose heads of household are working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C (C)(11. ) and ( C)(6 to waive certain admissions and rent calculation provisions of the 1937 Housing Act. .</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> This MTW activity was projected to simplify rent policy for staff and residents; encourage employment, job retention, and wage progression; and provide increased resident choice by providing residents with an additional rent policy option and applicants with a choice of the demonstration site with its enhanced self-sufficiency services and rent policy versus other available public housing sites.</p> <p><b><u>Actual Impact:</u></b> This year the average amount of income at Gilmor exceeded the average amount of income at HABC’s mixed-population developments by 1% but not its family sites. . Since the start of the demonstration, the average Gilmor household income has increased 19% compared to 3% at other sites, Over the past year, Gilmor incomes have increased an average of 12%.</p> <p>Employment rates at Gilmor have increased by 3% from 25% to 28% over the course of the demonstration compared to a decrease of 1% at mixed-population sites; 4% at HABC’s family sites and a 6% decrease in the employment rate in HABC’s Scattered Sites inventory. While the increase in the rate of employment at Gilmor is significant, even more important is the fact that the poor economy has not resulted in a decrease equal to that of other sites. Gilmor average rents also increased by 9% over the past year and 20% since the start of the demonstration compared to 4% and 4% for other family sites, respectively.</p> <p>Even though HABC did not achieve its benchmarks this year, growth in all three metrics was realized. This may be attributed in part to the preference created for working families at Gilmor but can also be attributed to existing families entering the job market.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>HABC measures this activity by assessing changes to average household income, average rent, and number/percent of households with at least one full-time employed household member. The baseline and the projected benchmarks are shown below:</p> <p><b><u>Baseline as of 6/30/09:</u></b> Average household income of \$8,880; average rent of \$190; and, percent of households with an employed household member is 26%.</p>

	<p><b><u>Proposed Benchmarks:</u></b> Average household income of \$11,250; average rent of \$239; and, 29% percent of households with an employed household member.</p> <p><b><u>Actual Outcome as of 6/30/13:</u></b> Average household income of \$10,968; average rent of \$231; and, 28% percent of households with an employed household member.</p>
<b>Data Collection Method</b>	Internal reports based on information gathered during initial certifications and regular recertifications are used to measure outcomes.
<b>Challenges</b>	Loss of grant funding at Gilmor Homes has reduced employment services and may have affected the success of the demonstration.
<b>Results of Hardship Requests</b>	No hardship requests were submitted.
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2006: Family Self Sufficiency - Implemented FY 2006
<b>Description</b>	<p>HABC established a combined Public Housing and HCV Family Self Sufficiency program. Using MTW authority Program requirements will vary from the existing regulatory framework: 1) eliminated mandated thresholds for number of participants in the HCVP program and expanding the program to include public housing residents; 2) enhanced program design to target the populations in need; 3) focused outcomes toward homeownership and unsubsidized economic independence; 4) changed the maximum contract period from five (5) to four (4) years; and developed new procedures/regulations regarding the release of the escrow funds. In addition, to maximize program effectiveness a caseload limit was set for staff to client ratio of 1:75.</p> <p><b><u>Statutory Objective:</u></b> The statutory objective is to give incentives to families with children whose heads of household are working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient.</p> <p><b><u>Statute/Regulatory Waiver:</u></b> MTW Agreement, Attachment C(E), and Attachment D(E). ).</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> This activity was projected to increase the level of contact with FSS clients/families; increase participation level of public housing residents; target the populations of residents who are employed, in a self-sufficiency/training program and other families in need; increase knowledge base amongst clients/families in the areas of private market rental training and homeownership education; decrease length of time to release escrow funds to clients/families; provide more time and quality services to clients by setting caseload limits; increase incomes and rents of graduating participants by at least 50%.</p> <p><b><u>Actual Impact:</u></b> <b><u>Actual Impact:</u></b> The Program shows a decrease in the total number of families enrolled in the MTW Self-Sufficiency Program for FY 2013. , When a resident expresses interest in the FSS program, orientation and enrollment follow quickly. It is critical that residents are captured during the time of their interest. Over the past year, Metric #8 shows an increase in the number of employed families in the Program, and a significant decrease in the number of families engaged in a self-sufficiency program. Given the table below more employed families are entering the program this year and families overall are enrolling in Programs other than those targeted to self-sufficiency.</p>

	<div>Public Housing Residents Enrolled in the MTW Family Self-Sufficiency Program Metric #8</div> <table><tr><th>Fiscal Year</th><th>Total Number of Families Enrolled</th><th>Residents who are Employed  Benchmark: 25%</th><th>Engaged in a Self-Sufficiency Program  Benchmark: 50%</th><th>Residents Enrolled in Other Programs  Benchmark:25%</th></tr><tr><td>FY 09 (Baseline)</td><td>25</td><td>36%</td><td>40%</td><td>24%</td></tr><tr><td>FY 2010</td><td>35</td><td>15%</td><td>40%</td><td>45%</td></tr><tr><td>FY 2011</td><td>42</td><td>7%</td><td>27%</td><td>66%</td></tr><tr><td>FY 2012</td><td>34</td><td>11%</td><td>74%</td><td>15%</td></tr><tr><td>FY 2013</td><td>23</td><td>21.5%</td><td>26%</td><td>52.5</td></tr></table>	Fiscal Year	Total Number of Families Enrolled	Residents who are Employed  Benchmark: 25%	Engaged in a Self-Sufficiency Program  Benchmark: 50%	Residents Enrolled in Other Programs  Benchmark:25%	FY 09 (Baseline)	25	36%	40%	24%	FY 2010	35	15%	40%	45%	FY 2011	42	7%	27%	66%	FY 2012	34	11%	74%	15%	FY 2013	23	21.5%	26%	52.5
Fiscal Year	Total Number of Families Enrolled	Residents who are Employed  Benchmark: 25%	Engaged in a Self-Sufficiency Program  Benchmark: 50%	Residents Enrolled in Other Programs  Benchmark:25%																											
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FY 2012	34	11%	74%	15%																											
FY 2013	23	21.5%	26%	52.5																											
Progress in Meeting Benchmarks/Metrics	<div>1) <b>Baseline FY-09:</b> There were 35 clients/families enrolled in FSS <b>Proposed benchmark (FY-13):</b> An additional 10 public housing clients/families to be enrolled in FSS. <b>Outcome FY-13:</b> An additional 37 public housing clients/families enrolled in FSS.</div> <div>2) <b>Baseline FY-09:</b> 9 graduating families. <b>Proposed benchmarks (FY-13)</b> 5 graduating families. <b>Outcome FY-13:</b> 5 graduating families.</div> <div>3) <b>Baseline FY-09:</b> average earned ending income increased by \$13,120; average ending rent increased by \$274 for FSS graduates. <b>Proposed benchmarks (FY-13)</b> – Average earned ending income increase and rent increase by 30% for FSS graduates <b>Outcome FY-13:</b> average earned ending income increased to \$17,567 (176%) and rent increased from an average of \$91 per month to \$516.00 for FSS graduates.</div> <div>4) <b>Baseline FY-09:</b> The ratio staff to client was 1:67. <b>Proposed benchmark (FY-13):</b> Staff to client 1:75. (Ratio is in accordance to level of case management needed per family.) <b>Outcome FY-13:</b> 1: 71 (Ratio is in accordance to level of case management needed per family.)</div> <div>5) <b>Baseline FY-09:</b> 12 residents were exposed to training in the homeownership education. No curriculum was established for private market rental training. <b>Proposed benchmarks (FY-13)</b> All FSS clients to attend both topic areas prior to graduating from FSS program. <b>Outcome FY-13:</b> 5 families graduated from the FSS Program and 5 families attended homeownership education and private market rental training prior to graduation.</div> <div>6) <b>Baseline FY-09:</b> 19 escrow accounts. <b>Proposed benchmarks (FY-13):</b> 8 escrow accounts. <b>Outcome FY-13:</b> 8 escrow accounts</div> <div>7) <b>Baseline FY-09:</b> 9 escrow disbursements. <b>Proposed benchmarks (FY-13):</b> 5 escrow disbursements. <b>Outcome FY-13</b> 5 escrow disbursements.</div> <div>8) <b>Baseline FY-09:</b> 25 clients/families were enrolled in the FSS program. Of the 25 clients/families, 10 were involved with (pre-FSS) self-sufficiency activities, 9 were employed and 6 were other families in need. <b>Proposed benchmarks (FY -13)</b> 25 % of slots targeted to employed residents; 50% target to residents in self-sufficiency activities; and 25% targeted to other interested residents <b>Outcomes (FY-13):</b> 23 clients/families enrolled in the FSS program. 21.5% of enrolled residents were employed, 26% of enrolled residents were involved in self-sufficiency</div>																														

	activities and 52.5% were enrolled as other interested residents.
<b>Data Collection Method</b>	Internal reports are utilized to measure outcomes.
<b>Challenges</b>	Continuing challenges exist in motivating clients to achieve their goals, as well as with the state of the economy, which severely limits job opportunities.
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2009 – Homeownership Program –Implemented FY 2011
<b>Description</b>	<p>HABC modified its existing Section 32 Homeownership Plan using MTW authority. It incorporates a number of features that differ from the standard Section 32 homeownership requirements: Using MTW authority HABC’s plan will not place a firm cap on the percentage of adjusted income that is considered “affordable” for homeownership purposes; HABC will be able to extend the recapture period for net sales appreciation to a total of 10 years using a declining scale; and, HABC’s plan will be open in terms of timetable and the number of scattered site units to be covered under the Plan, i.e. potentially over time, all scattered site units could be eligible for homeownership for qualified households.</p> <p><u>Statutory Objective:</u> To increase housing choices for low-income families.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C (C)(7)(b)(i), (ii); 24 CFR 906.27(4); and 24 CFR 906.39(2) respectively.</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> HABC projects that this activity will help to increase the number of first time homebuyers occupying scattered site units. A benchmark of 15 homes sold over 10 years has been established.</p> <p><b><u>Actual Impact:</u></b> Despite numerous efforts by HABC, the benchmark of this MTW activity has been very difficult to achieve. HABC holds orientation/workshops, conducts tours of newly renovated homes, distributed a survey (see “Challenges” below), and given numerous referrals for housing counseling. In spite of these efforts interest and participation in this program remains at three (3) homes sold. Modifications to this MTW activity may appear in the next annual plan.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of June 30, 2009:</u></b> There were 0 homeowners for the Scattered Sites Homeownership Program.</p> <p><b><u>Proposed Benchmark for FY 2013: Two scattered Sites homes sold for a total of 5</u></b></p> <p><b><u>Outcome as of 6/30/13:</u></b> 0 homes sold in FY 2013; three (3) of 15 homes sold to date.</p>
<b>Data Collection Method</b>	Internal reports are utilized to measure outcomes.
<b>Challenges</b>	<p>A survey was mailed to 265 Scattered Sites residents. Of that number HABC received 33 responses; 55% of the residents who responded want to purchase a HABC home; 30% want to purchase a home but not one owned by HABC; and 15% don’t want to purchase a home at all because they either have credit issues or they don’t want the responsibility.</p> <p>Of the 18 families who expressed an interest in the Scattered Sites Homeownership Program, two (2) orientations were scheduled to begin entering them into the Program; 5/23/12 and 11/20/12. On 5/23/12 three (3) of the 18 families attended the orientation and four (4) of the 18 families attended orientation on 11/20/12.</p> <p>On March 25, 2013 when HABC followed-up with the three families who attended on 5/23/12, it was discovered that one family lived in a unit that was part of a joint venture between HABC and a developer; the remaining two families were still interested but had not yet attended homeownership counseling;</p> <p>On March 26, 2013 a follow-up meeting was held with the four (4) families who attended the orientation on November 20, 2012 where HABC discovered that one head of household (HOH) was no longer employed; another HOH rescinded her application, because she wasn’t sure if she was able to handle the financial responsibility; and the remaining two families had not yet attended homeownership counseling. HABC will continue to follow up with families who express an interest in homeownership.</p>
<b>Results of Hardship</b>	N/A

<b>Requests</b>	
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2009: TDC Limits – Implemented FY 2009
<b>Description</b>	<p>HABC has established a local Total Development Cost policy to acquire the 58 scattered site units under the Thompson Consent Decree. . HUD approval was received by letter dated March 12, 2009. This MTW activity was necessary to implement a TDC policy that reflects general local marketplace conditions and the cost of acquiring housing in Baltimore City.</p> <p><u>Statutory Objective:</u> To increase housing choices for low-income families.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment D (C)(1)</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> At the time of implementation, HABC projected that this activity would facilitate the acquisition and rehabilitation of the remaining 43 of 58 rental units needed to complete one of HABC’s obligations under the Thompson Partial Consent Decree. Under the terms of the Decree, former residents of the Broadway public housing development would be provided with greater choice and opportunity. Units would be located in scattered sites in non-impacted areas of Baltimore City and surrounding counties. Acquisition and rehabilitation activities were coordinated by Homes for America.</p> <p><b><u>Actual Impact:</u></b> Since FY 2009, and with the help of local TDC Limits, HABC purchased, rehabilitated and occupied all 43 scattered site units as obligated under the Decree.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of FY 2009:</u></b> The Baseline is zero(0) which reflects the onset of the project for the Thompson 58 development in FY 2009</p> <p><b><u>Outcome as of FY 2013:</u></b> This MTW initiative was project-specific for scattered sites units to be created under the Thompson Consent Decree. Since implementation of the MTW TDC limits, 58 units have been acquired, rehabilitated and occupied.</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2011: Asset Self-Certification
<b>Description</b>	<p>HABC will implement a rent policy designed to (a) ensure affordable rent (no more than 30% of adjusted income); (b) assist residents in obtaining employment, (c) give residents incentive to retain employment, (d) encourage residents to obtain job skills that maximize their earning potential and encourage savings. MTW authority was needed to waive some of the regulatory requirements when determining the amount of asset income.</p> <p><u>Statutory Objective:</u> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C, paragraph (C)(11)</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> The administrative burden of third party verifications will be greatly reduced. Over 1,000 households report some form of asset verification. At the time of implementation, this number was 1,105. Only 112 households had total assets exceeding \$5,000. It takes on an average of 15 minutes (.25) to verify asset income. HABC estimates that projects approximately 1,000 fewer asset verifications per year.</p> <p><b><u>Actual Impact:</u></b> For FY 2013 HABC changed its metrics for this MTW activity. Instead of a benchmark that calculates the difference between asset verifications over \$5,000 and those under \$5,000, HABC will calculate the cost avoidance in completing fewer asset reviews. This allows staff to perform other more critical duties such as rent conferences and interims. Although HABC did not meet its benchmark the savings reported compels continuing support for this MTW activity.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>HABC implemented this change by Operating Order in June 2011, and it became effective for recertifications that were due on September 1, 2011. This year HABC is changing the way it measures this MTW activity in order to show cost avoidance in staff time, and greater efficiency when performing annual recertifications.</p> <p>The average time spent for staff to verify assets and to calculate the income from the assets</p>

	<p>is 15-20 minutes per recertification. Instead of counting a decrease in the number of asset verifications each year, HABC will calculate the cost of time saved from performing asset verifications. Excluding assets less than \$5,000 from recertification will reduce staff time needed per recertification.</p> <p><b>Baseline June 2011:</b> 993 families had assets of less than \$5,000 (1,105 families had assets of which 112 exceeded \$5,000).</p> <ul style="list-style-type: none"> <li>Amount of time needed to verify all assets = 276.25 (1105*.25)</li> <li>Cost of verifying all assets reported = \$7,058.19 (\$25.55*276.25)</li> </ul> <ul style="list-style-type: none"> <li>Number of participants with assets less than \$5,000: 993</li> <li>Projected time needed to complete assets verifications: .25 hours</li> <li>Total time needed to complete asset verifications for less than \$5,000: 248.25 hours (.25*993)</li> <li>Average hourly cost of a Housing Manager (not including overhead) \$25.55/hour</li> <li>Total savings in verifying assets \$5,000 and above: \$6,342.79</li> </ul> <p><b>Proposed Benchmark for 6/30/13:</b></p> <ul style="list-style-type: none"> <li>Realize cost savings by decreasing the time spent doing asset verifications.</li> <li>Projected time saved performing assets verifications for annual recertifications: 250 hours (.25*1000)</li> <li>Projected cost savings: \$6,387.50</li> </ul> <p><b>Outcome as of June 30, 2013:</b></p> <ul style="list-style-type: none"> <li>Number of participants with assets less than \$5,000: 987</li> <li>Time needed to verify assets less than \$5,000: 246.75 hours (.25*987)</li> <li>Average hourly cost of a Housing Manager (not including overhead) \$25.55/hour</li> <li>Actual cost saved: \$6,304.46.</li> </ul>
<b>Data Collection Method</b>	Annual recertification data will be used.
<b>Challenges</b>	None
<b>Results of Hardship Requests</b>	No hardship policy required for this change.
<b>Changes to Authorizations</b>	None

Table 15 provides FY 2010 updates to ongoing MTW activities in the Leased Housing program.

**Table 15:**  
**Ongoing MTW Activities for Leased Housing – FY 2013 Update**

<b>MTW Plan Year/Activity</b>	FY 2006: Risk Based Inspections - HABC anticipates implementation at the beginning of CY2014.
<b>Description</b>	<p>HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion. MTW authority is needed to waive the requirement that all units be inspected annually.</p> <p><u>Statutory Objective:</u> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment D, paragraph (D)(2)</p>
<b>Projected vs. Actual Impact</b>	This MTW activity will assist HABC in more closely monitoring those units which consistently fail HQS inspections. The activity will also allow HABC to make a more efficient use of the HCVP Inspectors as they concentrate on problem properties.

<b>Progress in Meeting Benchmarks/metrics</b>	This MTW activity is not yet implemented however, upon implementation HABC's metrics will be: <b>Baseline:</b> the number of units inspected and then re-inspected (because of HQS violations prior to implementation, <b>Benchmark:</b> the number of units inspected and then re-inspected after implementation, and any savings incurred as a result.
<b>Data Collection Method</b>	Internal reports will be used to measure outcomes.
<b>Challenges</b>	Baltimore City has a lot of at-risk inventory. As more of the inventory is rehabilitated, HABC will take a closer look at implementing this MTW activity. HABC will look at this initiative marginally and implement incrementally.
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2006: Two Year Recertifications - Implemented FY 2007
<b>Description</b>	<p>HABC was responsible for the annual reexamination and verification of household income, household composition and other eligibility data. Using MTW authority, HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months instead of the required once a year. The 24-month reexamination policy does <u>not</u> apply to:</p> <ul style="list-style-type: none"> <li>Residents living in Mod Rehab and Mod Rehab SRO units</li> <li>Residents with other vouchers that do not qualify based on HUD funding restrictions</li> <li>Residents with Homeownership vouchers</li> </ul> <p><u>Statutory Objective:</u> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C (D)(1)(c)</p>
<b>Projected vs. Actual Impact</b>	<p><b>Impact Analysis</b> - This activity is projected to lower the overall costs related to annual recertifications by reducing the number of recertification staff which would otherwise be required to process HABC's HCV program workload.</p> <p><b>Actual Impact 2013:</b> HABC completed 6,701 recertifications with a reduced number of recertifiers; 16 recertifiers were used to complete 6,701 recertifications in FY2013.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>The average caseload for a recertification specialist is about 450 cases (requiring 450 recertifications per year). Implementing a 2-year recertification schedule and interims for changes to family income and composition has allowed for the performance of recertifications using a staff level lower than that required to perform annual recertifications and avoid \$506,154 in staff costs.</p> <p><b>Baseline:</b> (Recertifiers needed * average salary) 24 * \$46,126 = \$1,107,024.00.</p> <p>*Baseline is the total salary of the number of recertifiers required to conduct biennial recertifications.</p> <p><b>Biennial Recertification Outcome: 6,701</b></p> <ul style="list-style-type: none"> <li>Biennial Recertifications: 5,891</li> <li>Recertifications completed on moves: 414</li> <li>Recertifications completed on interims: 396</li> </ul> <p><b>Proposed Benchmark for June 30, 2013:</b></p> <ul style="list-style-type: none"> <li>Number of participants: 11,621</li> <li>Projected # of recertifiers needed to perform annual recertifications: 26 (11,621/450)</li> <li>Actual # of recertifiers employed to perform biennial recertifications: 16</li> <li>Actual # of recertifiers as a percentage of the projected #: 61.5%</li> </ul> <p>Average cost per recertifier: \$46,126 Projected Annual Savings: (Difference in number of recertifiers required) *(Average cost of a recertifier) 10 * \$46,126 = <b>\$461,260</b></p> <p><b>Outcome as of 6/30/13:</b> Performed recertifications with 61.5% of the staff and staff costs which would normally be required and expended to perform annual recertifications.</p>

	<ul style="list-style-type: none"> <li>• Actual number of participants: 11,724</li> <li>• Actual count of tenant-based recertifications: 6,701</li> <li>• Projected # of recertifiers needed to perform annual recertifications: 26</li> <li>• Actual # of recertifiers employed to perform biennial recertifications and interims: 16</li> <li>• Actual # of recertifiers as a percent of Projected # of recertifiers: 61.5%</li> <li>• Average cost of a recertifier: \$50,615.38.</li> </ul> <p><b>**Actual Annual Savings: (Difference in actual vs. projected number of recertifiers required) * (Average cost of a recertifier) 10 * \$50.615 = \$506,150</b></p> <p><b>**In FY2013 the staff's cost of living adjustment has been included in the average salary, causing the amount to increase. The adjusted amount is shown above in the actual savings.</b></p>
<b>Data Collection Method</b>	Internal reports and projections are used
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	No requests received.
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2006: Limits on Project Based Vouchers – Implemented in FY 2006
<b>Description</b>	<p>Using MTW authority, HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers and also to waive the per-building and per-project cap on the percentage of units, which may be designated as project-based units.</p> <p><u>Statutory Objective:</u> To increase housing choices for low-income families.</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C, paragraph D1(e)</p>
<b>Projected vs. Actual Impact</b>	N/A
<b>Progress in Meeting Benchmarks/Metrics</b>	HABC no longer requires this separate authorization in light of two other approved Project Based voucher MTW activities, i.e. allowing HABC to enter into PBV HAP contracts for greater than 25% of the units in a building and allowing HABC to enter into PBV HAP contracts for greater than 25% of the units in a project or development regardless of the family or household type that will occupy the units provided that the households must be eligible.
<b>Data Collection Method</b>	N/A
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2007-2008 – Project-Based Transitional Housing (Implemented November 2012)
<b>Description</b>	<p>HABC will enter into HAP contracts to provide Project-Based voucher assistance for units in transitional housing facilities with wrap-around services. MTW authority was necessary to waive the regulation prohibiting PHA's from using project-based vouchers to subsidize housing in these types of facilities.</p> <p><u>Statutory Objective:</u> To increase housing choices for low-income families.</p> <p><u>Statute/Regulatory Waiver:</u> Attachment C(B)(4).</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> HABC projects that this initiative will increase housing opportunities for low-income families.</p> <p><b><u>Actual Impact:</u></b> 18 units of transitional housing became available to low-income families in the first quarter of 2013. Such families will receive wrap-around services such as medical screenings, crisis interventions and life management skills.</p>



<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of 6/30/08:</u></b> 0 new transitional project-based units.</p> <p><b><u>Benchmark:</u></b> Increase the number of transitional project-based units by 10.</p> <p><b><u>Outcome as of 6/30/13:</u></b> HABC executed the HAP contract with one development (Dayspring Square) for 18 units of transitional housing in November 2012. The units are a mixture of new construction and the rehabilitation of an old school building. All units have been leased.</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2009: Payment Standards at 50 <sup>th</sup> Percentile - Implemented in FY 2009
<b>Description</b>	<p>Using MTW authority to waive the regulatory mandate that PHA's use the HUD published Fair Market Rent as the basis for determining payment standards, HABC used the HUD-published 50th percentile rent estimates to calculate such payment standards. .</p> <p><b><u>Statutory Objective:</u></b> To increase housing choices for low-income families.</p> <p><b><u>Statute/Regulatory Waiver:</u></b> MTW Agreement, Attachment C(D)(2)(a).</p>
<b>Projected vs. Actual Impact</b>	N/A
<b>Progress in Meeting Benchmarks/Metrics</b>	Since HUD has adjusted the area FMR to the 50 <sup>th</sup> percentile, this MTW activity is not operational.
<b>Data Collection Method</b>	N/A
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2010 – Unit Size Policy – Implemented 2010
<b>Description</b>	<p>Using MTW authority to waive the regulation that allows a family to select a unit size greater than that listed on the family's voucher, participating families are now required to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request.</p> <p><b><u>Statutory Objective:</u></b> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><b><u>Statute/Regulatory Waiver:</u></b> MTW Agreement, Attachment C(D)(2)(a)..</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> HABC projects that this policy will result in lower average contract rent costs, and will help to reduce illegal occupancy by household members that have not been approved by HABC.</p> <p><b><u>Actual Impact:</u></b> All 24 families that were over-housed, in units larger than their voucher size are due to requests for a reasonable accommodation.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline: In FY 2009:</u></b> 23.9% of new units rented had more bedrooms than the authorized voucher size. The percentage of new rentals where the unit size exceeded the voucher size: 23.9% (baseline period: 7/1/08 – 3/31/09, 2344 new rentals).</p> <p><b><u>Benchmark:</u></b> No more than 15% of new units rented to have more bedrooms than the authorized voucher size.</p> <p><b><u>Outcome as of 6/30/13:</u></b> Actual: In FY2013, only 1.1% of new units rented had more bedrooms than the authorized Voucher Size (2,145 units rented; 24 units larger than voucher size).</p>

	<ul style="list-style-type: none"> <li>87.6% below the baseline</li> <li>92.5% below the benchmark</li> <li>New Rentals - 2,145</li> <li>Avg HAP for New Rentals = \$902/mo</li> <li>Avg UAP for New Rentals - \$79/mo</li> <li>Rental of Units larger than Voucher - 24</li> <li>Additional cost associated with Oversize Rentals - \$2,304/Mo (\$96/unit/mo)</li> <li>Additional Cost if 23.9% were Oversized Rentals - \$49,152/Mo (512 units)</li> <li>Savings due to lower % of Oversize Rentals - \$46,848/Mo (\$562,176/Yr)</li> </ul> <p>Savings in Rental Unit HAP/UAP equivalent - 52 units/mo (Savings due to lower % of Oversize Rentals/(Avg HAP/UAP for New Rentals))</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	A lack of suitable inventory in Baltimore City.
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2010 – PBV Unit Limits – Implemented FY 2010
<b>Description</b>	<p>Using MTW authority to waive the regulation that prohibits PHA's from entering into project-based voucher contracts for greater than 25% of the units in a project or development, HABC entered into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the households must be eligible.</p> <p><u>Statutory Objective:</u> to increase housing choices for low-income families</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C(D)(1)(e)</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> By exceeding the number of project based vouchers allowed in a project/development, HABC is able to create more housing choices for low-income families.</p> <p><b><u>Actual Impact:</u></b> As of June 30, 2013, an additional 389 project-based voucher units have been made available under MTW for low-income families.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of 6/30/10:</u></b> 0 (HABC had not previously approved projects that had PBV units in excess of 25%)</p> <p><b><u>Outcome as of June 30, 2013:</u></b> Projects approved to exceed 25% cap = 14. No, new contracts were approved during FY2013 that exceeded 25% of the units in a project; however, there are a total of 612 units of which 389 units created in excess of the 25% cap.</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2010: PBV Unit Limits – Implemented FY 2010
<b>Description</b>	<p>Using MTW authority to waive the regulation that prohibits PHA's from entering into project-based voucher contracts for greater than 25% of the units in a building, HABC entered into Project-Based Voucher HAP contracts for greater than 25% of the units in a building regardless of the family or household type that will occupy the units provided that the households must be eligible.</p> <p><u>Statutory Objective:</u> to increase housing choices for low-income families</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C(D)(1)(e)</p> <p>•</p>

<b>Projected vs. Actual Impact</b>	<p><b>Projected Impact:</b> By exceeding the number of project based vouchers allowed in a building, HABC is able to create more housing choices for low-income families.</p> <p><b>Actual Impact:</b> HABC has increased housing choices for low-income families</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b>Baseline as of June 30, 2010:</b> 0Benchmark: Three (3) buildings</p> <p><b>Outcome as of June 30, 2013:</b> One (1) new contract was approved during FY2013 that exceeded 25% of the units in a building; however, to date, there are eight (8 ) buildings and six (6) projects where more than 25% of the units have been designated as project-based voucher in each building. HABC will continue to look for opportunities to use this MTW authority.</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2012 – Changes in Utility Allowances Based on Voucher Size
<b>Description</b>	<p>Using MTW authority, to waive how utility allowances are calculated for purposes of setting rent, HABC implemented a change in utility allowances used to calculate gross rents. The utility table used will be the lesser of the actual unit size or the voucher unit size. This change will apply to the tenant-based voucher program and HCVP Homeownership program.</p> <p>Statutory Objective: This rent policy will promote the statutory objective of efficiently allocating subsidy resources by lowering Housing Assistance Payment costs in a time of severe financial uncertainty and budgetary constraints.</p> <p>Statute/Regulatory Waiver: MTW Agreement, Attachment C(D)(2)(a)</p>
<b>Projected vs. Actual Impact</b>	<p><b>Projected Impact:</b> HABC projects that this policy will reduce the extra utility cost associated with families in units larger than the authorized voucher size. This policy will allow HABC to provide housing assistance to additional households. HABC requires families to select a unit consistent with their voucher size on all initial move-ins and moves.</p> <p><b>Actual Impact:</b> Implementing this policy was delayed due to implementation of Unit Size policy. Utility changes would have imposed extreme hardship on families that were over-housed with corrected voucher sizes.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b>Baseline:</b> The difference in costs to HABC between a unit-based utility allowance and a voucher-based utility allowance is calculated as \$91,357 per month (\$1,096,284 per year).</p> <p><b>Benchmark:</b> By the end of FY 2012 it is HABC's goal to decrease its monthly expenditures by the amount it would otherwise be expending if the previous policy remained in place. For FY 2012, assuming no change in the utility allowance schedules, and that this policy will be in effect for 6 months, HAP/UAP savings are estimated to be approximately \$548,142 (the equivalent of providing assistance to an additional 54 households).</p> <p><b>Outcome as of 6/30/13:</b></p> <p>Of the 1,765 families that had completed FY2013 recertifications and had excess utility allowances for their specific voucher size, 758 families or 42.9% either moved to an appropriate size unit (189); had their utility allowance reduced (374); had a family composition change consistent with the unit size (195).</p> <ul style="list-style-type: none"> <li>• Savings due to lowering utility allowances (includes the 189 families that moved and 374 families that had a reduction in their utility allowance) - \$22,520 monthly, and potentially \$270,240 per year</li> <li>• The 195 families that modified their family composition to match their voucher size were not included in savings since there was no reduction in utility allowance.</li> <li>•</li> </ul>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes
<b>Challenges</b>	HABC's projected outcome included families that were not scheduled for re-examination in 2013. HABC will continue to monitor changes to households to ensure they remain compliant with the

	administrative plan. HABC will also continue to evaluate and to correct utility allowance of underutilized units. The best way for HABC to meet this challenge is to ensure that all new participants coming into the program are appropriately housed with the appropriate utility allowances.
<b>Results of Hardship Requests</b>	<b>Hardship Policy.</b> The following hardship policy will apply to the Utility Allowance Calculation policy: For families living in units larger than their voucher size, the change in the UAP will become effective 90 days after notification of such change by HABC. This will afford those families the ability to apply for and receive a voucher to move and to relocate to an appropriate sized unit. 563 families moved or had reduced utility allowances due to this change in policy. To mitigate hardship requests, HABC did not institute both the Unit Size policy and Utility Allowance changes in the same year.
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2013 - Rent Increase Determinations (Suspension/freezing of rent increase adjustments). Not yet implemented.
<b>Description</b>	HABC will suspend rent increased requested by landlords.
<b>Projected vs. Actual Impact</b>	<b>Projected Impact:</b> Suspending rent increase adjustments will Keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.  <b>Actual Impact:</b> N/A
<b>Progress in Meeting Benchmarks/Metrics</b>	N/A
<b>Data Collection Method</b>	N/A
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A

**Table 16: Thompson Leased Housing Program FY 2013 Update**

<b>MTW Plan Year/Activity</b>	FY 2006 – 2012 Special Admin Plan
<b>Description</b>	<p>To facilitate the activities required under the Thompson Partial Consent Decree, MTW-authority was needed to waive several regulations regarding payment standards, rent calculation annual inspections, annual recertifications, and applicant eligibility criteria. These activities have been included here and incorporated into the Special Administrative Plan. As such, these apply to the units administered by MBQ:</p> <ol style="list-style-type: none"> <li>1. Implementation of exception payment standards subject to funding availability (Plan year FY 2007 – Implemented FY 2007)</li> <li>2. Verification of eligibility allowable up to 180 days before issuance of voucher or tenant enters into project-based lease ; (Plan year FY 2007 – Implemented FY 2008)</li> <li>3. Recertifications conducted every 24-months ; Plan year FY 2006 – Implemented FY 2007</li> <li>4. Implementation of risk-based inspections. Plan year FY 2010 – Implemented FY 2010</li> <li>5. Exclude all assets from income when the cash value of the asset is less than \$50,000- Implemented FY 2012</li> <li>6. Create a standard expense deduction for working families – Implemented FY 2012</li> </ol> <p><u>Statutory Objective:</u> To reduce cost and achieve greater cost effectiveness in Federal expenditures.</p> <p><u>Statute/Regulatory Waivers:</u> Attachment C sections (D)(2)(a); (D)(3)(b); (D)(1)(c); and (D)(5).</p>
<b>Projected vs. Actual Impact</b>	<p><b>Projected impacts of this activity include:</b></p> <ul style="list-style-type: none"> <li>• To increase the availability of affordable housing in non-impacted, higher opportunity areas.</li> <li>• Extending the expiration date on verification needed to determine eligibility allows clients the opportunity to find suitable housing without having to re-certify prior to leasing. This reduces the number of staff needed to do initial recertifications.</li> <li>• Lowers the overall costs for completing annual recertifications by reducing the number of</li> </ul>

	<p>staff required to process them</p> <ul style="list-style-type: none"> <li>• Lowers the overall costs related to annual HQS inspections by eliminating unnecessary annual HQS inspections. .Lowers the overall costs for completing annual recertifications by reducing the time staff need to process them.</li> </ul> <p><b>Actual Impacts:</b> Substantial progress has been made in meeting benchmarks discussed below:</p> <ol style="list-style-type: none"> <li>1. 393families have been leased in non-impacted, higher opportunity neighborhoods; as of 6/30/13, 393 of those families are still living in those areas.</li> <li>2. Out of a possible 343 new lease-ups no initial recertifications were needed. Total savings: \$442.</li> <li>3. Savings at end of FY 2013 for recertifications: <b>\$97,308.</b></li> <li>4. Savings at end of FY 2013 for inspections: \$80,978.</li> <li>5. Savings at end of FY 2013 for excluding assets: \$118,661.</li> <li>6. Savings at end of FY 2013 for standard deductions: \$19,696.</li> </ol>
<b>Progress in Meeting Benchmarks/Metrics</b>	<ol style="list-style-type: none"> <li>1. The number of families leased in non-impacted, higher opportunity areas.</li> </ol> <p><b>Baseline as of 6/30/09:</b> The number of families leased in non-impacted, higher opportunity areas is 1,246.</p> <p><b>Proposed Benchmark for FY 2013:</b> The cumulative number of families to be leased in non-impacted, higher opportunity areas. = 2152 + 350=2502</p> <p><b>Outcome as of 6/30/13:</b> 393 new families have been leased in non-impacted, higher opportunity neighborhoods; during FY 2013; 343 of those families are still living in those areas with 68 families making subsequent moves to non-impacted census tracts. The total number of households living in non-impacted census tracts as of June 30, 2013 is 1507. The cumulative number of households that moved to non-impacted census tracts as of June 30, 2013 is 2152.</p> <ol style="list-style-type: none"> <li>3. By extending the expiration date on verification needed to determine eligibility MBQ has reduced the number of staff needed to execute initial recertifications.</li> </ol> <p>The average caseload for a recertification specialist is about 535 recertifications per year.</p> <p><b>Baseline as of June 30, 2009:</b></p> <ul style="list-style-type: none"> <li>▪ Number of new leasings: 279</li> <li>• Number of initial recertifications completed: 98</li> <li>• # of recertifiers needed to perform initial recertifications: .22 (98/535)</li> <li>• Average cost of a recertifier: \$68,268.</li> </ul> <p><b>Proposed Benchmark for FY 2013:</b></p> <ul style="list-style-type: none"> <li>▪ Number of new leasings: 350</li> <li>• Number of initial recertifications completed: 0</li> <li>• # of recertifiers needed to perform initial recertifications: .01 (4/535)Average cost of a recertifier: \$68,268.</li> </ul> <p><b>Outcome as of 6/30/13:</b></p> <ul style="list-style-type: none"> <li>▪ Number of new leasings: 393</li> <li>• Number of initial recertifications completed: 0</li> <li>• # of recertifiers needed to perform initial recertifications: .02 (8/535).</li> <li>• Average cost of a recertifier: \$68,268.</li> </ul> <p>Annual Savings: Annual Salary + benefits (\$68,268) X the number of staff no longer required to process initial recertifications (.21) = <b>14,336</b></p> <ol style="list-style-type: none"> <li>4. The average caseload for a recertification specialist is about 535 recertifications per year. Implementing a 2-year recertification schedule and interims for changes to family income and composition will allow for the performance of recertifications using a staff level lower than that required to perform annual recertifications.</li> </ol> <p><b>Baseline as of June 30, 2009:</b></p>

	<ul style="list-style-type: none"> <li>• Number of participants: 1,246</li> <li>• Projected # of recertifiers needed to perform annual recertifications: 2.75 (1,246/450)</li> <li>• Actual # of recertifiers employed to perform biennial inspections and interims: 1.5.</li> <li>• Actual # of recertifiers as a percentage of the projected #: 54.5%</li> <li>• Average cost of a recertifier: \$52,945.80.</li> </ul> <p><b><u>Proposed Benchmark for 6/30/13:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 2152</li> <li>• Projected # of recertifiers needed to perform annual recertifications 4.022 (2152/535)</li> <li>• Actual # of recertifiers employed to perform biennial inspections and interims: 2.</li> <li>• Actual # of recertifiers as a percentage of the projected #: 45.2%</li> <li>• Average cost of a recertifier: \$68,268</li> </ul> <p><b><u>Outcome as of June 30, 2013:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 2152</li> <li>• Projected # of recertifiers needed to perform annual recertifications: 4.78(2152/450)</li> <li>• Actual # of recertifiers employed to perform biennial inspections and interims: 2.</li> <li>• Actual # of recertifiers as a percentage of the projected #: 48.4%</li> <li>• Average cost of a recertifier: \$68,268.</li> </ul> <p>Annual Savings: Difference in number of recertifiers required)*(Average cost of a recertifier) 2.1 * \$68,268 = <b>\$143,363.</b></p> <p>4. Risk-Based Inspections: Units which have consistently met HQS will be inspected on a bi-annual basis.</p> <p><b><u>Baseline as of June 30, 2009:</u></b></p> <ul style="list-style-type: none"> <li>▪ 1,246 participants; 560 units scheduled for inspection; of the 560 units scheduled for inspection 179 were re-inspected due to HQS violations. For FY 2009 a total of 739 inspections were completed.</li> <li>▪ Inspections normally take around 1.5 hours to complete (including travel time and write-up of results).</li> <li>▪ Cost of an inspection: Salary + benefits = \$65,943 or \$37.47/hr. (220 days per year; 8 hours/day). Cost of an inspection (including travel time, inspection time and time to record/report results) = 1.5/hours X \$37.47 = \$56.20.</li> </ul> <p><b><u>Proposed Benchmark for 6/30/13:</u></b></p> <ul style="list-style-type: none"> <li>• Number of participants: 2152</li> <li>• Projected # of inspections to perform: 1076</li> <li>• Number of re-inspections to perform: 505</li> <li>• Average cost of an inspector: \$84,921.</li> </ul> <p><b><u>Outcome as of 6/30/13:</u></b></p> <ul style="list-style-type: none"> <li>▪ 2152 participants; 938 units scheduled for inspection; of the 938 units scheduled for inspection 490 were re-inspected due to HQS violations. For FY 2013 a total of 1428 inspections were completed a decrease of 153 inspections compared to the benchmark.</li> <li>▪ Inspections normally take around 1.5 hours to complete (including travel time and write-up of results).</li> <li>▪ Cost of an inspection: Salary + benefits = \$84,921 or \$46.66/hr. (220 days per year; 8 hours/day). Cost of an inspection (including travel time, inspection time and time to record/report results) = 1.5/hours X \$46.66 = \$69.99.</li> </ul> <p>Annual Savings: The number of annual inspections that would have been conducted (1759 + 826) minus the number of actual inspections under the risk-based program (938 + 490) X the cost of an inspection = \$80,978.</p> <p>5. The average time spent for a specialist to verify assets and to calculate the income from the assets is 44 minutes per recertification. Excluding assets and asset income from recertification will reduce staff time needed per recertification.</p> <p><b><u>Baseline as of June 30, 2009:</u></b></p>
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	<ul style="list-style-type: none"> <li>Number of participants with assets: 1,246</li> <li>Projected time needed to perform assets reviews for annual recertifications: 926 hours (44*1246)</li> <li>Average hourly cost of a specialist: \$25.45</li> </ul> <p><b><u>Proposed Benchmark for 6/30/13:</u></b></p> <ul style="list-style-type: none"> <li>Number of participants with assets: 0 Projected time needed to perform assets reviews for annual recertifications: 0 hours (44*1)</li> <li>Average cost to determine assets annually: \$0.</li> </ul> <p><b><u>Outcome as of June 30, 2013:</u></b></p> <ul style="list-style-type: none"> <li>Number of participants with assets: 22 Projected time needed to perform assets reviews for annual recertifications: 1.47 hours (44*22)</li> <li>Cost to determine assets annually: \$55.14.</li> </ul> <p>Annual Savings: \$ 118,661</p> <p>6. The average time spent for a specialist to determine the various deductions per file is 45 minutes. Implementing a standard deduction reduces the time a specialist spends on calculating recertifications annually.</p> <p><b><u>Baseline as of June 30, 2009:</u></b></p> <ul style="list-style-type: none"> <li>Number of participants: 1,246</li> <li>Projected time needed to determine deductions for annual recertifications: 872 hours (42 minutes*1246)</li> <li>Hourly cost for a specialist: \$25.45</li> <li>Average cost to determine deductions annually: \$22,192.40</li> </ul> <p><b><u>Proposed Benchmark for 6/30/13:</u></b></p> <p>Number of participants with deductions: 2152</p> <ul style="list-style-type: none"> <li>Projected time needed to determine deductions for annual recertifications: 1506 hours (42*2152)</li> <li>Average cost to determine deductions annually: \$56,505.</li> </ul> <p><b><u>Outcome as of June 30, 2013</u></b></p> <p>During FY 2013: 1,605 had rent calculated based upon the standard deductions</p> <ul style="list-style-type: none"> <li>Number of participants with standard deductions: 1,605</li> <li>Projected time needed to determine deductions for annual recertifications: 1124 hours (42*1605)</li> <li>Average cost to determine deductions annually: \$42,161.</li> </ul> <p>Annual Savings: <b>\$19,969.</b></p>
<b>Data Collection Method</b>	MBQ uses Visual Homes software to manage the Special Mobility Housing Choice Voucher Program and the MTW activities. Where necessary, the database has been modified/customized to meet the data collection and reporting requirements to administer the MTW Program. All voucher program information is entered into and reported from the Visual Homes database, including eligibility, recertification, HQS inspection and mover information. Upon request and periodically, MBQ provides ongoing reports to HABC regarding the operation and administration of the special mobility housing choice voucher program.
<b>Challenges</b>	Indicator #1: Market issues and limited program availability in Baltimore County
<b>Results of Hardship Requests</b>	In FY 2013 a total of 174 families requested a hardship exception. No hardship exceptions were denied.
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2007: PBV Special Admin Plan – Implemented FY 2010
<b>Description</b>	Using MTW authority this activity authorizes MBQ, in the Project Based Voucher Program, to

	<p>allow floating units instead of identifying specific units in the HAP contract. MTW authority was needed to waive the requirement of identifying all units by address in the HAP contract.</p> <p><u>Statutory Objective:</u> to increase housing choices for low-income families</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment D(D)(3)(b).</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> The activity is projected to increase the number of project-based units at multi-family housing developments by giving developers an opportunity to operate in concert with their business model.</p> <p><b><u>Actual Impact:</u></b> This provision has facilitated 151 floating units being placed under a HAP contract in multi-family developments. This activity has increased housing choices for low-income families.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of June 30, 2009:</u></b> The number of floating units in multi-family housing developments under a HAP contract = 55.</p> <p><b><u>Benchmark:</u></b> 55 floating units in multi-family housing developments under a HAP contract with the intention of adding up to 100 more units within the next 5 years</p> <p><b><u>Outcome as of June 30, 2013:</u></b> The number of floating units in multi-family housing developments under a HAP contract 49</p>
<b>Data Collection Method</b>	MBQ uses Visual Homes Software to manage the Special Mobility Housing Choice Voucher Program and the MTW activities. Where necessary, the database has been modified/customized to meet the data collection and reporting requirements of the MTW Program. All voucher program information is entered into and reported from the Visual Homes database, including eligibility, recertification, HQS inspections and move information. Upon request and periodically, MBQ provides ongoing reports to HABC regarding the operation and administration of the special mobility housing choice voucher program.
<b>Challenges</b>	Market issues and limited program availability in Baltimore County
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2012 Special Mobility Definition of Continued Assistance
<b>Description</b>	<p>Using MTW authority to waive some of the criteria required to determine applicant eligibility, the definition of Continued Assistance was expanded to include participants in the Direct Homeownership Program in order to provide a safety net to those who may become income eligible for the HCV program and to avoid possible foreclosure.</p> <p><u>Statutory Objective:</u> To increase housing choices for low-income families</p> <p><u>Statute/Regulatory Waiver:</u> MTW Agreement, Attachment C(D)(3)(b).</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> This activity will increase housing choices for low-income families.</p> <p><b><u>Actual Impact:</u></b> To date 0 families in the Direct Homeownership Program have applied for homeownership in the HCV Program.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>FY 2012 Baseline = 0</p> <p>FY 2013 Benchmark – Five (5) families over the next three years</p> <p>Outcome as of June 30, 2013: 0</p>
<b>Data Collection Method</b>	MBQ uses Visual Homes Software to manage the Special Mobility Housing Choice Voucher Program and the MTW activities.
<b>Challenges</b>	N/A
<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A



**Table 17: Local Non-Traditional MTW Activities FY 2013 Update**

<b>MTW Plan Year/Activity</b>	FY 2009: Incentives for NED and UFAS Units
<b>Description</b>	<p><b><u>Section 811 Supportive Housing for Persons with Disabilities</u></b> – HABC reserves the right, to combine capital funds made available from HCV or public housing funds, with Section 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC indicated it would make these funds available through a competitive process and would require developers to demonstrate through specified documentation that the project had a gap that could not otherwise be addressed. MTW authority was necessary to allow HABC to combine capital funds with Section 811 funds.</p> <p>Statutory Objective: To increase housing choices for low-income families</p> <p>Statute/Regulatory Waiver: See MTW Agreement, Attachment C, Section B(1)(ii) and ; Attachment D, “Uses of MTW Funds”.</p>
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> The incentive to provide additional housing for the disabled in return for gap funding will hopefully increase housing choices for low-income disabled families.</p> <p><b><u>Actual Impact:</u></b> Despite HABC’s best efforts to date, HABC has not been able to implement these incentives. One application was submitted, which was expected to result in 5 NED units; however the developer lost his 811 funding because of an inability to meet HUD requirements.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p>Baseline for units with 811 funding = 0.</p> <p>Proposed Benchmark as of June 30, 2013 = 5 Units</p> <p>Actual Benchmark as of June 30, 2013 = 0</p>
<b>Data Collection Method</b>	Internal reports are used to measure outcomes.
<b>Challenges</b>	All NOFA’s for project-based units for families with disabilities include the MTW 811 program but in the four (4) years this program has been in existence only one application was submitted which ended in the developer losing his funding for failure to meet HUD requirements. The state of Maryland has filed for 811 federal funds; however if granted the funds disabled families from the HABC waiting list may not necessarily be chosen for PB housing as the units will be selected from the State’s portfolio of affordable rental housing projects.
<b>Results of Hardship</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2010 – The Long-Term Affordable Project-Based Voucher Program
<b>Description</b>	HABC will create a Housing Assistance Payment (HAP) contract to: increase the term of the contract from 10 to 15 years; reflect the owner’s obligation to request renewals of the HAP contract between HABC and the owner for Project-Based Voucher’s to subsidize NED residents in LTA units; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.
<b>Projected vs. Actual Impact</b>	<p><b><u>Projected Impact:</u></b> HABC projects that this policy will result in increased housing choices for low-income families.</p> <p><b><u>Actual Impact:</u></b> 174 Long-Term Affordable Units created</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b><u>Baseline as of June 30, 2010:</u></b> 0</p> <p><b><u>Benchmark for June 30, 2012:</u></b> 300 PBV and LRA units by 2015.</p> <p><b><u>Outcome as of June 30, 2012:</u></b> 174 LTA Units created</p>
<b>Data Collection Method</b>	Internal reports will be used
<b>Challenges</b>	N/A

<b>Results of Hardship Requests</b>	N/A
<b>Changes to Authorizations</b>	N/A
<b>MTW Plan Year/Activity</b>	FY 2013 Local Subsidy Program for Homeless Families – the Journey Home Program
<b>Description</b>	<p>HABC will exercise its MTW fund flexibility in order to use MTW Block Grant funds as housing subsidy for participants in the Journey Home Program. HABC agreed to provide a one-time grant in the amount of \$183,750 of which the Abell Foundation will match funds making the total contribution equal to \$367,500 to house up to 75 homeless families.</p> <p>This program was created to provide employment and permanent housing for up to 75 homeless families by 2018 in collaboration with HABC and United Way of Central Maryland (UWCM) in partnership with Catholic Charities. Housing subsidies will be time-limited for this program as the participants' transition from homelessness to full-time employment.</p> <p>During the first three months, the Program will pay the full rental amount while the participant is required to save 40% of their monthly income during that time. In the fourth month, the Program will pay half of the rental amount and the participant pays the remainder; during the fifth month, one-quarter of the rent will be paid with the remainder paid by the participant; and in the sixth month the Program will pay half as much with the remainder paid by the participant. At the seventh month, the participant is responsible for the total amount of the rent.</p> <p>This activity will help increase housing choices for low-income families and also provide economic self-sufficiency incentives to homeless families by enrolling them in job-training programs.</p>
<b>Projected vs. Actual Impact</b>	<p><b>Projected Impact:</b> This initiative is subject to availability of funding and if successful, HABC projects that up to 75 formerly homeless families will be provided employment and permanent housing (market rate) by 2018.</p> <p><b>Actual Impact:</b> HABC executed the Memorandum of Understanding, released the first mobilization payment in the amount of \$91,875 (\$91,875 remaining), and is expecting the first progress report to be submitted to HABC by the October 2013.</p>
<b>Progress in Meeting Benchmarks/Metrics</b>	<p><b>Baseline:</b> HABC does not currently use MTW funds for local subsidy programs.</p> <p><b>Benchmark:</b> Up to 75 formerly homeless families will be provided employment and permanent housing.</p>
<b>Data Collection Method</b>	External data collection of the number of homeless families who will obtain employment and permanent housing, and for how long. HABC expects the first report to be submitted by the end of September 2013, and is currently reassessing the reporting requirements from its partners within the Program to ensure long-term liability.
<b>Challenges</b>	The participant must remain fully employed because this is a bridge subsidy that will diminish after one year. Failure to maintain full employment will result in the participant's inability to pay the market rent once the subsidy has ended.
<b>Results of Hardship Requests</b>	If, during the initial seven months of Program participation, the participant loses his or her employment they will be referred to one of the Emergency Solutions Grant Programs eviction prevention providers to receive counseling, case management, and eviction prevention assistance, or other supportive services.
<b>Changes to Authorizations</b>	N/A

**Table 18: Local Investment Policies FY 2013 Update**

MTW Plan Year/Activity	FY 2013 – Investment Policies for HABC
Description	This policy is intended to increase investment revenue and alleviate some of the federal expenditures necessary to carry out federal programs.
Projected vs. Actual Impact	<p><b>Projected Impact:</b> Increased investment revenue will alleviate the federal expenditures necessary to carry out the federal programs. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability.</p> <p><b>Actual Impact:</b> Unfortunately, because of State rules, the Maryland Local Government Investment Pool could not execute the required General Depository Agreement with HABC. Therefore, HABC will withdraw from this proposed MTW activity.</p>
Progress in Meeting Benchmarks/Metrics	N/A
Data Collection Method	N/A
Challenges	N/A
Results of Hardship Requests	N/A
Changes to Authorizations	N/A

## **B. Bailey Consent Decree Housing Production**

In order to meet its obligations under the Bailey Consent Decree, HABC may devote Housing Choice Voucher funds available as part of the MTW Block Grant to create, through private production, Project Based Voucher units for non-elderly persons with disabilities and “long term affordable” units that are subsidized by Project Based Vouchers but treated like public housing units. Two types of Long Term Affordable units are being created: (1) for non-elderly persons with disabilities; and (2) units that comply with the Uniform Federal Accessibility Standards (UFAS) for wheelchair accessibility. HABC has implemented various options, including incentive payments for existing units that will be project based for NEDs and loans or grants to cover funding gaps for new construction units and units that are being substantially rehabilitated to create either NED units or units that comply with UFAS. Sources of funding for such payments, loans, grants and incentives include City HOME funds, HCV funds, and other discretionary funds available to HABC. An update of Bailey-related activity in FY 2013 follows:

*Incentives for NED Units* – Developers seeking support from HABC and Baltimore City for Low Income Housing Tax Credits had to agree to set aside at least 15% of the LIHTC units for non-elderly persons with disabilities (NED) in order to obtain that support.

*Incentives for UFAS Units* – Developers proposing new construction or substantial rehabilitation and who receive certain federal capital funds must make at least 10% of the units UFAS compliant.

Beginning in FY 2010 and continuing through FY2013, as an incentive to developers to create more units for non-elderly persons with disabilities and UFAS compliant units, HABC offered, via a request for proposals (RFP), financial incentives to developers who agree to create in

excess of 15% of the LIHTC units for non-elderly persons for disabilities and/or in excess of the 5% UFAS requirement] HABC also offered the same incentives to owners and developers of new construction or rehabilitation projects that are not receiving LIHTC where the hard cost of the construction or rehabilitation was at least \$1,000 per unit. Smaller incentive fees were offered to owners of units where the cost of rehabilitation is less than \$1000. Under this program, HABC added 107 units to serve NED and persons with disabilities in FY2013.

*Section 811 Supportive Housing for Persons with Disabilities* – HABC reserved the right, in its sole discretion, to combine capital funds made available from HCV or public housing funds, with Section 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC indicated it would make these funds available through a competitive process and would require developers to demonstrate through specified documentation that the project had a gap that could not otherwise be addressed. In FY 2013 there were no opportunities to take advantage of this MTW activity.

## VII. Sources and Uses of Funding

This section of the Annual Report describes HABC's planned versus actual sources and uses of MTW, State and Local funds.

### A. Planned vs. Actual Sources and Uses of MTW Funding

HABC's Moving-to-Work (MTW) Block Grant includes three major funding sources:

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) /Replacement Housing Factor Fund (RHFF)

Table 19 and the following notes provide information on planned versus actual sources of MTW funds for FY 2013.

**Table 19**  
**FY 2013 Planned vs. Actual Sources of MTW Funds**

UNAUDITED	Budget	Actual	Variance
Net Tenant Revenue	30,707,027	30,404,385	(302,642)
Tenant Revenue Other	330,770	777,874	447,104
<b>Total Tenant Revenue</b>	<b>31,037,797</b>	<b>31,182,259</b>	<b>144,462</b>
Housing assistance payments	151,033,468	146,363,035	(4,670,433)
Program Reserve - HCV	-	2,519,214	2,519,214
Ongoing administrative fees earned	10,704,968	10,605,823	(99,145)
HUD Operating Grants	88,986,312	87,311,556	(1,674,756)
<b>Total Operating Grants</b>	<b>250,724,748</b>	<b>246,799,628</b>	<b>(3,925,120)</b>
Capital Grants - Hard cost Only	7,344,702	5,809,738	(1,534,964)
Investment Income	71,880	113,083	41,203
Fraud recovery	15,000	26,239	11,239
Gain or (Loss) on Sale of Assets	-	(115,567)	(115,567)
Other Government Grants	-	59,660	59,660
Other Revenue	1,801,026	3,832,548	2,031,522
<b>Total MTW Source</b>	<b>290,995,153</b>	<b>287,707,588</b>	<b>(3,287,565)</b>

## **Narrative Explanation of Differences**

7. Rental Income was planned with a 1.5% increase in average rent. The actual Rental Income was slightly under budget due to the economy.
8. Actual "Other Tenant Revenue" exceeded the budget due to additional income from maintenance charges and court fees charged to the tenants.
9. Actual Housing Assistance Payments (HAP) subsidies were under budget because HUD changed its distribution method of funding. In accordance with PIH Notice 2011-67, HUD disburses fund based on actual HAP expenses as reported in VMS (Voucher Management System). Disbursement amounts are equal to the average expenses of the prior validated quarter plus a margin of 3%. The undistributed fund will be held in HUD's reserve account for HABC.
10. The Program Reserves for HCV was the actual amount received for the Thompson HAP shortfall in CY 2012. HABC keeps the Non-Thompson funding separately from the Thompson vouchers funding.
11. Actual Ongoing administrative fees were budgeted at 77% but the actual administrative fees were funded at an average of 76% for FY 2013.
12. The HUD Operating Grants include public housing subsidies, the Capital Fund Program (CFP) soft cost for administrative and management improvements, and the Thompson Stop Gap Funding for the mobility counseling and administrative expenses. The amount below budget was primarily due to the public housing operating subsidy, which was budgeted at 85.73% but the actual was funded at 84.7%.
13. Actual Capital Fund Program (CFP) and Replacement Housing Factor Fund (RHFF) hard cost revenues were based on construction activities as described in the Capital Improvement Plan and are reimbursed dollar for dollar.
14. Investment Income exceeded budget due to prudent investments although interest rates continue to be much lower than prior years.
15. Fraud Recovery exceeded the budget because of increased activities in the recovery of HUD funds.
16. HABC recognized the "Loss on Sale of Assets" in FY 2013 for the disposition of 13 scattered sites units.
17. Other Government Grants include funds provided by the City of Baltimore for the weatherization of HABC public housing units.

18. Other Revenue exceeded budget because \$1.879 million was recognized for the Portability HAP in the HCV program. HUD's guidelines require housing authorities to report Portability HAP as operating revenue and corresponding amount under operating expenses.

Table 20 and the following notes provide information on planned versus actual Uses of MTW funds for FY 2013.

**Table 20:**  
**FY 2013 Planned vs. Actual Uses of MTW Funds**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Administrative	12,845,620	12,017,351	828,269
Public Housing - Site Management	14,195,292	13,106,883	1,088,409
Section 8 HCV Management	11,618,160	11,358,744	259,416
Tenant Services	2,737,343	2,657,444	79,899
Utilities	28,552,068	21,348,948	7,203,120
Ordinary Maintenance & Operations	33,766,100	35,451,145	(1,685,045)
Protective Services	4,272,083	3,760,394	511,689
General Expenses	23,315,650	27,516,527	(4,200,877)
<b>Total Operating Expenses</b>	<b>131,302,316</b>	<b>127,217,436</b>	<b>4,084,880</b>
Extraordinary Maintenance	500,000	993,465	(493,465)
Casualty Loss	500,000	545,364	(45,364)
HCV Housing Assistance	117,508,212	113,195,690	4,312,522
Thompson Housing Assistance	33,525,256	31,790,843	1,734,413
Hard Costs	19,391,128	14,953,828	4,437,300
<b>Total MTW Uses</b>	<b>302,726,912</b>	<b>288,696,626</b>	<b>14,030,286</b>

### **Narrative Explanation of Differences**

1. Administrative expenses include salaries, benefits for administrative staff. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage, supplies and allocated overhead. Actual administrative expenses were under budget primarily due to reduced outside professional contract costs.
2. Public Housing – Site Management include salaries, benefits for administrative staff and housing management staff in the public housing sites. Also included are the related administrative operating expenses such as telephone, computer materials and contracts, postage, supplies and allocated overhead. Actual Site Management expenses were under budget because of reclassification of administrative cost to ordinary maintenance for the privately managed sites.

3. Section 8 HCV Management expenses include salaries, benefits for administrative staff and housing management staff in the HCV program. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage, supplies and allocated overhead. Actual Section 8 HCV Management expenses were under budget due to less than estimated mobility counseling expense incurred for the Thompson consent decree vouchers.
4. Tenant Services include salaries, benefits, related materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide services to residents of public housing. Actual Tenant Services expenses were under budget because of lower than anticipated contract and relocation costs.
5. Utilities include water, electricity, gas, steam and fuel consumed in the public housing sites. Utilities were under budget due to reduced consumption and favorable utility rates. As a result of successful procurement, HABC received favorable electric and gas rates. Also, consumption showed a decreasing trend as a result of the Energy Performance Contract (EPC) in some of the housing sites.
6. Ordinary Maintenance & Operations include salaries and benefits of ordinary maintenance workers assigned to public housing units. It includes ordinary maintenance materials and ordinary maintenance contracts. This category also includes outside contract costs to privatized firms, who operate some of HABC's public housing and affordable housing units. Total maintenance expenses exceeded budget due to reclassification of Administrative to Maintenance contract costs for the privately managed sites.
7. Protective Service includes salaries, benefits and other related costs of building monitors assigned to public housing development. Protective Service was under budget because the Lease Enforcement unit was disbanded in FY 2013.
8. General Expenses include insurance premiums for General Liability, Worker's Compensation, automobile, etc. This category also includes collection losses for uncollected rent and deductible amounts not covered by the insurance carriers for casualty losses incurred by HABC. Additionally, to comply with GASB Statement No. 45, this category also includes the Other Post Employment Benefit (OPEB) expenses. General Expenses were over budget because a settlement payment was made to an outside contractor to manage the Thompson Consent Decree vouchers, and the portability vouchers expenses were recognized pursuant to the HUD guidelines.
9. Extraordinary Maintenance exceeded the budget because of major repairs beyond normal maintenance for units at various Housing Sites.



10. Casualty Loss exceeded the budget due to damages paid for various housing sites beyond the insurance deductible amounts.
11. Housing Assistance Payments (HAP) include rent subsidies paid to landlords and utility assistance paid to tenants by the Section 8 programs. HAP was budgeted with an aggressive lease up plan. Because of the projected budget constraints, HABC cut back on the units leased. Also, the actual cost per unit was lower than anticipated.
12. Construction (Hard) Costs include activities funded by Capital Fund Program and prior year HAP funds. Capital activities included 504 UFAS and ADA Compliance, security and safety projects, marketability and viability of existing portfolio, improvement of major systems and infrastructure. Actual hard costs were under budget primarily due to delays in the construction of the UFAS units. Detail of these capital improvement projects are discussed in the Capital Planning and Development section.

## **B. Planned vs. Actual Sources and Uses of State and Local Funds**

Programs that are included in the State and Local Funds category include the following funding sources:

- City of Baltimore - Housing and Community Development (HCD) pass-through reimbursable expenses
- Various Resident Services Grants

Table 21 and the following notes provide information on planned versus actual sources of State and Local Funds for FY 2013).

**Table 21**  
**FY 2013 Planned vs. Actual Sources of State and Local**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Other Government Grants	23,150,074	8,907,648	(14,242,426)
Other City Grants	-	-	-
Other Revenue	339,723	263,765	(75,958)
<b>Total State/Local Source</b>	<b>23,489,797</b>	<b>9,171,413</b>	<b>(14,318,384)</b>

### **Narrative Explanation of Differences**

The State and Local Fund Source during FY 2013 was below budget for the following reasons:

1. Other Government Grants include revenues received from the Department of Social Services and the Maryland State Department of Education for Family Self-

Sufficiency and Child Care Program. It also included \$14 million in State funding for 76 Tax Credit Units at O'Donnell Heights, which was delayed until the next fiscal year.

2. Other Revenue was under budget due to the lower than anticipated funds for the Congregate Housing and Rental Assistance Program (RAP).

Table 22 and the following notes provide information on planned versus actual uses of State and Local Funds for FY 2013.

**Table 22:  
FY 2013 Planned vs. Actual Uses of State and Local Funds**

<b>UNAUDITED</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Administrative	4,797,661	3,991,548	806,113
Tenant Services	555,650	757,684	(202,034)
Utilities	22,100	3,488	18,612
Ordinary Maintenance & Operations	2,632,000	2,789,556	(157,556)
General Expenses	946,936	710,510	236,426
Hard Cost	14,535,450	-	14,535,450
<b>Total State/Local Uses</b>	<b>23,489,797</b>	<b>8,252,786</b>	<b>15,237,011</b>

#### **Narrative Explanation of Differences**

1. Actual Administrative expenses were under budget due to the abolishment of several positions by the City's HCD Dept. The City reimburses HABC instantaneously dollar for dollar for the pass-through expenses.
2. Tenant Service expenses exceeded budget because of payments for RAP. Funding was carried forward from RAP's prior year reserve.
3. Utilities were under budget because the Child Care Centers were transferred to Resident Service Inc. during fiscal year 2013.
4. Ordinary Maintenance expenses were over budget because of increased maintenance expenses for City projects. The City reimburses HABC instantaneously dollar for dollar for the pass-through expenses.
5. General expenses were under budget due to lower insurance expenses.
6. Hard Cost was budgeted for the 76 Tax Credit Units at O'Donnell Heights that are delayed until the next fiscal year.

### **C. Sources and Uses of the COCC**

This section is not applicable to HABC's FY2013 Annual Report. HABC has elected to implement a cost allocation approach since FY 2009. HABC did not adopt HUD's fee for service approach. There was no Central Office Cost Center (COCC) reported in the annual Financial Data Schedule (FDS).

### **D. Local Asset Management Plan**

HABC has fully implemented its Local Asset Management Plan as approved by HUD in the FY 2013 MTW Annual Plan. No property management, asset management or bookkeeping fees were charged to the AMPs. Through the Cost Allocation approach, HABC applied an overhead rate of 11.73% to all MTW programs and 11.49% to all non-MTW programs.

As discussed in the Annual Plan, the accounts that deviate from HUD's Asset Management Requirements are listed as follows:

- Cash and Investments
- Interfold Accounts Receivable or Payable
- Prepaid Expenses and Deferred Charges
- Material Inventory
- Accounts Payable and Accrued Liabilities
- Payroll Liabilities
- Compensated Absence
- Other Post Employment Benefits (OPEB) Liability
- Unrestricted and Restricted Net Assets

The approved Local Asset Management Program is attached in Appendix C for additional detail.

### **E. Single Fund Flexibility**

The restated MTW Agreement allows HABC to combine public housing operating and capital funds (including development and replacement housing factor) provided under Section 9 and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. HABC uses this funding source to carry out the MTW program activities to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in federal expenditures.

Due to inadequate HUD funding for capital improvement needs, HABC planned for \$5.8 million of Section 8 tenant-based HCV HAP funds in FY 2013 to supplement various capital improvement and development activities. The actual amount used in FY 2013

was \$4.5 million, which was included in the “Hard Costs” category as discussed above. The remaining amount has been deferred for uses in FY 2014. Actual hard costs were below budget due to the shift of construction activities to ARRA. Details are discussed separately in the Capital Planning and Development section.

Without the Single Fund flexibility, HABC could not have provided the needed capital improvements to its housing sites. These capital improvement activities improve HABC’s residents’ qualities of lives as windows were replaced, more accessible units were made available, heating and mechanical systems were upgraded, etc. Also, HABC recognizes that MTW Funds may be used to provide gap financing for the construction of Section 811 units.

## **F. Results of Agency-Directed Evaluations**

Not applicable.

## **VIII. Administrative**

For a description of the progress made on correcting or eliminating observed deficiencies cited in monitoring visits, physical inspections or other oversight and monitoring mechanisms, please see **Appendix G**: the FY 2012 Audit Report with REAC Corrections.

The Annual Report provides a series of appendixes including materials required by HUD pursuant to the MTW Agreement and other information provided by HABC to inform HUD and the public of its MTW activities. The following is a list of appendixes:

- Appendix A: Demographic Characteristics of Households on the Waiting List
- Appendix B: Local Asset Management Plan
- Appendix C: Energy Performance Contract Information
- Appendix D: Emergency Safety and Security Grant
- Appendix E: The FY 2012 Audit Report with REAC Corrections
- Appendix F: Certification of Compliance
- Appendix G: Other HABC Housing