



Charlotte Housing Authority



# Moving Forward

*Creating Community,  
Empowering Families,  
and Building Partnerships*





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# Year of Our Neighbor



Charlotte is a dynamic community that continues to move forward as a world leader in banking, industry, arts and culture, and education. What makes this possible is our citizens. Doctors, lawyers, bankers, teachers, service providers, cooks, police, and nursing aides all add to the cumulative value of our community, our neighborhoods.

However, some of our neighbors still need our help. Affordable housing is still needed for those who live at or below the poverty level – the working poor. People who take care of our children and elderly parents, provide transportation, prepare and serve our meals, protect our community, fix our cars, provide medical services, and work two or three jobs just to take care of their family.

Our neighbors need a helping hand, additional education, job training, and supportive services to move forward. The helping hand must come from each of us – neighbor helping neighbor.

In order to assist our neighbors with affordable housing, I proclaimed 2012 as the *Year of Our Neighbor*. I challenged our community to have open dialogue on the continuum of affordable housing. The more we know and understand the truths and myths surrounding affordable housing, the more we all can come together to help house our neighbors.

As a good neighbor, the Charlotte Housing Authority (CHA) is committed to providing quality, safe, affordable housing and moving families forward. CHA is one of 35 Moving to Work housing authorities nationally striving to provide the skills and training necessary to move families to self-sufficiency. This is a very good first step, but there are still more for us to take.

Neighborhoods in our city encompass many diverse people with many diverse backgrounds. Neighbors helping neighbors will help us all succeed!

Anthony R. Foxx  
Mayor, City of Charlotte



# With Housing, There's a Way

Through the Moving to Work Demonstration program, locally known as Moving Forward, the Charlotte Housing Authority (CHA) partners with service organizations to provide families education, training, and skill building opportunities needed to move towards self-sufficiency. Each year, CHA compiles data on the families served to measure the success of the program and provides it to the community through this annual report. Some accomplishments measured include obtaining work, moving to market rate rental or home ownership, and completing post secondary education. Families have access to resources such as the With Every Heartbeat is Life training, a healthy lifestyle program; our newly formed Center for Employment Services; and case management.

Families served by CHA are also encouraged to apply for jobs through our Section 3 program designed to help low-income persons and businesses obtain work. CHA continues to show a firm commitment to Section 3 by ensuring all contractors and subcontractors awarded HUD funded contracts through CHA take necessary and reasonable steps to provide meaningful training and fulltime employment to residents.

Facts and figures do not always tell the complete story of the successes our families experience in the program. Many have expressed gratitude for the opportunity to participate in the program saying it has not only helped them move forward in their education and career goals, but has also allowed them to build confidence and self-esteem.

Momentum is definitely building for CHA families on the path to self-reliance, but there is more work to be done. By working together with our community partners, CHA will continue to develop strategies that meet the broad range of housing needs for families who cannot otherwise attain conventional housing. CHA is committed to building communities and moving families forward!



Joel D. Ford,  
*Chairman, Board of Commissioners*

# Charlotte Housing Authority Strategy

## Vision

Creating Community,  
Empowering Families and  
Building Partnerships

## Mission

To lead, develop, and execute community-wide strategies that meet the broad range of housing needs for families who cannot otherwise attain conventional housing

## Strategic Goals

### Principles

- Operational and service excellence
- Progressive leadership and collaboration
- Innovation
- Effective communication
- Accountability
- Optimize financial and human capital

### Themes

- Provide the greatest number of viable and affordable housing solutions from homelessness to permanent housing through sustainable strategic partnerships.
- Maximize economic, physical, and social value of CHA real estate portfolio.
- Ensure the Authority's long-term financial viability.
- Provide high quality, cost effective real estate services that integrate client families into the community's mainstream.
- Create an environment that encourages client families to reach their highest potential.

## Policy Framework/Filter

### Moving Forward

### Corporate Scorecard

**Serve the Customer**

Increase Affordable Housing Opportunities

Lead Strategic Partnerships

Provide Optimal Housing Choices

Maximize Customer Service

**Manage Resources**

Maximize Portfolio Value

Maximize Funding Sources

Ensure Long-Term Financial Viability

**Run the Business**

Improve Internal and External Communication

Optimize Performance of Section 8 Program

Promote Innovative Solutions

Enhance Strategic Technology Infrastructure

Optimize Property Management Opportunities

**Develop Employees**

Promote and Sustain a Positive Work Environment

Recruit and Retain Quality Employees

Promote Learning and Growth



## Introduction

The Moving To Work (MTW) Demonstration program is administered by the U.S. Department of Housing and Urban Development (HUD). The Demonstration program provides the Charlotte Housing Authority (CHA), and 34 other participating public housing authorities (PHAs), flexibility in administering their housing assistance programs. The purpose of the MTW Demonstration is to give public housing agencies the flexibility to design and test various approaches for providing and administering housing assistance that:

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



Lessons learned from PHAs participating in the Demonstration program are documented and presented to Congress as lessons learned and policy recommendations for potential applicants to non-participating agencies and for continuance after the Demonstration program's scheduled completion in

2018. CHA has branded the local Moving To Work effort as Moving Forward, symbolizing that with housing individuals have the platform they need to continue their education or find good jobs, while keeping their families safe.



During the 2011-2012 fiscal year, CHA began to follow HUD's model of Doing More With Less, due to the budgetary financial constraints. The long-term goal focus transitioned to identifying ways to:

- Administering smarter housing assistance;
- Making the most of the block grant;
- Prioritizing competing goals and needs; and
- Planning for a different fiscal climate.

This Fiscal Year 2011-2012 Moving Forward Annual Report will share CHA's successes and challenges since beginning participation in the demonstration program in 2007. The report also provides information on who we serve, our housing stock, updates on initiatives using MTW flexibility, and the current evaluation status.

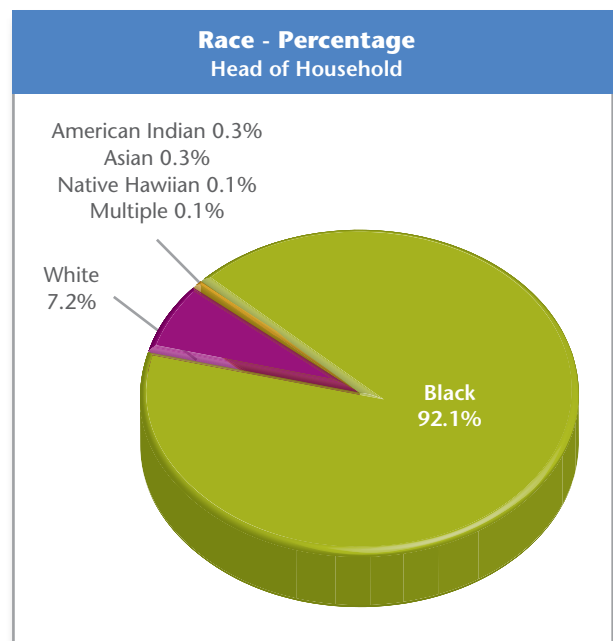
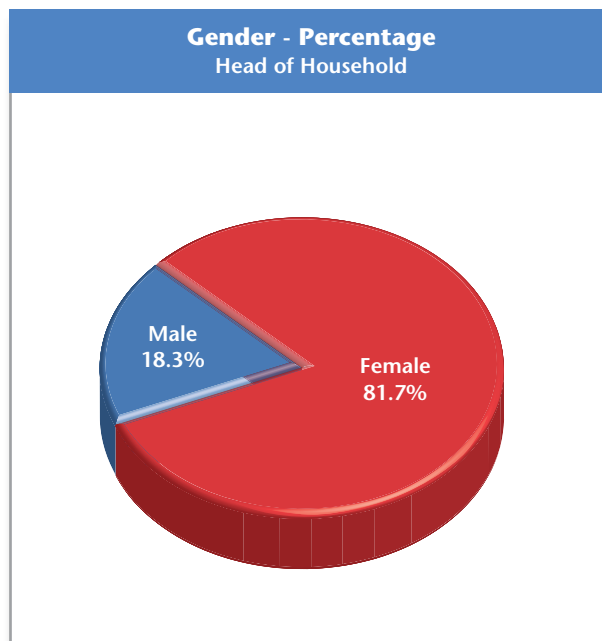




## Executive Summary

Unlike some housing agencies, CHA opted to include its full public housing and non-specialized Housing Choice Vouchers in the MTW program at the onset. CHA provides housing for 22,187 seniors, adults and children. During FY2012, CHA had 3,288 public housing units, 4,841 authorized Housing Choice Voucher units which included special programs such as Veterans Affairs Supportive Housing (VASH) and Family Unification Program (FUP) as well as 533 project-based vouchers, and operates a 242-unit HUD assisted apartment community. As of March 31, 2012, the agency manages 1,033 portable vouchers (originally issued by other housing agencies) and offers rental housing assistance for 1,943 affordable housing units (non-federally financed units created under tax credits, tax exempt bonds, HOPE VI and other local programs) and 338 market rate units. As of March 2012, through MTW flexibility, the agency has added 216 public housing units (slightly less than 50% of these are in mixed-income developments).

The average income for CHA families living in conventional public housing is \$7,793. The number of public housing families reporting income from employment is reported at 377 and those families have an average earned income of \$10,655. Housing Choice Voucher families, have 1,496 households reporting income from employment with an average earned income of \$14,100. Females make up 81.7% of CHA's heads of households and 92.1% of the heads of households are African-American. The average length of stay for public housing families is five to ten years for a majority of the conventional developments. There were 2,390 families on the public housing wait lists and 1,944 applicants waiting for a Housing Choice Voucher as of March 31, 2012.



Using MTW flexibility, CHA has been able to streamline its rent calculation, re-examinations for seniors and disabled heads of households, and process for moving residents to self-sufficiency, as well as leverage outside funding and partnerships and use federal dollars more efficiently. However, there have been challenges during the participation as well. Due to funding constraints, staff has had to prioritize competing goals and needs. Projects such as Residence In Select Environment (RISE) have been delayed, and there are now ongoing discussions to determine which public housing population should receive self-sufficiency services: the most vulnerable or those most likely to succeed. CHA has been unable to reach a suitable arrangement with the local public school system that could allow CHA Client Services staff the ability to track students' academic performance. In addition, economic conditions are leading staff to consider a charter school alternative at a HOPE VI site, and the overall unemployment rate in Mecklenburg County remains high (approximately 10%), thus hampering our

consumers' efforts to find and maintain employment while insufficient funds to address child care and transportation needs hamper self-sufficiency efforts of even the most capable residents.

CHA's long-term MTW plan consists of planning for a different fiscal climate in light of the economic recession, which caused a myriad of problems, including the loss of businesses, foreclosures, unemployment, a decrease in property taxes paid, and a decline in federal HUD funding for its local PHAs. CHA is now working to adapt its long-term strategy for the use of MTW dollars to the new federal environment. CHA's efforts to maximize the use of funding it will have available for the remaining years of the Demonstration are detailed in the Long-term Plan section of this document. Charts E1 and E2 show the agency's progress for the MTW statutory objective: to increase housing choices and for the measures being tracked to determine CHA's MTW success.

<b>E1 Households Served</b>			
	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>
Families Served through MTW Public Housing	3,073	2,807	2,705
Families Served through MTW Vouchers	4,108	4,240	4,573
Other Families Served through MTW	1,582	1,582	1,824
<b>Total Families Served</b>	<b>8,763</b>	<b>8,629</b>	<b>9,102</b>



<b>E2 Performance Measures</b>			
<b>Metrics</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>
The employment rate for able-bodied heads of households and other family members receiving Moving Forward Supportive Services	35% (106 participants)	54.8% (129 of 235 participants)	46.5% (133 of 286 participants)
The number of family members in training and/or education programs receiving Moving Forward Supportive Services	165	234	334
The increase in average and median income of families (all sources and earned income) (excluding seniors and disabled families) receiving Moving Forward Supportive Services	\$12,745	\$7,572	\$10,142
The amount of funds leveraged in the community for production of affordable housing and the provision of supportive services	\$46,494	\$74,833	\$124,320
The number of children who enter post secondary education	Not tracking. Release forms had not been obtained	Pending Housing Occupancy Plan and Lease Amendments	Pending Housing Occupancy Plan and Lease Amendments
The percent increase in number of CHA students that enter the Charlotte Housing Authority Scholarship Fund (CHASF)	-1.6% (15 PH & 46 HCV)	0% (15 PH & 46 HCV)	8% (16 PH & 59 HCV)
The number of public housing units in mixed-income environments	906	1,039	1,136
<b>The distribution of public housing and project-based vouchers by zip code (de-concentration)</b>			
28204	387	387	371
28216	90	90	90
28205	109	109	196
28217	69	69	69
28206	324	324	410
28226	49	49	70
28208	437	437	379
28227	22	22	22
28209	239	239	343
28262	51	51	51
28210	155	155	155
28269	156	156	156
28211	96	120	120



CHA began upgrades to the YARDI software (agency-wide operating system) in 2009. These upgrades were intended to revise or create reports that would support project management of MTW initiatives. As of March 31, 2012, there have been 28 reports written and currently utilized by CHA staff. These new reports allow staff to analyze and trend source of income, progression of employment, and participation in MTW programs.



Throughout FY2012 the Center for Urban and Regional Studies at The University of North Carolina at Chapel Hill (UNC-CH) has continued to collect data for the evaluation of CHA's MTW program, Moving Forward. The key research questions being addressed include:

- What are the major obstacles to implementing the Moving Forward initiatives and how were they overcome?
- To what extent has the Moving Forward initiative: (a) achieved greater cost efficiencies; (b) increased housing choices; (c) assisted residents in achieving self sufficiency; and (d) improved the quality of life of CHA residents?
- What impacts has participating in Moving Forward had on CHA and its operations?

These research questions are being answered with data from: (1) CHA's YARDI data base management system; (2) surveys of CHA residents; (3) interviews with CHA and partner organization staff and board members; and (4) through the analysis of secondary data such as those available in the Charlotte Quality of Life data base.

At the beginning of FY2012, evaluators from UNC-CH delivered their first biannual report entitled *Charlotte Housing Authority's Moving Forward Program: Early Implementation and Baseline Data Evaluation*.

The data items being collected over time include:

- The characteristics of CHA residents;
- The characteristics of CHA units;
- CHA budget and expenditure figures;
- Monthly case manager reports on client progress toward self sufficiency;
- The characteristics of neighborhoods surrounding CHA developments and in which Section 8 program participants live;
- Qualitative interviews with members of the CHA staff and governing board, and with case managers; and
- Survey data on resident physical and mental health, perceptions of housing and neighborhood problems, satisfaction with their housing and with both CHA management and case managers, parental assessments of children's school performance, economic hardships experienced, and satisfaction with the rent reforms and work requirements introduced under the flexibility allowed in the MTW program.



## CHA's FY2012 MTW at a Glance

FY2012 Agency Focus	FY2012 Accomplishments	Collaborations to Serve CHA Families
<ul style="list-style-type: none"> <li>• Preserve/rehabilitate existing units</li> <li>• Develop new affordable units</li> <li>• Move current participants to self-sufficiency</li> <li>• Use fungibility under MTW to support expenditures outside of public housing and the Housing Choice Voucher program</li> <li>• Research available grants and alternative funding sources to increase CHA's financial resources</li> <li>• Increase the number of persons and businesses enrolled in Section 3</li> <li>• Locate administrative staff in single location to maximize productivity and innovation</li> <li>• Increase awareness of the positive role the Housing Choice Voucher program plays within Charlotte community</li> <li>• Co-lead a large collaborative effort known as SHIP (Supportive Housing Innovative Partnership) that provides transitional housing to homeless families</li> </ul>	<ul style="list-style-type: none"> <li>• Earned income for CHA families increased by 1% over the baseline of \$13,326</li> <li>• Exceeded the 1,433 target for households with earned income by 440</li> <li>• Achieved an average yield increase for investments of .60%, while HUD's average was .18%</li> <li>• Saved \$4,200 in inspections on 84 newly constructed project-base Housing Choice Voucher units</li> <li>• Reduced Part I crimes at CHA sites by 22% over the previous year</li> <li>• Received funding for seven grant applications totaling \$1,255,384</li> <li>• There were 235 Section 3 residents added in FY2012 resulting in a 145% increase from FY2011</li> <li>• Section 3 business concerns had a 108% increase from FY2011 with the addition of 53 business concerns</li> <li>• Section 3 business concerns contracts and subcontracts were more than \$7.1 million</li> <li>• Graduated 91 students from the 4-week job readiness program at the Center for Employment Services resulting in 69 of those gaining employment (75.8% hiring rate)</li> <li>• Received \$150,000 in partner contributions for the Center for Employment Services</li> <li>• Logged 2,500 volunteer hours at the Center for Employment Services</li> </ul>	<ul style="list-style-type: none"> <li>• Partnered with a highly-regarded non-profit agency to implement the Charlotte Local Rental Subsidy Program for formerly homeless families</li> <li>• Partnered with non-profit housing providers to help them construct McCreesh Place expansion and Moore Place (housing for homeless)</li> <li>• Chaired the Housing Working Group of the CONNECT Consortium, a partnership spanning 14 counties in North and South Carolina. This collaboration secured a \$4.9 million HUD Sustainable Communities grant in FY2012 for the Centralina Council of Governments to pay for regional sustainability planning.</li> <li>• Worked in collaboration with the Continuum of Care Committee of the Homeless Services Network to help secure \$3,631,281 for programs serving the homeless in Mecklenburg County</li> <li>• CHA partnered with Jacob's Ladder, City Dive, The Benefit Bank of North Carolina, Charlotte Works, and several area funders to operate the Center for Employment Services (CES) in Charlotte's West Boulevard Corridor</li> </ul>





General Housing  
Authority Operating  
Information

### General Housing Authority Operating Information

#### Public Housing Units

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Total Mixed-Income Developments	63	365	410	270	27	1	<b>1,136</b>
Total Public Housing Developments	709	453	447	396	114	8	<b>2,127</b>
<b>Total Units March 2012</b>	<b>772</b>	<b>818</b>	<b>857</b>	<b>666</b>	<b>141</b>	<b>9</b>	<b>3,263*</b>

Year end count does not include 43 offline units

Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year):  
There were not any developments that exceeded 30% of the Agency's total budgeted capital expenditures for the fiscal year 2012.

#### Public Housing Units Added During Fiscal Year 2012

Property	Type	Accessible Features	Total Units in Development	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Total PH units added
Woodlawn House	Seniors	ADA Compliant	<b>104</b>		34	18				<b>52</b>
Steele Creek	Seniors	ADA Compliant	<b>120</b>		60					<b>60</b>
Hampton Creste	Homeless	ADA Compliant	<b>213</b>		4	20	8			<b>32</b>
Moore Place	Homeless	ADA Compliant	<b>85</b>		34					<b>34</b>
McMullen Wood	Family	ADA Compliant	<b>55</b>			11	10			<b>21</b>

#### Public Housing Units Removed During Fiscal Year 2012

Property	Type	Justification	Total Units in Development	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Strawn Tower	Seniors	Modernization -Supportive Services space	<b>(196)</b>	(18)	(7)	(1)				<b>(26)</b>

Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%

4,455

Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%

387 (135 VASH, 200 FUP, 52 Port Outs)  
There was an increase greater than 10% because at the beginning of the plan year there were 118 non-MTW HCV authorized (85 VASH and 33 Port Outs).

\*PH occupancy was at 83% at the end of the fiscal year due to units at Robinsdale and Wallace Woods undergoing rehabilitation. Casualty losses at First Ward, Steele Creek, and Moore Place due to being in lease up process.



### Housing Choice Voucher (HCV) Units Project-Based During FY2012

Property HOPE VI Developments	Type	Total Units in in Development	Number of Units Project Based at Property					Total
			1 BR	2 BR	3 BR	4 BR	5 BR	
940 Brevard	Senior/Mixed Affordable	100	60					<b>60</b>
Ashley Square at SouthPark	Family/Mixed Affordable	176	4	10				<b>14</b>
McAden Park (Seigle 60)	Family/Mixed Affordable	60	3	18	9			<b>30</b>
McCreech Place	Special Needs	91	24					<b>24</b>
Mill Pond	Family/Mixed Affordable	168		23	28			<b>51</b>
Moore Place	Special Needs	85	51					<b>51</b>
Prosperity Creek	Family/Mixed Affordable	168	72	12				<b>84</b>
Seigle Point Apartment Homes	Family/Mixed Affordable	204	3	13	2			<b>18</b>
Springcroft @ Ashley Park/Live Oak Seniors	Seniors/Mixed Affordable	50	18					<b>18</b>
Steele Creek	Senior	120	42	18				<b>60</b>
YWCA Families Together	Family/Supportive Service	9			6	3		<b>9</b>
Cherry Gardens	Seniors/Mixed Affordable	42	11					<b>11</b>
<b>Total Project-Based HCV Units</b>		<b>1,273</b>	<b>288</b>	<b>94</b>	<b>45</b>	<b>3</b>	<b>0</b>	<b>430</b>

#### Overview of other housing managed by the Agency, for example – tax credit, state funded, market rate, etc.

There are 6 properties owned or managed by CHA or its subsidiary Horizon Development. These properties are detailed below.

Development	Total Units	1BR	2BR	3BR	4BR	Type
Grove Place	36	0	24	12	0	Market Rate
Oak Valley	50	0	32	18	0	Market Rate
Valley View	49	0	29	20	0	Market Rate
McAlpine Terrace	113	112	1			Seniors
Seneca Woods	49		24	23	2	Family
Glen Cove	50		29	21		Market Rate







## Leasing Information — Actual

Leasing Information – Actual	
Total number of MTW public housing units leased in Plan year	2,705 (on the last day of the fiscal year)
Total number of non-MTW public housing units leased in Plan year	CHA does not have any non-MTW public housing units.
Total number of MTW Housing Choice Voucher units leased in plan year	4,373 (under contract as of 3/31/2012)
Total number of non-MTW Housing Choice Voucher units leased in plan year*	264 (under contract as of 3/31/2012)
Description of any issues related to leasing of public housing and Housing Choice Vouchers	There were challenges in meeting the 20 day turn due to not having qualified applicants to meet the income requirements set at certain properties (FSS). Property Management is being encouraged to consistently and aggressively market the property so that a wait list with qualified applicants can be built.
Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).	There were 430 project-based vouchers in use at the end of the Plan year. The following is a list of voucher commitments in future years: The Retreat @ Renaissance (Boulevard Seniors) is undergoing subsidy layering review; Everett Place construction is delayed; Woodlawn is delayed until December of 2012; New vouchers were placed at McCreesh Place II (26) and Moore Place (51), both Special Needs and Steele Creek (60), a Senior development; The YWCA unit mix was reduced from 10 to 9 effective March 1, 2012.

\*Utilization of non-MTW HCV was due to Family Unification Program vouchers (FUP) and Veterans Affairs Supportive Housing (VASH) vouchers that were not utilized. At this time, all FUP and VASH vouchers are in process.

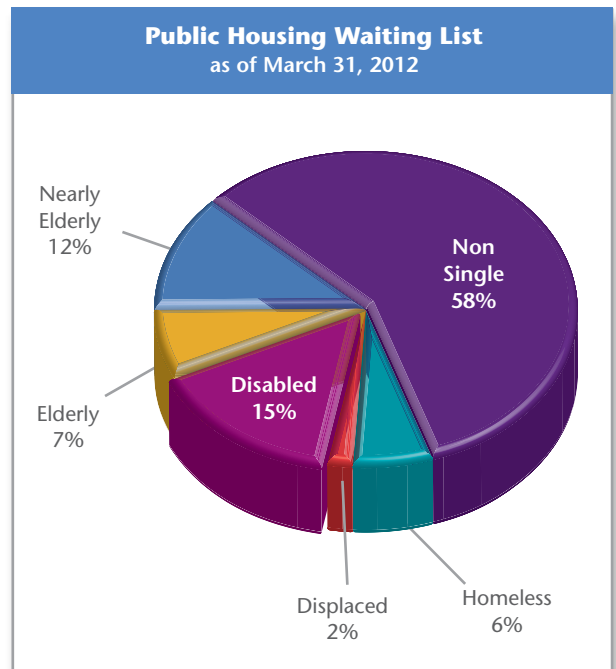




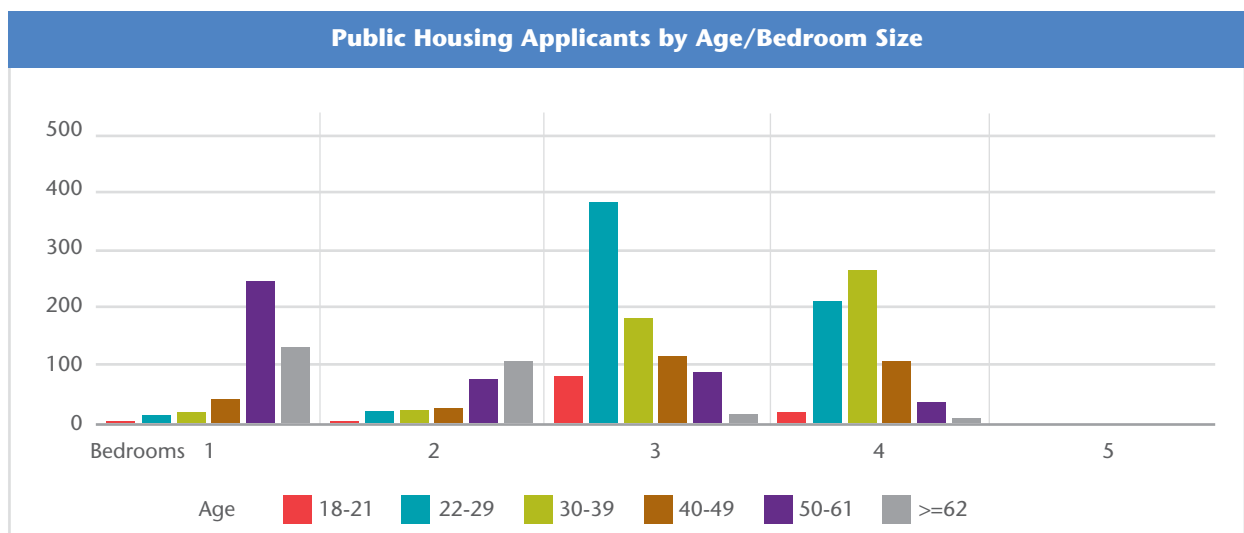
# Waiting List Information

**NUMBER AND CHARACTERISTICS OF HOUSEHOLDS ON THE WAITING LISTS (ALL HOUSING TYPES) AT THE END OF THE PLAN YEAR.**

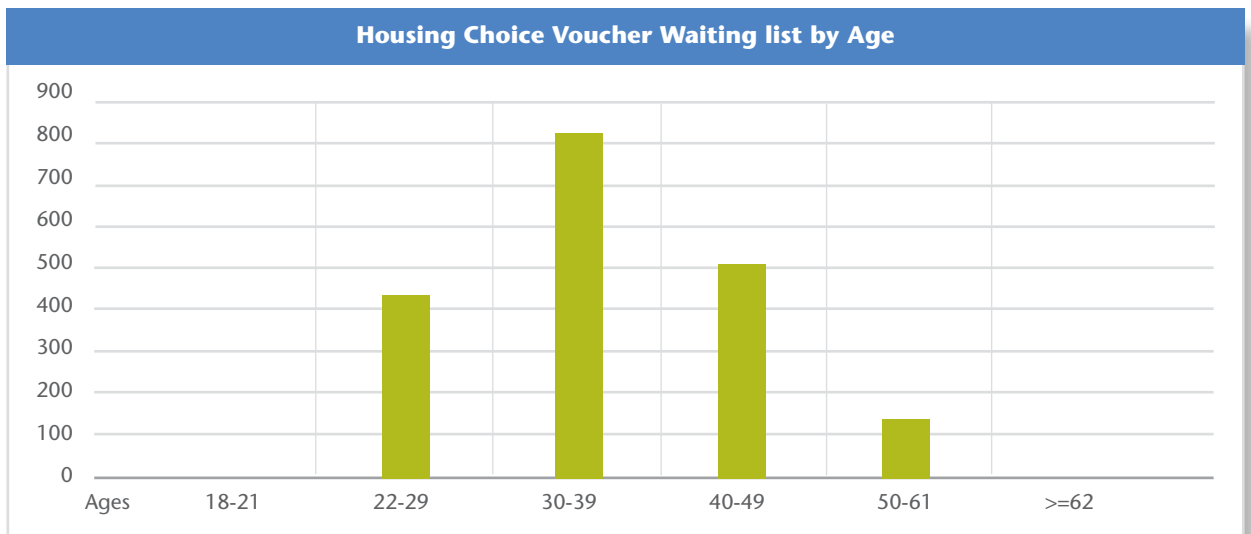
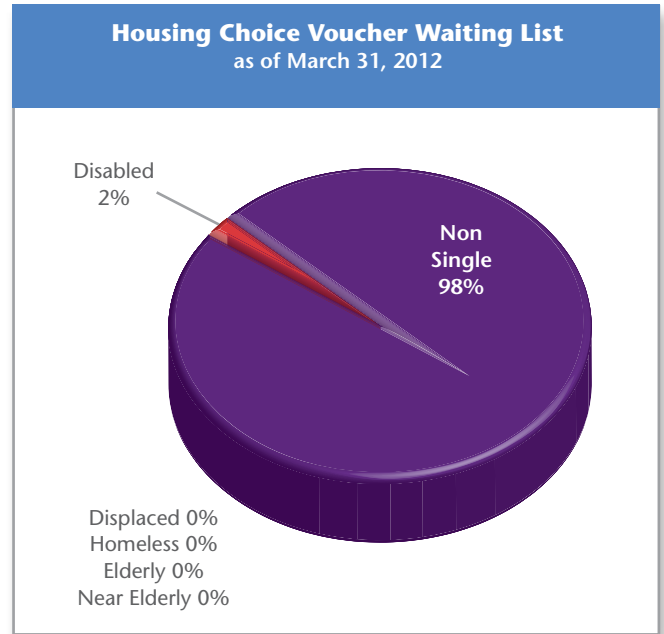
There were 2,390 applicants on the waiting list for conventional public housing as of March 31, 2012. Single households comprised 701 of the applicants and the remaining 1,689 were family applicants.



Waiting List									
Bedroom Size	Total Applicants	Disabled	Elderly	Near Elderly	Single	Non Single	Family	Homeless	Displaced
0	446	204	82	223	446	3	0	36	4
1	248	75	87	63	233	59	15	33	2
2	874	72	7	21	19	716	855	53	21
3	656	34	5	13	3	568	653	36	9
4	165	11	0	3	0	145	165	5	2
5	1	0	0	0	0	1	1	0	0
<b>Totals</b>	<b>2,390</b>	<b>396</b>	<b>181</b>	<b>323</b>	<b>701</b>	<b>1,492</b>	<b>1,689</b>	<b>163</b>	<b>38</b>



There were 1,944 applicants on the waiting list for the Housing Choice Voucher program as of March 31, 2012. Single households comprised 211 of the applicants and the remaining 1,733 were family applicants. CHA does not track Housing Choice Voucher wait list applicants by bedroom size.



**DESCRIPTION OF WAITING LISTS (SITE-BASED, COMMUNITY-WIDE, HOUSING CHOICE VOUCHER, MERGED) AND ANY CHANGES THAT WERE MADE IN THE PAST FISCAL YEAR.**

The Housing Choice Voucher waiting list was closed all of fiscal year 2012. The public housing waiting list is site-based. Waiting lists are reviewed quarterly by site

and bedroom size. The waiting lists are opened and closed (by site or bedroom) depending on the length of the list as a result of the quarterly reviews. Throughout 2012, CHA had waiting lists opened for applications for senior, Housing Choice Voucher (project-based), HOPE VI mixed-income, conventional public housing, mixed-income, and affordable developments.





Non—MTW Related  
Housing Authority  
Information (Optional)

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Charlotte Housing Authority received a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for the FY2011 Audit report. This was the sixth consecutive year the agency received this award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting.

### **CHA TODAY NEWS SEGMENT WINNER IN THE 33rd ANNUAL TELLY AWARDS**

CHA Today, a monthly news segment produced by the Charlotte Housing Authority that airs on the City of Charlotte's news program *City Source*, received a Bronze award in the 33rd Annual Telly Awards for the SHIP (Supportive Housing Innovative Partnership) Initiative. The program airs on the GOV Channel

which is managed by the City of Charlotte's Corporate Communications & Marketing division. With nearly 11,000 entries from all 50 states and numerous countries, this is truly an honor.

The award was given in the TV Programs, Segments, or Promotional Pieces – Social Responsibility category. The segment tells the story of an innovative partnership between The Salvation Army, the Catholic parishes of St. Gabriel and St. Matthew, and the Charlotte Housing Authority to end homelessness for families in the shelter. The initiative provides a stable environment in a community setting with supportive services on site to help the formerly homeless families maintain housing for the long-term.

"The Telly Awards has a mission to honor the very best in film and video," said Linda Day, Executive Director of the Telly Awards. "CHA Today's accomplishment illustrates its creativity, skill, and dedication to its craft and serves as a testament to great film and video production."



## WITH EVERY HEARTBEAT IS LIFE

CHA has participated in the With Every Heartbeat is Life (WEHIL) initiative since 2010. Both public housing residents and Section 8 participants have been trained as community health workers (CHWs), using a curriculum developed by the National Heart, Lung and Blood Institute. These dedicated CHWs recruit class participants and deliver a highly-successful program about preventing heart-related issues in a supportive, creative, and energetic classroom environment. There were a total of 54 participants for FY2011-2012. At the end of March 31, 2012, a total of 150 participants had graduated from WEHIL program. There are many success stories about participants losing between 10 to 20 pounds, increasing their physical activity, and becoming conscious of the foods they eat.

C.W. Williams Community Health Center, Inc. remains an avid supporter of the mission of the WEHIL program. The Center provides a qualified medical staff person who attends a minimum of five of the 11 WEHIL sessions. This federally-qualified health center also serves as a medical home to CHA residents who seek treatment at their facility.

Additionally, CHA has a contract with N'Shape w'N Fitness and Image Studio to educate WEHIL participants about the benefits of aerobic exercise. The class teaches the importance of exercise and impacts of increased stamina, physical endurance, benefits of increasing lung and heart capacity, decreased development of heart disease, and other health maladies. N'Shape provides one, 30 minute aerobic class for WEHIL participants every 11 weeks. Participants report they thoroughly enjoy the activity.

WEHIL participants also partnered with Students In Free Enterprise Organization (SIFE) of UNC-Charlotte Belk College of Business to build and design a community garden. The objectives of the garden are to educate residents about how to live and eat healthy and develop a system where residents have access to healthy eating. The community garden is located in First Ward. As a team, WEHIL and SIFE planted lettuce, radishes, carrots, bell peppers, collards, and cabbages. The garden is maintained by Community Health Workers. Lowes also donated \$1,700 to the SIFE organization to assist with this project.





## HORIZON DEVELOPMENT PROPERTIES, INC

Horizon Development Properties, Inc. is a non-profit, tax exempt 501(c)(3) subsidiary of CHA. The subsidiary, organized in March of 2001, has a mission to provide affordable housing to all qualified families. Horizon Development is a wholly owned entity of CHA. It does not have employees, and all functions are provided by employees of CHA and then recorded in the appropriate entity. CHA's Board of Commissioners also serves as the Board for Horizon Development. The original FY2010 budget was \$4,201,421. The FY2011 budget was \$12,350,362. The FY2012 budget is \$8,993,094.

Horizon currently owns 1,245 apartment units in 13 developments and two pieces of vacant land. In addition, Horizon Development owns 100% of the stock in another CHA subsidiary, Horizon Acquisition Corporation, a for-profit entity. Horizon Acquisition is a minority partner in six limited liability corporations (LLCs) and two additional developments.



## WOODLAWN HOUSE

Woodlawn House is a four story apartment building built in 1973 near the corner of Park Road and Woodlawn Road. The 160,000SF apartment building sits on 3.994 acres of land and is situated on a bus line in a residential area with retail stores, including a pharmacy and a grocery store with fresh foods in close proximity.

Woodlawn House was acquired by Horizon Development Properties, Inc., a subsidiary of the Charlotte Housing Authority in 2009. The Neighborhood Stabilization Program (NSP) through HUD, via sub-awards from both The State of North Carolina and the City of Charlotte, financed the \$3.5 million acquisition at which renovations were completed in December 2011. The redeveloped apartments include 104 units comprised of 64 one-bedroom apartments and 36 two-bedroom apartments. The amenities include laundry facilities on each floor, storage bins on each floor, two offices, two elevators, and a recreation room. The apartments will have income restrictions and serve persons 62 years and older.

## ROBINSDALE

CHA completed a \$1,156,340 renovation of six one and two story apartment buildings (a total of 30 units) in the Robinsdale community. The scope of work included adding air conditioning to all apartments, interior renovation (doors, plumbing fixtures, cabinetry, finishes, etc), and exterior renovations (roofing, siding, enclosing patios, adding patios, extending front porches, adding roof architectural feature, etc.).



## HAMPTON CRESTE

Hampton Creste, a 213 unit multi-family development, is in an amenity rich area of the city, directly across the street from a grocery-anchored shopping center with two CATS bus-stops along the property's frontage. The community is located in a high performing school district where residents' children attend Myers Park High, AG Middle and Cotswold Elementary. A transitional housing initiative for families known as SHIP (Supportive Housing Innovative Partnership) is available at this community through the Salvation Army Center of Hope, with 60 ACC (public housing) units set aside for that purpose. A number of community organizations provide volunteer support to this collaborative effort. Participants are provided with a public housing rental subsidy for up to three years. Program graduates can remain in their apartment home at Hampton Creste, or move to another apartment, but the rental subsidy is made available to a new homeless family.

Horizon Development Properties, Inc., an instrumentality of CHA, rehabilitated and reconfigured Hampton Creste into a 213 unit mixed-income community. This community serves 60 residents at or below 30% of area median income (AMI); 40 residents at or below 50% of AMI and the remaining units serve 113 residents up to 80% of AMI. After the rehabilitation, Hampton Creste will consist



of 32 one-bedroom units, 155 two-bedroom units, 24 three-bedroom units, and two five-bedroom units.

CHA served as a lender (and rental subsidy provider) in partnership with the City of Charlotte through its Neighborhood Stabilization Program funds (NSP), along with a conventional bank loan for a combined total investment of approximately \$10.3 million. Renovations included the reconfiguration of one-bedroom units into three- and five-bedroom units to better serve the community, new HVAC systems, windows, doors and appliances.



### WALLACE WOODS

The Wallace Woods community received \$855,000 in renovation work for the entire 48 unit complex. The scope of work included replacement of flooring, plumbing fixtures, kitchen and bathroom casework, exterior doors and hardware, wood trim, electrical fixtures and devices, repainting of the unit and installation of new

HVAC split system. Additionally, the exterior of the building, siding, wood steps, and landing were painted and boards replaced.

### CHARLOTTETOWN TERRACE

Charlottetown Terrace was originally built by the Charlotte Housing Authority in 1977 as an 11-story high rise to provide affordable housing to both seniors and the disabled. It originally had 180 apartments and two off-line units for the rental office. This apartment community has now been designated as housing for low-income, disabled residents of any age. The \$12.86 million rehabilitation of this aging tower reduced the number of rental units available to 161 to provide the disabled population a service-rich environment in a Leadership in Energy and Environmental Design (LEED)-certified building.

The revitalization means that 161 units of rental housing affordable to very low-income, disabled adults remains secure for another 40 years, and those residents continue to have easy access (e.g. walking distance) to a large Target (with fresh groceries and a pharmacy), a Trader Joe's grocery store, a revitalized park, a bus stop, and other amenities.



The Charlottetown Terrace renovation is on track to receive LEED Gold Certification from the U.S. Green Building Council. CHA chose to pursue this certification to document the extensive efforts undertaken to provide an economically and environmentally sustainable community for very low-income, disabled adults.

The green/sustainable elements in this building include:

- Ongoing green education for residents
- Community designated as non-smoking
- Energy efficient windows
- Energy Star appliances
- Energy Star compact fluorescent bulbs (CFL)
- Low-flow toilets, bath aerators, kitchen aerators, and shower heads
- Low-emitting paints, adhesives, and sealants
- Occupancy sensor/daylight harvesting lighting in common areas
- Demand controlled ventilation in common areas
- High efficiency variable refrigerant flow heat pumps throughout the building
- Building products that have high recycled content
- Regional building products that are manufactured in close proximity to the project
- Solar Reflectant TPO roof with R22 insulation

The energy savings in the construction and the operation of this building are:

- 48% reduction in water usage
- 33% reduction in energy usage
- 80% recycled construction waste
- 27% recycled content in construction/finish materials



The energy consultant has estimated a total savings of 643,268 KWh/year and 2,313,867 gallons of water resulting in a 37.2% overall consumption improvement, based on HUD's formula for competitive stimulus grants.

The renovation of Charlottetown received a \$1 million grant from the City of Charlotte's Housing Trust Fund (a competitive application) and was awarded a \$6.2 million grant in HUD's 2009 American Recovery and Reinvestment Act (ARRA) CFRC (Capital Fund Recovery Competition) stimulus grant competition. The Charlottetown project was one of 134 public housing authorities selected in this highly-competitive HUD grant cycle to create energy efficient communities by rehabilitating existing public housing units. Due to the importance of this renovation, CHA put \$5.66 million of its own funds into this rehabilitation. In addition to making an aging public housing high rise a modern example of energy-efficiency and effective service delivery, the Charlottetown project created or preserved 350 jobs. Of those, 44 were new hires and 31 of those 44 (70%) new hires were Section 3 hires, meaning they were low-income persons, including seven Charlottetown residents.



### **PARKTOWNE TERRACE**

Parktowne Terrace is located on Fairview Road in the SouthPark area, a thriving retail, residential and commercial area that includes SouthPark Mall, restaurants, hotels, medical facilities, banks, and upscale

living for both single family and multi-family.

CHA will renovate Parktowne Terrace into a 163-unit community for elderly residents. The 100% affordable community will serve elderly residents at or below 60% of AMI and consist of 130 studio/efficiency units and 33 one-bedroom units. CHA will invest over \$20 million in partnership with The Richman Group, Wells Fargo, RBC Capital Markets, North Carolina Housing Finance Agency (NCHFA), City of Charlotte – Energy Efficiency and Conservation Block Grant (EECBG) and HUD's Capital Fund Financing Program (CFFP).

Construction started the final quarter of FY2012. The renovation will include an abundance of amenity space including a new outdoor seating area, multi-purpose room, resident computer center, a fitness center, and lounge.

CHA is pursuing USGBC LEED Silver Certification. CHA will commit itself to ecologically safe building practices and amenities designed for the comfort of residents living there. Green/sustainable elements include:

- Energy Star appliances
- Energy efficient windows
- Energy Star compact fluorescent bulbs
- Low-flow toilets and showerheads
- Infrastructure (Maintaining 75% of existing walls, floors & roof)
- Construction activity pollution prevention
- Low-emitting materials, adhesives & sealants
- Remote control lighting
- Water efficient landscaping
- 75% Recyclable Waste Content

Shiel Sexton McFarland Corbit, construction manager of the redevelopment, expects the \$20 million project will create 380-400 construction jobs. CHA will focus its efforts on creating many of those jobs for CHA residents.

### **STRAWN TOWER**

Built in 1970, Strawn Tower is located at 1225 S. Caldwell Street, on the Charlotte Housing Authority corporate campus on South Boulevard in the historic Dilworth Neighborhood. Strawn Tower is within walking distance of two light-rail stations (Bland & Carson) and the neighborhood offers an extensive variety of retail amenities.

CHA will renovate Strawn Tower into a 170-unit community for elderly residents. The 100% affordable community will serve elderly residents at or below 60% of the area median income and consist of 129 studio/efficiency units and 41 one-bedroom units.



CHA will invest over \$20 million in partnership with North Carolina Housing Finance Agency (NCHFA), City of Charlotte - Housing Trust Fund (HTF) and HUD's Capital Fund Financing Program (CFFP). Construction began January 2012. The renovation will include an abundance of amenity space including new outdoor seating area, multi-purpose room, resident computer center, a fitness center, lounge, library, and salon. It also will include on-site supportive services office space and offices for other nonprofit and government service providers. CHA is pursuing USGBC LEED Silver Certification. CHA will commit itself to ecologically safe building practices and amenities designed for the comfort of residents living there. Green/sustainable elements include:

- Energy Star appliances
- Energy efficient windows
- Energy Star compact fluorescent bulbs
- Low-flow toilets and showerheads
- Infrastructure (Maintaining 75% of existing walls, floors & roof)
- Construction activity pollution prevention
- Low-emitting materials, adhesives & sealants
- Remote control lighting
- Water efficient landscaping
- 75% Recyclable Waste Content

This \$20 million project will create 380-400 construction jobs. CHA will focus its efforts on creating many of those jobs for CHA residents.

### SECTION 3

CHA continues to partner with vendors to create training and employment opportunities. Environmental Holdings Group, LLC, a remediation and demolition contractor provided an opportunity for a resident to receive abatement inspector training at a local community college. As a result of the training, the resident is now licensed.

Cunningham Recreation, Inc., a playground installation company, provided maintenance and inspection training for residents and those attending received certificates of completion. This opportunity is the first step for residents interested in becoming nationally certified.

Home Depot, Inc. planned a hiring event where they targeted PHA residents and Housing Choice Voucher holders. More than 150 residents were referred to open positions with the company. Final hiring decisions have yet to be made.

CHA partners with Goodwill, and residents in their Construction Skills Training program provided labor on several CHA rehabilitation projects.

In FY2012, Section 3 business concerns received more than \$25,000,000 in CHA contracts. Real Estate/Capital Assets contracted 65% of the informal construction projects with Section 3/MWBE vendors and 45% of the informal design projects with Section 3 vendors.





# Long-term MTW Plan

CHA has reevaluated its long-term plan to focus more on doing more with less in a more challenged fiscal climate. The ability to deregulate our federal funds offers CHA greater flexibility in allocating dollars where needed for the agency to serve more people. There are several areas CHA is looking to manage the benefits of MTW in the long-term future. Following HUD's conversation during the 2011 Annual MTW Conference, CHA staff had discussions addressing: 1) administering smarter housing assistance; 2) making the most of the block grant; 3) prioritizing competing goals and needs; and 4) planning for a different fiscal climate.

### **ADMINISTERING SMARTER HOUSING ASSISTANCE**

CHA is exploring various supportive housing partnerships, local rental subsidy programs, mixed-income housing, and building design options in hopes of administering smarter housing assistance. The Agency has been an advocate of special needs housing by awarding rental subsidies to non-CHA owned properties in order to leverage development activities in supportive housing developments. These supportive housing partnerships increase the supply of special needs housing while providing families the support they need to maintain independent living.

CHA has also partnered with transitional housing programs that provide short-term rental subsidies and wrap around services that assist families in attaining self-reliance. The goal of the Agency's local subsidy pilot program is to transition families out of assisted housing in a shorter amount of time. Local rental subsidy activities also reduce capital and property management expenses since families are able to lease units in the private market.

Moreover, CHA will continue to develop more mixed-income communities in order to support deconcentration, promote employment, and reduce the stigma attached to assisted housing. Additionally, the Agency has begun to increase the number of units that are project based in CHA or Horizon owned properties in order to deliver services to families more effectively and efficiently.

Other Agency long-term MTW plans include designing and building for the future. By using programs like Leadership in Energy and Environmental Design (LEED), CHA can design and build units that operate more cost efficiently, require less maintenance expense, and create buy-in and community acceptance by blending in with private sector housing.



### **MAKING THE MOST OF THE BLOCK GRANT**

CHA, not unlike other housing agencies across the nation, will endure challenges in serving the high demand of housing needs in the Charlotte community with the reduced funding levels received from HUD. By utilizing block grant funding, the agency is able to allocate dollars where needed in order to serve more people. In addition, block grant funding allows a greater ability to leverage.

In response to HUD budget restrictions, block grant funding has proven vital to funneling more dollars to property needs. The block grant enables CHA to address capital needs without the limitations of the capital grant because block granting is solely based on needs. The continued use of block grant funding will assist CHA in responsibly planning for future needs.

## PRIORITIZING COMPETING GOALS AND NEEDS

At the end of FY2012, CHA owns and/or operates 3,288 units of federally subsidized public housing in 52 different developments. The agency administers 5,875 Housing Choice Vouchers which include 1,033 portable vouchers. It is documented that more than 30,085 rental units (includes 4,477 homeless people) are needed to meet the affordable housing demand in Mecklenburg County.

In light of budget cuts, CHA had to adjust to meet the critical needs as well as plan for future needs. In addition, HUD administration stated that 12.8% (\$1.5 million) of CHA's public housing operating reserves are being offset. Increasing the inventory is an expensive undertaking in which the agency has to evaluate whether to build or acquire new units, provide social services to existing tenants to move them to self-sufficiency and unsubsidized units, or provide subsidies to partner agencies to develop housing for these families. The agency is also concentrating on preventing continued deterioration of existing public housing communities that were built in the late 1970's. Capital Fund appropriations continue to lag behind accruing modernization needs. Doing more with less means deferring aesthetic items at properties because maintenance is a priority that cannot be deferred or the cost would increase if the agency waited.

In regards to transforming the lives of our customers and creating opportunities for improved quality of life, CHA's long-term plans will impact whether to serve the most vulnerable or those most likely to be self-sufficient with some assistance from our supportive

service vendors. CHA is also beginning a more integrated approach to working with school-aged children, realizing that ending generational poverty will require comprehensive strategies for the entire family. In past years, CHA anticipated serving large numbers of the population with MTW initiatives. However, economic conditions forced the agency to limit deliverables to pilots and only implement programs that are realistic for families, rather than higher reaching agency goals. CHA is looking for alternatives to programs that were not cost effective for staff to implement such as a mobility program for Housing Choice Voucher participants and an expansion of supportive services.

## PLANNING FOR A DIFFERENT FISCAL CLIMATE

CHA will continue to focus on housing that connects to key services such as education and transportation, with the goal to support positive outcomes for the families in our communities. The families receiving a rental subsidy via the Housing Choice Voucher and public housing programs are considered the most "vulnerable" in the Charlotte community. MTW flexibility allows us to be better equipped to address the affordable housing needs of the City of Charlotte because of the ability to deregulate our funds. Long-term plans to sustain financial stability include:

- Leverage new development partnerships that produce cash distributions to the agency;
- Look for alternative funding sources;
- View purchases holistically – create strategic plan for the next 3-5 years;
- Revisit asset management philosophy on how to handle current properties;
- Explore commercial development for alternative revenue streams and private fundraising;
- Expand the jurisdiction of CHA to increase utilization of CHA's allocation of Section 9 units while de-concentrating poverty at the same time;
- Continuously look at processes and procedures to increase operational efficiencies;
- Study the effectiveness of services being provided contractually versus in-house;
- Develop innovative ways to service youth; and
- Maximize partnerships.





Proposed MTW  
Activities:  
HUD Approval  
Requested



HUD requires that the agency discuss any activities proposed in the FY2012 Moving Forward Plan that were approved by HUD, but not implemented. CHA did not have any FY2012 proposed activities that were planned to be implemented during the fiscal year.





Ongoing MTW  
Activities:  
HUD Approval  
Previously Granted

## ALTERNATE REVIEW PROCESS

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

An alternate review process was approved by HUD for FY2009. Implementation of the *Alternative Review Process* began December 2010.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

The new process allows for a bi-annual reexamination process for elderly and disabled families. The schedule requires residents whose anniversary month is an even month (February, April, June, August,

October and December) to recertify during the even years beginning 2010. Those participants whose anniversary month is an odd month (January, March, May, July, September, November) will recertify in the odd years, beginning 2011. The Enterprise Income Verification (EIV) System reports are still used during recertification. CHA also began conducting criminal background checks at re-certification for family members 16 years of age or older.

The benchmark is a decrease of 1,000-1,200 re-certifications annually for elderly and disabled households. For the time period April 1, 2011 to March 31, 2012, CHA was able to decrease re-certifications by 1,204 households. Elderly and disabled re-certifications average 40 minutes per household. This represents a time savings of 100 days ( $1,204/40=48,160$  minutes/ $60$  minutes= $802$  hours/ $8$  hour work day= $100$  days), which is the desired outcome. The activity is on schedule.

	Baseline	Benchmark	1st qtr	2nd qtr	3rd qtr	4th qtr	FY12 Total
PH			144	158	73	81	456
HCV			141	68	132	99	440
	<b>2,100</b>	<b>1,000-1,200</b>	<b>285</b>	<b>226</b>	<b>205</b>	<b>180</b>	<b>896</b>



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks were achieved and the activity is determined effective. No new strategies have been identified.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

The benchmarks were not revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection method was not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

There has been no change in the authorization for this activity. The authorization is Attachment C: C.4. Without the waiver CHA would be required to recertify each resident annually. The elderly and disabled typically do not have a significant change in income or conditions that merit the time spent on a full re-certification.



**RENT REFORM AND WORK REQUIREMENT**

**A. Activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

CHA received approval to implement *Rent Reform* and a work requirement in the FY2010 annual plan. The activity was implemented in FY2011. While elderly and disabled are not required to participate in the work requirement, they are mandated to participate in rent reform. The rent simplification applies to both public housing and Housing Choice Voucher.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess**

**outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

For a full description of the Rent Reform Initiative, see The Hardship Policy, Work Requirement, Rent Reform Overview and examples of alternative rent schedules included in the Appendices.

The benchmarks for two of the Rent Reform metrics were not met in FY2012. This is partly attributed to the economic climate, but additionally the labor skills of our participants. CHA continues to encourage households with the initial savings provided by the rent bands and the additional incentive account they can become eligible for when their income reaches \$12,500 annually and includes earned wages.

Metric	Baseline	FY2012 Benchmark	1st qtr	2nd qtr	3rd qtr	4th qtr
Increase in earned income	\$13,326	\$13,659	\$12,089	\$13,185	\$13,408	\$13,406
Increase number of members with earned income	1,303	1,433	2,176	1,904	1,941	1,873
Decrease number of households paying minimum rent	1,351	1,486	1,847	1,618	1,597	1,602



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks for two of the Rent Reform metrics were not met in FY2012. This is partly attributed to the economic climate, but additionally the labor skills of our participants. CHA continues to encourage households with the initial savings provided by the rent bands and the additional incentive account they can become eligible for when their income reaches \$12,500 annually and includes earned wages.

The phasing in of families into case management, as well as the efforts to increase the capacity of the number of families served at the Center for Employment Services will have a positive impact over time. Also, encouraging households to follow their work plans in order to obtain higher level job skills will impact the metrics and outcomes.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks or metrics have been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

There have been no changes in the authorizations used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The agency is using authorizations listed on Attachment C: C.4., C.5, C.11, D.2.a and E. The waiver is needed to deviate from the standard HUD rent calculation. The Rent Reform Initiative allows incentives for families to work.



## **SITE-BASED WAITING LISTS FOR PUBLIC HOUSING AND HOUSING CHOICE VOUCHER UNITS**

### **A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

CHA was approved to implement the *Site-based Waiting Lists for Public Housing and Project-based Housing Choice Voucher units* in FY2009. The activity began in the same year.

### **B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

CHA continues to manage the waiting lists for public housing and project-based voucher units at the site level. In FY2012, there were 101 offers made for housing at CHA managed properties. A total of 70 persons (69%) accepted the first offer, while 18 accepted the second offer and 13 accepted the third offer.

Site-based waiting lists decrease the percentage of offers rejected by allowing applicants to apply at the site of their choice, rather than accept first available on a centralized waiting list. The waiting list moves faster when persons accept the first offer; however, site-based waiting lists have resulted in a greater work burden for the property managers.

### **C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The activity is effective.

### **D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics have been revised.

### **E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

### **F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

### **G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The waiver used for this activity is Attachment C: C and D: 4. The waiver is necessary because it authorizes the Agency to implement a locally designed waiting list system that provides applicants with a reasonable choice of location.



**GOOD NEIGHBOR TRAINING**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

CHA proposed the *Good Neighbor Training (GNT)* activity in FY2008. The activity implementation began in the same fiscal year.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

CHA continues to provide mandated GNT, which is conducted by CHA staff, to all new Housing Choice Voucher and public housing applicants entering the program, as well as existing program participants. The impact of GNT has been positive as evidenced by the drop in violation and termination numbers from the baseline. In addition, out of 4,332 voucher holders, there were .01% GNT completers compared to 5.2% of all Housing Choice Voucher participants with program violations and none of the terminated participants were GNT completers.

The training is designed to assist families’ acclimation to a neighborhood. Participants learn more about being “Good Neighbors” by focusing on topics such as building codes and standards, property maintenance, basic zoning regulations, home maintenance, neighborhood involvement, school and amenities locations, and conflict resolution. CHA also incorporated training on program violations into the GNT in FY2012. All existing, new admissions, and ports have begun the GNT. New admissions and ports are required to attend this training prior to receiving their voucher. Existing participants are trained and registered at their re-certification interviews.

Beginning April 2008 through March 2012, 3,070 participants have completed GNT. CHA’s benchmark for FY2012 was to complete training for 300 participants. For FY2012, 1,563 attended. CHA’s benchmark for FY2013 will be 1,000. CHA intends to have all of its existing participants trained in GNT by June 2013. All GNT after June 2013 will be provided to new admissions and ports only. CHA is conducting the GNT in an effort to decrease the number of lease or program violations that lead to terminations.

The table below illustrates the violations and terminations for FY2012 for those who have completed Good Neighbor Training, as well as the Housing Choice Voucher program overall.

Housing Choice Voucher Violation/Termination Comparison				
	Baseline	Overall HCV FY12 (as of March 2012)	GNT Completers	Percent of Total Overall Vouchers (4,332)
Participants with Violations	385	225	51	.01%
Participants Terminated /EOP	302	235	0	0%





**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks were well achieved and the activity is determined effective based on the reduction in violations and terminations.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

CHA now only measures the impact on terminations for those participants who have attended GNT.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

There are no changes to the authorizations for this activity.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The current authorizations are 1437 g(d)(1)(H) and corresponding regulations 24 C.F.R. § 982.154 and § 982.157 (b) (ii) and Attachment C: C.9.b. and Attachment C: B.1., B.iii. The waiver is essential to achieving the benchmark because the activity assists families in their transition to various neighborhoods throughout Charlotte and curbs criticism of the program.



**ADOPT INVESTMENT POLICIES CONSISTENT WITH STATE LAW**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

HUD approved the *Adoption of Investment Policies that are Consistent with State Law* to achieve a portfolio which is safer, more liquid, and obtains competitive yield in FY2009. The agency implemented this initiative in the same fiscal year.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

This activity has allowed CHA to achieve higher earnings on idle funds in a safer, more liquid environment. The interest rate earned on the checking account stayed a constant .18% during the year. It did not dip lower due to the rate negotiated in our banking services contract. Certificates of Deposit earned even less, thus they were not utilized. By allowing the portfolio to follow NC state law for investments, CHA was able to invest in Commercial Paper with earnings of .6%. This allowed CHA to earn an additional \$27,116 in earnings that would not have been earned otherwise, increasing the amount of MTW funds to be utilized on initiatives.

	Bank Rate	Earnings Rate	Earnings Differential
4/30/2011	0.18%	0.60%	\$ 1,972.46
5/31/2011	0.18%	0.60%	\$ 3,845.78
6/30/2011	0.18%	0.60%	\$ 3,646.50
7/31/2011	0.18%	0.60%	\$ 3,556.67
8/31/2011	0.18%	0.60%	\$ 1,778.76
9/30/2011	0.18%	0.60%	\$ 1,710.99
10/31/2011	0.18%	0.60%	\$ 1,523.02
11/30/2011	0.18%	0.60%	\$ 1,764.93
12/31/2011	0.18%	0.60%	\$ 1,881.74
1/31/2012	0.18%	0.60%	\$ 1,862.97
2/28/2012	0.18%	0.60%	\$ 1,702.35
3/31/2012	0.18%	0.60%	\$ 1,870.14
			<b>\$ 27,116.31</b>



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmark was achieved and the activity is determined effective.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics have been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

There is no change to the authorization.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The specific provision of the act that is waived under MTW is Attachment C: B: 5. MTW flexibility was required in order to enable the agency to invest in securities eligible under NC state law. This opened up more opportunities with a small amount of risk and higher returns.



**MODIFY SECTION 8 INSPECTION PROCEDURES**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

CHA proposed and received approval to modify the *Housing Choice Voucher inspection procedures in the Fiscal Year 2008-2009 Moving Forward Annual Plan* and implemented the procedure the same year.

CHA received approval from HUD to waive the requirement for an initial Housing Quality Standard (HQS) inspection on newly constructed project-based voucher units and utilize local building standards inspection and subsequent issuance of a Certificate of Occupancy (CO) as a substitution of the initial or move-in inspection.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

Three new project-based voucher sites (McCreesh Place (24 units), Moore Place (51 units), and Steele Creek (60 units)) came online during fiscal year 2011-2012. A Certificate of Occupancy was used in lieu of the initial HQS inspection for all 135 units resulting in a cost savings of \$6,750.

Fiscal Year	Number of Units	Cost Savings
FY09	78	\$3,900
FY10	2	\$100
FY11	57	\$2,850
FY12	135	\$6,750

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks were achieved and the activity was determined effective.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics were revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

There was no change in the authorization used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: D.5. The waiver was necessary to forego the HQS inspections.



## **PARTICIPANT AND LANDLORD TRACKING PROGRAM**

### **A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

CHA received approval in the FY2008 annual plan to implement a *Participant and Landlord Tracking Program*. In FY2008, the agency began tracking the locations of Housing Choice Vouchers in order to address de-concentration of poverty and increase access to affordable housing opportunities in non-concentrated areas.

### **B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

The purpose of the activity is to increase fair market rents (FMR) in identified areas of Charlotte-Mecklenburg County that have low Housing Choice Voucher participants in order to address de-concentration of poverty and increase access to affordable housing opportunities in non-concentrated areas. CHA has identified where poverty is low and Housing Choice Voucher participation is also low in order to design a program which would encourage participants to move into those areas. Those areas have been identified and CHA staff will contact landlords and apartment complexes in those areas where poverty levels are low in order to increase awareness of the benefits of renting to Housing Choice Voucher families.

CHA utilized the services of the University of North Carolina at Charlotte (UNCC) to use Geographic Information Science (GIS) mapping to identify each voucher holder within the City of Charlotte-Mecklenburg County. The results indicated that 78% (3,206 of 4,268) of Housing Choice Voucher holders

reside in 8 concentrated zip codes within the City of Charlotte (28208, 28215, 28216, 28205, 28217, 28212, 28269, and 28213). CHA began including information on the benefits of residing in low poverty areas in the voucher briefings.

CHA's benchmark is to reduce the vouchers within the 8 concentrated zip codes by 6% (200). It is noted that the % change can be impacted by the utilization rate and number of vouchers available; therefore, the actual number of vouchers in the concentrated area is critical to realizing movement for de-concentration purposes.

As of March 31, 2012, 72.46% (2,950 of 4,071) of voucher holders lived in the concentrated areas representing a decrease. CHA has worked on reducing this percentage by actively visiting apartment complex management companies, speaking with landlords who own or manage properties outside of the concentrated areas, and also by encouraging participants to consider the entire county when they are looking for a home. CHA has also incorporated a listing of amenities in non-concentrated zip codes in the initial briefing package.

### **C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The activity is determined effective and CHA is seeing a trending down of voucher holders in concentrated areas.

### **D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics have been revised.



**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

There are no changes in the authorization used:  
Attachment C: D.2.a.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: D.2.a. The waiver is necessary to achieve the benchmark because it reduces the concentration of vouchers in certain census tracts in Charlotte and increases housing choices for low-income families.



## COMMUNITY BASED RENTAL ASSISTANCE

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

In FY2009, CHA was approved to implement a *Community Based Rental Assistance (CBRA)* program. The activity was implemented in the same year.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

CHA adopted a CBRA process (See Appendix B) to simplify the selection process in order to maximize the number of quality project-based voucher units throughout Charlotte. The goal of this initiative is to place as many CBRA units as possible in the following areas:

- “Stable” communities, as defined by the City of Charlotte’s Quality of Life Study;
- Neighborhoods with an active revitalization plan; and
- Neighborhoods along Charlotte’s new transportation corridors, including light rail.

There is no annual benchmark for this activity because the CHA Board of Commissioners voted to approve CBRA projects on a case by case basis. The activity is considered effective because CHA has been able to place families in neighborhoods with higher economic wealth, retail, service and commercial nodes. The following units have been approved and developed or in development:

FY of HAP Contract	Development	Number of Units	Neighborhood Category
Pre-MTW	Prosperity Creek	84	Stable
Pre-MTW	McAden Park	30	Stable
<b>Total Pre MTW</b>		<b>114</b>	
FY09	940 Brevard	60	Transitioning
FY09	Springcroft @ Ashley Park	18	Stable
<b>Total FY09</b>		<b>78</b>	
FY10	Seigle Point	18	Stable
FY10	YWCA Families Together	10	Stable
FY10	Ashley Square at Southpark	14	Stable
<b>Total FY10</b>		<b>42</b>	
FY11	Mill Pond	51	Stable
FY11	Cherry Gardens	11	Stable
<b>Total FY11</b>		<b>62</b>	
FY12	McCreesh Place II	26	Stable
FY12	Charlotte Local Rental Subsidy	50	Scattered Sites
FY12	Steele Creek Seniors	60	Stable
FY12	Moore Place	51	Challenged
FY12	YWCA Families Together declined 1	-1	Stable
<b>FY12</b>		<b>185</b>	
FY13	Woodlawn House	52	Stable
<b>Total Anticipated FY13</b>		<b>52</b>	
FY14	The Retreat @ Renaissance	20	Challenged
FY14	Everett House	10	Stable
<b>Total Anticipated FY14</b>		<b>30</b>	
FY15	The Residences @ Renaissance I	8	Challenged
<b>Total Anticipated FY15</b>		<b>8</b>	
FY16	The Residences @ Renaissance II	15	Challenged
<b>Total Anticipated FY16</b>		<b>15</b>	



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

FY2012 anticipated CBRA projects were achieved.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics have been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology was not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization is Attachment C: D.7.1-d. and D.1.E. The waiver is necessary to Project Base Section 8 when the site selection is not through a competitive process such as CHA ownership of units.





**HOUSING FOR PERSONS WITH DISABILITIES, SPECIAL NEEDS, AND HOMELESS**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

In FY2009, CHA was approved to implement *Housing for Persons with Disabilities, Special Needs, and Homeless*. The activity enables CHA to expand its role in the supportive housing community by leveraging funding and resources to social service and supportive housing providers. This will help alleviate the existing housing burden. The activity was implemented in FY2009.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

The activity has impacted Charlotte’s supportive housing projects by enabling local agencies to produce additional units for the targeted population to fill a needed void in Charlotte’s continuum of care. Without CHA’s fund leveraging or resource commitment, projects would be delayed or not occur.

CHA’s Board of Commissioners voted to approve issuance of project-based vouchers on a deal-by-deal basis; therefore, there is no annual benchmark. The following are completed housing for persons with disabilities, special needs, and homeless.

Year Completed	Project	Type	Number of PBS8 Units	Number of ACC Units	Total Assisted Units in Development
FY09	YWCA Families Together	Homeless	10		<b>10</b>
FY12	McCreech II	Homeless	26	63	<b>89</b>
FY12	Charlotte Local Rental Subsidy Program	Homeless	50		<b>50</b>
FY12	Everett House	Disabled	10		<b>10</b>
FY12	Moore Place	Homeless	51	34	<b>85</b>
<b>Total</b>			<b>147</b>	<b>97</b>	<b>244</b>



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The activity continues to be effective.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

The benchmarks and metrics remain the same.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: D.1-4. The waiver is necessary to alter operational and policy procedures for the assistance the agency will provide to supportive housing providers.



**RESIDENT SAFETY INITIATIVE**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

In the FY2010 Moving Forward Annual Plan, the Resident Safety Department was approved to implement *Resident Safety Initiatives* to reduce Part I crime incident statistics for all CHA sites combined by 5% each fiscal year for five years. Part I crimes include burglary, assault, rape, homicide, robbery, arson, motor vehicle theft, and larceny.

The Resident Safety Department continues to provide private security at the elderly sites year round. The family and scattered sites receive private security during the summer months. Surveillance cameras are in operation at four senior high rises and 13 family/scattered sites. The initiative has a benchmark to achieve a 5% annual decrease in Part I crimes. Resident Safety staff reviews camera video weekly, based on the volume of calls for services as it relates to criminal incidents.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

The Resident Safety Division measures the Part I crimes as defined by the Uniform Crime Reporting (UCR) Program for the fiscal year. Each month, participating law enforcement agencies submit information on the number of Part I offenses that become known to them from the Federal Bureau of Investigation; those offenses cleared by arrest or exceptional means; and the age, sex, and race of persons arrested for each of the offenses. The Charlotte-Mecklenburg Police Department measures crime according to Part I which includes the violent offenses that includes criminal homicide, forcible rape, robbery, aggravated assault, burglary (breaking or entering, larceny-theft [except motor vehicle theft]), motor vehicle theft, and arson.

In 2011- 2012 crime decreased overall in the City of Charlotte by 20%. Crime at CHA conventional public housing properties also saw a 22% decrease in Part I crimes.

Resident Safety will continue to address safety issues with residents to continue the decrease of incidents at all our sites. The Resident Safety Department expanded the types of crime prevention initiatives and lease enforcement initiatives for CHA public housing sites.

Part I Crimes – April 1, 2011 - March 31, 2012					
Part 1 Crime Category	2010	2011	2012	% Change From 2010 to 2011	% Change From 2011 to 2012
<b>Violent Crimes:</b>					
Murder	0	0	1	0%	100%
Robbery	13	12	3	-8%	-75%
Aggravated Assault	29	27	16	-7%	-41%
Rape	2	2	2	0%	0%
<b>Property Crimes:</b>					
Burglary	20	21	17	5%	-19%
Motor Vehicle Theft	10	17	12	70%	-29%
Larceny - Theft	69	72	66	4%	-8%
Arson	4	0	1	-100%	100%
<b>Total</b>	<b>147</b>	<b>151</b>	<b>118</b>	<b>3%</b>	<b>-22%</b>



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The CHA data demonstrates the Resident Safety Department is effectively addressing crime at sites.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmark nor metric was revised. However, initially, staff reported total crimes (including misdemeanor incidents) committed at sites instead of the reported Part I crimes which artificially inflated CHA's baseline.



**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

Staff measured the total crime numbers including misdemeanor crime which skewed the baseline. The original number reported was inflated compared to the current data. Currently staff only count the Part I crimes and recalibrated the baseline based on this data. Staff will also be monitoring/comparing crime stats on a three year average. CMPD measures crime data on a three year average. To compare our statistics with CMPD, CHA will use the same monitoring/comparison time frame.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was added.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization for this activity is Attachment C: B.1.b.v. MTW flexibility was needed to enable funding of the activities.

## MOVING FORWARD SUPPORTIVE SERVICES

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

The *Moving Forward Supportive Services* (formerly Currents of Change) was approved in the FY2009 Annual Plan. Implementation began in the same year. The activity promotes work and self-sufficiency.



### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

Moving Forward Supportive Services are provided to three pilot groups. Pilot Group A (Victoria Square, Claremont and the Housing Choice Voucher Transitional Families Program) receive case management from CHA. Pilot Group B consists of the families relocated from Boulevard Homes (renamed The Renaissance) and receives services from Children's Home Society. Genesis Project 1 works with Pilot Group C (Cedar Knoll, Leafcrest, and Tarlton Hills). The chart below illustrates the percent of the goals attained for the families receiving Moving Forward Supportive Services. Pilot Group C is not included in the year-end summary because their services began in September 2011.

Actual benchmark details are reported in Appendix K. The data shows improvement from the baseline in some instances. However, CHA is still coordinating with case managers to receive complete monthly reports in order to have more accurate and complete data for those who are actively participating in supportive services at their sites. Due to this reporting issue, CHA cannot state firmly whether this means more people are working or wages have substantially positively changed.

Developments have either kept the same number of minimum renters or seen a very slight decrease in numbers during this reporting period. In response to this, job seeking activities have increased and trends in case manager monthly reporting reflect participants finding jobs after being jobless. We continue to note the hours which were full-time prior to being jobless are often part-time and wages are at minimum wage or slightly higher, directly impacting the average wage earned by site.

Victoria Square and Boulevard Homes saw slight decreases in their site's average income during this report period, whereas Claremont, Cedar Knoll, Leafcrest and Tarlton Hills all had increases in the average incomes. All total there are 286 active working able-bodied customers between all six pilots. There are 58 or 20.3% with zero income, leaving 228 with some form of household income. When combining the incomes of the six sites the average income is \$8,499. When you remove the zero incomes of which there were 58, the average income increases to \$10,661, which is still lower than FY2009 and FY2010 figures.

The income range across the supportive service sites falls between households with no income to households with \$69,000.00. There are 136 out of 228 working customers with income of more than \$100 but less than \$10,000. This group makes up 47.5% of the active working able caseload across all pilots. There are 69 out of 228 who have incomes of more than \$10,000 but less than \$20,000. This group makes up 24% of the active working able population. Only 7% of the 228 households in the pilot group report more than \$20,000 but less than \$30,000 in

income, while only 1% report more than \$30,000 but less than \$40,000.00.

There are currently no customers who have income of more than \$40,000 but less than \$60,000 at this time. We do however have two families earning more than \$60,000.00. One family is a Boulevard Homes original household and one is under the new Moving Forward expansion located at Tarlton Hills. When removing the zero incomes and the two \$60,000 outliers the aggregate income shifts to \$10,142.00. This is the figure that is being reported for the MTW Performance Measures Report.



Boulevard Homes

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

Other than positive move outs, CHA did not reach the annual benchmarks for the Moving Forward Supportive Services metrics. At the start of the 4th quarter, the Bureau of Labor Statistics reported the nationwide unemployment rate at 8.3%, North Carolina at 10.2% and Charlotte area at 10.3%. Consistent numbers of unemployed households directly impacted the number of minimum renters reported.

A comparison group has been established (Dillehay Courts) which will be used in comparison with the work of Genesis at Cedar Knoll, Leafcrest and Tarlton Hills. The agency is also setting up a longitudinal

study which will track a random sampling of customers from each internal and external vendor. Using the same group of customers along with consistent metrics over time will help determine the effectiveness of supportive services in moving customers towards self-sufficiency and out of subsidized housing.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

All supportive service sites are being held to the same performance metrics across the board, whether the services are provided by CHA staff or are contracted.

For the FY2011-12, University of North Carolina at Chapel Hill (UNC-CH) and staff within Client Services developed a cohort and tier system which tracks the year of enrollment (cohort) with the level of need (tier) against key reporting measures that include the number of working households, job retention rates, the overall wage progression by cohort-tier/site and increased positive move outs into private rental units or home ownership. The system assists in monitoring progress consistently through the various supportive services offered.

As a result, the metrics were changed to reflect cohort-tiers versus overall site performance. This added a level of complexity to the prior vendor performance reporting system. Metrics for job retention and wage progression were also adjusted to be more aggressive as per CHA's senior team and board member recommendations. As a result, supportive services vendors at the supportive service sites are struggling to meet the set performance goals consistently. The current economy is a secondary factor impacting our supportive services success.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

Data collection efforts began during the 2009-10



fiscal year for MTW supportive services reporting, however consistent data reporting began during fiscal year 2010-11. Data was collected from the original sites designated under the MTW Moving Forward program which included internal case management support at Victoria Square and Claremont, as well as Boulevard Homes, which is under contract with Children's Home Society. Victoria Square and Claremont numbers were initially combined.

As reporting efforts expanded, Victoria Square and Claremont were reported separately for clearer comparisons of progress by the end of the second fiscal year. During the 1st quarter of FY2011-12 contracts were in place with Genesis Project 1, Inc. for the expansion of additional supportive service at the Cedar Knoll, Leafcrest, and Tarlton Hills communities. By the 2nd quarter of FY2011-12, the 13 Boulevard Homes original residents who had been relocated into Cedar Knoll, Leafcrest and Tarlton Hills were transferred to the new vendor.

Data collection efforts at the new supportive services sites began October 2011. Monthly reports during this report period continued to improve as Genesis staff engaged the families and promoted supportive services. Due to the slow development of data, baselines were established at the start of the 3rd quarter, beginning in October 2011. The efforts to meet and collect data on program participants continues. Although several on-site sessions have been held by Genesis and CHA staff to explain and

share the benefits of supportive services at each of the expansion sites, resident reluctance to participate and share information is a predominant barrier.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: B.1. The authorization is required for single fund budget flexibility.



**YOUTH INITIATIVES**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

In FY2009, CHA was approved to establish a *Cooperative Agreement to Form Partnerships* with Communities In School (CIS), Charlotte-Mecklenburg Schools (CMS), Partners in Out of School Time (POST), and the Charlotte Housing Authority Scholarship Fund (CHASF) in order to connect CHA participants to programs and services that address truancy, postsecondary education preparation, and academic performance improvement. The focus of the collaborative was to provide services for youth that are assisted by CHA housing programs as a means to help break the cycle of generational poverty.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

Communities in Schools (CIS) is a nationally recognized nonprofit organization providing dropout prevention services for at-risk youth. The Charlotte affiliate operates its program in 43 schools (elementary through high school) across Mecklenburg County. CIS is serving more than 400 youth residing in CHA properties and/or the CHA Housing Choice Voucher Program.

Other youth activities included:

- Partnered with Black Child Development Institute’s Charlotte Affiliate to offer the Entering the College Zone (ECZ) program to more than 40 Charlotte Housing Authority (CHA) middle school youth and their parents. The program was offered on the main campus of Central Piedmont Community College.
- Provided fellowship and networking support to CHASF alumni by hosting the annual summer reunion picnic and end-of-year holiday social.
- Held CHASF Annual Awards Day Celebration and reception at Queens University of Charlotte that honored five graduates, recognized 61 CHASF scholarship recipients, presented 18 additional scholarship awards, and showcased 30 CHASF Merit Award Achievers with cumulative grade point averages of 3.0 or higher (scholarships awarded totaled \$143,650).
- Produced a 1-hour television special of the *28th Annual Scholarship Awards & Recognition Celebration* broadcasted on the government channel during October through December 2011 to improve public/youth awareness and to publicize the quality of the scholarship fund.
- Presented CHASF information to 9 different high schools through our partnership with Communities In Schools - Charlotte (CIS) and Charlotte-Mecklenburg Schools (CMS) to increase scholarship awareness for housing authority youth.
- Collaborated with Girl Talk Foundation on one-week Loving my Body Fitness Camp for 10 young ladies. The camp included six interactive sessions including self-esteem, nutrition, health and hygiene, yoga, spoken word and drama.

Metric	Target 2010-2011	Actual
CHA students enrolled in CIS will be promoted to next grade level	82%	90%
CHA students enrolled in CIS will have an average attendance of 90% or above	85%	79%
CHA Students enrolled in CIS will graduate with HS Diploma	91%	95%
CHA seniors enrolled in CIS will apply for the CHASF	85%	44%
CHA High School Graduates enrolled in CIS who apply to post secondary education/college/university/military training	95%	97%





- Collaborated with YBM Leadership Alliance by sponsoring 28 youth to attend their 5th Annual Conference at Rocky River High School. The conference not only included motivational speakers and a variety of workshops, but also a college and career fair.

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks for attendance and application to the Charlotte Housing Authority Scholarship Fund were not met, however, the activity is considered effective.

The application to the CHASF was low because CIS did not engage the parent in the process but rather worked directly with the student. Strategies for the upcoming Fiscal Year will include information sessions for students and parents as well as keeping the parent engaged from the beginning of the school year so that they are aware of what information is necessary to complete the application process.

The low attendance rate is a result of some children who started the school year but did not finish the school year due to relocation, or withdrawal, in addition to 33% of CHA students incurring Out of School Suspensions during the 2010-11 school year.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

The benchmarks have not been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: B.2. The authorization enables the agency to incentivize partnerships.



## INCREASE ACQUISITION AND REHABILITATION OF EXISTING MULTI-FAMILY PROPERTIES

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

CHA received approval to implement *increase the acquisition/rehabilitation of existing multi-family properties*, in the 2008-2009 MTW Annual Plan. Implementation began in the same fiscal year. In FY2012, CHA received approval to expand this initiative to acquire and rehabilitate existing multi-family properties in mixed-income communities.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

CHA has found this activity more cost effective and it has allowed the agency to add more units to the inventory in a shorter period of time than new construction. In recent years, the economic downturn allowed CHA to increase unit production in higher income areas of Charlotte. In contrast, if CHA had opted to only build new, it would have severely delayed the addition of units because of construction costs. Current new construction is at \$120,000 or more per unit. The baseline was reset to zero and the benchmark set for 21 Section 9 units in mixed-income communities in FY2012. CHA accomplished the benchmark by placing 21 Section 9 units at McMullen Woods. An additional 19 Section 9 units are being pursued for FY2013 with the UFS Domestic Violence Shelter.

CHA added the following units to the existing inventory using the MTW flexibility for this initiative.

Fiscal Year	Property	Units	Cost Per Unit
2009	Fairmarket Square	60	\$48,667
2009	Seneca Woods	50	\$71,059
2009	Woodlawn House	104	\$80,384
2010	Hampton Creste	239	\$23,013
2010	Mill Pond	168	\$67,500
2010	McMullen Wood	55	\$61,000
2012	Little Rock Apartments	240	\$49,753



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The benchmarks were achieved.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

CHA is reducing the 100 units per year benchmark to 50 due to the slowing of acquisitions because of funding. The metric is not changing.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

CHA added Attachment D, Community Specific Authorizations, through which the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The waiver used is Attachment C: B.1.b. and C: 13. and Attachment D, Community Specific Authorizations, through which the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute. The waiver was necessary to remove the HUD approval layer in order to move in a timely, cost efficient manner in acquiring properties.



**LAND ACQUISITION FOR FUTURE USE**

**A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

The agency was approved to implement *land acquisition for future affordable housing* in FY2009. The activity was implemented in the same fiscal year.

**B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

The purpose of the activity is to secure as many good locations as possible along the new transit corridors and light rail as well as in rapidly developing areas of Charlotte to expand housing choices. CHA’s goal is to acquire one site every two years. There was no acquisition in FY2012; however, the activity is on schedule because the last acquisition took place in FY2011.

Fiscal Year	Property	Proposed Units	Cost
2009	Krefeld Drive	99	\$90,000 per acre
2010	Steele Creek Seniors	120	\$8,810 per unit
2011	Park and Marsh	TBD	\$675,675 per acre

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The activity is determined effective.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmark nor metric has been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The waiver used is Attachment C: C.13. MTW flexibility enables CHA to option and purchase land (or sites appropriate for demolition and/or rehab) without funding development in place which could result in the loss of key opportunities. The waiver was necessary to remove the HUD approval layer in order to move in a timely, cost efficient manner in acquiring properties.



## **PARTNER WITH CMS FOR MIXED-INCOME AFFORDABLE UNITS**

### **A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.**

In FY2009, CHA was approved to *Develop an Affordable Housing Program with Charlotte-Mecklenburg Schools (CMS)*. Due to budget constraints, the activity has not been implemented yet.

### **B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.**

In fall 2011, the CHA Board of Commissioners formally undertook the pre-planning process by engaging outside consulting assistance to work in partnership with the CHA Real Estate Development Staff to assist in the creation of a K-8 elementary school at the Boulevard Homes HOPE VI site. An Advisory Council was convened, comprising a cross-section of community stakeholders including subject matter experts in education and early child development; West Boulevard community leaders; residents of Arbor Glen, Little Rock, and the former Boulevard Homes; City of Charlotte; the business community; CHA Commissioners; and the faith community. The charge to the Advisory Council was to weigh and deliberate existing evidence regarding the critical success factors that will likely influence the ultimate success of both the proposed education model, as well as the ultimate community revitalization that is the desired long-term impact of the Boulevard Homes/HOPE VI (BH/H6) initiative.

### **C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

The activity has not been implemented. The Advisory Council met from February through May 2012 to review relevant data about the needs and existing resources in the community, to evaluate other educational models (successful and unsuccessful), to learn of best practices in educating economically disadvantaged students, and to weigh the available options for the creation of a K-8 elementary school on the planned site. Additionally, the Council traveled to Atlanta to tour the Villages at East Lake and Drew Charter School, on which the educational pipeline to be created at the revitalized site is modeled. At the conclusion of their work, the Advisory Council will present a set of recommendations to the CHA Board of Commissioners in preparation for the initiation of a formal planning phase, which includes whether to continue the relationship with CMS or move towards building a charter school on-site. A decision will be made by the board on which direction the project should move forward in the summer of 2012.



**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmark nor metric has been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

The authorization used is Attachment C: B.1.b. The waiver was necessary for flexibility of funds.

Mill Pond



First Ward



## LOCAL DESIGN STANDARDS

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

CHA proposed and received approval for the Development of *Local Design Standards* in the Fiscal Year 2008-2009 Moving Forward Annual Plan. The design standards were created in the fiscal year, however utilization did not begin until 2011 because there were no new construction projects that received funding or started that would necessitate the guidelines being used.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

The implementation of this process was to avoid multiple plan reviews by following a single standard that is prescribed at the state level. CHA follows North Carolina Housing Finance Agency (NCHFA) design standards as our local standard.

In FY2011, Steele Creek seniors completed 120 units of new construction following the NCHFA guidelines. This approach resulted in a times savings because an additional review was not needed. The exact time saved cannot be stated; however, the process is more administratively efficient.

### C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.

Benchmark was achieved.

### D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).

Neither the benchmark nor metric has been revised.

### E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.

There are no changes, modifications, or additions to the previously cited Attachment C authorizations.

### F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.

No new authorization is used.

### G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.

The waiver used is Attachment C: C.12. The waiver was necessary to forgo multiple architectural reviews to ensure that various requirements are met.



Steele Creek

## Local Non-Traditional Initiatives

### ACQUISITION OF GENERAL PARTNERSHIP INTEREST

#### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

Acquire the *General Partnership interest in the Little Rock Apartments*. This activity was approved in March 2010, but was made as a first amendment to the FY2011 plan.

#### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

In June, 2011, CHA, acting through its subsidiary Horizon Acquisition Corp. (Horizon), acquired the general partnership interest in Little Rock Apartments, a 242-unit Section 8 multi-family project. Horizon's control of Little Rock Apartments is vital to the success of the redevelopment of Boulevard Homes, CHA's adjacent 300-unit public housing development, and the focus of CHA's FY2009 HOPE VI grant.

#### C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.

Due to budget restraints, CHA's endeavor to receive approval to provide services and opportunities to Little Rock's residents through its Moving Forward program, including self-sufficiency and employment services, was delayed. CHA is currently working to develop a budget to implement the planned services at the property. Once the budget is approved, appropriate baselines, benchmarks, and measures will be reexamined to support the endeavor.

#### D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).

Once the budget is approved appropriate baselines, benchmarks, and measures will be reexamined to support the endeavor.



Little Rock

#### E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.

There have been no changes in the data collection methodology.

#### F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.

No new authorization was used.

#### G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.

CHA uses Attachment D, Community Specific Authorizations, through which CHA may use MTW funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.



## CHARLOTTE LOCAL RENTAL SUBSIDY PROGRAM

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

The *Charlotte Local Rental Subsidy Program* was approved in FY2011 as a second amendment to the Plan. The activity was implemented the same fiscal year.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

CHA staff developed a local Community Based Rental Assistance Program (CBRA) in partnership with Charlotte Family Housing (CFH). The local rental subsidy program provides a housing subsidy of up to \$500 per month to 50 homeless families receiving intensive supportive services (10 to 15 families that need employment and 35 to 40 for working households). Working households are expected to complete the self-sufficiency program within three years with a one year extension and non-working families are given a four year program requirement with a one year extension.

This is a 50 unit pilot program with similar requirements and processes as Charlotte Family Housing's current housing program. The program's criteria are required for each respective group; however, if those referred families are on CHA's waiting list, they will have preference. CFH established operating procedures, landlord relationships, and administrative staff to deliver wrap-around services. The partnership enables delivery of supportive services at no cost to CHA.

The families are either working or participating in a self-sufficiency or educational program and earning less than 30% of the Area Median Income (AMI). The program targets families who are situationally

or transitionally homeless. The program may also provide for the use of the subsidy to prevent homelessness by providing assistance to families ready for transition from local shelters. It is a collaborative effort that joins local agencies which are already providing services to this community with funds from the faith community, the corporate community, and the public sector. CFH uses "the ability to pay" method which bases the tenants rental portion on net income and actual expenses. Due to calculation discrepancies, CHA has implemented the 30% rule until CFH can provide an updated recalculation policy. CHA pays a subsidy of up to \$500 to help pay the remaining rental amount. The goal is to help families achieve self-sufficiency within three to five years by providing comprehensive family development via social work, intensive case management, and access to services while the family is permanently housed in a stable apartment community.

CHA leased up 20 families under the Charlotte Family Housing (formerly WISH) local subsidy MTW initiative as of March 31, 2012. Five fewer families were leased than the target of 25.

CHA has a benchmark of 50 units total for FY2013. The agency would like to note that the Charlotte Housing Authority Board of Commissioners approves all commitments for Community Based Rental Assistance on a case-by-case basis.



**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

Delays in leasing can be attributed to:

- The WISH program merged with two other entities to create Charlotte Family Housing. During the merger there was a change in staffing and the program relocated to different offices.
- Fewer than expected applicants have been found that meet the qualifications of both Charlotte Family Housing and the Housing Choice Voucher Program.
- The CHA met with CFH in order to address leasing issues and has suggested that they increase their applicant pool in order to identify additional clients.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmark nor metric has been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

CHA uses Attachment D, Community Specific Authorizations, through which CHA may use MTW funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.



## CONVERT UNITS TO PUBLIC HOUSING

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

CHA was approved to implement an activity to *utilize public housing units to serve homeless families at Hampton Creste Apartments* and to implement a *supportive self-sufficiency program* in a 2nd amendment to the FY2011 Annual Plan. The agency began implementation in FY2011.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

The apartments are owned by CHA's non-profit subsidiary, Horizon Development Properties, Inc. and have been refinanced and rehabilitated into a mixed-income community. The activity was branded the Supportive Housing Innovative Partnership (SHIP) at Hampton Creste. The Salvation Army (TSA) is responsible for providing the supportive services.

SHIP is an innovative collaborative-based approach to restore hope, maintain dignity, promote self-reliance, and foster sustainable independence among families that are homeless within Mecklenburg County.

The families are provided independent living in the Hampton Creste community along with intensive home-based case management and evidence-based programs and services that address severe emotional, social, developmental, educational, and employment challenges that homeless families may face entering permanent housing. The SHIP partnership includes various private, public, and faith based agencies throughout the Charlotte-Mecklenburg area. It is anticipated that this will serve as a model for supportive housing to be replicated throughout the City and County.

The partnership is considering expanding the three year term limit to five years or transitioning the families to FSS sites at the end of year three. There will be 60 ACC units operating as part of the community partnership to serve homeless families, 40 units will be restricted to families making 40% area median income and the remaining 113 units will be restricted to families making 80% area median income.



Program updates include:

- The SHIP program at Hampton Creste currently has fifty-five residents with 111 children who reside on site.
- Within the current families, 41% are enrolled in job or education training and 100% are enrolled in life skill training. There are 41% employed (full and part time).
- There were a total of 12 exits, seven positive. Several reasons for the positive exits were marriage, moving

into an apartment community with employment, moving out of state (Georgia) with full time employment, moving out of state due to family obligations and moving into long-term subsidized housing.

- There have been five negative move outs as a result of lease and program violations and abandonment of the SHIP apartment.

**Supportive Housing Innovative Partnership (SHIP) at Hampton Creste Anticipated Outcomes**

Metric	Baseline	3 Year Benchmark	Actual as of 3/31/12
<b>Increased Supportive Housing Units w/Self-Sufficiency Component</b>			
Number of supportive housing units	0	60	55
<b>Residential Stability</b>			
Number of residents who move to housing with less support	0	70% (42 of first 60 families)	11% (7)
Number of families who do not return to homelessness	0	95% (57 of first 60 families)	72% (43)

\* Number discrepancy due to (5) negative exits returning to shelter system

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

Benchmarks are making progress as anticipated.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

Neither the benchmarks nor metrics have been revised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the**

**Plan, provide the new authorization and describe why the change was necessary.**

No new authorizations were used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

CHA uses Attachment D, Community Specific Authorizations, through which CHA may use MTW funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.





Lofts at Seigle Point

## NEW CONSTRUCTION OF AFFORDABLE UNITS

### A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented.

The activity was approved in March 2010 as *Construction of the Lofts at Seigle Point* as a first amendment to the FY2011 plan. The activity was renamed to New Construction of Affordable Units to serve a broader scope with an amendment approval in FY2012.

### B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests.

CHA proposes to develop properties into mixed-income communities. The projects will include units intended for a wide range of income levels, from market rate to units that are affordable to those earning less than 30% area median income (AMI). The units available to families at or below 30% AMI may be subsidized by CHA project-based vouchers or public housing subsidies. Adding these units will increase housing choices for those needing affordable housing. The selected environment will be an ideal situation for residents to excel in CHA's Moving Forward program.

1. The Lofts at Seigle Point is proposed to be the final on-site component of the Seigle Point HOPE VI redevelopment of the former Piedmont Courts, however, HOPE VI funding is not included in this project. The development is proposed to be part of a broader mixed-income community. The project will include 190 units of which 80% will be for lease to individuals at 80% AMI and below and 20% will be affordable to those earning less than 30% AMI subsidized by CHA project-based vouchers.

The overall Seigle Point community has a 10,000 square foot community building, 204 tax credit apartments, 31 market rate townhomes, and an amenity area with a playground, tennis & basketball courts, greenway, and shelter area. Adding the 190 units in this location, very near Charlotte's central business district, will provide added choice for those needing affordable housing. This environment will be an ideal situation for these residents to excel in CHA's Moving Forward program.

2. The Charlotte Housing Authority has been awarded a \$20.9 million FY2009 HOPE VI Grant by HUD for the redevelopment of its Boulevard Homes (renamed The Renaissance) property. The grant will be used, along with other funding, to transform the dilapidated, public housing development and surrounding neighborhood into a thriving mixed-income community.

New construction of the four-story, 110-unit senior building, The Retreat at Renaissance, in the redeveloped community will begin in FY2013. The second and third phases will consist of 222 units of rental housing for families. The residential buildings proposed include three story apartment buildings, two story direct access apartment buildings and two story townhomes, configured in one- to three-bedroom units.

The Seigle Point project is not on schedule, however, The Renaissance development is. Construction of the Lofts at Seigle Point has been delayed because CHA is waiting to close on financing through the use of the HUD 221(d)(4)

loan program. The earliest possible construction start is July 2012. The benchmark to produce 110 affordable units in FY2013 is on schedule.

**C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective.**

CHA anticipates the impact to be the addition of affordable housing opportunities in an overall mixed-income environment with units serving 30%, 40%, 50%, 60%, 80% of AMI as well as unrestricted units. The baseline is set at 0. The benchmark is to produce 110 affordable units in FY2013.

Construction of the Lofts at Seigle Point has been delayed because CHA is waiting to close on financing through the use of the HUD 221(d)(4) loan program. The earliest possible construction start is July 2012.

**D. If benchmarks or metrics have been revised, identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases).**

No new benchmarks or metrics have been devised.

**E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected.**

The data collection methodology has not changed.

**F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary.**

No new authorization was used.

**G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity.**

Attachment D, Community Specific Authorizations, through which CHA may use MTW funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.

Seigle Point



## Ongoing Initiatives Being Closed Out as of March 31, 2012

### **AMEND THE SECTION 8 HOUSING ASSISTANCE (HAP) AGREEMENT**

CHA received approval in the FY2009 Annual Plan to Amend the Section 8 Housing Assistance (HAP) Agreement. The revised HAP contract requires landlords/owners participating in the Housing Choice Voucher program to register their property with CHA. The new HAP contract also requires landlords to participate in direct deposit. The activity was implemented in FY2010.

The annual benchmark was to have 100% of the landlords participating in direct deposit. CHA has calculated that printed checks cost \$36.80 per check as opposed to \$12.60 per landlord for direct deposit. All landlords are participating in the direct deposit process with the exception of one (1), which is a port out housing authority that does not accept direct deposit. This results in 99% of the landlords participating in direct deposit. CHA has also revised the PBV HAP contract to incorporate MTW initiatives such as the site based waiting list.

CHA has not changed the metric, benchmark, or data collection methodology. CHA will no longer report on this initiative. The waiver used is Attachment C: D.1.a., D.1.c. and D.5. The waiver was necessary so that the Agency could create a locally designed Housing Assistance Payment (HAP) contract to owners during the term of the MTW demonstration.

### **RENOVATE, CONSTRUCT, AND OPERATE SUPPORTIVE HOUSING**

CHA received approval through the MTW broader use of funds to provide gap financing to construct units at McCreesh Place in the last month of FY2010. The agency amended the FY2011 Annual Plan to include the activity, and implemented the activity in that year.

In FY2011, CHA used MTW funds to provide gap financing to construct units at McCreesh Place and fund public housing rental subsidies. McCreesh Place provides permanent housing for homeless men with disabilities. It is owned and managed by St. Peter's Homes, Inc. Broader use of funds authority was needed to: (1) build project-based voucher units; (2) upgrade existing units; and, (3) structure Section 9 subsidies in such a way that they do not conflict with the operating requirements associated with the supportive housing program subsidies currently being funded to the project. CHA utilized an additional waiver given in FY2011 to allow supportive housing providers with public housing assistance to waive the lease term requirement in public housing, to waive the annual lease requirement, and to allow for month-to-month leases. CHA also provided waivers/modifications for eligibility criteria, grievance and hardship, and are considering waiving the public housing lease addendum and housekeeping policy.

The agency achieved the benchmark for the minor rehabilitation of 63 Section 9 units and the construction of 26 project-based voucher units in FY2012. Lease up began immediately after the Certificate of Occupancy was issued. The benchmarks were achieved. The activity is considered closed as of March 31, 2012.

CHA uses Attachment D, Community Specific Authorizations, through which CHA may use MTW funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.





## Sources and Uses of Funding



**A. List planned vs actual sources (Operating, Capital, and Housing Choice Voucher) and uses of MTW Funds (excluding HOPE VI). Provide a narrative description of any major changes from the approved MTW Plan.**

See Appendix L

**B. List planned vs actual sources and uses of State or local funds.**

See Appendix M

**C. If applicable, list planned vs actual sources and uses of the COCC.**

See Appendix L

**D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the actual deviations that were made during the Plan year.**

Not applicable to CHA

**E. List or describe planned vs actual use of single-fund flexibility.**

See Appendix L

**F. Optional – List planned vs actual reserve balances at the end of the plan year.**

CHA Opts Out

**G. Optional – In plan appendix, provide planned vs actual sources and use by AMP.**

CHA Opts Out





Administrative

### **A. CHA does not have any deficiencies to cure.**

### **B. Agency Directed Evaluation:**

The Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill (UNCCH) is conducting an evaluation of the Charlotte Housing Authority's Moving Forward Program. The evaluation objectives are to monitor and provide feedback on program implementation, to assess program outputs, and to gauge program impacts. The key research questions are:

- What are the major obstacles to implementing the Moving Forward Program initiatives and how were they overcome?
- To what extent the Moving Forward Program has: (a) achieved greater cost efficiencies; (b) increased housing choices; (c) assisted residents in achieving self sufficiency; and (d) improved the quality of life of CHA residents?
- What impacts has participating in the Moving Forward Program had on the CHA and its operations?

These research questions are being addressed with data from: (1) the CHA's YARDI data base management system; (2) surveys of CHA residents; (3) interviews with CHA and partner organization staff and board members; and (4) through the analysis of secondary data such as those available in the Charlotte Quality of Life data base.

### **C. This is not applicable to the Charlotte Housing Authority because they are included in the MTW Block Grant.**

### **D. See Appendix M.**

### **SUMMARY OF ACTIVITY FOR FY2012**

The Center for Urban and Regional Studies at UNC-Chapel Hill's evaluation of the CHA's Moving Forward program has been going on for two and a half years. At the beginning of FY2012 the Center delivered its first biannual report entitled *Charlotte Housing Authority's Moving Forward Program: Early Implementation and Baseline Data Evaluation*. That report was based on data

collected during the first two years of the program and addressed:

- The development and implementation of the Moving Forward Program;
- Outcome and impact measures being used in the evaluation;
- Data collection methods; and
- Baseline data on CHA's budget and expenditures, resident characteristics and perceptions, unit characteristics, and the characteristics of neighborhoods surrounding CHA developments.

Some of the key findings of this report were that the CHA has embraced the flexibility offered by the MTW program by adopting a large number of new initiatives and procedures. Moreover, those changes required considerable staff discussion and consultation with the Board of Directors. The many changes also presented challenges in improving staff communication and in revising the data base management system. The cost of providing case management was also higher than anticipated resulting in a phasing of the work requirement in selected developments. The findings from the baseline survey of residents in traditional public housing developments shows only 23% of the residents currently work for pay. The major barriers to employment were lack of local jobs, lack of education, not having child care, and lack of transportation. Many residents also reported having family members with health problems including asthma (25%), high blood pressure (44%) and diabetes (18%). Updates of tenant responses to these and other questions will be available after the follow-up survey is conducted in early FY2013.

This report dated May 2012 was printed by the CHA and widely distributed to political representatives, HUD officials, other housing authorities, and housing researchers across the country. Dr. Rohe and Dr. Cowan delivered a presentation on the report at a meeting of the CHA Board of Directors. The report is available on both the CHA and the Center for Urban and Regional Studies web sites (<http://curs.unc.edu>).

Throughout FY2012 the Center has continued to collect data that are needed for the evaluation and entered these data into a master data base. The data items being collected over time include:



- The characteristics of CHA residents;
- The characteristics of CHA units;
- CHA budget and expenditure figures;
- Monthly case manager reports on client progress toward self sufficiency;
- The characteristics of neighborhoods surrounding CHA developments and in which Section 8 program participants live.
- Qualitative interviews with members of the CHA staff and governing board, and with case managers.
- Survey data on resident physical and mental health, perceptions of housing and neighborhood problems, satisfaction with their housing and with both CHA management and case managers, parental assessments of children's school performance, economic hardships experienced, and satisfaction with the rent reforms and work requirements introduced under the flexibility allowed in the MTW program.

The Center also developed three additional tenant surveys. The first is a second round survey of all residents in the CHA's traditional public housing developments. This survey contains many of the same questions included on the baseline survey and will allow UNC-CH to assess the early impacts of the Moving Forward program on the residents. Given that the work requirements and case management services are being phased in to selected developments UNC-CH will be able to compare the attitudes and behaviors of residents subject to the work requirements with those who are not. This survey is scheduled to be implemented early in FY2013. During FY2012 the Center also developed a survey to collect baseline data on Section 8 tenants who will be subject to the work requirements in the near future. UNC-CH anticipates this survey being conducted later in FY2013. The third survey was developed to collect basic information from those who left CHA housing. It asks why they left CHA housing and in what

type of housing they currently reside. This survey was being sent out by the CHA but due to low response rates the Center is taking over that responsibility.

During FY2012, the Center also developed interview guides for Moving Forward case managers. The Center used the guides to interview the case managers working with residents in the developments subject to the work requirements. Those interviews addressed issues including: What were the main obstacles to residents moving toward self-sufficiency? How often and in what ways do the case managers communicate with Moving Forward program participants? What services are available to residents? This information will be reported on in FY2013.

The main activities planned for FY2013 include:

- Implementing the follow-up resident survey, coding and cleaning the data and conducting the analysis, which we can use to gauge program impacts;
- Implementing the Section 8 baseline survey, coding and cleaning the data, and conducting the data analysis;
- Implementing a survey of those who have left CHA housing or voucher program; coding and cleaning the data, and conducting the analysis;
- Conducting another round of key informant interviews with program staff and case managers to assess the obstacles to program implementation and how those obstacles are overcome;
- Developing an interview schedule for development managers and conducting interviews to gauge their opinions on how the residents are handling the rent reforms and work requirements;
- Continuing the collection of secondary data on client and unit characteristics, budgets and expenditures, and client progress toward self-sufficiency.





## Appendices



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## APPENDIX A: Initiative Summary



Housing Authority of the City of Charlotte Moving Forward Initiatives Summary			
Approved HUD Initiatives	Description	Fiscal Year Identified	Status
Alternate Review Process	Re-certifications for senior/disabled are conducted bi-annually; criminal background checks are conducted at recertification for family members 16 years of age or older.	2008-2009	Implemented FY2010-2011 Ongoing
Rent Reform and Work Requirement	Rent calculation modified and minimum rent increased. A hardship policy is in place. A Work Requirement Initiative was implemented in FY2010-2011.	2009-2010	Implemented FY2010-2011 Ongoing
Site-based waiting lists Public Housing and Project Based Section 8.	All public housing and Project-based Section 8 property waiting lists are managed at the site level. Applicants must apply at the site for occupancy.	2008-2009	Implemented FY2008-2009 Ongoing
Occupancy Training (formerly Section 8 Training )	CHA conducts <i>Good Neighbors</i> type training for all new and existing Section 8 participants to assist families in their acclimation into a neighborhood. CHA revised the occupancy training curriculum to include public housing residents in FY11.	2007-2008	Implemented FY2007-2008 Ongoing
Adopt investment policies consistent with state law	CHA adopted investment policies that are consistent with state law to achieve a portfolio which is safer, more liquid and obtains competitive yield.	2008-2009	Implemented FY2008-2009 Ongoing
Modify Section 8 inspection procedures	CHA received approval from HUD to waive the requirement for an initial Housing Quality Standards (HQS) inspection on newly constructed Section 8 units and utilize local building standards inspection and subsequent issuance of a Certificate of Occupancy (CO) as a substitution of the initial or move-in inspection.	2008-2009	Implemented FY2008-2009 Ongoing
Community Based Rental Assistance (Project-Based Section 8 Process)	Simplified the selection process in order to maximize the number of quality Section 8 assisted units throughout Charlotte.	2008-2009	Implemented FY2008-2009 Ongoing
Housing for persons with disabilities, special needs and homeless	CHA created and enhanced relationships with local social service provider agencies by working with nonprofit providers on new supportive housing projects.	2008-2009	Implemented FY2008-2009 Ongoing
Resident Safety Initiatives	The Resident Safety Department expanded the types of crime prevention initiatives and program enforcement initiatives for CHA public housing sites.	2009-2010	Implemented FY2009-2010 Ongoing
Moving Forward Supportive Services (formerly Currents of Change)	The Moving Forward Supportive Services is designed to stabilize and improve families by fortifying them through education, life skills, motivation and employment training to compete in the economic marketplace.	2008-2009	Implemented FY2008-2009 Ongoing
Youth Initiatives	CHA is focused on providing services for youth that connect them to programs and services that address truancy, post-secondary education preparation, and academic performance improvement.	2008-2009	Implemented FY2008-2009 Ongoing

<b>Housing Authority of the City of Charlotte Moving Forward Initiatives Summary – cont.</b>			
<b>Approved HUD Initiatives</b>	<b>Description</b>	<b>Fiscal Year Identified</b>	<b>Status</b>
Participant and landlord tracking program	The University of North Carolina at Charlotte's (UNCC) utilized a Geographic Information Science (GIS) mapping system to identify voucher holders within Mecklenburg County in order to analyze the census tracts with a large number of Section 8 voucher holders to assist with deconcentration.	2007-2008	Implemented FY2007-2008 Ongoing
Increase acquisition and rehabilitation of existing multi-family properties	CHA established a strategy and adopted a policy to increase the acquisition and rehabilitation of existing multi-family properties.	2008-2009	Implemented FY2008-2009 Ongoing
Land Acquisition for Future Use	CHA designed local standards to guide land purchases in desirable, rapidly growing areas to provide more housing choices.	2008-2009	Implemented FY2008-2009 Ongoing
Partner with CMS for mixed income affordable units	Established a partnership with Charlotte Mecklenburg Schools to produce mixed-income affordable housing units and identified two potential sites.	2008-2009	Implemented FY2008-2009 Ongoing
Local Non-Traditional Initiatives	CHA used funds outside of Sections 8 and 9 to: Acquire general partnership interest; construct mixed-income housing; renovate, construct and operate supportive housing; implement a local rental subsidy program and convert units to public housing.	2010-2011	Implemented FY2010-2011 Ongoing
<b>Completed Initiatives</b>			
Affordable Housing Impact Studies	CHA commissioned UNCC to research the pattern and density of affordable housing and evaluate the association between the housing stock and crime rate, housing and property values, and school equity in surrounding residential communities.	2007-2008	Completed
Assess Section 8 program participants	CHA surveyed all Section 8 program participants to measure their capacity for independent living. CHA will connect them with the services necessary to facilitate their progress toward that goal.	2008-2009	Completed
Amend Section 8 Housing Assistance Payment (HAP) Agreement	CHA amended the HAP Agreement to make changes such as inclusion of revised inspection procedures, penalties for landlord non-compliance with property rating system, and require families to update needs assessment as part of recertification.	2008-2009	Completed
Section 8 Property Rating System	A quantitative evaluation rating system for the exterior appearance of a Section 8 property was developed to improve the housing quality standards of participating property owners.	2007-2008	Completed
Develop local design standards	CHA adopted local design standards that correlate with other funding sources available in Charlotte and the State of North Carolina.	2008-2009	Completed/Tracking





## APPENDIX B: Rent Reform Overview

### RENT REFORM OVERVIEW

The new rent calculation is an income-based, stepped rent with stepped escrow deposits. The income bands are a \$2,500 range with the stepped rent being 30% of the range low end. For example, in a \$5,000-\$7,499 annual income band, the low end of \$5,000 is divided by the 12 months of the year and multiplied by 30%. The total rent payment by the tenant would be \$125. Annual adjusted income will be used to establish the income band. Escrow deposits will begin when the household adjusted income including wages reaches \$12,500 and ends when the household adjusted income reaches 70% of Area Median Income (AMI) or 3 years after reaching 40% of AMI, whichever comes first. Incentive accounts can be disbursed for any reason when they leave subsidized housing if they leave in good standing. But while they continue to receive a subsidy, withdrawals are limited to amounts needed to help participants overcome specific verifiable barriers to work. A ceiling flat rent was established at CHA Fair Market Rents (public housing only) by bedroom size and is reviewed/updated annually every fall. Additionally, incentive account deposits begin when the adjusted income reaches \$12,500 with some form of working wages.

In FY11, the Rent Reform and Work Requirement initiatives were split. Rent Reform began for all conventional public housing and Section 8 participants

on December 1, 2010. Participants are still granted interim rent recertifications between annual recertifications provided they have met the established criteria. If there is a decrease in the family’s income or an increase in medical expense or childcare expense which is expected to last longer than thirty days (and will change their flat deduction eligibility), the participant may request that an interim recertification be performed. Participants must still report changes in family size.

Income earned by seasonal employment will be annualized on a 12 month basis if the employee has maintained employment for more than 60 days. Employees of temporary agencies will be annualized after an initial 30 days of assignments. All families claiming zero income will have three (3) months to establish either earned or unearned income or they will be required to report to the Charlotte Housing Authority every three (3) months until income has been established.

Income from assets with a combined value of less than \$5,000 will be excluded. The annual recertification will include self certification for households with combined assets below \$5,000, or third party verification for assets over \$5,000. Traditional medical and childcare deductions are eliminated. Participants need only verify enough non-reimbursable expenses to meet the requested deduction level listed below.

Medical Expenses	Medical Deduction	Childcare Expense	Childcare Deduction
\$0-\$2,499	\$0	\$0-\$2,499	\$0
\$2,500-\$4,999	\$2,500	\$2,500-\$4,999	\$2,500
\$5,000-\$7,499	\$5,000	\$5000-\$7,499	\$5,000
\$7,500+	\$7,500	\$7,500+	\$7,500



## APPENDIX C: Sample Stepped Rent Schedule

Sample Stepped Rent Schedule Implemented December 2010				
1 Bedroom Example   Minimum Rent \$75				
Income Band		30% of low end of band	Total Tenant Payment	Incentive Account Deposit
\$0	\$2,499	\$0	\$75	\$0 *
\$2,500	\$4,999	\$63	\$75	\$0
\$5,000	\$7,499	\$125	\$125	\$0
\$7,500	\$9,999	\$188	\$188	\$0
\$10,000	\$12,499	\$250	\$250	\$0
\$12,500	\$14,999	\$313	\$313	\$25
\$15,000	\$17,499	\$375	\$375	\$40
\$17,500	\$19,999	\$438	\$438	\$55
\$20,000	\$22,499	\$500	\$500	\$70
\$22,500	\$24,999	\$563	\$563	\$85
\$25,000	\$27,499	\$625	\$625	\$100
\$27,500	\$29,999	\$688	\$688	\$100 **
\$30,000	\$32,499	\$750	\$726	\$100
\$32,500	\$34,999	\$813	\$726	\$100
\$35,000	\$37,499	\$875	\$726	\$100 ***
\$37,500	\$39,999	\$938	\$726	

\*If minimum rent is higher than the TTP, minimum rent is used

\*\*40% Area Median Income is reached which will result in escrow account deposit eligibility ending in 3 years

\*\*\*Ceiling rent is lower than the TTP, so ceiling rent will be charged



## APPENDIX D: Hardship Policy

### HARDSHIP POLICY

LAST AMENDED: JUNE 21, 2011

### APPLYING FOR HARDSHIP RENT

The Hardship Review Committee was created to review individual cases of significant rent burdens or increases for families with high cost of living, childcare or medical expenses.

Residents can request a Hardship Waiver Request form from their manager. Residents must make their request for Hardship Review, including documentation of qualification, no later than thirty (30) calendar days after notification of increased rent, expiration of an existing approved hardship or the occurrence of a hardship event.

### WHO QUALIFIES FOR A HARDSHIP RENT?

In order for a family to qualify for a hardship exception the family's circumstances must fall under one of the following hardship criteria:

- The family has lost eligibility or is awaiting an eligibility determination for federal, state or local assistance, including a family with a member who is a non-citizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- The family would be evicted as a result of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including loss of employment, change in Household composition, or other circumstances as determined by the CHA or HUD; **or**
- When the family has a significant increase in expenses because of changed circumstances, for medical costs, childcare, transportation, or education;

- When a death has occurred in the family (spouse, child, brother, sister, aunt, uncle, niece, nephew or in-law) and the expenses for funeral, burial and related expenses has caused a financial hardship to the family.

### HOW DOES THE COMMITTEE WORK?

The Hardship Review Committee meets regularly to review each resident's Hardship Waiver Request. The Hardship Review Committee will examine each family's circumstances on a case-by-case basis. The Hardship Review Committee has a choice of six (6) remedies it can recommend as it deems appropriate, to reduce a qualifying Household's rent burden:

- Temporary suspension of rent (90 days);
- Set interim rent at pre-rent reform rent for a specified period of time not to exceed one (1) year;
- Long Term waiver of minimum rent (not to exceed twelve months);
- Extend \$100 monthly rent increase cap for up to one (1) year (not to exceed a total of two (2) years during the participant's tenancy/assistance with CHA);
- Phase \$100 per month rent increase cap out over specified period of time beyond the 2 year remedy described above; or
- Appropriate combination of remedies listed above.

The Hardship Committee will send its decision to the property management coordinator. The coordinator will return the decision to the appropriate manager and applicant.

Applicants who disagree with the Committee's decision can request a Grievance hearing. CHA will take no action to change a resident's rent in cases where a Grievance hearing has been requested until such time as the Grievance process has concluded.

If the resident is approved for a hardship, and the hardship expires, the resident can re-apply as needed. There is no limit to the number of hardship requests which can be made.



## APPENDIX E: Work Requirement Policy

### WORK REQUIREMENT POLICY

**LAST AMENDED: JUNE 21, 2011**

CHA believes it is essential to create a clear expectation that all participants who are non-elderly and non-disabled should work. To this end, CHA plans to institute a work requirement under which the Head of Household will be expected to work full-time in the final phase (however, the requirement can be fulfilled by any adult in the household or a combination of the adults in the household). Full-time work is defined as employment for 30 hours or more per week.

When the program is launched, all non-working residents (except the elderly and persons with disabilities) will undergo an assessment to determine the extent of any barriers to work. Participants who are prepared for work will be urged to look for work. Participants who are not prepared will be given other work participation activities to help them prepare for work, including life skills education, volunteering, and short-term vocational training.

During the first introductory phase of the program, no participants will be sanctioned for failure to comply with the policy. This will give participants time to address barriers to work and better understand the policy.

After the introductory phase has passed, Head of Households will be expected to exhibit a good-faith effort to find work for a minimum of 15 hours a week and/or participate in other work participation activities, if determined to be appropriate by the case manager. Each additional adult Household member will increase the hours of work required by 5 hours/week. (i.e. 3 adult household members would be  $15+5+5=25$  hours per week for the household)

At the beginning of the final phase of the work requirement, CHA will begin requiring the Head of Household to work full-time (at least 30 hours/week). Each additional adult Household member will increase the number of work hours required by 10 hours/week (i.e. 3 adult household members would be  $30+10+10=50$  hours per week for the household).

Residents who fail to comply with the terms of the Work requirement policy may be sanctioned. The sanctions will increase in magnitude the longer a participant is in non-compliance, sanctions shall be applied in phases as follows:

**IMPROVEMENT PERIOD:** Participant will have a two (2) month grace period to cure non-compliance, if not cured within two (2) months, Probationary



sanctions will be applied. Residents may be granted extensions if in compliance with their established improvement plan.

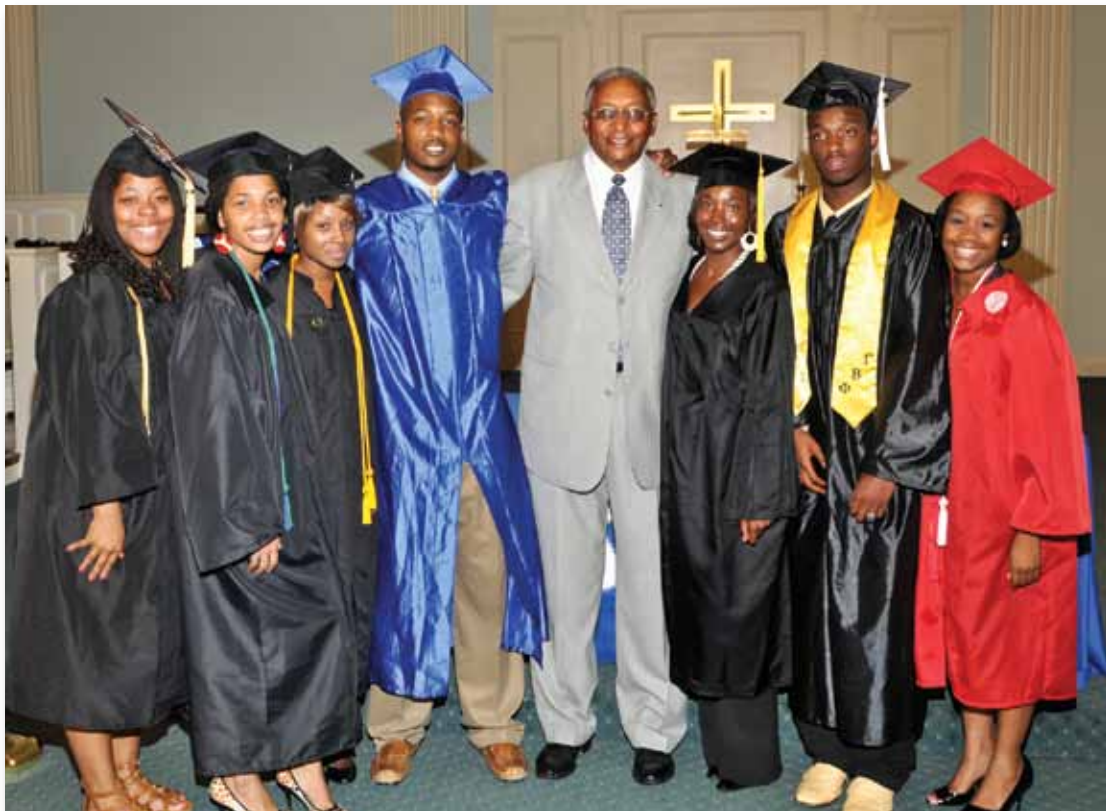
**PROBATIONARY PERIOD:** Participant will lose 50% of their rental assistance for up to six (6) months. If they fail to correct the non-compliance within three (3) months, non-compliance sanctions will be applied.

**NON-COMPLIANCE PERIOD:** Participant will lose 100% of their rental assistance for six (6) months and will be required to pay the established market rent. Participant still has the option to cure the non-compliance during the 6-month period while they are paying market rent. If the Participant fails to cure the non-compliance by the end of the 6-month period they will continue to pay market rent and move to Termination.

**TERMINATION:** Termination will begin and the Participant's incentive account, if any, is forfeited due to non-compliance. For Section 8 participants this means they will lose their voucher eligibility permanently, but can remain unassisted in their current unit; for public housing residents they will lose their eligibility for public housing assistance, will pay ceiling rent (market rent for the unit) and their lease will be terminated for program non-compliance at the annual renewal.

Residents who have a second incident of Probation within twelve (12) months of the initial incident of Probation will move directly to the Non-Compliance Period of the sanctions.

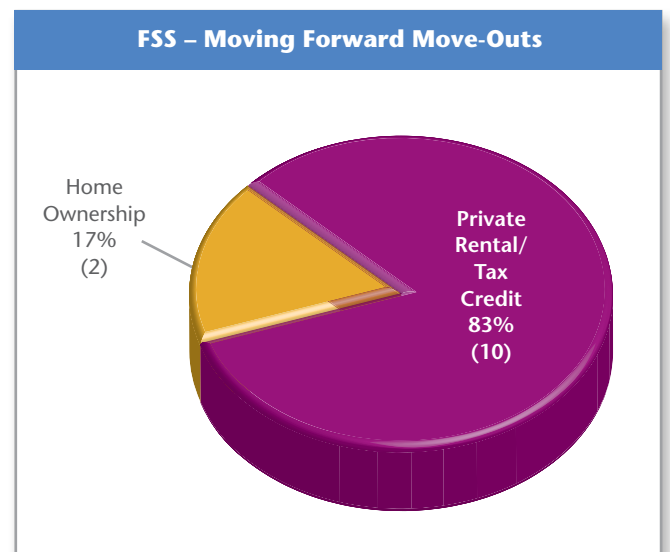
Residents who have a third improvement period occurrence within twenty-four (24) months of the initial incident of probation will move directly to the Non-Compliance Period of the sanctions.



## APPENDIX F: Program Summary Data FY11-12

Vendor	Decrease Min Renters				Increase # Working				Job Retention 12+ Months				Income Progression (Aggregate)				Increase Positive Move Outs			
	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained
CHA (164:188)	19	20	13	65%	116	118	124	93%	86	95	130	73%	\$12,168	\$11,709	\$16,305	72%	0	12	0	100%

The FSS – Moving Forward program is managed by CHA staff and includes Victoria Square, Claremont, and the HCV TFP vouchers. As of 2009 traditional FSS program ended – leaving those who chose to finish the contract term under FSS, while all new program enrollments roll under the Moving Forward Program. All remaining traditional FSS contracts will end in 2014.

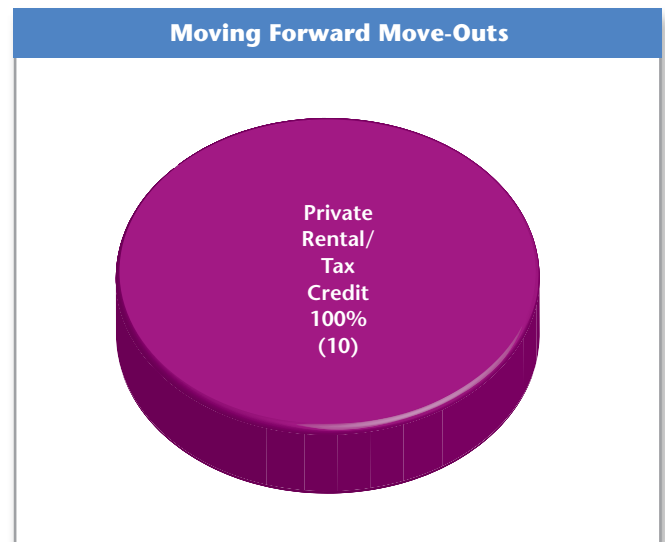


Vendor	Total Number of Exits	Average Income at Start	Average Income at Exit	Average Education Level at Start	Average Education Level at Exit	Average Number of Years in Program	Average Total Cost Per Household
CHA (164:188)	12	\$9,024	\$16,682	12	12.5	3	\$5,328



Vendor	Decrease Min Renters				Increase # Working				Job Retention 12+ Months				Income Progression (Aggregate)				Increase Positive Move Outs			
	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained	Baseline	YTD Actual	Annual Goal	% of Goal Attained
Children's Home Society (119:128)	33	31	28	90%	47	52	58	90%	27	32	47	68%	\$7,121	\$7,868	\$9,542	82%	0	4	0	>100%

This is the Moving Forward program summary which includes Children's Home Society who works with the relocated Boulevard Homes relocated residents. At year-end 26 relocated families have shown an interest to return to the revitalized site. Genesis Project 1, Inc. began working with three expanded Moving Forward sites at Cedar Knoll, Leafcrest, and Tarlton Hills and are not included in the year-end summary as they began services in September 2011.



Vendor	Total Number of Exits	Average Income at Start	Average Income at Exit	Average Education Level at Start	Average Education Level at Exit	Average Number of Years in Program	Average Total Cost Per Household
Children's Home Society (119:128)	4	\$18,828	\$18,839	11	11.3	1.5	\$4,500



<b>Comparison Group Data – Caseload Demographics between Vendors</b>				
	<b>Percent of Minimum Renters</b>	<b>Percent of Working Households</b>	<b>Percent Working with a Job Retention Rate of 12+ Months</b>	<b>Percent of Positive Move-Outs of Total Vendor Caseload</b>
<b>HOPE VI FSS</b>				
Lutheran	2.5%	95.7%	80.5%	4.7%
Mélange	8.0%	92.3%	71.6%	13.3%
Symmetry	8.5%	94.0%	82.7%	1.7%
CHA	4.3%	97.4%	92.7%	21.9%
<b>FSS–Moving Forward</b>				
CHA	12.0%	72.0%	80.5%	15.2%
<b>Moving Forward</b>				
Children’s Home	26.0%	43.6%	61.5%	3.3%
Genesis	28.0%	34.3%	57.5%	N/A
<b>Comparison</b>				
Dillehay Courts*	48.0%	26.0%	48.3%	None
<b>Moving Forward</b>				
(Jan 2010) Children’s Home at Start	41%	24%	46%	None
Children’s Home Currently	26.0%	43.6%	61.5%	3.3%
(Sept 2011) Genesis at Start	37.3%	25.0%	46.0%	None
Genesis	28.0%	34.3%	59.5%	N/A
<b>Comparison</b>				
Dillehay Courts*	48.0%	26.0%	48.3%	None

\*Dillehay Courts was chosen as the comparison group because of the size and demographic similarities between this site and Cedar Knoll, Leafcrest and Tarlton Hills

“Moving the Dial” under Moving Forward





## APPENDIX G: Community Based Rental Assistance Policy

Approved September 16, 2008

In accordance with the Charlotte Housing Authority's (CHA) Moving To Work (MTW) Agreement and 2008-09 MTW Plan (Section IV. D3), CHA is implementing the following streamlined Community Based Rental Assistance (formerly "Project Based Section 8") process to achieve greater efficiency as we use our project based authority to create more housing opportunities.

A streamlined process will allow CHA to project base more units in a timely manner. In addition, a simplified process should promote more partnerships with local housing providers. The increased use of project based vouchers is intended to address the following concerns:

1. Concentration and perceived clustering of Section 8 households in lower amenity Charlotte neighborhoods
2. The community's need for special needs housing, especially service enriched housing
3. Need for more local management with experience in Charlotte and less absentee landlords
4. Increasing displacement of low-income families in revitalizing communities

### MTW PLAN – COMMUNITY BASED RENTAL ASSISTANCE GOALS

The goal of this initiative is to place as many Community Based Rental Assistance units as possible in the following areas:

- "Stable" communities, as defined by the City of Charlotte's Quality of Life Study
- Neighborhoods with an active revitalization plan
- Neighborhoods along Charlotte's new transportation corridors, including light rail

For families, placing an emphasis on "stable" neighborhoods will lead to better access to amenities and higher performing schools. For the community, this will promote deconcentration of CHA's tenant assistance portfolio.

Two additional objectives of the policy are to:

- Increase the number of "hard units" in our affordable housing portfolio, enabling better communication with landlords and monitoring of assisted units
- Partner with the Charlotte community to provide housing units for special needs populations (including homeless and disabled households) where services are being provided to residents



### NEW PROJECT BASED SECTION 8 PROCESS

Annually, staff will recommend to the Board a target number of Community Based Rental Assistance units in each of the following three categories:

1. Family
2. Special Needs, including homeless
3. Senior

#### Selection Process:

Units Owned by CHA: CHA will project-base rental assistance at properties owned directly or indirectly (through participation as a member in a tax credit or other LLC, and when operating through Horizon subsidiaries), subject only to HUD subsidy-layering rules. No process through the local field office will be required. CHA will certify compliance with subsidy layering rules.

Units not owned by CHA: Where CHA is not directly or indirectly an owner, CHA staff will rely on the North Carolina Housing Finance Agency (NCHFA) tax credit process as its competitive process. In non-tax credit deals with local City government funding, CHA will rely on the City's Housing Trust Fund competitive process. Where no tax credits or City funds are present, but the development has AHP funding, CHA will rely on that competitive process for approval.

Therefore, when a deal has received either an NCHFA tax credit allocation, a City of Charlotte Housing Trust Fund award or an AHP grant or loan within the past three years, CHA may award Community Based Rental Assistance if the deal meets the minimum requirements outlined below.



CHA will accept proposals on an ongoing basis. In accordance with CHA's Annual Plan, CHA may periodically advertise that it is accepting proposals for one or more categories in The Charlotte Observer. In addition to, or in place of advertising, CHA may also directly contact specific owners that have already been selected through one of the competitive processes above to inform them of available project based assistance.

Proposals will be reviewed on a first-come first-served basis. If CHA receives applications for more units than have been approved in any category, then proposals will be given priority according to the criteria outlined.

Where there is no other competitive process present, CHA will rank any other applicants according to the criteria outlined below.

#### **Selection Criteria:**

Each category will have its own criteria to be awarded Community Based Rental Assistance, based on the goals set forth above and in the approved 2008-09 MTW Plan.

#### **FAMILY UNITS**

1. Must be in a "stable" or positively "transitioning" neighborhood, as defined in the City of Charlotte's most recent Quality of Life Study (the most recent published study at the time of application will determine status) OR the units are in areas with an active revitalization plan/HOPE VI redevelopment. Units in stable neighborhoods will be given first priority over transitioning neighborhoods.
2. Families must have one member either working or participating in a work support program. Families must also be participating in a selfsufficiency program.
3. No more than 25% of the units in a family development will be project based. (This does not apply to senior and special needs housing).
4. Developments in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail, will be given second priority.

#### **SPECIAL NEEDS UNITS**

1. Category includes units for homeless, disabled, domestic violence, transitional youth and other special needs.
2. Services must be being provided onsite or in coordination with the housing. Higher levels of service provision will be given first priority.
3. Must be in a "stable" or positively "transitioning" neighborhood, as defined above. Exceptions may be made for special needs units where the poverty rate does not exceed 20%, or the trend in the poverty rate is positive.
4. Developments in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail, will be given second priority.



## SENIOR UNITS

1. Must be in a “stable” or positively “transitioning” neighborhood (as defined above) OR the units are in areas with an active revitalization plan/HOPE VI redevelopment. Units in stable neighborhoods will be given first priority over transitioning neighborhoods.
2. Developments in Uptown Charlotte or in neighborhoods within a mile of one of Charlotte’s new transportation corridors, including light rail, will be given second priority.
3. Services must be provided onsite or in coordination with the housing. Higher levels of service provision will be given priority if the locational criteria rank equally.

In addition to meeting the above criteria, each deal must meet HUD Site Selection Standards set forth in CFR 983.57. Each deal must also be in compliance with HUD subsidy layering rules, the Fair Housing Act, Davis-Bacon regulations for new construction and all other applicable HUD regulations.

## Housing Types

CHA may provide Community Based Rental Assistance in permanent and transitional housing. In addition, other innovative solutions to addressing Charlotte’s affordable housing needs may be funded as demonstration projects.

## Site Based Waiting Lists

Entities who receive Community Based Rental Assistance from CHA may establish their own waiting lists based on criteria specified in their Housing Assistance Payment (“HAP”) contract, their special program requirements and an approved tenant selection plan.

## HAP Contract Terms

CHA will make annual commitments for Community Based Rental Assistance funding renewable for periods up to 40 years, subject to annual appropriations. Commitments for project-based funding will take priority over tenant-based funding in the allocation of annual appropriations.

## Family Right To Move

CHA intends to waive Subpart F, 983.260, Family Right to Move, so that a family will not be offered the opportunity for continued tenant-based rental assistance if they leave the project-based unit after one year. This will prevent households from circumventing the Section 8 waiting list by moving to a project-based unit for one year and provide more stability to project based developments. There may be an exception for special needs units.

## Housing Quality Standards

All housing units, and the buildings in which they are located, must meet HUD’s Housing Quality Standards, or alternate Inspection Standards CHA may implement PHA-wide.

## Exceptions

Staff may make exceptions noted in this policy. Any other exceptions will have to be approved by the Board.

## Other Guidelines

This policy implements the Project-based Section 8 Initiative in Section IV D3 of CHA’s 2008-9 Annual MTW Plan. Staff is authorized to develop additional procedures as necessary to implement this policy. Staff will make annual recommendations on the number of units to be project-based and as to any changes that may be necessary to the policy.



## APPENDIX H: Supportive Housing Policy

Approved June 16, 2009

### I. PURPOSE:

This document sets forth the supportive housing policy (“the Supportive Housing Policy”) for the Charlotte Housing Authority and its related entities (CHA). The design of this Policy ensures that for profit, nonprofit and other governmental entities understand the terms under which CHA will participate in real estate transactions designed to serve supportive housing for special needs populations, especially for those families and individuals earning less than 30% of area median income.

### II. PARTNERSHIP OBJECTIVE:

CHA’s goal is to be a leader in the development of affordable housing solutions in Charlotte and Mecklenburg County. A crucial part of this role is to assist in the creation of additional supportive housing options for persons with special needs, including but not limited to homeless, disabled, and other special needs persons and families.

### III. PARTNERSHIP STRATEGY:

There is a severe shortage of supportive housing options, particularly for homeless and transitional families and individuals. This includes current permanent housing solutions in the continuum of care model as well as the newer Housing First model. Successful supportive housing development requires funding of development costs as well as funding for extensive social services in the form of case management, additional security, job-training, etc. Typically, these developments are owned by an experienced nonprofit organization who also accepts the responsibility for long-term supplemental fund-raising to cover social services costs.

**A. Ownership of supportive housing:** It typically is more appropriate for the long-term ownership of a supportive housing facility to be with the nonprofit organization, both programmatically and as an alternative to imposing any liability on CHA for covering additional operating expenses.

**B. Section 9 rental subsidies and CHA loan/grant:** In cases in which the supportive housing provider will commit to the extended use of Section 9 rental subsidies, CHA will consider a loan to the development/nonprofit in an amount substantiated by the project underwriting. This amount will not exceed the lower of the construction cost of the unit or \$50,000/unit.

**C. Section 8 project-based rental subsidies:** In cases presenting a documented need for the higher rental subsidy provided by the Section 8 program, applicants will follow CHA’s established guidelines for the awarding of Project-based Section 8 under the Moving to Work Program (MTW). No capital funds will be provided in connection with these units.

**D. Housing Development Waitlist Management:** Applicants who will occupy units with PBV assistance must be selected from a designated site waiting list. Owner will be required to notify applicants on CHA’s Section 8 master wait list of the availability of housing, eligibility, program requirements and the date applications will be taken on site. One method to accomplish this may be through the issuance of letters targeted to families needing the site specific bedroom size and meeting the site specific eligibility and program requirements. Applications taken from families currently on the Section 8 master wait list shall be given a preference for housing if occupancy is not otherwise mandated by program specific documents.

**E. Underwriting guidelines:** CHA will follow the Housing Trust Fund guidelines in reviewing the underwriting for the development, as provided on the City website and amended from time to time. In addition, the specific underwriting policies described in Exhibit A will be followed, regardless of HTF guidelines. Exceptions to these guidelines and policies must be approved by the CHA Board.

### Site

#### F. Housing development size and mix of subsidies:

1. For some special needs populations and sites, smaller development meet best practices standards. In supportive housing developments of less than 20 units, CHA will provide up to 100% Section 8 subsidies based on documented need.
2. In supportive housing developments of 20 units or more, there will be a mix of
  - i. Section 9 rental subsidy and development funding; and
  - ii. Section 8 project-based rental subsidy.

The amount of each will be based on an underwriting of operating cash flows, but in no event will the amount of Section 8 project-based rental subsidy exceed 60% of the total number of units in the development.

**G. Annual cap on funding for supportive housing:** To ensure that these supportive housing developments are not undertaken to the detriment of the maintenance and expansion of CHA's MTW, family mixed income, seniors and disabled portfolios, no more than 20% of the funding available for development in any budget year will be allocated to supportive housing developments.

**H. EXHIBIT A:** Additional Underwriting Criteria that supersede the Housing Trust Fund Underwriting Guidelines, as published from time to time on the City of Charlotte website:

1. Loan commitments shall state a specific expiration date, in most cases within 90 days, unless a longer time period is required by tax credit or other competitive funding rounds.
2. All loans shall have specific affordability requirements and failure to comply with such requirements shall be an event of default. HUD deed restrictions shall be in place and shall have priority over other loans.
3. Loans can only be made to projects that include units affordable at 30% of median income some portion of which must be Section 9 units. Deals must have a minimum of 10 units or 10% of units affordable at 30% of median income.
4. Borrowers shall be required to provide proof of financial viability (including but not limited to three years of financial statements) prior to the issuance of any unconditional commitment letter and shall be required to provide information documenting their choice of property manager and/or their ability to manage the property.
5. Loan documents shall make clear that CHA and its affiliates have no responsibility or liability for fundraising or otherwise assisting in the financial success of the development, other than providing the agreed upon rental subsidies as set forth in the closing documents.
6. New, potentially high-profile loan proposals (especially in the area of supportive services) shall be reviewed by the CHA senior staff with consideration for any positive or adverse impact on CHA's reputation in the community as a leader in affordable housing development.



# APPENDIX I: Section 3 Policy

## SUBCHAPTER B—Employment and Business

### PART 135—ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW-INCOME PERSONS

#### Subpart A—General Provisions

Sec.

- 135.1 Purpose.
- 135.2 Effective date of regulation.
- 135.3 Applicability.
- 135.5 Definitions.
- 135.7 Delegation of authority.
- 135.9 Requirements applicable to HUD NOFAs for section 3 covered programs.
- 135.11 Other laws governing training, employment, and contracting.

#### Subpart B—Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

- 135.30 Numerical goals for meeting the greatest extent feasible requirement.
- 135.32 Responsibilities of the recipient.
- 135.34 Preference for section 3 residents in training and employment opportunities.
- 135.36 Preference for section 3 business concerns in contracting opportunities.
- 135.38 Section 3 clause.
- 135.40 Providing other economic opportunities.

#### Subpart C [Reserved]

#### Subpart D—Complaint and Compliance Review

- 135.70 General.
- 135.72 Cooperation in achieving compliance.
- 135.74 Section 3 compliance review procedures.
- 135.76 Filing and processing complaints.

#### Subpart E—Reporting and Recordkeeping

- 135.90 Reporting.
  - 135.92 Recordkeeping and access to records.
- APPENDIX TO PART 135

AUTHORITY: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

SOURCE: 59 FR 33880, June 30, 1994, unless otherwise noted.

EFFECTIVE DATE NOTE: At 59 FR 33880, June 30, 1994, part 135 was revised effective August 1, 1994 through June 30, 1995. At 60 FR 28325, May 31, 1995, the effective period was extended until the final rule implementing changes made to section 3 of the Housing and Urban Development Act of 1968 by the Housing and Community Development Act of 1992 is published and becomes effective.

#### SUBPART A—GENERAL PROVISIONS

##### § 135.1 Purpose.

(a) *Section 3.* The purpose of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be

directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

(b) *Part 135.* The purpose of this part is to establish the standards and procedures to be followed to ensure that the objectives of section 3 are met.

##### § 135.2 Effective date of regulation.

The regulations of this part will remain in effect until the date the final rule adopting the regulations of this part with or without changes is published and becomes effective, at which point the final rule will remain in effect.

[60 FR 28326, May 31, 1995]

##### § 135.3 Applicability.

(a) *Section 3 covered assistance.* Section 3 applies to the following HUD assistance (section 3 covered assistance):

(1) *Public and Indian housing assistance.* Section 3 applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public and Indian housing assistance:

(i) Development assistance provided pursuant to section 5 of the U.S. Housing Act of 1937 (1937 Act);

(ii) Operating assistance provided pursuant to section 9 of the 1937 Act; and

(iii) Modernization assistance provided pursuant to section 14 of the 1937 Act;

(2) *Housing and community development assistance.*

Section 3 applies to training, employment, contracting and other economic opportunities arising in connection with the expenditure of housing assistance (including section 8 assistance, and including other housing assistance not administered by the Assistant Secretary of Housing) and community development assistance that is used for the following projects;

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; and

(iii) Other public construction.

(3) *Thresholds—(i) No thresholds for section 3 covered public and Indian housing assistance.* The requirements of this part apply to section 3 covered assistance provided to recipients, notwithstanding the amount of the assistance provided to the recipient. The requirements of this part apply to all contractors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance covered by section 3, regardless of the amount of the contract or subcontract.

(ii) *Thresholds for section 3 covered housing and community development assistance—(A) Recipient thresholds.* The requirements of this part apply to recipients of other housing and community development program assistance for a section 3 covered project(s) for which the amount of the assistance exceeds \$200,000.

(B) *Contractor and subcontractor thresholds.* The requirements of this part apply to contractors and subcontractors performing work on section 3 covered project(s) for which the amount of the assistance exceeds \$200,000; and the contract or subcontract exceeds \$100,000.

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(C) *Threshold met for recipients, but not contractors or subcontractors.* If a recipient receives section 3 covered housing or community development assistance in excess of \$200,000, but no contract exceeds \$100,000, the section 3 preference requirements only apply to the recipient.

(b) *Applicability of section 3 to entire project or activity funded with section 3 assistance.* The requirements of this part apply to the entire project or activity that is funded with section 3 covered assistance, regardless of whether the section 3 activity is fully or partially funded with section 3 covered assistance.

(c) *Applicability to Indian housing authorities and Indian tribes.* Indian housing authorities and tribes that receive HUD assistance described in paragraph (a) of this section shall comply with the procedures and requirements of this part to the maximum extent consistent with, but not in derogation of, compliance with section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). (See 24 CFR part 905.)

(d) *Other HUD assistance and other Federal assistance.* Recipients, contractors and subcontractors that receive HUD assistance, not listed in paragraph (a) of this section, or other Federal assistance, are encouraged to provide, to the greatest extent feasible, training, employment, and contracting opportunities generated by the expenditure of this assistance to low- and very low-income persons, and business concerns owned by low- and very low-income persons, or which employ low and very low-income persons.

### § 135.5 Definitions.

The terms *Department*, *HUD*, *Indian housing authority (IHA)*, *Public housing agency (PHA)*, and *Secretary* are defined in 24 CFR part 5.

*Annual Contributions Contract (ACC)* means the contract under the U.S. Housing Act of 1937 (1937 Act) between HUD and the PHA, or between HUD and the IHA, that contains the terms and conditions under which HUD assists the PHA or the IHA in providing decent, safe, and sanitary housing for low income families. The ACC must be in a form prescribed by HUD under which HUD agrees to provide assistance in the development, modernization and/or operation of a low income housing project under the 1937 Act, and the PHA or IHA agrees to develop, modernize and operate the project in compliance with all provisions of the ACC and the 1937 Act, and all HUD regulations and implementing requirements and procedures. (The ACC is not a form of procurement contract.)

*Applicant* means any entity which makes an application for section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

*Assistant Secretary* means the Assistant Secretary for Fair Housing and Equal Opportunity.

*Business concern* means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

*Business concern that provides economic opportunities for low- and very low-income persons.* See definition of "section 3 business concern" in this section.

*Contract.* See the definition of "section 3 covered contract" in this section.

*Contractor* means any entity which contracts to perform work generated by the expenditure of section 3 covered assistance,

or for work in connection with a section 3 covered project.

*Employment opportunities generated by section 3 covered assistance* means all employment opportunities generated by the expenditure of section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in § 135.3(a)(1)). With respect to section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with section 3 covered projects (as described in § 135.3(a)(2)), including management and administrative jobs connected with the section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

*Housing authority (HA)* means, collectively, public housing agency and Indian housing authority.

*Housing and community development assistance* means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

*Housing development* means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

*HUD Youthbuild programs* mean programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

*Indian tribes* shall have the meaning given this term in 24 CFR part 571.

*JTPA* means the Job Training Partnership Act (29 U.S.C. 1579(a)).

*Low-income person.* See the definition of "section 3 resident" in this section.

*Metropolitan area* means a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

*Neighborhood area* means:

(1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

(2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

*New hires* mean full-time employees for permanent, temporary or seasonal employment opportunities. Nonmetropolitan county means any county outside of a metropolitan area.

*Other HUD programs* means HUD programs, other than HUD public and Indian housing programs, that provide housing and

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community development assistance for “section 3 covered projects,” as defined in this section.

*Public housing resident* has the meaning given this term in 24 CFR part 963.

*Recipient* means any entity which receives section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgage, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which section 3 applies and does not include contractors.

*Section 3* means section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

*Section 3 business concern* means a business concern, as defined in this section—

- (1) That is 51 percent or more owned by section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “section 3 business concern.”

*Section 3 clause* means the contract provisions set forth in § 135.38.

*Section 3 covered activity* means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

*Section 3 covered assistance* means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;

(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;

(3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;

(4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

- (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
- (ii) Housing construction; or
- (iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

*Section 3 covered contract* means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. “Section 3 covered contracts” do not include contracts awarded under HUD’s procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). “Section 3 covered contracts” also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.

*Section 3 covered project* means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

*Section 3 joint venture*. See § 135.40. Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the metropolitan area or nonmetropolitan county in which the section 3 covered assistance is expended, and who is:
  - (i) A *low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or
  - (ii) A *very low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

*Section 8 assistance* means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

*Service area* means the geographical area in which the persons benefitting from the section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the section 3 covered assistance is expended. In HUD’s Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe’s sovereign power, is limited to the area of tribal jurisdiction.

*Subcontractor* means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of section 3 covered assistance, or arising in connection with a section 3 covered project.

*Very low-income person*. See the definition of “section 3 resident” in this section.

*Youthbuild programs*. See the definition of “HUD Youthbuild programs” in this section.

[59 FR 33880, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]

### § 135.7 Delegation of authority.

Except as may be otherwise provided in this part, the functions and responsibilities of the Secretary under section 3, and described in this part, are delegated to the Assistant Secretary for Fair Housing and Equal Opportunity. The Assistant



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Secretary is further authorized to redelegate functions and responsibilities to other employees of HUD; *provided however*, that the authority to issue rules and regulations under this part, which authority is delegated to the Assistant Secretary, may not be redelegated by the Assistant Secretary.

### § 135.9 Requirements applicable to HUD NOFAs for section 3 covered programs.

(a) *Certification of compliance with part 135.* All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by section 3 shall include a provision in the NOFA that notifies applicants that section 3 and the regulations in part 135 are applicable to funding awards made under the NOFA. Additionally the NOFA shall require as an application submission requirement (which may be specified in the NOFA or application kit) a certification by the applicant that the applicant will comply with the regulations in part 135. (For PHAs, this requirement will be met where a PHA Resolution in Support of the Application is submitted.) With respect to application evaluation, HUD will accept an applicant's certification unless there is evidence substantially challenging the certification.

(b) *Statement of purpose in NOFAs.* (1) For competitively awarded assistance in which the grants are for activities administered by an HA, and those activities are anticipated to generate significant training, employment or contracting opportunities, the NOFA must include a statement that one of the purposes of the assistance is to give to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(2) For competitively awarded assistance involving housing rehabilitation, construction or other public construction, where the amount awarded to the applicant may exceed \$200,000, the NOFA must include a statement that one of the purposes of the assistance is to give, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, job training, employment, contracting and other economic opportunities to section 3 residents and section 3 business concerns.

(c) *Section 3 as NOFA evaluation criteria.* Where not otherwise precluded by statute, in the evaluation of applications for the award of assistance, consideration shall be given to the extent to which an applicant has demonstrated that it will train and employ section 3 residents and contract with section 3 business concerns for economic opportunities generated in connection with the assisted project or activity. The evaluation criteria to be utilized, and the rating points to be assigned, will be specified in the NOFA.

### § 135.11 Other laws governing training, employment, and contracting.

Other laws and requirements that are applicable or may be applicable to the economic opportunities generated from the expenditure of section 3 covered assistance include, but are not necessarily limited to those listed in this section.

(a) *Procurement standards for States and local governments* (24 CFR 85.36)—(1) General. Nothing in this part 135 prescribes specific methods of procurement. However, neither section 3 nor the requirements of this part 135 supersede the general requirement of 24 CFR 85.36(c) that all procurement transactions be conducted in a competitive manner. Consistent with 24 CFR 85.36(c)(2), section 3 is a Federal statute that expressly encourages, to the maximum extent feasible, a geographic preference in the evaluation of bids or proposals.

(2) *Flexible Subsidy Program.* Multifamily project mortgagors

in the Flexible Subsidy Program are not required to utilize the methods of procurement in 24 CFR 85.36(d), and are not permitted to utilize methods of procurement that would result in their award of a contract to a business concern that submits a bid higher than the lowest responsive bid. A multifamily project mortgagor, however, must ensure that, to the greatest extent feasible, the procurement practices it selects provide preference to section 3 business concerns.

(b) *Procurement standards for other recipients* (OMB Circular No. A-110). Nothing in this part prescribes specific methods of procurement for grants and other agreements with institutions of higher education, hospitals, and other nonprofit organizations. Consistent with the requirements set forth in OMB Circular No. A-110, section 3 is a Federal statute that expressly encourages a geographic preference in the evaluation of bids or proposals.

(c) *Federal labor standards provisions.* Certain construction contracts are subject to compliance with the requirement to pay prevailing wages determined under Davis-Bacon Act (40 U.S.C. 276a—276a-7) and implementing U.S. Department of Labor regulations in 29 CFR part 5. Additionally, certain HUD-assisted rehabilitation and maintenance activities on public and Indian housing developments are subject to compliance with the requirement to pay prevailing wage rates, as determined or adopted by HUD, to laborers and mechanics employed in this work. Apprentices and trainees may be utilized on this work only to the extent permitted under either Department of Labor regulations at 29 CFR part 5 or for work subject to HUD-determined prevailing wage rates, HUD policies and guidelines. These requirements include adherence to the wage rates and ratios of apprentices or trainees to journeymen set out in "approved apprenticeship and training programs," as described in paragraph (d) of this section.

(d) *Approved apprenticeship and trainee programs.* Certain apprenticeship and trainee programs have been approved by various Federal agencies. Approved apprenticeship and trainee programs include: an apprenticeship program approved by the Bureau of Apprenticeship and Training of the Department of Labor, or a State Apprenticeship Agency, or an on-the-job training program approved by the Bureau of Apprenticeship and Training, in accordance with the regulations at 29 CFR part 5; or a training program approved by HUD in accordance with HUD policies and guidelines, as applicable. Participation in an approved apprenticeship program does not, in and of itself, demonstrate compliance with the regulations of this part.

(e) *Compliance with Executive Order 11246.* Certain contractors covered by this part are subject to compliance with Executive Order 11246, as amended by Executive Order 12086, and the Department of Labor regulations issued pursuant thereto (41 CFR chapter 60) which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

### SUBPART B—ECONOMIC OPPORTUNITIES FOR SECTION 3 RESIDENTS AND SECTION 3 BUSINESS CONCERNS

#### § 135.30 Numerical goals for meeting the greatest extent feasible requirement.

(a) *General.* (1) Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of section 3 by meeting the numerical goals set forth in this section for providing training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(2) The goals established in this section apply to the entire

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amount of section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY), commencing with the first FY following the effective date of this rule.

(3) For recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring, and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to section 3 residents and section 3 business concerns.

(4) The numerical goals established in this section represent minimum numerical targets.

(b) *Training and employment.* The numerical goals set forth in paragraph (b) of this section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ section 3 residents, to the greatest extent feasible, should be made at all job levels.

(1) *Numerical goals for section 3 covered public and Indian housing programs.* Recipients of section 3 covered public and Indian housing assistance (as described in § 135.5) and their contractors and subcontractors may demonstrate compliance with this part by committing to employ section 3 residents as:

- (i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;
- (ii) 20 percent of the aggregate number of new hires for the one period beginning in FY 1996;
- (iii) 30 percent of the aggregate number of new hires for one year period beginning in FY 1997 and continuing thereafter.

(2) *Numerical goals for other HUD programs covered by section 3.* (i) Recipients of section 3 covered housing assistance provided under other HUD programs, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in § 135.3(a)(3)) may demonstrate compliance with this part by committing to employ section 3 residents as 10 percent of the aggregate number of new hires for each year over the duration of the section 3 project;

(ii) Where a managing general partner or management agent is affiliated, in a given metropolitan area, with recipients of section 3 covered housing assistance, for an aggregate of 500 or more units in any fiscal year, the managing partner or management agent may demonstrate compliance with this part by committing to employ section 3 residents as:

- (A) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;
- (B) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996;
- (C) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997, and continuing thereafter.

(3) Recipients of section 3 covered community development assistance, and their contractors and subcontractors (unless the contract or subcontract awards do not meet the threshold specified in § 135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to employ section 3 residents as: (i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995;

(ii) 20 percent of the aggregate number of new hires for the one year period beginning in FY 1996; and

(iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter.

(c) *Contracts.* Numerical goals set forth in paragraph (c) of this section apply to contracts awarded in connection with all section 3 covered projects and section 3 covered activities. Each recipient and contractor and subcontractor (unless the contract or subcontract awards do not meet the threshold

specified in § 135.3(a)(3)) may demonstrate compliance with the requirements of this part by committing to award to section 3 business concerns:

(1) At least 10 percent of the total dollar amount of all section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(2) At least three (3) percent of the total dollar amount of all other section 3 covered contracts.

(d) *Safe harbor and compliance determinations.* (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the section 3 preference requirements.

(2) In evaluating compliance under subpart D of this part, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in § 135.40, which were provided in its efforts to comply with section 3 and the requirements of this part.

### § 135.32 Responsibilities of the recipient.

Each recipient has the responsibility to comply with section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:

(a) Implementing procedures designed to notify section 3 residents about training and employment opportunities generated by section 3 covered assistance and section 3 business concerns about contracting opportunities generated by section 3 covered assistance;

(b) Notifying potential contractors for section 3 covered projects of the requirements of this part, and incorporating the section 3 clause set forth in § 135.38 in all solicitations and contracts.

(c) Facilitating the training and employment of section 3 residents and the award of contracts to section 3 business concerns by undertaking activities such as described in the Appendix to this part, as appropriate, to reach the goals set forth in § 135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of section 3 residents and contract award to section 3 business concerns that exceed those specified in § 135.30;

(d) Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135.

(e) Documenting actions taken to comply with the requirements of this part, the results of actions taken and impediments, if any.

(f) A State or county which distributes funds for section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in 135.30 regardless of the number of local governments receiving funds from the section 3 covered assistance which meet the thresholds for applicability set forth at 135.3. The State or county must inform units of local government to whom funds are distributed of the requirements of this part; assist local governments and their

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contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

**§ 135.34 Preference for section 3 residents in training and employment opportunities.**

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of section 3 covered assistance to section 3 residents in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to provide training and employment opportunities to section 3 residents in the following order of priority:

(i) Residents of the housing development or developments for which the section 3 covered assistance is expended (category 1 residents);

(ii) Residents of other housing developments managed by the HA that is expending the section 3 covered housing assistance (category 2 residents);

(iii) Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 residents);

(iv) Other section 3 residents.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and

(ii) Participants in HUD Youthbuild programs (category 2 residents).

(iii) Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the service area or neighborhood in which the section 3 covered project is located shall be given the highest priority;

(iv) Other section 3 residents.

(3) Recipients of housing assistance programs administered by the Assistant Secretary for Housing may, at their own discretion, provide preference to residents of the housing development receiving the section 3 covered assistance within the service area or neighborhood where the section 3 covered project is located.

(4) Recipients of community development programs may, at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8 housing assistance program, within the service area or neighborhood where the section 3 covered project is located.

(b) *Eligibility for preference.* A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a section 3 resident, as defined in § 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

(c) *Eligibility for employment.* Nothing in this part shall be construed to require the employment of a section 3 resident who does not meet the qualifications of the position to be filled.

**§ 135.36 Preference for section 3 business concerns in contracting opportunities.**

(a) *Order of providing preference.* Recipients, contractors and subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the order of priority provided in paragraph (a) of this section.

(1) *Public and Indian housing programs.* In public and Indian housing programs, efforts shall be directed to award contracts to section 3 business concerns in the following order of priority:

(i) Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses);

(ii) Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the HA that is expending the section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or

(iii) HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 businesses).

(iv) Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, fulltime workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs (a)(1)(i) and (a)(1)(ii) of this section.

(2) *Housing and community development programs.* In housing and community development programs, priority consideration shall be given, where feasible, to:

(i) Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and

(ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);

(iii) Other section 3 business concerns.

(b) *Eligibility for preference.* A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in § 135.5.

(c) *Ability to complete contract.* A section 3 business concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

**§ 135.38 Section 3 clause.**

ALL SECTION 3 COVERED CONTRACTS SHALL INCLUDE THE FOLLOWING CLAUSE (REFERRED TO AS THE SECTION 3 CLAUSE):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and

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Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

#### § 135.40 Providing other economic opportunities.

(a) *General.* In accordance with the findings of the Congress, as stated in section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training,

employment, and contract awards, in connection with section 3 covered assistance.

(b) *Other training and employment related opportunities.* Other economic opportunities to train and employ section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring section 3 residents in management and maintenance positions within other housing developments; and hiring section 3 residents in part-time positions.

(c) *Other business related economic opportunities.* (l) A recipient or contractor may provide economic opportunities to establish, stabilize or expand section 3 business concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned businesses and use of procedures under 24 CFR part 963 regarding HA contracts to HA residentowned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-section 3 businesses to utilize such methods to provide other economic opportunities to low-income persons.

(2) A *section 3 joint venture* means an association of business concerns, one of which qualifies as a section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the section 3 business concern:

- (i) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- (ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

#### SUBPART C [RESERVED]

#### SUBPART D—COMPLAINT AND COMPLIANCE REVIEW

##### § 135.70 General.

(a) *Purpose.* The purpose of this subpart is to establish the procedures for handling complaints alleging noncompliance with the regulations of this part, and the procedures governing the Assistant Secretary's review of a recipient's or contractor's compliance with the regulations in this part.

(b) *Definitions.* For purposes of this subpart:

(1) *Complaint* means an allegation of noncompliance with regulations of this part made in the form described in § 135.76(d).

(2) *Complainant* means the party which files a complaint with the Assistant Secretary alleging that a recipient or contractor has failed or refused to comply with the regulations in this part.

(3) *Noncompliance with section 3* means failure by a recipient or contractor to comply with the requirements of this part.

(4) *Respondent* means the recipient or contractor against which a complaint of noncompliance has been filed. The term "recipient" shall have the meaning set forth in § 135.7, which includes PHA and IHA.

##### § 135.72 Cooperation in achieving compliance.

(a) The Assistant Secretary recognizes that the success of ensuring that section 3 residents and section 3 business concerns have the opportunity to apply for jobs and to bid

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for contracts generated by covered HUD financial assistance depends upon the cooperation and assistance of HUD recipients and their contractors and subcontractors. All recipients shall cooperate fully and promptly with the Assistant Secretary in section 3 compliance reviews, in investigations of allegations of noncompliance made under § 135.76, and with the distribution and collection of data and information that the Assistant Secretary may require in connection with achieving the economic objectives of section 3.

(b) The recipient shall refrain from entering into a contract with any contractor after notification to the recipient by HUD that the contractor has been found in violation of the regulations in this part. The provisions of 2 CFR part 2424 apply to the employment, engagement of services, awarding of contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or otherwise ineligible status.

[59 FR 33880, June 30, 1994, as amended at 72 FR 73493, Dec. 27, 2007]

**§ 135.74 Section 3 compliance review procedures.**

(a) *Compliance reviews by Assistant Secretary.* The Assistant Secretary shall periodically conduct section 3 compliance reviews of selected recipients and contractors to determine whether these recipients are in compliance with the regulations in this part.

(b) *Form of compliance review.* A section 3 compliance review shall consist of a comprehensive analysis and evaluation of the recipient's or contractor's compliance with the requirements and obligations imposed by the regulations of this part, including an analysis of the extent to which section 3 residents have been hired and section 3 business concerns have been awarded contracts as a result of the methods undertaken by the recipient to achieve the employment, contracting and other economic objectives of section 3.

(c) *Where compliance review reveals noncompliance with section 3 by recipient or contractor.* Where the section 3 compliance review reveals that a recipient or contractor has not complied with section 3, the Assistant Secretary shall notify the recipient or contractor of its specific deficiencies in compliance with the regulations of this part, and shall advise the recipient or contractor of the means by which these deficiencies may be corrected. HUD shall conduct a follow-up review with the recipient or contractor to ensure that action is being taken to correct the deficiencies.

(d) *Continuing noncompliance by recipient or contractor.* A continuing failure or refusal by the recipient or contractor to comply with the regulations in this part may result in the application of sanctions specified in the contract through which HUD assistance is provided, or the application of sanctions specified in the regulations governing the HUD program under which HUD financial assistance is provided. HUD will notify the recipient of any continuing failure or refusal by the contractor to comply with the regulations in this part for possible action under any procurement contract between the recipient and the contractor. Where appropriate, debarment, suspension, and limited denial of participation may be applied to the recipient or the contractor, pursuant to HUD's regulations at 2 CFR part 2424.

(e) *Conducting compliance review before the award of assistance.* Section 3 compliance reviews may be conducted before the award of contracts, and especially where the Assistant Secretary has reasonable grounds to believe that the recipient or contractor will be unable or unwilling to comply with the regulations in this part.

(f) *Consideration of complaints during compliance review.*

Complaints alleging noncompliance with section 3, as provided in § 135.76, may also be considered during any compliance review conducted to determine the recipient's conformance with regulations in this part.

[59 FR 33880, June 30, 1994, as amended at 72 FR 73493, Dec. 27, 2007]

**§ 135.76 Filing and processing complaints.**

(a) *Who may file a complaint.* The following individuals and business concerns may, personally or through an authorized representative, file with the Assistant Secretary a complaint alleging noncompliance with section 3:

(1) Any section 3 resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from the expenditure of section 3 covered assistance with a recipient or contractor, or by a representative who is not a section 3 resident but who represents one or more section 3 residents;

(2) Any section 3 business concern on behalf of itself, or as a representative of other section 3 business concerns similarly situated, seeking contract opportunities generated from the expenditure of section 3 covered assistance from a recipient or contractor, or by an individual representative of section 3 business concerns.

(b) *Where to file a complaint.* A complaint must be filed with the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, Washington, DC, 20410.

(c) *Time of filing.* (1) A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

(2) Where a complaint alleges noncompliance with section 3 and the regulations of this part that is continuing, as manifested in a number of incidents of noncompliance, the complaint will be timely if filed within 180 days of the last alleged occurrence of noncompliance.

(3) Where a complaint contains incomplete information, the Assistant Secretary shall request the needed information from the complainant. In the event this information is not furnished to the Assistant Secretary within sixty (60) days of the date of the request, the complaint may be closed.

(d) *Contents of complaint—(1) Written complaints.* Each complaint must be in writing, signed by the complainant, and include:

(i) The complainant's name and address;

(ii) The name and address of the respondent;

(iii) A description of the acts or omissions by the respondent that is sufficient to inform the Assistant Secretary of the nature and date of the alleged noncompliance.

(iv) A complainant may provide information to be contained in a complaint by telephone to HUD or any HUD Field Office, and HUD will reduce the information provided by telephone to writing on the prescribed complaint form and send the form to the complainant for signature.

(2) *Amendment of complaint.* Complaints may be reasonably and fairly amended at any time. Such amendments may include, but are not limited to, amendments to cure, technical defects or omissions, including failure to sign or affirm a complaint, to clarify or amplify the allegations in a complaint, or to join additional or substitute respondents. Except for the purposes of notifying respondents, amended complaints will be considered as having been made as of the original filing date.

(e) *Resolution of complaint by recipient.* (1) Within ten (10) days of timely filing of a complaint that contains complete

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information (in accordance with paragraphs (c) and (d) of this section), the Assistant Secretary shall determine whether the complainant alleges an action or omission by a recipient or the recipient's contractor that if proven qualifies as noncompliance with section 3. If a determination is made that there is an allegation of noncompliance with section 3, the complaint shall be sent to the recipient for resolution.

(2) If the recipient believes that the complaint lacks merit, the recipient must notify the Assistant Secretary in writing of this recommendation with supporting reasons, within 30 days of the date of receipt of the complaint. The determination that a complaint lacks merit is reserved to the Assistant Secretary.

(3) If the recipient determines that there is merit to the complaint, the recipient will have sixty (60) days from the date of receipt of the complaint to resolve the matter with the complainant. At the expiration of the 60-day period, the recipient must notify the Assistant Secretary in writing whether a resolution of the complaint has been reached. If resolution has been reached, the notification must be signed by both the recipient and the complainant, and must summarize the terms of the resolution reached between the two parties.

(4) Any request for an extension of the 60-day period by the recipient must be submitted in writing to the Assistant Secretary, and must include a statement explaining the need for the extension.

(5) If the recipient is unable to resolve the complaint within the 60-day period (or more if extended by the Assistant Secretary), the complaint shall be referred to the Assistant Secretary for handling.

(f) *Informal resolution of complaint by Assistant Secretary—(1) Dismissal of complaint.* Upon receipt of the recipient's written recommendation that there is no merit to the complaint, or upon failure of the recipient and complainant to reach resolution, the Assistant Secretary shall review the complaint to determine whether it presents a valid allegation of noncompliance with section 3. The Assistant Secretary may conduct further investigation if deemed necessary. Where the complaint fails to present a valid allegation of noncompliance with section 3, the Assistant Secretary will dismiss the complaint without further action. The Assistant Secretary shall notify the complainant of the dismissal of the complaint and the reasons for the dismissal.

(2) *Informal resolution.* Where the allegations in a complaint on their face, or as amplified by the statements of the complainant, present a valid allegation of noncompliance with section 3, the Assistant Secretary will attempt, through informal methods, to obtain a voluntary and just resolution of the complaint. Where attempts to resolve the complaint informally fail, the Assistant Secretary will impose a resolution on the recipient and complainant. Any resolution imposed by the Assistant Secretary will be in accordance with requirements and procedures concerning the imposition of sanctions or resolutions as set forth in the regulations governing the HUD program under which the section 3 covered assistance was provided.

(3) *Effective date of informal resolution.* The imposed resolution will become effective and binding at the expiration of 15 days following notification to recipient and complainant by certified mail of the imposed resolution, unless either party appeals the resolution before the expiration of the 15 days. Any appeal shall be in writing to the Secretary and shall include the basis for the appeal.

(g) *Sanctions.* Sanctions that may be imposed on recipients that fail to comply with the regulations of this part include debarment, suspension and limited denial of participation in HUD programs.

(h) *Investigation of complaint.* The Assistant Secretary

reserves the right to investigate a complaint directly when, in the Assistant Secretary's discretion, the investigation would further the purposes of section 3 and this part.

(i) *Intimidatory or retaliatory acts prohibited.* No recipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under this part. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of this part, including the conduct of any investigation hearing or judicial proceeding arising thereunder.

(j) *Judicial relief.* Nothing in this subpart D precludes a section 3 resident or section 3 business concerning from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

(APPROVED BY THE OFFICE OF MANAGEMENT AND BUDGET UNDER CONTROL NUMBER 2529-0043)

**SUBPART E—REPORTING AND RECORDKEEPING****§ 135.90 Reporting.**

Each recipient which receives directly from HUD financial assistance that is subject to the requirements of this part shall submit to the Assistant Secretary an annual report in such form and with such information as the Assistant Secretary may request, for the purpose of determining the effectiveness of section 3. Where the program providing the section 3 covered assistance requires submission of an annual performance report, the section 3 report will be submitted with that annual performance report. If the program providing the section 3 covered assistance does not require an annual performance report, the section 3 report is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier. All reports submitted to HUD in accordance with the requirements of this part will be made available to the public.

(APPROVED BY THE OFFICE OF MANAGEMENT AND BUDGET UNDER CONTROL NUMBER 2529-0043)

**§ 135.92 Recordkeeping and access to records.**

HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program under which section 3 covered assistance is provided or otherwise made available to the recipient or contractor.

## APPENDIX TO PART 135

I. *Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents*

(1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.

(2) Sponsoring a HUD-certified "Step-Up" employment and training program for section 3 residents.

(3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other section 3 residents in the building trades.

(4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments

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where category 1 or category 2 persons (as these terms are defined in § 135.34) reside.

(5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the section 3 covered project.

(6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

(7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the section 3 covered project.

(8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or service area in which a section 3 project is located.

(9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

(10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the section 3 covered project.

(11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.

(12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.

(13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified section 3 residents with the training and employment positions that the HA or contractor intends to fill.

(15) For an HA, employing section 3 residents directly on either a permanent or a temporary basis to perform work generated by section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and § 905.201(a)(6).)

(16) Where there are more qualified section 3 residents than

there are positions to be filled, maintaining a file of eligible qualified section 3 residents for future employment positions.

(17) Undertaking job counseling, education and related programs in association with local educational institutions.

(18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of section 3 residents previously hired for employment opportunities.

(19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other section 3 residents to be trained or employed on the section 3 covered assistance.

(20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

## *II. Examples of Efforts To Award Contracts to Section 3 Business Concerns*

(1) Utilizing procurement procedures for section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).

(2) In determining the responsibility of potential contractors, consider their record of section 3 compliance as evidenced by past actions and their current plans for the pending contract.

(3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying section 3 businesses which may solicit bids or proposals for contracts for work in connection with section 3 covered assistance.

(4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

(5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.

(6) Providing written notice to all known section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the section 3 business concerns to respond to the bid invitations or request for proposals.

(7) Following up with section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

(8) Coordinating pre-bid meetings at which section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

(9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.

(10) Advising section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

(11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of section 3 business concerns.

(12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by section 3 business concerns.

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(13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

(14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(15) Developing a list of eligible section 3 business concerns.

(16) For HAs, participating in the "Contracting with Resident-Owned Businesses" program provided under 24 CFR part 963.

(17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

(18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to section 3 business concerns.

(19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

(20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.

(21) Actively supporting joint ventures with section 3 business concerns.

(22) Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

III. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) *Small Purchase Procedures.* For section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) *Solicitation.* (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

—the section 3 covered contract to be awarded with sufficient specificity;

—the time within which quotations must be submitted; and  
 —the information that must be submitted with each quotation.

(B) If the method described in paragraph (i)(A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) *Award.* (A) Where the section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) *Procurement by sealed bids (Invitations for Bids).*

Preference in the award of section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (section 3 business concerns, and nonsection 3 business concerns). An award shall be made to the qualified section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid—

(A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

(B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	X=lesser of:
When the lowest responsive bid is less than \$100,000 .....	10% of that bid or \$9,000.
When the lowest responsive bid is:	
At least \$100,000, but less than \$200,000 .....	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000 .....	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000 .....	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000 .....	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million .....	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million .....	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million .....	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million .....	2% of that bid, or \$105,000.
\$7 million or more .....	1½% of the lowest responsive bid, with no dollar limit.





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(ii) If no responsive bid by a section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) *Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).* (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (section 3 strategy), as disclosed in proposals submitted by all business concerns (section 3 and non-section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor designed to address the preference for section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the section 3 strategy), the RFP shall require the disclosure of the contractor's section 3 strategy to comply with the section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable section 3 strategy. The contract award shall be made to the responsible firm (either section 3 or non-section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

## **PART 146—NONDISCRIMINATION ON THE BASIS OF AGE IN HUD PROGRAMS OR ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE**

### **SUBPART A—GENERAL**

Sec.	
146.1	Purpose of the Age Discrimination Act of 1975.
146.3	Purpose of HUD's age discrimination regulation.
146.5	Applicability of part.
146.7	Definitions.

### **SUBPART B—STANDARDS FOR DETERMINING AGE DISCRIMINATION**

146.11	Scope of subpart.
146.13	Rules against age discrimination.

### **SUBPART C—DUTIES OF HUD RECIPIENTS**

146.21	General responsibilities.
146.23	Notice of subrecipients.
146.25	Assurance of compliance and recipient assessment of age distinctions.
146.27	Information requirements.

### **SUBPART D—INVESTIGATION, SETTLEMENT, AND ENFORCEMENT PROCEDURES**

146.31	Compliance reviews.
146.33	Complaints.
146.35	Mediation.
146.37	Investigation.
146.39	Enforcement procedures.
146.41	Prohibition against intimidation or retaliation.
146.43	Hearings, decisions, post-termination proceedings.
146.45	Exhaustion of administrative remedies.
146.47	Remedial and affirmative action by recipients.
146.49	Alternate funds disbursement procedure.

AUTHORITY: 42 U.S.C. 3535(d) and 6103.

SOURCE: 51 FR 45266, Dec. 17, 1986, unless otherwise noted.

### **SUBPART A—GENERAL**

#### **§ 146.1 Purpose of the Age Discrimination Act of 1975.**

The Age Discrimination Act of 1975 (the Act) prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. The Act, however, permits federally assisted programs and activities and recipients of Federal funds to continue to use certain age distinctions and factors other than age which meet the requirements of the Act and this part.

#### **§ 146.3 Purpose of HUD's age discrimination regulation.**

The purpose of this part is to state HUD's policies and procedures under the Age Discrimination Act of 1975, consistent with the government-wide age discrimination regulation contained at 45 CFR part 90.

#### **§ 146.5 Applicability of part.**

This part applies to each program or activity that receives Federal financial assistance provided by HUD.

#### **§ 146.7 Definitions.**

The terms *HUD* and *Secretary* are defined in 24 CFR part 5. Act means the Age Discrimination Act of 1975, 42 U.S.C. 6101–07.

*Action* means any act, activity, policy, rule, standard, or method of administration or the use of any policy,



## APPENDIX J: Statement of Policy – VAWA

### **VIOLENCE AGAINST WOMEN ACT (VAWA)**

To comply with the Violence Against Women Act (VAWA), the CHA will consider the following:

No applicant for the CHA assisted programs who have been a victim of domestic violence, dating violence, or stalking shall be denied admissions into the program if they are otherwise qualified;

Criminal activity directly related to domestic violence, dating violence, or stalking engaged in by a member of a Participant's Household or any guest or other person under the Participant family's control shall not be cause for termination of assistance, tenancy, or occupancy rights if the Participant or an immediate member of the Participant's Household is the victim of that domestic violence, dating violence or stalking;

An incident(s) or documented threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the Lease by the victim or threatened victim of that violence, and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence;

The CHA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence or stalking to family members or others without terminating the assistance of victimized lawful occupants;

The CHA may honor court orders regarding the rights of access or control of the property, including Emergency Protection Orders (EPO), Domestic Violence Orders (DVO), and other orders issued to protect the victim and abused to address the distribution or possession or property among Household Members where the family "splits";

There is no limitation on the ability of the CHA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating

violence or stalking, other than the victim may not be subject to a "more demanding standard" than non-victims;

Any protections provided by law which give greater protection to the victim are not superseded by these provisions.

The CHA may require certifications by the victim of victim status on such forms as the CHA and/or HUD shall prescribe or approve.

A CHA program Participant who moves out of an assisted dwelling unit to protect their health or safety and who: 1) is a victim under the Policy; 2) reasonably believes he or she was imminently threatened by harm from further violence if he or she remains in the unit; and 3) has complied with all other obligations of the program may receive permission to move to another unit with continued assistance.

### **O. EFFECTIVE DATE**

This policy shall be effective upon written approval by HUD following adoption by the CHA, acting through its Board of Commissioners. All prior policy statements of the CHA on the same subject matter shall be superseded by this policy. Upon the effective date, this policy shall apply to all pending applications and existing Leases.

### **P. AMENDMENT**

The CHA may amend this policy by resolution adopted by its Board of Commissioners at a regular or special meeting. The agenda for such meeting shall indicate consideration of amending the policy. Any such amendment shall be subject to approval by HUD, if applicable, and shall be in accord with applicable HUD regulations.

### **Q. NOTIFICATION**

The CHA will post a copy of this policy at all management offices at least thirty (30) days before consideration by the Board of Commissioners of the CHA. All comments by the Participants,

Participant organizations, Participant advisory councils, applicants or other organizations about this policy shall be made in writing. Comments shall be sent to the attention of the COO or his/her designee of the CHA. The CHA shall review all comments before consideration of this policy by the Board of Commissioners. The CHA staff shall include all comments received and CHA responses in the information provided the Board of Commissioners prior to their consideration of adoption of this policy.

Once the policy is adopted, a copy of the policy will be made available to all Participants of Participants' organizations and organizations which make referrals or counsel applicants or Participants. A copy will also be posted in each management office operated by the CHA.

#### **DOMESTIC VIOLENCE**

There may be cases where a transfer is needed to address a domestic violence situation. Under these cases, the resident and/or appropriate staff must document the basis for the transfer request.

#### **A. REQUIRED DOCUMENTATION FOR DOMESTIC VIOLENCE TRANSFERS**

The resident is required to submit reliable and verifiable documentation of their involvement in domestic violence. Sufficient documentation includes, but is not limited to, current restraining order, police report, or certification from a professional. Requests without documentation may be denied.

#### **B. DOMESTIC VIOLENCE TRANSFER APPROVALS AND DENIALS/NOTIFICATION PROCESS**

- If the request is approved by the Regional Manager, the resident will be notified in writing by first-class mail as soon as possible after the decision has been rendered (with copies sent to the Property. The notification will indicate the decision and the reasons supporting the decision.
- The property manager will locate the appropriate unit, offer the unit to the resident and the resident will be required to contact the appropriate Property Manager (as noted in the Offer Letter) within two (2) working days to schedule their move-in date. Should a resident fail to complete the transfer within the specified period, the transfer will be revoked. The resident will be allowed to remain in their original unit, but will no longer be on the transfer list.
- If the transfer request is denied, or if there is a revocation of an approved transfer, the resident shall be entitled to a Grievance Hearing as noted in the Denial Letter and in accordance with the Charlotte Housing Authority Grievance Procedure.



## APPENDIX K: Sources and Uses of Funds

The Charlotte Housing Authority revised the format for the 2011-2012 operating budget to a presentation in program budget format. As such the Administration Program budget primarily includes the Central Office Cost Center and MTW funds. The Field Operations Program includes the Housing Choice Voucher Program, Horizon Development Properties, Inc., Asset Management Projects and the Carol Hoefener Center. The Real Estate Program includes the Real Estate Division.

### Sources of Funds

This section indicates how well resources were managed within the confines of how resources were expected to be expended. We are comparing the original budget (per the MTW Annual Plan) to our actual spending for the fiscal year April 2011 to March 2012. Note, during the year our Board of Commissioners allows the allocation of funds for projects that were not anticipated for the year. These changes to the budget are seen in the Revised Budget Per Draft Audit column. Also included in that column are the administrative budget changes that we made during the year. These budget changes allowed us to reallocate budgeted expense money to different lines items within major categories so that we are able to stay within our spending limits.



**ADMINISTRATION PROGRAM**

<b>EXHIBIT A</b>					
<b>Administration Program – COCC &amp; MTW Funds</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
CHA Relocation Program Income	1,859,463			(1,859,463)	A
Section 8 Fees	1,218,282	1,218,282	1,263,893	45,611	
MTW Funds	1,070,641	1,070,641	702,848	751,363	C
Other Revenue	844,713	977,379	1,728,742	751,363	A
Public Housing Fees	794,767	794,767	699,247	(95,520)	B
City Relocation Program Income	606,847	254,964	238,551	(368,296)	D
Maintenance Operations	537,418	537,418	348,983	(188,435)	B
Capital Fund Fees	518,502	451,631	451,633	(66,869)	B
Horizon Fees	342,117	342,117	309,266	(32,851)	B
CFRC Management Fee	200,304	200,304	–	(200,304)	B
ARRA Management Fee	160,000	160,000	274,205	114,205	B
Non-Dwelling Rents	–	82,226	27,928	27,928	
Replacement Housing Factor Increment I	–	277,856	–	–	E
Replacement Housing Factor Increment II	–	16,752	–	–	E
Fund Balance Appropriated-COCC	–	1,356,879	–	–	E
Fund Balance Appropriated-MTW Funds	–	15,455,967	–	–	E
<b>TOTAL SOURCES OF FUNDS</b>	<b>8,153,054</b>	<b>23,197,183</b>	<b>6,045,296</b>	<b>(2,107,758)</b>	

**VARIANCE ANALYSIS**

- A. CHA Relocation revenue which related to the relocation of residents was removed from the Administration Program Budget because this funding was included in other financial reporting.
- B. Unfavorable variance because fees are based on units leased or a percentage of expenditures. Also Maintenance Operations fees are based on site usage and Capital Fees were less than budgeted.
- C. MTW funds were not used as anticipated because Professional Consultation expenses was less than budgeted.
- D. The City Relocation Program ended in July 2011 and revenues were adjusted to reflect the closing of that program.
- E. Fund Balance was not appropriated and Replacement Housing Factor Funds were not used.



**FIELD OPERATIONS PROGRAM**

<b>EXHIBIT B</b>					
<b>Field Operations Program – Housing Choice Voucher Program, Horizon Development Inc, Asset Management, &amp; Carole Hoefener Center</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
MTW Funds	67,297,826	67,807,797	67,691,132	393,306	A
Tenant Fees	10,992,167	10,562,067	8,540,580	(2,451,587)	A
Other Income	2,850,436	3,216,843	2,878,240	27,804	
Public Housing Fees	1,171,023	1,171,023	1,150,792	(20,231)	
Section 8 Income	752,897	1,510,618	1,733,782	980,885	B
Capital/CFRC Fees	718,807	651,936	451,633	(267,174)	C
Social Services Fees	601,550	601,550	112,254	(489,296)	D
City Relocation Program Income	569,608	140,037	133,949	(435,659)	E
Other Governmental Grants	512,646	512,646	76,492	(436,154)	F
Non-Dwelling Rents and Other Revenue (Carol Hoefener)	369,772	369,772	303,933	(65,839)	G
First Ward Revenue	342,456	342,456	186,767	(155,689)	H
ROSS Grant Revenue	262,957			(262,957)	
Restricted Donation	–	3,500,000	3,500,000	3,500,000	I
Fund Balance Appropriated-Horizon Development	–	573,565	–	–	J
Fund Balance Appropriated-Land Sale Proceeds	–	285,383	–	–	K
Fund Balance Appropriated-AMP	–	58,106	–	–	K
Fund Balance Appropriated-Section 8		400,000			K
Operating Transfer In-CORE		24,000			K
Operating Transfer In-MTW		4,081,665			K
<b>TOTAL SOURCES OF FUNDS</b>	<b>86,442,145</b>	<b>95,809,464</b>	<b>86,759,554</b>	<b>317,409</b>	

**VARIANCE ANALYSIS**

A. Tenant Rents were less than budgeted because of the units that were in rehabilitation and minimum renters.

B. Additional Family Unification and Veteran Affairs vouchers were received during the fiscal year.

C. No CFRC fee received.

D. Social services fees from mixed income communities were less than budgeted.

E. The City Relocation Program ended in July 2011 and revenues were adjusted to reflect the closing of that program.

F. Villa Court Apartments, a project based Section 8 facility, was sold.

G. Carol Hoefener Center had less than budgeted revenue. Revenue was under budget in all major categories – office space, room rental and the daycare rental.

H. Less First Ward Revenue utilized than budgeted.

I. ROSS Grant revenue was removed from the Field Operation Program Budget because this funding was included in other financial reporting.

J. Pass through of funding for the general partner interest for Little Rock Apartments.

K. No Fund Balance Appropriated.



**REAL ESTATE PROGRAM**

<b>EXHIBIT C</b>					
<b>Real Estate Program Sources of Funds</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
Operating Transfer In-MTW	24,535,573			(24,535,573)	A
Developer Fee Earned	1,841,371	1,841,371	1,018,740	(822,631)	B
Other Revenue	352,070	352,070	272,551	(79,519)	C
Other Sources		24,535,573	10,347,387	10,347,387	A
<b>TOTAL SOURCES OF FUNDS</b>	<b>26,729,014</b>	<b>26,729,014</b>	<b>11,638,678</b>	<b>(15,090,336)</b>	

**VARIANCE ANALYSIS**

- A. Operating Transfers In-MTW line item was revised and shown in Other Sources where funds were utilized for ongoing projects.
- B. Developer Fees Earned were less than budgeted. CHA received less fees for projects than anticipated.
- C. Other revenue which was comprised of bond issuance and professional fees was less than budgeted.



**HORIZON ACQUISITION CORPORATION**

<b>EXHIBIT D</b>					
<b>Horizon Acquisition Sources of Funds</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
Developer Fee	125,000	125,000		(125,000)	A
Other Revenue	175,000	175,000	238,079	63,079	B
Other Sources	3,500,000	3,500,000	3,500,000	-	
<b>TOTAL SOURCES OF FUNDS</b>	<b>3,800,000</b>	<b>3,800,000</b>	<b>3,738,079</b>	<b>(61,921)</b>	

**VARIANCE ANALYSIS**

- A. Did not receive any developer fees for the period.
- B. Received more property management fees than budgeted.





## Uses of Funds

Operating expenses are similar for each of the funds. In each case for the major categories, we have remained within the budgeted parameters. As stated earlier, administrative budget changes were done to allow a reallocation of budgeted expense money to different line items within major categories. This reallocation allows us the ability to stay within our spending limits. A brief description of expenses by major category follows.

**Salaries/Benefits** include expenses for salaries and benefits for all personnel in the administrative, tenant and social services, maintenance and protective services categories.

**Operating Costs** represent a majority of the costs associated with a program. Those costs are sundry (office supplies, training etc.) maintenance material, maintenance contracts, housing assistance payments and other general expense.

**Utilities** represent the cost for all utilities, whether asset management project related or administrative.

**Capitalized Outlay** represents the cost for those items that according to CHA regulations meet capitalization requirements.

Every category may not be represented in each program.

### ADMINISTRATION PROGRAM

EXHIBIT E					
Administration Program Uses of Funds	2011-2012 Original Budget (Per MTW Plan)	2011-2012 Revised Budget (Per draft Audit)	2011-2012 Actual Expenditures (Per Draft Audit)	Variance Original Budget To Actual	
Salaries/Benefits	4,161,182	3,672,985	3,322,763	838,419	A
Operating Costs	3,891,519	7,186,935	5,930,199	(2,038,680)	B
Utilities	57,724	147,934	102,186	(44,462)	C
Capital Outlay	42,629	62,629	37,745	4,884	
<b>TOTAL OPERATING EXPENSES</b>	<b>8,153,054</b>	<b>11,070,482</b>	<b>9,392,893</b>	<b>(1,239,839)</b>	
Other Uses		12,126,700	3,768,197	(3,768,197)	A
<b>TOTAL USES OF FUNDS</b>	<b>8,153,054</b>	<b>23,197,183</b>	<b>13,161,089</b>	<b>(5,008,036)</b>	

### VARIANCE ANALYSIS

- A. Favorable variance due to lapsed salary and benefits.
- B. Unfavorable variance however the budget was revised to include the expense for the general partner interest for Little Rock Apartments.
- C. Utilities were under budget especially in electricity.



**FIELD OPERATIONS PROGRAM**

<b>EXHIBIT F</b>					
<b>Field Operations Program Uses of Funds</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
Salaries/Benefits	11,293,301	10,915,796	9,419,915	1,873,386	A
Operating Costs	70,434,752	73,568,234	59,944,880	10,489,872	B
Utilities	4,362,998	4,341,524	3,615,177	747,821	C
Capital Outlay	351,094	869,027	429,307	(78,213)	D
<b>TOTAL OPERATING EXPENSES</b>	<b>86,442,145</b>	<b>89,694,581</b>	<b>73,409,279</b>	<b>13,032,866</b>	
Other Uses		6,114,883	3,500,000	(3,500,000)	E
<b>TOTAL USES OF FUNDS</b>	<b>86,442,145</b>	<b>95,809,464</b>	<b>76,909,279</b>	<b>9,532,866</b>	

**VARIANCE ANALYSIS**

- A. Favorable variance due to lapsed salary and benefits.
- B. Less than budgeted spending in case management and maintenance contracts.
- C. Utility costs less than budgeted especially in gas and electricity.
- D. Favorable variance due to less spending in all categories.
- E. Pass through of the expense for the general partner interest in Little Rock Apartments.



**REAL ESTATE PROGRAM**

<b>EXHIBIT G</b>					
<b>Real Estate Program Uses of Funds</b>	<b>2011-2012 Original Budget (Per MTW Plan)</b>	<b>2011-2012 Revised Budget (Per draft Audit)</b>	<b>2011-2012 Actual Expenditures (Per Draft Audit)</b>	<b>Variance Original Budget To Actual</b>	
Salaries/Benefits	1,361,779	1,355,628	936,990	424,789	A
Operating Costs	831,662	837,813	512,160	319,502	B
Capital Outlay	24,535,573	2,656,1537		24,535,573	C
<b>TOTAL OPERATING EXPENSES</b>	<b>26,729,014</b>	<b>4,849,594</b>	<b>1,449,150</b>	<b>25,279,864</b>	
Other Uses	10,347,387	21,879,420		(10,347,387)	C
<b>TOTAL USES OF FUNDS</b>	<b>26,729,014</b>	<b>26,729,014</b>	<b>11,796,537</b>	<b>14,932,477</b>	

**VARIANCE ANALYSIS**

- A. Favorable variance due to lapsed salary and benefits for Real Estate staff.
- B. Less than budgeted spending in Future Appropriations.
- C. Projects in capital outlay in the original budget were moved to Other Uses as the funding was utilized for Real Estate capital projects.



**LIST OR DESCRIBE PLANNED VS ACTUAL USE OF SINGLE-FUND FLEXIBILITY**

CHA was able to utilize single fund flexibility to meet the needs of the organization. We were able to provide supplemental funding for capital projects in our Real Estate Division that provide additional units for affordable housing as well as provide funding for capital projects at the asset management projects for needed replacements and repairs. We also used fungibility for MTW initiatives for supportive services. All these actions are in compliance with the MTW Annual Plan.



## APPENDIX L: STATE AND LOCAL FUNDING

State and Local Funding	Grant Award	Remaining As of March 31, 2012 Funding
NSP Grant	\$2,100,000.00	\$16,670.44
Housing Trust Funds		
Edwin Towers	649,313.00	160,434.87
Robinsdale Apartments	548,366.00	-
<b>Total State &amp; Local Funding</b>	<b>\$3,297,679.00</b>	<b>\$177,105.31</b>



## APPENDIX M: CERTIFICATION STATEMENT



**Charlotte Housing Authority**

*Building Community, People & Partnerships*

The Charlotte Housing Authority certifies that the Agency met the three Statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

A handwritten signature in blue ink, appearing to read 'Heather Franklin', is written over a horizontal line.

Heather Franklin  
Interim Chief Financial Officer  
Charlotte Housing Authority

8/21/12  
Date





# Financials

# Statement of Net Assets

For Year Ending on March 31, 2012

	Asset Management Projects	Moving To Work Demonstration Program	Capital Fund Stimulus (Competitive) 14.884	Capital Fund Stimulus (Formula) 14.885	HOPE VI URD 14.866	Central Office Cost Center	Business Activities and Component Units	Non-Major Funds	Interfund Eliminations	Total
<b>Current Assets</b>										
Cash and cash equivalents	\$ 16,284,495	\$ 29,366,293	\$ -	\$ -	\$ 5,509,182	\$ 2,329,836	\$ 6,584,182	\$ 1,368,844	\$ -	\$ 61,442,832
Investments	-	6,119,378	-	-	-	-	-	-	-	6,119,378
Deposit - restricted	19,121,695	-	-	-	-	225,000	200,000	-	-	19,546,695
Accounts receivable - HUD	-	116,748	-	-	229,052	-	-	85,038	-	430,838
Accounts receivable - other	347,690	887,820	-	-	55,265	1,015,306	678,187	49,265	-	3,033,533
Mortgages receivable - current	-	-	-	-	11,976	-	-	-	-	11,976
Notes receivable - current	-	-	-	-	7,424	-	-	-	-	7,424
Interest receivable	-	9,963	-	-	167,575	-	-	-	-	177,538
Prepaid expenses	291,657	18,549	-	-	67	209,651	61,463	-	-	581,387
Interprogram due from	187,728	1,267,608	-	-	-	619,621	170,000	-	(2,244,957)	-
<b>Total Current Assets</b>	<b>\$ 36,233,265</b>	<b>\$ 37,786,359</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,980,541</b>	<b>\$ 4,399,414</b>	<b>\$ 7,693,832</b>	<b>\$ 1,503,147</b>	<b>\$ (2,244,957)</b>	<b>\$ 91,351,601</b>
<b>Noncurrent Assets</b>										
Capital assets										
Land	\$ 14,969,547	\$ 1,519,150	\$ -	\$ -	\$ 14,411,483	\$ 2,732,160	\$ 7,082,694	\$ -	\$ -	\$ 40,715,034
Buildings and improvements	99,034,200	-	-	506,827	18,982,212	4,050,879	32,992,317	-	-	155,566,435
Furniture, equipment and machinery - dwelling	-	-	-	-	112,981	-	-	-	-	112,981
Furniture, equipment and machinery - admin.	1,381,219	351,909	-	119,942	867,774	1,128,918	126,897	-	-	3,976,659
Leasehold Improvements	74,287	-	-	443,857	-	-	-	-	-	518,144
Construction in progress	\$ 2,138,043	-	5,834,132	2,377,007	6,139,036	127,758	948,728	-	-	17,564,704
	117,597,296	1,871,059	5,834,132	3,447,633	40,513,486	8,039,715	41,150,636	-	-	218,453,957
Less: Accumulated Depreciation	(75,546,257)	(304,282)	-	(217,272)	(8,840,728)	(2,343,100)	(8,668,970)	-	-	(95,920,609)
<b>Total Capital Assets</b>	<b>\$ 42,051,039</b>	<b>\$ 1,566,777</b>	<b>\$ 5,834,132</b>	<b>\$ 3,230,361</b>	<b>\$ 31,672,758</b>	<b>\$ 5,696,615</b>	<b>\$ 32,481,666</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122,533,348</b>
Other Assets										
Mortgages receivable	\$ -	\$ -	\$ -	\$ -	\$ 2,494,975	\$ -	\$ -	\$ -	\$ -	\$ 2,494,975
Notes receivable - net of current portion	16,778,611	18,904,274	-	-	71,096,705	1,901,600	804,670	-	(24,548,822)	84,937,038
Other Assets	-	-	-	-	-	-	47,901	-	-	47,901
Investments in real estate ventures	49	-	-	-	-	-	3,148,261	-	-	3,148,310
<b>Total Other Assets</b>	<b>16,778,660</b>	<b>18,904,274</b>	<b>-</b>	<b>-</b>	<b>73,591,680</b>	<b>1,901,600</b>	<b>4,000,832</b>	<b>-</b>	<b>(24,548,822)</b>	<b>90,628,224</b>
<b>Total Noncurrent Assets</b>	<b>\$ 58,829,699</b>	<b>\$ 20,471,051</b>	<b>\$ 5,834,132</b>	<b>\$ 3,230,361</b>	<b>\$ 105,264,438</b>	<b>\$ 7,598,215</b>	<b>\$ 36,482,498</b>	<b>\$ -</b>	<b>\$ (24,548,822)</b>	<b>\$ 213,161,572</b>
<b>Total Assets</b>	<b>\$ 95,062,964</b>	<b>\$ 58,257,410</b>	<b>\$ 5,834,132</b>	<b>\$ 3,230,361</b>	<b>\$ 111,244,979</b>	<b>\$ 11,997,629</b>	<b>\$ 44,176,330</b>	<b>\$ 1,503,147</b>	<b>\$ (26,793,779)</b>	<b>\$ 304,513,173</b>
<b>Current Liabilities</b>										
Accounts payable	\$ 1,671,517	\$ 853,649	\$ -	\$ -	\$ 38,243	\$ 306,448	\$ 607,746	\$ 14,099	\$ -	\$ 3,491,702
Accrued expenses	419,799	111,423	-	-	10,143	269,513	765,700	11,207	(383,728)	1,204,057
Accrued interest payable	169,537	-	-	-	-	-	765	-	-	170,302
Unearned revenue	74,420	-	-	-	78,877	10,000	185,027	-	-	348,324
Long-term liabilities - current portion	200,666	-	-	-	-	-	120,353	-	-	321,019
Bonds payable - current portion	980,001	-	-	-	-	-	-	-	-	980,001
Tenant security deposits/escrow deposits	298,916	-	-	-	-	-	158,094	-	-	457,010
Interprogram due to	373,914	-	-	-	128,343	442,718	1,196,612	103,370	(2,244,957)	-
<b>Total Current Liabilities</b>	<b>\$ 4,188,770</b>	<b>\$ 965,072</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,606</b>	<b>\$ 1,028,679</b>	<b>\$ 3,034,297</b>	<b>\$ 128,676</b>	<b>\$ (2,628,685)</b>	<b>\$ 6,972,415</b>
<b>Long-Term Liabilities</b>										
Mortgages payable - net of current portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,202,694	\$ -	\$ -	\$ 14,202,694
Notes payable - net of current portion	247,006	-	-	-	-	5,414,430	18,267,153	-	(23,681,583)	247,006
Bonds payable - net of current portion	18,970,000	-	-	-	-	-	-	-	-	18,970,000
Deferred Interest Payable	-	-	-	-	-	-	775,516	-	(483,511)	292,005
Trust deposit liabilities	608,352	831,400	-	-	-	-	11,573	7,286	-	1,458,611
Deferred land lease revenue	2,274,644	-	-	-	-	-	-	-	-	2,274,644
Deferred loan interest revenue	1,550,298	108,198	-	-	15,242,485	-	97,921	-	-	16,998,902
Accrued compensated absences - net of current portion	216,155	87,783	-	-	14,724	277,729	113,989	17,939	-	728,319
<b>Total Long-Term Liabilities</b>	<b>23,866,455</b>	<b>1,027,381</b>	<b>-</b>	<b>-</b>	<b>15,257,209</b>	<b>5,692,159</b>	<b>33,468,846</b>	<b>25,225</b>	<b>(24,165,094)</b>	<b>55,172,181</b>
<b>Total Liabilities</b>	<b>28,055,225</b>	<b>1,992,453</b>	<b>-</b>	<b>-</b>	<b>15,512,815</b>	<b>6,720,838</b>	<b>36,503,143</b>	<b>153,901</b>	<b>(26,793,779)</b>	<b>62,144,596</b>
<b>Net Assets</b>										
Invested in capital assets, net of related debt	41,603,367	1,566,777	5,834,132	3,230,361	31,672,758	282,185	(108,534)	-	23,681,583	107,762,629
Restricted net assets for contract obligations	13,187,184	18,796,076	-	-	63,364,405	2,359,006	5,980,432	961,667	(24,548,822)	80,099,948
Unrestricted net assets	12,217,188	35,902,104	-	-	695,001	2,635,600	1,801,289	387,579	867,239	54,506,000
<b>Total Net Assets</b>	<b>\$ 67,007,739</b>	<b>\$ 56,264,957</b>	<b>\$ 5,834,132</b>	<b>\$ 3,230,361</b>	<b>\$ 95,732,164</b>	<b>\$ 5,276,791</b>	<b>\$ 7,673,187</b>	<b>\$ 1,349,246</b>	<b>\$ -</b>	<b>\$ 242,368,577</b>



# Statement of Revenue, Expenses and Changes in Net Assets

For Year Ending on March 31, 2012

## Certificate of Achievement

CHA received a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its Comprehensive Annual Financial Report (CAFR) – 6th year in a row.

	Asset Management Projects	Moving To Work Demonstration Program	Capital Fund Stimulus (Competitive) 14.884	Capital Fund Stimulus (Formula) 14.885	HOPE VI URD 14.866	Central Office Cost Center	Business Activities and Component Units	Non-Major Funds	Interfund Eliminations	Total
<b>Operating Revenue</b>										
Tenant revenue	\$ 4,270,383	\$ 53	\$ –	\$ –	\$ –	\$ –	\$ 4,985,013	\$ –	\$ –	\$ 9,255,449
HUD operating grants and subsidies	451,633	58,930,642	117,347	735,075	1,248,332	–	106,941	1,900,605	–	63,490,575
Other government operating grants	–	–	–	–	–	–	–	73,994	–	73,994
Other revenue	611,089	8,013,856	300	925	644,900	6,620,990	2,379,755	6,459	(6,165,387)	12,112,887
<b>Total Operating Revenue</b>	<b>\$ 5,333,105</b>	<b>\$ 66,944,551</b>	<b>\$ 117,647</b>	<b>\$ 736,000</b>	<b>\$ 1,893,232</b>	<b>\$ 6,620,990</b>	<b>\$ 7,471,709</b>	<b>\$ 1,981,058</b>	<b>\$(6,165,387)</b>	<b>\$ 84,932,905</b>
<b>Operating Expenses</b>										
Administrative	\$ 3,869,836	\$ 3,922,900	\$ –	\$ 1,237	\$ 452,105	\$ 4,568,599	\$ 2,950,135	\$ 63,301	\$(2,655,138)	\$ 13,172,975
Asset management fees	752,235	972,724	50,152	224,052	–	–	232,183	–	(2,224,372)	6,974
Tenant services	3,090,165	590,410	99,691	84,764	859,462	138,932	184,723	374,805	–	5,422,952
Utilities	3,015,442	–	–	–	841	102,186	671,557	–	–	3,790,026
Ordinary maintenance and operations	6,523,017	56,444	–	254,755	3,101	580,460	2,236,449	–	(348,765)	9,305,461
Protective services	879,028	158,112	–	152,924	–	–	–	–	–	1,190,064
General expenses	3,203,372	121,289	(4,862)	(1,090)	6,215	994,949	389,133	–	(937,112)	3,771,894
Casualty Loss	29,843	–	–	–	–	–	–	–	–	29,843
Housing assistance payments	–	39,686,129	–	–	–	2,738	–	1,338,350	–	41,027,217
Depreciation and amortization	4,354,794	29,040	–	118,817	628,990	150,159	1,843,935	–	–	7,125,735
<b>Total Operating Expenses</b>	<b>25,717,732</b>	<b>45,537,048</b>	<b>144,981</b>	<b>835,459</b>	<b>1,950,714</b>	<b>6,538,023</b>	<b>8,508,115</b>	<b>1,776,456</b>	<b>(6,165,387)</b>	<b>84,843,141</b>
<b>Operating Income (Loss)</b>	<b>\$(20,384,627)</b>	<b>\$ 21,407,503</b>	<b>\$ (27,334)</b>	<b>\$ (99,459)</b>	<b>\$ (57,482)</b>	<b>\$ 82,967</b>	<b>\$(1,036,406)</b>	<b>\$ 204,602</b>	<b>\$ –</b>	<b>\$ 89,764</b>
<b>Non-Operating Revenue (Expenses)</b>										
Interest income - notes	\$ 131,883	–	–	–	832,090	58,994	–	–	(147,549)	875,418
Interest income - cash investments	57,383	104,170	–	–	8,746	3,918	11,167	–	–	185,384
Interest expenses	(198,638)	–	–	–	–	–	(645,196)	–	147,549	(696,285)
Gain (loss) on disposal of capital assets	595,149	1,144	–	–	–	5,275	338,747	–	–	940,315
<b>Total Non-Operating Revenue, net</b>	<b>\$ 585,777</b>	<b>\$ 105,314</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 840,836</b>	<b>\$ 68,187</b>	<b>\$ (295,282)</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 1,304,832</b>
Capital grants - Other government	\$ 1,362,484	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,362,484
Capital grants - Interprogram	–	(3,500,000)	–	–	–	–	3,500,000	–	–	–
Capital grants - HUD	–	–	3,899,531	1,514,435	429,238	–	–	–	–	5,843,204
<b>Total Capital Grants</b>	<b>\$ 1,362,484</b>	<b>\$ (3,500,000)</b>	<b>\$ 3,899,531</b>	<b>\$ 1,514,435</b>	<b>\$ 429,238</b>	<b>\$ –</b>	<b>\$ 3,500,000</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 7,205,688</b>
Extraordinary item	\$ –	–	–	–	–	–	(2,419,789)	–	–	(2,419,789)
Transfer in (out)	22,089,109	(21,332,272)	–	–	(524,370)	(105,216)	(127,251)	–	–	–
<b>Change in Net Assets</b>	<b>\$ 3,652,743</b>	<b>\$ (3,319,455)</b>	<b>\$ 3,872,197</b>	<b>\$ 1,414,976</b>	<b>\$ 688,222</b>	<b>\$ 45,938</b>	<b>\$ (378,728)</b>	<b>\$ 204,602</b>	<b>\$ –</b>	<b>\$ 6,180,495</b>
Net Assets, Beginning of Year	\$ 63,354,996	\$ 59,584,412	\$ 1,961,935	\$ 1,815,385	\$ 95,043,942	\$ 5,230,853	\$ 8,051,915	\$ 1,144,644	\$ –	\$ 236,188,082
Net Assets, End of Year	\$ 67,007,739	\$ 56,264,957	\$ 5,834,132	\$ 3,230,361	\$ 95,732,164	\$ 5,276,791	\$ 7,673,187	\$ 1,349,246	\$ –	\$ 242,368,577



**Charlotte Housing Authority**

*Building Community, People & Partnerships*

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Charlotte, North Carolina 28203

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