

***Making an IMPACT...***



# **2014 Moving to Work Plan**

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This Moving to Work (MTW) Annual Plan is prepared in accordance with the “Amended and Restated Moving to Work Agreement” between the U.S. Department of Housing and Urban Development and District of Columbia Housing Authority. This agreement was signed by both parties in September, 2010 and extends the MTW program until the end of the Housing Authority’s 2018 Fiscal Year. The required elements of the Annual MTW Plan and Report are detailed in HUD Form 50900 published July 24, 2008 (OMB Control Number: 2577-0216 Expiration Date: 8/31/2011). At the time of the July 2014 amendment to this plan, DCHA utilized the new HUD Form 50900 (OMB Control Number: 2577-0216 Expiration Date 5/31/2016).



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## Section I. Introduction

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### A. Overview

The District of Columbia Housing Authority (DCHA or Agency) is an independent public agency that provides housing assistance to almost ten percent of the city's population. As a landlord, property manager, voucher administrator, and real estate developer, DCHA is a key player in the provision, preservation and production of affordable housing in the District of Columbia. The Agency's local leadership role and its innovative approaches to sustaining its mission have made DCHA a national leader in its field.

DCHA is participating in a federal demonstration program entitled Moving to Work (MTW). The program allows participating agencies to design and test innovative approaches to local housing and policy issues. MTW also allows agencies to combine funding awarded by the US Department of Housing and Urban Development (HUD) into one single budget with the flexibility to fund services and initiatives that may have been delayed or not undertaken at all due to funding gaps or other limitations.

Through **I**nnovation, **M**anagement, and **P**erformance **A**ll **C**oming **T**ogether (IMPACT), DCHA is dedicated to making a meaningful **IMPACT** in the lives of low-income families in need of affordable housing in the District of Columbia, with the Agency's MTW authority as a major tool for achieving success. Moving forward, DCHA will continue to look to identify innovative and practical ways to make a positive IMPACT by utilizing its MTW regulatory flexibility and financial fungibility to better serve our clients.

In response to comments received from the U.S. Department of Housing and Urban Development (HUD) on the initial submission of the DCHA 2014 MTW Plan, the following reflects revisions that required a second public comment period.

### B. Goals and Objectives

DCHA's MTW Plan is guided by the principals set forth by the Agency's Mission Statement and Strategic Goals. In addition, the MTW activities advance at least one of the three MTW Statutory Objectives.

#### Mission Statement

The District of Columbia Housing Authority provides quality affordable housing to extremely low-through moderate-income households, fosters sustainable communities, and cultivates opportunities for residents to improve their lives.

#### DCHA's Strategic Goals

Goal A: Create opportunities, through collaboration and partnerships, to improve the quality of life for DCHA residents.

Goal B: Increase access to quality affordable housing.

Goal C: Provide livable housing to support healthy and sustainable communities.

Goal D: Foster a collaborative work environment that is outcome driven and meets the highest expectations of the affordable housing industry.



Goal E: Effectively communicate DCHA's accomplishments and advocate for its mission.

### MTW Statutory Objectives

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

### C. New MTW Activities

In fiscal year 2014 (FY2014), DCHA proposes three new MTW Activities.

1. Local Blended Subsidy
2. Local Investment Policy
3. Family Stabilization through Housing and Education Demonstration

In addition, DCHA is re-proposing an existing initiative:

Initiative 22—Housing Public Housing Residents in Service-Rich Environments

### D. Ongoing MTW Activities

The following outlines DCHA's Ongoing MTW Activities. Detail on each is provided in Section VI of this plan. Note that for simplification purposes, the numbering of the MTW Activities has changed since FY2012.

**Table I.1 Summary of Ongoing MTW Activities/Initiatives**

New Number	Old Number	Activity	Yr. Identified	Yr. Implemented
1	1.1.04 1.5.05 1.9.06	Modifications to DCHA's Project-Based Voucher Program	FY2004, FY2005 & FY2006	FY2004, FY2005 & FY2006
2	1.3.04	Designation of Elderly-Only Properties	FY2004	FY2004
3	1.4.04	Modifications to HCV Homeownership Program	FY2004	FY2004
4	2.1.04	Simplified Certification and Multi-Year Income Recertification	FY2004	FY2004
5	2.2.04	Modifications to Market-Based Rents	FY2004	FY2004
6	2.3.04 2.5.05	Modifications to Pet Policy	FY2004 & FY2005	FY2004 & FY2005
7	4.1.04	DCHA Subsidiary to Act as Energy Services Company	FY2004	FY2004



New Number	Old Number	Activity	Yr. Identified	Yr. Implemented
8	1.6.05 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration	FY2005 & FY2010	FY2005 & FY2010
9	3.3.05	Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing	FY2005	Not Yet Implemented
10	3.4.05	Supporting Grandfamilies	FY2005	FY2005
11	1.10.06 2.5.04	Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures	FY2004	FY2005
12	3.5.06	Rent Simplification and Collections	FY2006	FY2006
13	2.6.07	Enhanced Public Housing Lease Enforcement Operations	FY2007	On Hold
14	3.6.08	Streamlining the Transition from Project-Based to Tenant-Based Vouchers	FY2008	FY2009
15	3.7.08	Reform Housing Quality Standards	FY2008	Not Yet Implemented
16	2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification	FY2011	FY2012
17	2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units	FY2011	FY2012
18	3.9.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process	FY2011	FY2012
19	4.5.11	Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment	FY2011	Not Yet Implemented
20	2.9.12	Enhance Neighborhood Services within Public Housing Communities	FY2012	FY2012
21	2.10.12	DCHA Local Mixed Subsidy Program	FY2012	FY2012
22	3.9.12	Housing Public Housing Residents in Service-Rich Environments	FY2012	Not Yet Implemented
23	3.10.12	Encourage the Integration of Public Housing Units into Overall Hope VI Communities	FY2012	Not Yet Implemented
24		Simplified Utility Allowance Schedule	FY2013	Not Yet Implemented





## Section II. General Agency Operating Information

### A. Housing Stock Information

#### 1. Number of Public Housing Units

DCHA's Public Housing inventory, including approved non-dwelling units, consists of 8,363 units at the beginning of FY2014.

**Table II.1 Public Housing Units (by AMP/Development #) at the Beginning of FY2014**

AMP or Development Number	Development Name	ACC Units	3rd Party Administered Units (Privately Managed)
DC001005370	The Avenue	27	
DC001003090	Barry Farm	444	
DC001002220	Benning Terrace	285	
DC001005270	Capitol Quarters	39	
DC001005271	Capitol Quarters Townhomes II	47	
DC001005230	Capitol Gateway	61	
DC001005220	Capper Senior I	162	
DC001005250	Capper Senior II	139	
DC001003363	Carroll Apartments	96	
DC001001600	Claridge Towers	343	Yes
DC001001950	Colorado/Columbia	44	
DC001001460	Edgewood Terrace	89	
DC001003850	Elvans Road	22	
DC001005280	Fairlawn Marshall	30	
DC001001640	Fort Lincoln	120	
DC001001370	Garfield Family	51	
DC001001371	Garfield Senior	228	
DC001005350	Gibson Plaza	53	
DC001005290	Glenncrest	61	
DC001004210	Greenleaf Sr/Family	457	
DC001005000	Hayes Street	9	
DC001001680	Harvard Towers	194	
DC001005200	Henson Ridge	68	
DC001003530	Highland Dwellings/Addition	326	



AMP or Development Number	Development Name	ACC Units	3 <sup>rd</sup> Party Administered Units (Privately Managed)
DC001003300	Hopkins Apartments	158	Yes
DC001001620	Horizon House	124	Yes
DC001001700	James Apartments	141	
DC001001030	James Creek	242	
DC001001650	Judiciary House	271	
DC001001080	Kelly Miller Dwellings	160	
DC001005190	Kenilworth	290	
DC001004361	Kentucky Courts	118	
DC001005210	Kentucky Courts II	12	
DC001002400	Langston Addition	36	
DC001002250	Langston Terrace	274	
DC001001391	LeDroit	124	
DC001002130	Lincoln/Richardson	631	
DC0010005320	Matthews Memorial	35	
DC001001440	Montana Terrace	65	
DC001005001	Nannie Helen Burroughs	23	
DC001005240	Oxford Manor	30	
DC001001340	Park Morton	188	
DC001004430	Potomac Gardens	352	Yes
DC001001690	Regency House	160	Yes
DC001005300	Sheridan Station	45	
DC001001290	Sibley Family	83	Yes
DC001001291	Sibley Senior	224	Yes
DC001005242	St Martins	50	
DC001002230	Stoddert/Ft. Dupont	357	
DC001004240	Syphax	174	
DC001005410	Victory Square	35	
DC001003105	Wheeler Creek Family	48	
DC001003104	Wheeler Creek Sr	100	
DC001003361	Woodland Terrace	376	
DC001006800	Wylie Courts	1	



AMP or Development Number	Development Name	ACC Units	3 <sup>rd</sup> Party Administered Units (Privately Managed)
DC0010000009	Scattered Sites	10	
DC001000081	Scattered Sites	14	
DC001000082	Scattered Sites	8	
DC001001830	Scattered Sites	9	
<b>TOTAL</b>		<b>8,363</b>	

## 2. Significant Capital Expenditures by Development

DCHA does not have any planned capital expenditures at the development level that will exceed 30% of the Agency's total budgeted capital expenditures for FY2014. (See DCHA's FY2014 Capital Fund Budget, p. 47). While no single development will receive capital improvements accounting for more than 30% of total Capital Funds, debt service on DCHA's 2005 Capital Fund Financing Program bond is \$6.1million per year, which accounts for more than 30% of FY2014 Capital Funds.

## 3. New Public Housing Units

In FY2014, DCHA expects to add a total of 41 units to the Agency's Public Housing inventory at Metro Townes at Parkside (Polin Memorial) and Sheridan Station Phase III (See Table II.2 below). Please note that the 52 units projected to be added in FY2013 at these two sites were not completed in FY2013 due to construction and closing delays.

**Table II.2 New Public Housing Units to be Added in FY2014**

AMP Name and Number	Bedroom Size							Total Units	Population Type	Fully Accessible	Adaptable
	0	1	2	3	4	5	6+				
Metro Townes at Parkside (Polin Memorial)	0	5	9	4	0	0	0	18	General	4	0
Sheridan Station Phase III	0	0	20	3	0	0	0	23	General	3	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>29</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>		<b>7</b>	<b>0</b>

## 4. Public Housing Units to be Removed

DCHA is continuing to identify opportunities to improve the quality of its housing inventory available to low-income families, and to provide opportunities for homeownership to Public Housing residents and other Public Housing eligible households. The agency is being proactive by updating its long range planning exercise and looking into possible alternative scenarios to address the redevelopment and modernization needs of its Public Housing sites. During FY2014, DCHA will continue to review and study various funding alternatives and redevelopment opportunities. DCHA plans to apply for demolition and/or disposition of some of its Public Housing in order to leverage funds to proceed with its redevelopment plans.



The ability to move forward on these plans depends on a variety of factors including economic conditions and the availability of financing. Funding will be sought through a myriad of sources including, but not limited to, Choice Neighborhood Initiatives (CNI), Low Income Housing Tax Credits, Historic Tax Credits, New Market Tax Credits, Tax-Exempt Bonds, FHA Financing, and private financing. It is hoped that some of these factors will align to permit proceeding on a number of properties during FY2014.

Based on a thoughtful process of assessing viable planning projects, up to 2,346 units are being considered for potential disposition/demolition. However, demolition timetables and the list of disposition/demolition candidate properties will be determined as planning and development evolve. The following narrative provides a snapshot of the development activities DCHA is exploring.

In the past, DCHA has successfully utilized HOPE VI to redevelop many of its most distressed Public Housing sites. DCHA continues to consider HOPE VI as a valuable Public Housing redevelopment financing tool; however, in its absence from the HUD budget, DCHA will pursue CNI funding aggressively. In FY2012, DCHA received a CNI Planning Grant and submitted an Implementation Grant Application for the neighborhood surrounding Kenilworth Courts. Additionally, DCHA received a CNI Planning Grant for Barry Farm/Wade Apartments. In September 2012, DCHA was notified its Kenilworth Courts submission was one of nine finalists for a CNI Implementation grant; however, the grant application was not funded. DCHA is currently completing the Transformation Plan for the Kenilworth Courts neighborhood and intends to apply again during the FY2013 round of CNI Implementation Grant funding. In future CNI Implementation Grant rounds, DCHA looks to submit a grant application for Barry Farm/Wade apartments. If these applications result in award, disposition/demolition would take place in order to redevelop the site(s). Kenilworth consists of 290 units and Barry Farm/Wade Apartments has 444 units. Finally, DCHA submitted a FY2013 CNI Planning Grant application for a southwest DC neighborhood that includes the Agency's Greenleaf site (493 units).

The District of Columbia has a renewed commitment to affordable housing and the District's New Communities Initiative. Although District funding for the New Communities Initiative is limited, DCHA continues to engage public housing residents, community stakeholders, developers and others in long range planning for Barry Farm/Wade Apartments (444), Lincoln Heights (440 units); Park Morton (174 units); Sursum Corda (28 units) and Richardson (191) that may require disposition/demolition of some or all of the units to facilitate the redevelopment of the sites. Leasing or transferring the developments to other entities would be a more cost effective way for the development to be used for low-income or mixed-income housing, because those entities will have access to funds not available to the DCHA.

DCHA intends to dispose of 47 scattered site Public Housing units. Of which, a disposition application has been submitted for 26 units and two additional applications will be submitted for the 21 unit balance. DCHA struggles, like many large Public Housing Authorities, with the inefficiencies inherent in the management of its scattered sites portfolio. The disposition is part of DCHA's ongoing efforts to replace Public Housing units that are inefficient to operate with



more efficient Public Housing stock, to provide homeownership opportunities and to generate funds to produce new affordable units.

DCHA hopes to redevelop the Highland Addition site, which includes 118 units. In FY2009 and FY2010, DCHA applied for HOPE VI funding to redevelop the site; however, both applications were not funded. DCHA will work with its private development partner to redevelop the site into a mixed-income development.

In addition to the activities mentioned above, DCHA is exploring redevelopment work that would impact 121 units at Kelly Miller. In addition, there are two structures located on DCHA owned land adjacent to Agency developments for which there are plans to demolish—the Frederick Douglas Day Care Center and the Barry Farm Recreation Center. While there are no immediate plans to replace the day care center with another structure, the City will be rebuilding the recreation center. In addition, DCHA has submitted to HUD an application for a land exchange involving a vacant, excess, and unnecessary vacant parcel of land located adjacent to DCHA’s Montana Terrace site.

**Table II.3 Proposed Public Housing Units to be Removed**

Development	Activity	ACC Units
Lincoln Heights	Submit Demolition/Disposition Application	440
Richardson Dwellings	Submit Demolition/Disposition Application	191
Kenilworth Courts	Submit Demolition/Disposition Application	290
Barry Farm/Wade Apartments	Submit Demolition/Disposition Application	444
Sursum Corda	Submit Demolition/Disposition Application	28
Scattered Sites	Submit Disposition Approval	21
Scattered Sites	Dispose of Units	26
Park Morton	Submit Demolition/Disposition Application	174
Greenleaf Gardens	Develop Master Plan for Redevelopment	493
Highland Addition	Develop Master Plan for Redevelopment	118
Kelly Miller	Develop Master Plan for Redevelopment	121
Fred Douglas Day Care Center	Demolish the building	N/A
Barry Farm Recreation Center	Demolish the current building & Dispose of the land through a long term lease to the District of Columbia	N/A
Montana Land Exchange	Dispose of a portion of vacant land	N/A
<b>Total Units</b>		<b>2,346</b>

## 5. Number of MTW HCV Vouchers Authorized and In Use

The number of DCHA authorized MTW Housing Choice Vouchers (HCV) is 12,888, with 9,698 in use at the end of FY2013. This number is lower than was anticipated as DCHA stopped the issuance of attritted vouchers in FY2013 in response to Sequestration. In exercising the flexibility inherent in MTW authority, the agency is also utilizing voucher funding for critical



agency functions in support of DCHA's mission (e.g. public safety initiatives, resident services, and the continued modernization of DCHA's public housing).

**Table II.4 MTW HCV Vouchers Authorized and In Use—End of FY2013**

Program	Authorized	Authorized and In Use
MTW Vouchers	12,888	9,698

## 6. Number of Non-MTW HCV Authorized

The number of non-MTW vouchers authorized rose from 1,025 at the end of FY2012 to **1,388** at the end of FY2013. This 35.4% increase is due to two Opt-outs and a new allotment of VASH vouchers the Agency received in FY2013. Table II.4 provides the details of the types of vouchers in the non-MTW inventory..

**Table II.5 Non- MTW HCV Authorized Vouchers—End of FY2013**

Program	Authorized Vouchers
Multicultural	81
VASH	809
Non-elderly disabled	200
Opt-outs	249
Mod-Conversion*	49
Non-MTW Vouchers	1,388

\*Note that the Mod-Conversion vouchers will convert to MTW vouchers in early calendar year 2014.

## 7. Vouchers to be Project Based in Plan Year

DCHA anticipates project basing 50 MTW vouchers in FY2014 in support of District of Columbia capital projects.

## B. Leasing Information

### 1. Number of Public Housing Units Leased

DCHA anticipates that **7,600** Public Housing units will be leased during FY2014.

### 2. Number of Non-MTW Public Housing Units Leased

All of DCHA's Public Housing units are MTW units.



### 3. Number of MTW HCV Units Leased

DCHA projects that **9,698** MTW Vouchers will be leased in FY2014. This number is also impacted by Sequestration as DCHA will continue to not issue attritted MTW vouchers in FY2014 if reduced funding from HUD continues.

### 4. Number of Non-MTW HCV Units Leased

DCHA projects that **1,165** non-MTW Vouchers will be leased in FY2014. The agency anticipates having at least a 95% utilization for all non-MTW voucher types, except for Non-elderly disabled (NED). In the case of NED vouchers, DCHA has stopped the reissuance of these vouchers due to Sequestration. Forty-nine of the 249 Opt-out and all of the 49 Mod-Conversion non-MTW vouchers will convert to MTW vouchers at the beginning of calendar year 2014. In addition, 12 Multicultural vouchers are not projected to come on-line until late FY2014.

**Table II.6 Non-MTW Vouchers Projected to be Leased in FY2014**

Program	Non-MTW Vouchers to be Leased FY2014 (rounded)
Multicultural	66
VASH	769
Non-elderly disabled	136
Opt-outs	194
<b>Non-MTW Vouchers</b>	<b>1,165</b>

### 5. Description of any issues related to leasing of Public Housing or HCV units

**Public Housing**— DCHA does NOT anticipate any difficulties in leasing Public Housing units in FY2014. The Office of Capital Projects is continuing to work diligently to bring uninhabitable units that are offline for modernization back online. When units are ready for occupancy, DCHA does not expect to have any difficulty leasing units. However, it is important to note that the Agency has concerns about the impact of continued Sequestration and reductions in the capital fund.

**Housing Choice Voucher**— DCHA does NOT anticipate any difficulties in leasing HCV units (MTW and non-MTW) in FY2014. DCHA's ability to lease additional HCV units is limited by funding. With the onset of Sequestration, DCHA has stopped issuing federal vouchers, except for VASH and Money Follows the Person. If reduced funding from HUD continues into FY2014, so will DCHA's ability to issue vouchers through attrition. It is important to note that the average monthly cost to utilize an HCV in the District of Columbia is approximately \$62 more than the funds DCHA receives from HUD. Additionally, using DCHA's single fund flexibility, some voucher



funds are being used to fund public safety initiatives, resident services, and the continued modernization of DCHA's public housing.

## 6. Project-based Vouchers Committed or In Use

DCHA had 1,455 MTW project-based vouchers and 110 non-MTW project-based vouchers at the start of FY2014.

**Table II.7 Project-based vouchers committed or in use**

Program	Committed or In Use (End of FY2013)
MTW HCV Project-based Vouchers	1,455
Non-MTW HCV Project Based Vouchers	110
<b>TOTAL</b>	<b>1,550</b>

## C. Waiting List Information

### 1. Anticipated Changes in Waiting Lists

During FY2014, as part of an effort to reengineer the Agency waiting lists, DCHA will continue its conversion to centrally managed site-based waiting lists for conventional Public Housing under ongoing *Initiative 12 - Application Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures*. This process will include an update of the waiting lists in which all persons listed will be contacted to indicate continued interest and to make site selections.

### 2. Anticipated Changes in the Number of Families on the waiting list(s) and/or Opening and Closing of waiting list(s).

With the goal of improving the management and predictability of the Agency's waiting lists, on April 12, 2013, DCHA completed the first phase of a reengineering plan with the suspension of application intake for all DCHA waiting lists. As discussed above, the next phase is the conversion to centrally managed Public Housing site-based waiting lists. This will include verification of each applicant's continued interest in housing assistance for all DCHA managed waiting lists. With the verification of continued interest, the suspension of application intake and the fact that DCHA will continue to serve families from the waiting list as funding permits, it is anticipated that there will be a reduction in the number of families on the waiting lists. However, it is important to note that for the immediate future a reduction in the size of the waiting lists in no way reflects a declining need for affordable housing in the District of Columbia.





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

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In order to focus its efforts on complying with the required reporting elements outlined in the Attachment B of the Restated and Amended MTW Agreement, the Agency has chosen to exercise the option not to provide information related to this area.



## **Section IV. Long-term MTW Plan (Optional)**

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In FY2012, DCHA's Board of Commissioners adopted a new Mission Statement and new Strategic Goals, reflecting the Agency's renewed focus on residents in addition to the traditional focus on the physical assets of the Housing Authority. In FY2013, DCHA began using the Agency's newly defined direction as a compass for planning MTW activities. DCHA will continue to build on an already solid foundation with an ambitious agenda for the years remaining under the MTW Agreement.

The flexibility and regulatory relief of MTW has never been more important to the 39 housing authorities granted MTW status. The great recession has disproportionately affected the most vulnerable in our community and magnified the critical affordable housing issue facing this country. The Federal Government's deficit-cutting actions have resulted in funding shortfalls for all housing authorities, with the Sequestration having a devastating impact. DCHA will continue to innovate and find effective ways to serve the District of Columbia and its low-income families, seniors, veterans, and disabled people. One such innovation is DCHA's intent to develop a Local Total Development Cost (TDC) policy as a means to ensure the longevity and energy efficiency of DCHA's housing stock through its modernization, redevelopment and development activities. DCHA will be working with HUD on the specifics related to the development of the Agency's alternative TDC as a future MTW initiative.

In this uncertain economy, DCHA is committed to preserving a precious resource for District residents: a place to call home. DCHA will continue to utilize MTW flexibility to create a more streamlined organization for efficient operation and improved access to programs and services. The Agency is aggressively seeking non-traditional partnerships with community organizations and for-profit businesses to positively impact the lives of low-income residents, with a focus on children.



## Section V. Proposed MTW Activities

DCHA is proposing three new activities (initiatives) for HUD approval. In addition, DCHA is re-proposing Initiative 22—Housing Public Housing Residents in Service-Rich Environments. A proposed new activity, Initiative 28—Rent Reform Demonstration (HCVP), has been added as part of a July 2014 amendment to the DCHA FY14 MTW Plan.

**Table V.1 Summary of Proposed MTW Activities: HUD Approval Requested**

Objective/Initiative		Statutory Objective	Authorization
25	Local Blended Subsidy (LBS)	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	Attachment C, Section B.1; Attachment D, Uses of Funds
26	Local Investment Policy	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	Attachment C, Section B.5
27	Family Stabilization through Housing and Education Demonstration	<ul style="list-style-type: none"> <li>• Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient</li> </ul>	Attachment C, Section B(1)(b)(iii); C.11,
28	Rent Reform Demonstration (HCVP)	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Assist families achieve greater self-sufficiency by allowing families to keep this income to increase savings and attain greater self-sufficiency.</li> </ul>	Attachment C, Section D.1(c); D.2(a); D.3(b)

### Initiative 25: Local Blended Subsidy

#### Description

For over a decade, the District of Columbia Housing Authority (DCHA) has undertaken an aggressive redevelopment program to both replace and revitalize its public housing. As DCHA continues its efforts to replace units demolished and disposed of, as well as reconstruct existing functionally and physically obsolete housing, it intends to use its MTW authority to improve its ability to leverage public and private investment in order to meet its capital improvement needs. With diminished appropriations to support the management, operation and long term capital replacement requirements of public housing, it is critical that effective approaches to financing development and redevelopment of public housing communities be created to replace losses in public funding. Accordingly, DCHA proposes in certain cases to blend its MTW section 8 and public housing funds to subsidize units reserved for families earning at



or below 80 percent of Area Median Income (AMI). This will be done to create an operating expense level which is adequate to provide essential operating services while also supporting debt to meet capital needs in a manner structured to maximize the amount of equity (primarily through Low Income Housing Tax Credits "LIHTCs") available to redevelop or replace public housing with minimal public housing capital funds. Public housing authorities have long used Project Based Vouchers (PBVs) in a similar manner, but DCHA proposes using a more efficient, effective and targeted approach using MTW authority through a Local Blended Subsidy (LBS) Program.

DCHA intends to be flexible in its approach to using LBS to both upgrade and redevelop certain existing public housing sites, as well as to create new replacement housing. The LBS will be targeted to developments where the units require a subsidy level other than that available through the traditional public housing program and/or would experience operational and administrative inefficiencies due to a the combination of different housing types. DCHA intends to pursue in 2014 the development of 39 units for the Lofts at Capitol Quarter and 208 units at the Highland Dwellings development consisting of new construction of 24 units and rehabilitation of 184 units. DCHA will also consider using this approach for financing the balance of the public housing units to be created along with the Lofts at Capitol Quarter as part of its Capper/Carrollsborg revitalization program which after the Lofts has a target of replacing an additional 282 public housing units. Each project that will be intended to be financed using LBS will be presented in the Annual MTW Plan. This Annual Plan Amendment covers only the Lofts at Capitol Quarter and Highland Dwellings.

As a part of the analysis, DCHA will review comparable properties to assist in determining budgets that are reasonable and appropriate for the housing being operated as well as the characteristics of the households being served. The approach will be to structure the LBS where it uses comparable standards which approximate the PBV program and/or offer a total expense level which creates no "overhang" in the total aggregate amount of MTW funds being provided (compared to LIHTC and/or market rent levels) so as to minimize reserve requirements while maximizing permanent debt and equity commitments as well as in some cases, the level of cross subsidization from privately financed unassisted units within the same development. The high amount of leverage obtained for these redevelopment projects will be evidenced in the financing proposals submitted to HUD which will also reflect that LBS is being used in a manner which minimizes risk to DCHA.

For the Lofts at Capitol Quarter, DCHA will provide a supplemental MTW Block Grant which will fund the difference between an amount not to exceed 110% of area wide FMR and the total expense level computed in accordance with the Operating Fund Rule. Specifically, the terms for this project provide that the DCHA shall provide MTW funds up to an expenses level equal to 110% of FMR or the amount needed to cover operating costs, debt service, incentive management fee and required reserves (i.e., replacement reserves), whichever is less. Moreover, any excess funds will be returned to DCHA based on an annual audit and true up. Any program income generated by the affordable units will be used for MTW purposes. The estimated MTW block grant funds needed on an annual basis is just over \$400,000 which it is anticipated will be covered by the cash flow to be earned by DCHA on the market component of this project as evidenced in the Rental Term Sheet provided to HUD. The leverage on the Lofts at Capitol Quarter is evidenced by a permanent loan of approximately \$5.4 million and a capital contribution to the construction cost of the affordable units from the market component of approximately \$2.5 million.



DCHA's Highland Dwellings development, similar to the Lofts, will use no MTW funds for capital costs, but will use MTW Block Grant funds to supplement funds available for the 208 ACC units available through the Operating Fund Rule. The estimated annual MTW Block Grant funds are approximately \$1.7 million (as indicated in the Rental Term Sheet submitted to HUD for this project). The amount of MTW Block Grant funds is essentially equal to the amount previously modeled when the project was proposed to be 125 ACC units and 83 PBV units. This enables DCHA to obtain subsidy for all units under ACC while providing no more funds than would have been provided as HAP funds using its MTW Block Grant. This is being done as the previous method for financing the project was tremendously inefficient as it layered an extreme overhang for the PBV units creating millions of dollars in investor reserve requirements over and above that required using LBS, while generating significantly less tax credit equity and debt financing. Thus, LBS enables the project to be redeveloped in a much more comprehensive manner. For example, rather than up to \$3 million in affordability reserves being required, there is now only \$1 million required by investors. As opposed to generating approximately \$24 million in debt and equity, the project now generates over \$46 million. The rents levels can be up to 110% of FMR; however, rent levels are modeled at an amount approximating Low Income Tax Credit (LIHTC) rents, which are well below 110% of FMR. Therefore, DCHA has and intends to use its LBS authorization in a manner that maximizes funds for its redevelopment while minimizing the funds required to achieve needed investor and debt contributions. DCHA intends to close this project in the first quarter of calendar year 2014.

DCHA recognizes that both the Lofts at Capitol Quarter and Highland Dwellings will need to be subjected to a Subsidy Layering Review (SLR) or other appropriate analysis by HUD. Given the above description of both projects DCHA is confident that HUD will find LBS to meet the subsidy layering review and analysis requirements to be imposed by HUD.

DCHA has developed an extraordinary capability in the development and redevelopment of its public and assisted housing. It intends to pursue both co-development (with private and non-profit partners) and self-development using LBS. In pursuing these types of programs, DCHA has and will continue to develop direct relationships with lenders and investors. Moreover, in making commitments for these projects, DCHA has developed a formalized structure for minimizing any risks in these transactions to DCHA through an effective use of affiliates (instrumentalities) in the development and ownership structure. Further, to help insure the integrity and transparency of this process, DCHA has instituted a formal review process that is overseen by an investment committee which approves each of these types of development transactions whether or not LBS is utilized.

DCHA understands the following as it relates to the key aspects of utilizing MTW authority in this way:

The authority to combine subsidies would only last through the term of the MTW Agreement which is currently set to expire, unless it is extended. If the MTW Agreement expires, DCHA will work with HUD pursuant to the MTW Agreement to have this initiative extended; commit to convert the projects to traditional public housing or seek to convert some or all of the units to PBVs; or utilize the Rental Assistance Demonstration (RAD) or similarly structured program permitted by HUD.

DCHA would ensure all financial partners are aware of the subsidy structure and the implications of using this financial model. This would be evidenced in the financing documents as appropriate or a signed document.



DCHA is subject to the traditional process required under 24 CFR Part 941 and anticipates that any debt structure would be subject to HUD review as HUD deems appropriate. DCHA further understands that LBS would have an impact on the Replacement Housing Factor (RHF) funds received and there are limitations for using capital funds for debt service.

Where LBS results in adding public housing units, this would increase the agency baseline.

If subsidies are combined within one unit, the unit would be considered public housing for purposes of regulatory compliance.

DCHA's LBS is intended to increase housing choice for low income families and to provide housing of improved quality and type for low income families. Through LBS, DCHA intends to reduce the cost of developing and redeveloping housing to the public housing program. The first two projects proposed under this initiative are:

- **Lofts at Capitol Quarter**—it is intended that no public housing capital funds will be used to create the new replacement housing units to be operated in accordance with public housing requirements. The total development cost of this project is approximately \$12 million fully covered with a capital contribution from the market component, approximately a \$5.4 million permanent loan from Citi Community Capital and approximately \$4 million in tax credit equity from RBC.
- **Highland Dwellings**—a combination of rehabilitation and new construction where between 70-75% of the capital funds will be generated through private debt and equity. The total development cost for this project is estimated to be approximately \$62 million and the debt and equity raised using LBS is over \$46 million (consisting of a permanent loan from CapitalOne of approximately \$21.6 million and tax credit equity of approximately \$25 million from Wells Fargo).

This development will also be operated in accordance with public housing requirements.

#### Anticipated Impacts

This activity increases housing choice for low-income families by allowing DCHA to both add and maintain financially viable, subsidized units and leverage additional private resources to expand housing opportunities. With respect to the first two projects to be implemented under DCHA's LBS program, DCHA does not anticipate adversely impacting the overall families served by the agency or the agency's ability to continue meeting its baseline obligations. Thirty-nine (39) new units of Public Housing will be created at the Lofts while 208 units will be preserved at Highland Dwellings. With respect to the LBS used on the Lofts, the funding equates to approximately 32 fewer vouchers being utilized. Cash flow on the market units in this project is expected to be realized after the first year of utilizing LBS. At that point, the revenue will eliminate the need for LBS and those funds will be available to assist additional families. The LBS used on Highland equates to 83 fewer utilized vouchers. This will give DCHA the ability to preserve existing public housing with this private capital infusion and will free-up future capital funds



due to the properties self-sufficiency with meeting its capital needs. In addition, this gives DCHA the ability to utilize its capital funds from Highland to serve an additional 40 families.

#### Metrics

Metrics	Baseline (FY2014)	Benchmark	Data Source
New Public Housing Units created through this initiative	0	39 new public housing units at the Lofts (Square 882) <i>(formerly Capper/Carrollsborg)</i>	Office of Capital Programs
Number of Public Housing Units preserved through this initiative	0	208 preserved units at Highland Dwellings	Office of Capital Programs
Number of former Public Housing households that remain in units	0	Public Housing households (208) remain in Public Housing	Public Housing Operations
Dollars of private financing leveraged by use of HCV Budget Authority	\$0	\$56 Million	Office of Capital Programs
Cross Subsidization from Market Units (Non-HUD funds generated for Square 882)	\$0	\$2.5 Million from market units	Office of Capital Programs
Increase in Debt and Equity (Highland Dwellings)	\$24 Million	Additional \$22 Million in debt and equity	Office of Capital Programs
Increase in Debt and Equity (Square 882)	\$0	\$5.4 Million in Debt	Office of Capital Programs
Cost Savings to the Project (as compared to using PBVs for Highland Dwellings)	\$0	33% reduction in affordability reserves	Office of Capital Programs

#### Rent Reform Information

This policy does not impact the determination of income or rent for clients.



## Initiative 26: Local Investment Policy

### Description

HUD, as defined in the Annual Contributions Contract (ACC) and guided by Notice PIH 96-33, requires housing authorities to invest General Fund (program) monies only in HUD approved investments. These investments, if utilized fully, are outdated and risky. As a steward of the public trust, charged with achieving the best and highest use of its funding to serve its clients, DCHA is proposing to use its MTW authority to adopt a local investment policy that will achieve a portfolio which is safer, more liquid and realizes a more competitive yield. Based on a review of District of Columbia governmental entity eligible investments, DCHA has determined the city's eligible investments are more up to date and safer for governmental funds to be invested. As such, DCHA's proposed local investment policy would be consistent with District of Columbia law to the extent such policies are in compliance with applicable Office of Management and Budget (OMB) circulars and other federal laws. Under the local investment policy, DCHA shall invest only in securities authorized under District law that will allow the flexibility to invest productively and efficiently.

### Anticipated Impact(s)

DCHA will invest in safer investment instruments with lower transaction costs and higher competitive yield. This will give DCHA a higher return on its portfolio with less staff resources devoted to the process. This reduced cost and higher net portfolio return will achieve greater cost effectiveness in federal expenditures, allowing the Agency the enhanced ability to further the MTW statutory objectives through other initiatives.

This policy does not have a direct impact on DCHA clients that would result in a hardship.

### Metrics

1. DCHA will review the 2012-2013 interest rates earned on investments utilized under the current HUD eligible investments by month. The Agency will then track the 2013-2014 interest rates on like HUD eligible investments during the year as well as the rates on the new District of Columbia governmental entity eligible investments invested during the year.
2. The Agency will track 2012-2013 HUD eligible investments interest rate data, 2013-2014 HUD eligible investments interest rate data, 2013-2014 District of Columbia governmental entity eligible investments interest rate data and the difference in the two 2013-2014 interest rates. The data will then be reviewed to see if a higher interest rate was achieved under the new portfolio strategy (see below).





Date	Eligible Interest Rate Data			Differential (Benchmark) <i>Projected</i>	Data Source
	HUD 2012-2013 (Baseline) <i>Actual</i>	HUD 2013-2014 <i>Projected*</i>	District of Columbia Government (2013-2014) <i>Projected</i>		
10/31/2013	.25%	.25%	.35%	\$1,666.67	Office of Financial Management
11/30/2013	.25%	.25%	.35%	\$1,666.67	
12/31/2013	.25%	.25%	.35%	\$1,666.67	
1/31/2014	.25%	.25%	.35%	\$1,666.67	
2/28/2014	.25%	.25%	.35%	\$1,666.67	
3/31/2014	.25%	.25%	.35%	\$1,666.67	
4/30/2014	.25%	.25%	.35%	\$1,666.67	
5/31/2014	.25%	.25%	.35%	\$1,666.67	
6/30/2014	.25%	.25%	.35%	\$1,666.67	
7/31/2014	.25%	.25%	.35%	\$1,666.67	
8/31/2014	.25%	.25%	.35%	\$1,666.67	
9/30/2014	.25%	.25%	.35%	\$1,666.67	
<b>Total</b>				<b>\$20,000.04</b>	

\*Projections based on actual eligible interest rate data from 2012-2013

Please note that projected eligible interest data is being used to project the potential earnings differential for FY2014 and that we will revise the projections based on actual activity in DCHA's FY2014 report.

#### Rent Reform Information

This policy does not impact the determination of income or rent for clients.

### **Initiative 27: Family Stabilization through Housing and Education Demonstration**

#### Description

Chronic truancy has been described as “an educational crisis” in the District of Columbia, with rates as high as 40% at some high schools. According to a study conducted by the Urban Institute, student absenteeism in the 8<sup>th</sup> grade is a predictor of truancy levels in high school. Chronic absenteeism places a child's educational progress in jeopardy. If students are not in school, they are not learning and 46% of high school students based on recent data are not graduating in the District of Columbia. It is DCHA's intent to help address some of the underlying causes contributing to chronic absenteeism, with a focus on truancy, before students reach high school. Under District of Columbia law, once a child has 10 unexcused absences the child is referred, depending on age to Child and Family Services or the Court Social Services and/or the Office of the Attorney General. DCHA plans to provide supports for those children and their families so that such referrals do not occur. This will include working with families on strategies to reduce occurrences and ultimately eliminate unexcused absences. To do this, DCHA



proposes to expand its relationship with the District of Columbia Public Schools (DCPS), District of Columbia Charter Schools, and other community partners to establish an educational stabilization demonstration that will provide case management for DCHA Public Housing families with children in elementary and middle school, ages 10-14, who appear to already have challenges with school attendance.

DCHA's program will be voluntary for Public Housing families and participation in the program will last until the child completes high school. The potential length of participation could be up to nine years for fourth graders entering the program. Families in which absenteeism/truancy are or may become an issue will be identified for outreach to participate in the program. DCHA is working with DCPS and the Deputy Mayor's Office on Education and Human Services to identify a Public Housing site(s) and partnering elementary/middle schools by cross-referencing school and DCHA resident data. Similar work will be undertaken with DC Charter Schools. This exercise will inform the size of the program along with the number of families meeting basic eligibility requirements. Based on DCHA existing staffing capacity, the initial program size would not exceed 20 families. However, as DCHA identifies other funding sources (both direct and in-kind) that can support a larger demonstration, the size of the program may grow. Other anticipated partners include the Office of the State Superintendent (OSSE), DC Department of Human Services (DHS), DC Department of Behavioral Health (DBH), DC Department of Employment Services (DOES), DC Department of Child and Family Services (CFSA), and DC Office of Justice Grants Administration (JGA). In addition, DCHA will be exploring new and existing relationships with non-governmental organizations that provide supportive services.

Each family will have a case manager who will work with the family to identify a plan for addressing their child's absenteeism/truancy, inclusive of strategies to deal with those familial, school and environmental challenges. In addition to supporting each child's academic achievement, DCHA will provide support to parents in moving the family toward self-sufficiency (i.e. GED preparation, job readiness, life skills, etc.).

In our efforts to fund the program, DCHA will utilize existing staff resources, including the provision of case management/coordination. In addition, DCHA will utilize existing supportive service resources provided through existing partnerships with agencies/organizations to augment case management and access to other services needed by participating families (i.e. DCPS tutors, DOES jobs programs, job training provided at DCHA's Southwest Family Enhancement Center, etc.). An example of maximizing existing case management effectively and efficiently is through the many clients DCHA and DHS serve. Through DHS's Case Coordination Model, detailed Individual Responsibility Plans (IRP) are established for families receiving Temporary Assistance for Needy Families (TANF). Based on a family assessment, these plans outline steps for families to move toward self-sufficiency. For participants in the DCHA demonstration program who also receive TANF, as an addendum to DCHA family commitment plans, the Agency would utilize DHS IRP plans and work with DHS case managers to monitor progress and assist clients with those goals related to overcoming family based barriers to attendance and working toward self-sufficiency. DCHA has already begun discussions with DHS about supporting shared clients through their Case Coordination Model. In some cases, DCHA will tap into existing truancy/truancy prevention programs to identify services/supports for DCHA families participating in this initiative. DCHA will also be actively seeking additional direct funding through foundations and governmental grants.

Successful completion of DCHA's demonstration program would include sustained improvements in a child's attendance and academic achievement. In addition, a family's progress toward self-sufficiency,



based on realistic goals outlined in their family commitment plan will also be an indicator of successful program completion.

As a work incentive, DCHA will cap the rents of participating families upon entry into the program, but rents will not be less than \$25 a month. The rent being charged at the point the household enters the program will be capped for the lifetime of the family's participation in the program. For example, if a family enters the program with calculated rent at \$100/month, DCHA will not increase the rent based on increases in earned income. While all program participants have to pay at least \$25/month in rent, this will not be a requirement for entry into the program. Instead, families paying less than \$25/month at program entry will experience rent increases as earned income increases until their rent reaches the \$25/month threshold. At that point, any new earned income coming into the household will not be counted toward rent. In addition, a portion of any new employment income entering the household will be escrowed to go toward the child's educational goals (i.e. college, vocational education, etc.). The established escrow contribution of the family will be based on the goals identified in the family commitment plan. DCHA will explore the possibility of providing a percentage match through other sources, if possible. It is important to note that only about 5% of all Public Housing households are currently paying rent between \$0-\$25. Of that number, less than half have school age children.

Throughout a family's participation in the project, their compliance with program requirements will be monitored by their case manager. If a family has difficulty meeting program requirements, the case manager will provide additional supports. Should the family be determined to be unable or unwilling to comply with the requirements, their participation in the program will end and their slot in the program will be granted to another qualifying family. Should a family drop out of the program for any reason, their position in the program will be granted to another qualifying family.

Implementation of the demonstration would take place over a 2 year period and include the following key activities:

#### **Fall 2013-Spring 2014 Activities**

- Finalize DCHA property and schools to participate
- Assure necessary commitments of DCPS, Charter School Board and participating schools
- Analyze causes of turnover at participating schools
- Determine number of current DCHA students attending the selected schools
- Determine number of possible participants
- Develop strategies for meeting with staff and parents
- Consult with community and school staff
- Determine available resources of community partners/service providers
- Assure commitment of district administration
- Hold community comment events
- Develop plan for pursuing additional funding streams
- Identify program evaluation team

#### **Spring 2014 – Summer 2014 Activities**

- Plan teacher training



- Develop staffing and needs
- Secure community partners/service providers
- Consult with community and school staff
- Identify training for parents
- Design collection and tracking tools
- Establish eligibility rules
- Establish accountability rules
- Draft Family Commitment Plans

#### **Summer 2014—Fall 2014 Implementation Activities**

- Parents sign Family Commitment Plans
- Case Managers hired
- Baseline data collected
- Students start school
- Parents begin program activities

#### **Anticipated Impacts**

While truancy is the critical issue driving this initiative, DCHA recognizes that a holistic approach may be necessary to positively impact the life outcomes of children and their families who are struggling with this issue. Initially, DCHA anticipates the following impacts:

- Parents will improve their economic and employment status.
- Participating students will show greater gains in school outcomes (including reduction in absenteeism/truancy rates, grades and standardized test scores) relative to other low-income students attending their school and other schools. Each participating child will be monitored several times a year through various means (e.g. report cards, district/state assessment scores, case manager communications with teachers and other program partners).
- Parents of students will play a larger role in supporting their child's academic and social growth leading to improved achievement in the project

As the initiative moves forward during year one, DCHA will work with DCPS, DC Public Charter Schools and other community partners to determine if there are any additional likely impacts.

Participation in this demonstration could last more than four years as proposed. DCHA acknowledges the fact that the MTW authority utilized for this initiative will no longer be available beyond the expiration of its MTW agreement with HUD. In the event that the agreement is not extended beyond 2018, DCHA will work with HUD as part of the transition to seek a means of continuing the program. If not, DCHA will take the necessary steps to close out the initiative.



## Metrics

Baseline data for program evaluation will be established once the participating families are identified. DCHA will keep detailed records on both family participation and movement in and out of the program.

Metric	Baseline No.	Benchmark	Data Source
Participant families enrolled	10	100%	Public Housing Operations Office of Resident Services
Students still enrolled each year compared to non-participating students	Enrollment	100% by the end of 2017-2018 school year	DC Public Schools
Math and reading test scores among students from participating households	TBD from 2012-2013 school year data	5% annual improvement in both sets of scores	DC Public Schools
Attendance among students from participating households	TBD from 2012-2013 school year data	5% annual improvement	DC Public Schools
Suspensions among students from participating households	TBD from 2012-2013 school year data	10% annual reduction	DC Public Schools
Number of school activities in which parents participate	TBD from survey	10% improvement annually	DC Public Schools
Number of adults from participating households involved in job training or educational programs	TBD	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services
Number of adults working for the first time since entry into the program	0	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services
Number of adults escrowing additional income	TBD	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services

## Rent Reform Information

Agency's Board Approval of Policy: Before implementing any changes in the rent structure for participating families, the Board will approve required local regulations. The approval of the initiative was a part of the approval of the 2014 MTW Plan.

Impact Analysis: See discussion of anticipated impact above.



Annual reevaluation of rent reform initiative: A re-evaluation of this policy will be completed on an annual basis.

Hardship Criteria: As participation in the program is voluntary, DCHA is not proposing a hardship policy for this activity. DCHA is providing intensive case management to help families succeed in achieving educational goals, increasing earned income and moving towards self-sufficiency. Compliance with program requirements is not a condition of the Public Housing lease. In the event that a family needs to reduce the amount of money being escrowed, upon approval of the request, the amount will be changed and the family may continue participation in the program.

## **Initiative 28: Rent Reform Demonstration (HCVF)**

### **Introduction**

The District of Columbia Housing Authority (DCHA) has been selected to participate in a demonstration commissioned by the U.S. Department of Housing and Urban Development (HUD) to evaluate a Housing Choice Voucher (HCV) alternative rent reform policy (the “Demonstration”). MDRC, a nonprofit and nonpartisan education and social policy research organization, is conducting the Demonstration on behalf of HUD. The Demonstration sets forth alternative rent calculation and recertification strategies that will be implemented at several public housing authorities across the country in order to fully test the policies nationally.

The goals of this alternative rent policy are to:

- Create a stronger financial incentive for tenants to work and advance toward self-sufficiency
- Simplify the administration of the HCV Program
- Reduce housing agency administrative burden and costs
- Improve accuracy and compliance of program administration
- Remain cost neutral or generate savings in HAP expenditures relative to expenditures under traditional rules
- Improve transparency of the program requirements

A computer generated program will randomly select the participants for the Demonstration from the pool of eligible vouchers. The Study Group vouchers will be managed using the proposed policies. The Control Group will be managed using the existing policies. A total of 2,000 families will be selected to participate—1,000 will be a part of the Study Group and 1,000 will be a part of the Control Group. Eligible participants will include only those with vouchers that are administered under the Moving To Work (MTW) Program. Non-MTW Vouchers (i.e., Veterans Affairs Supportive Housing, Moderate Rehabilitation, and Shelter Plus Care), Enhanced Vouchers, and HUD Project Based Vouchers are excluded from the Demonstration. Additionally, the Demonstration is focused on work-able populations and will not include Elderly Households; Disabled Households, and households headed by people older than 56 years of age (who will become seniors during the course of the long-term demonstration). Households currently participating in Family Self-sufficiency and Homeownership programs will not be included in the Demonstration. Households that contain a mix of members with an immigration status



that is eligible for housing assistance and immigration status that is not eligible for housing assistance would not be included in the Demonstration. Finally, families currently receiving a child care deduction will not be included in the Demonstration.

### **Description of Rent Reform Components**

The Demonstration is designed to test an alternative strategy to standard HUD operating rules for the HCV program. The proposed alternative rent policies will include the following five key features:

- 1) Simplify income determination and rent calculation of the household's Total Tenant Payment (TTP) and subsidy amount by:
  - a) Eliminating deductions and allowances,
  - b) Changing the percent of income from 30% of adjusted income to a maximum of 28% of gross income,
  - c) Ignoring income from assets when the asset value is less than \$25,000,
  - d) Using retrospective income, i.e., 12-month "look-back" period and, in some cases, current/anticipated income in estimating a household's TTP and subsidy, and
  - e) Capping the maximum initial rent burden at 40% of current gross monthly income.
- 2) Conduct triennial income recertification rather than biennial recertification with provisions for interim recertification and hardship remedies if income decreases.
- 3) Streamline interim recertifications to eliminate income review for most household composition changes and moves to new units.
- 4) Require the Family Share is the greater of TTP (see #1 above) or the minimum rent of \$75. A portion of the Family Share will be paid directly to the landlord.
- 5) Simplify the policy for determining utility allowances.

Additionally, the Demonstration will offer appropriate hardship protections to prevent any Demonstration Study Group member from being unduly impacted as discussed in Section V below.

### **Description of the Rent Reform Activity**

- 1) **Simplified Income Determination and Rent Calculation**

Under the current HUD regulations, the TTP is a calculation derived from the voucher household's 30% adjusted monthly income (gross income less HUD prescribed deductions and allowances). DCHA follows a process of interviewing the household to identify all sources of income and assets (when assets are \$15,000 or more), then proceeds to verify the information and perform the final calculation. The process is complex and cumbersome, which increases the risk of errors. According to HUD's Occupancy Handbook, Chapter 5 "Determining Income and Calculating Rent," the most frequent errors found across PHA's are: Voucher holders failing to fully disclose income





information; errors in identifying required income exclusions; and incorrect calculations of deductions often resulting from failure to obtain third-party verification. The complexity makes the HCV program less transparent and understandable by the public, landlords, and voucher holders.

a) Elimination of Deductions

A new method of calculation is proposed under the Demonstration, which eliminates the calculation of deductions and allowances in the determination of annual income

b) Percent Annual Gross Income

The TTP rent calculation will be determined by establishing gross annual income and then determining the greater of 28% of the gross annual income or the minimum rent of \$75.

c) Elimination of Income from Assets Valued Less than \$25,000

Elimination of the verification and calculation of income earned from household assets valued less than \$25,000. Households would not be required to document assets worth less than that amount. This may further reduce administrative costs and simplify the program for greater transparency and program compliance beyond the costs savings realized with the previous implementation of another approved MTW activity in which **income from** assets valued at less than \$15,000 (based on tenant self-certification) are not included in the calculation of income.

d) Review of Retrospective Income

To establish annual gross income for the three year recertification period, DCHA will review the total household income without deductions for the twelve-month period prior to recertification, i.e., the "Retrospective Income." A household's annual gross income will depend on its *Retrospective Income* during a 12-month "look back" period.

At initial recertification, the point Study Group participants initially enter the Demonstration, if a household's current/anticipated income is less than its retrospective income by more than 10%, a "temporary" TTP based on current income alone will be set for a six-month grace period. After that grace period, the TTP will automatically be switched to the TTP amount based on the previously determined average retrospective income. No interim recertification interview would be required to reset this TTP.

e) Capping the Initial Maximum Rent Burden

HUD places a rent maximum for households moving into a new unit under the Housing Choice Voucher subsidy. This maximum rent burden is determined to be 40% of the household's adjusted annual income. However, under the HUD Rent Reform





Demonstration, DCHA will no longer be adjusting household income using deductions and allowances. The household must not pay more than 40 percent of gross current monthly income for the family share when the family first receives voucher assistance in a particular unit. (This maximum rent burden requirement is not applicable at interim recertification if the family stays in place.)

## 2) Triennial Certifications

DCHA currently performs recertification of HCV households on a biennial basis. The triennial certification will review program eligibility, household composition, income and other household circumstances. Interim recertifications may be required for changes in the household situation such as: composition, income, and change in unit.

DCHA proposes performing recertification of Study Group participants every third year (triennial). The triennial recertification will review program eligibility, household composition, current income and income over the past twelve months (“retrospective income”), unit information and shall set the TTP and the household share of the rent. The TTP for the Study Group will remain in effect during the three year recertification period, with some exceptions related to decreases in income and changes in household.

Under the alternative rent policy, a household’s annual gross income will be determined using its reported (and verified) *retrospective income* during a 12-month “look-back” period. In this calculation, gross income will exclude any prior income from sources that have expired for the household during that period, such as TANF or Unemployment Insurance benefits, since the household can no longer count on them. It will include imputed welfare income in the same manner as current calculations.

If the household has an increase in income between scheduled recertifications, the household’s TTP will not be re-determined and increased to reflect the higher income. However, if the household has a decrease in income, the household may request and DCHA may provide an interim recertification or other remedies under the hardship process (see Hardship Policy section below). The interim recertification will be conducted when a household has a reduction of income of more than 10% from the retrospective income.

- a) DCHA interim recertification will re-calculate the household annual gross income based on a new retrospective income review to determine the greater of 28% gross income or the minimum rent of \$75. This new annual gross income will establish the TTP that will remain in effect until the sooner of the next triennial recertification or a tenant requested interim recertification. The tenant may only request one interim recertification per year. The year period during which only one interim is permitted begins on the effective date of the triennial recertification and ends 12 months later.
- b) At the triennial recertification at the beginning of the three-year period (and at subsequent triennials), if a household’s current/anticipated gross income is less than its retrospective income by more than 10%, the current gross income alone will be used to create a “temporary” TTP for a six-month grace period. After that grace



period, the TTP will automatically be switched to the TTP amount based on the previously determined average retrospective income. No interim recertification interview would be required to reset this TTP.

- c) The Study Group will be allowed one request per year for an interim recertification to reset their TTP. The year will last twelve months from the effective date of the recertification. The year period during which only one interim recertification is permitted begins on the effective date of the triennial recertification and ends 12 months later. The TTP will only be reset if a household's new retrospective monthly income (at the time of the request) is more than 10% lower than its most recent prior retrospective monthly income. If the limit on interim recertification presents a hardship, the household will need to apply for a Hardship Exemption (See Hardship Policy section below).

### 3) Streamline Interim Recertifications

DCHA will institute a streamlined interim recertification process for the Study Group to report change of circumstance that does not require adjustment in subsidy. For these events, DCHA will not request income information. These events include:

- a) Changes to household composition. The Study Group must report both additions and removal of members to the household to DCHA to determine program eligibility and other HUD required reporting (e.g. deceased tenant reporting). However, unless the addition of an adult member changes the voucher bedroom size appropriate for the household composition to prevent overcrowding or over-housing, DCHA will not request income information for the new household member until the next scheduled triennial certification.

If the loss of a household member results in a reduction of more than 10% of the most recent retrospective income, the household will be allowed to reset their TTP.

In the event that the new or removed member requires a change to the voucher bedroom size, DCHA will review the retrospective income of the newly added or removed household members, apply a new utility allowance, and will reset the household TTP. A reduction in subsidy for new voucher bedroom size will be implemented when the current lease ends and new lease begins.

Changes to household composition will not be counted towards the limit of one requested interim certification per year.

- b) Change of unit. Households seeking to move to a new unit will submit a request for move pursuant to current procedures. For households that move to more expensive units during three-year period, DCHA will absorb the higher contract rent costs up to the lesser of the gross rent or the payment standard, which is consistent with traditional rent rules. However, unless the request for move is due to a change in household composition, DCHA will not request income information or reset the household TTP until the sooner of the next scheduled triennial recertification or



tenant requested interim recertification to reset TTP. DCHA will apply new utility allowance schedule, if any, to the household at the new lease effective date.

- c) Changes in Utility Allowances. When utility schedules are updated to reflect rate changes, utility allowances, and utility allowance payments (UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households:
- Change their contract rent,
  - Recertify and the TTP is recalculated during interim or triennial,
  - Move to new units, or
  - Change their household composition requiring a change in voucher size.

4) Minimum Rent to Owner

Currently, HUD does not require minimum rents paid by the voucher holder to the landlord. DCHA is proposing that the Study Group members will be required to make a minimum payment of at least \$75 direct to the HCV landlord in addition to DCHA's portion of rent (Housing Assistance Payment "HAP"). The total amount of rent will equal the contract rent established in the lease. This policy mirrors the market system of tenants paying owners directly and creates a closer relationship and sense of responsibility for both the leaseholder HCV household and the property owner.

The amount of rent to owner a Study Group household will pay is equal to their TTP less the Utility Allowance. A Study Group household rent to owner will not be less than the minimum rent. In the event that the Study Group household TTP, less the Utility Allowance, is less than the minimum rent, the household will pay the Owner the minimum rent and DCHA will reimburse the household the balance of the Utility Allowance. However, in the event that the minimum rent to owner exceeds 40% of the household current anticipated gross income, the household may request a Hardship Exemption as detailed in Hardship Policy Section below.

5) Simplified Utility Allowance Schedule

Currently, DCHA annually reviews and periodically re-establishes a Utility Allowance Schedule which represents the reasonable expectation of costs for utilities as part of the tenant's lease.

The utility allowance is based on utility surveys and analysis of the type of structure, bedroom size, appliances provided by tenant, and type of appliances (gas/electric). The simplified schedule is based on the analysis of data collected from DCHA's existing HCV portfolio including the most common structure and utility types. This new utility allowance schedule will be implemented upon the triennial certification or change of unit.

DCHA proposes a simplified schedule to reduce administrative costs and reduce errors associated with the traditional method of applying the Utility Allowance Schedule. The simplified Utility Allowance Schedule is also anticipated to benefit property owners who will have a more accurate understanding of the total gross rent to be applied to their



properties and to the Study Group members who will be able to use this new schedule to clarify gross rent in their selection of housing units.

This schedule will be applied to the lesser of: the actual size of the unit or the size of the voucher rather than the larger of the actual unit size or the voucher size. DCHA will continue to use current market consumption data to determine when adjustments to the simplified schedule are needed (upon change of more than 10% in rates).

**Proposed Flat Utility Allowance**

Utility Allowances		# of Bedrooms						
		0	1	2	3	4	5	6
Base rate for all unit types		\$89	\$120	\$152	\$183	\$239	\$280	\$322
Potential	Water & Sewer	\$28	\$57	\$84	\$112	\$141	\$196	\$225
Add-ons	Electric or Oil Heat	\$48	\$64	\$80	\$96	\$140	\$159	\$183

#### **Achieving Statutory Objectives**

1) **MTW Objective: To reduce administrative cost and achieve greater costs effectiveness in Federal expenditures.**

a) Simplified Tenant Rent Calculation

This activity will provide DCHA with immediate savings of staff hours from the calculation of deductions, allowances, and income from household assets valued at less than \$25,000. Households would not be required to document assets worth less than that amount. This may further reduce administrative costs and simplify the program for greater transparency and program compliance beyond the costs savings realized with the previous implementation of another approved MTW activity in which income from assets valued at less than \$15,000 (based on tenant self-certification) are not included in the calculation of income.

b) Triennial Recertification Schedule and Streamline Interim Recertification

These re-certification schedules will provide DCHA with immediate savings of staff hours and agency resources associated with the recertification processes.

c) Minimum Rent/TTP

This activity sets the minimum rent to \$75 which is above HUD's current optional minimum rent of \$50 and the agency's current minimum rent of \$0. This minimum rent will reduce some HAP subsidy and save federal funds.

d) Simplified Utility Allowance



This activity will provide DCHA with cost savings from staff hours spent on detecting and correcting errors made when applying the utility schedule based on voucher size, household structure, appliances, and other factors.

2) **MTW Objective: To assist families achieve greater self-sufficiency by allowing families to keep this income to increase savings and attain greater self-sufficiency.**

a) Simplified Tenant Rent Calculation

The elimination of income from household assets valued less than \$25,000 will enable the Study Group to use this income as a means to attain greater self-sufficiency rather than increasing their portion of the rent.

b) Triennial Certification Schedule

This activity will enable the Study Group to keep increases in income between the certification periods that would otherwise be “lost” through higher TTPs. As a result, it is expected to increase participants’ employment rates and earnings and help them attain greater self-sufficiency.

**Anticipated Impact on the Stated Objectives**

1) Simplified Rent Calculation

This activity will provide DCHA with immediate savings of staff hours through an easier calculation in regular recertification meetings and interim recertification meetings and save staff from having to detect and correct errors in calculating adjusted income. Also this will increase transparency of how the tenant’s share of shelter costs are computed.

2) Triennial Certification

This activity will provide DCHA with immediate savings of staff hours and save participants time as well through having fewer recertification meetings and income verifications. Also for participants this will act as a powerful incentive to increase employment and earnings; participants will be able to increase earnings between regular certifications without increases in their TTP and without having to report these increased earnings to DCHA.

3) Streamline Interim Certification

This activity will provide DCHA with savings in staff hours through eliminating income verification in some instances that would require it now. Also the streamlined recertifications help to maintain the employment and earnings incentive offered in the 3-year recertification schedule.

4) Minimum Rent to Owner

This activity will increase self-sufficiency of tenants by establishing a traditional tenant-landlord relationship in which all tenants will be required to pay some portion of the rent directly to the landlord. This also may help with housing quality by establishing a traditional relationship where the tenant and landlord are interacting more and make the tenant feel more able to ask for repairs on the unit.



5) Simplified Utility Allowance

This activity will provide DCHA with cost savings from staff hours spent calculating utility allowances for each household and save time from detecting and correcting errors made when using a more complex utility schedule. This will also increase the transparency of the utility allowance calculation, enabling a better understanding of how their total subsidy is calculated.

**Anticipated Schedules for Achieving the Stated Objectives**

Once the MTW Activity is approved, participants will be identified for enrollment in the Study Group and the Control Group. The enrollment process for the Study Group and Control Group will begin approximately in September of 2014 and end as soon as all Demonstration participants are enrolled. The Triennial recertification process for the groups will begin in September 2017 and end no later than 2019. Further information on the enrollment process is provided in Transition Process section below.

1) Simplified Rent Calculation

Demonstration Participants will be enrolled during their regularly scheduled certification meeting and presented with the simplified approach to rent calculation. This policy is intended to create simplicity and greater understanding of how the tenant portion of rent is determined which should impact upon the tenants at their initial certification.

DCHA will receive immediate benefits of staff time savings by not performing verification processes for the standard deductions and allowances which will no longer be applied to the Study Group.

2) Triennial Certification

Participants will have the initial baseline triennial certification performed at the initial enrollment meeting. Participants will not participate in a recertification until three years after this initial certification, unless they request an Interim Certification or a Hardship Exemption remedy.

Administrative cost savings to DCHA will be achieved in the second year of the Demonstration; at which time, DCHA will conduct the biennial recertification for the Control Group and will bypass the Study Group.

3) Streamline Interim Certification

This activity limits the ability of the Study Group to request interim certifications to reset the household TTP to no more than once per year and only when the reduced retrospective household income more than 10% than the retrospective income used to determine the TTP. The Study Group may request interim certifications to report changes in household composition throughout the three year Demonstration period. These recertifications will be streamlined and will exclude reexamination of household income or redetermination of household TTP.

The streamlined recertification activity is anticipated to result in a cost savings to DCHA within the first year of implementation because there will be a reduced number of interim recertifications for changes in household income.



4) Minimum Rent to Owner

The requirement for the voucher holder to pay a minimum rent to owner will begin with the effective date of the initial Study enrollment certification. This first triennial certification will determine the greater of the Total Tenant Payment of 28% of the household gross income or the newly established minimum rent (as described above). However, the final benefit of this activity may not be assessed until the second triennial certification to determine whether the Study Group members were able to achieve higher earnings and thereby reduce the amount of subsidy.

5) Simplified Utility Allowance

The Simplified Utility Allowance is already an approved MTW activity and will be effective for all Demonstration Participants when they are enrolled in the Demonstration. The Study Group will have the new utility allowance applied at the time of their initial triennial certification and thereafter at each triennial certification or certification for a move to a new unit. This activity is intended to create simplicity and greater understanding by the household of the utility allowance. It will benefit both the participant and prospective landlord by establishing the allowed rate prior to selecting a unit. DCHA will receive immediate benefits of staff time savings by not creating and having to correct errors discovered in the application of the utility allowances.



## Activity Metrics

### HUD Standard Metrics

The information in the table shaded blue represents information intended for guidance; while the information in non-shaded boxes represents DCHA specific information. For purpose of this section, year one represents the first fiscal year when activities are implemented.

<b>CE #1: Agency Cost Savings</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Total cost of task in dollars.	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).
<b>Cost per Scheduled Certification<sup>1</sup></b>	<p><b>Year 1: \$86,000</b>  <b>Year 2: \$0</b>            (due to biennial recertification process already in place, there would be no costs in Year 2)  <b>Year 3: \$86,000</b></p> <p>Baseline is equal to:            \$172,000 overall</p> <ul style="list-style-type: none"> <li>• Cost per Scheduled Certification (\$86)</li> <li>• <i>times</i> the number of Study Group participants (1,000)</li> </ul> <p><b>Cost per Annual Certification</b> equal to:</p> <ul style="list-style-type: none"> <li>• Hard cost (the mail and reproduction costs) (\$20)</li> <li>• <i>plus</i> <b>Staff Cost( \$66)</b></li> </ul> <p><b>Staff Cost</b> is equal to:</p> <ul style="list-style-type: none"> <li>• Average time spent per annual interview/ verification/quality control (2 hours)</li> <li>• <i>times</i> the average staff cost per hour (33)</li> </ul>	<p><b>Year 1: \$78,080</b>  <b>Year 2: \$0</b>  <b>Year 3: \$0</b></p> <p>Benchmark is equal to:            \$78,080 overall</p> <ul style="list-style-type: none"> <li>• Average time spent per certification interview/ verification/quality control (2 hours)</li> <li>• <i>minus</i> time savings (14 mins)</li> <li>• <i>times</i> Staff Cost per hour (\$33)</li> <li>• <i>plus</i> Hard Cost (\$20)</li> <li>• <i>times</i> the number of Study Group participants (1,000)</li> </ul>

<sup>1</sup> DCHA implemented biennial recertifications prior to the demonstration.





<b>Cost per Interim Certification</b>	<p>Year 1: <b>\$106,000</b>  Year 2: <b>\$106,000</b>  Year 3: <b>\$106,000</b></p> <p>Baseline is equal to:  <b>\$318,000 overall</b></p> <ul style="list-style-type: none"> <li>• Cost per Interim Certification (\$53)</li> <li>• <i>times</i> average number of interims per household per year (2)</li> <li>• <i>times</i> the number of Study Group participants (1,000)</li> </ul> <p><b>Cost per Interim Certification</b> is equal to:</p> <ul style="list-style-type: none"> <li>• Average time to perform an interim (1 hour)</li> <li>• Times the average cost per staff hour (\$33)</li> <li>• <i>plus</i> admin costs (\$20)</li> </ul>	<p>Year 1: <b>\$53,000</b>  Year 2: <b>\$53,000</b>  Year 3: <b>\$53,000</b></p> <p>Benchmark is equal to:  <b>\$159,000 overall</b></p> <ul style="list-style-type: none"> <li>• Cost per Interim Certification (\$53)</li> <li>• <i>times</i> the anticipated average number of interims per household in Study Group per year (1)</li> <li>• <i>times</i> the number of Study Group participants (1,000)</li> </ul>
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
<b>Cost of Rent Calculation</b>	<p>Year 1: <b>\$36,500</b>  Year 2: <b>\$0</b>  (due to biennial recertification process already in place, there would be no costs in Year 2)  Year 3: <b>\$36,500</b></p> <p>Baseline is equal to:  <b>\$73,000 overall</b></p> <ul style="list-style-type: none"> <li>• Time to determine Tenant Rent (30 mins or .5 hours)</li> <li>• <i>times staff cost per hour (\$33)</i></li> <li>• plus admin cost (\$20)</li> <li>• <i>times</i> number of participants in the Study Group (1,000)</li> </ul>	<p>Year 1: <b>\$28,910</b>  Year 2: <b>\$0</b>  Year 3: <b>\$0</b></p> <p>Benchmark is equal to:  <b>\$28,910 overall</b></p> <ul style="list-style-type: none"> <li>• Time to determine Tenant Rent (16 mins or .27 hours)</li> <li>• <i>times staff cost per hour (\$33)</i></li> <li>• plus admin cost (\$20)</li> <li>• <i>times</i> the number of participants in the Study Group (1,000)</li> </ul>



Unit of Measurement	Baseline	Benchmark
Cost to Determine Income from Assets	<p>Year 1: <b>\$70.23</b>  Year 2: <b>\$0</b>  (due to biennial recertification process already in place, there would be no costs in Year 2)  Year 3: <b>\$70.23</b></p> <p>Baseline is equal to:  <b>\$140.46 overall</b></p> <ul style="list-style-type: none"> <li>• Time to determine Income from Assets (15 mins or .25 hours)</li> <li>• <i>times</i> staff cost per hour (\$33)</li> <li>• <i>plus</i> admin cost (\$20)</li> <li>• <i>times</i> number of participants in the Study Group (1,000)</li> <li>• <i>times</i> the <u><b>estimated</b></u> proportion of affected participants (.53% or 0053)</li> </ul>	<p>Year 1: <b>\$6.63</b>  Year 2: <b>\$0</b>  Year 3: <b>\$0</b></p> <p>Benchmark is equal to:  <b>\$6.63 overall</b></p> <ul style="list-style-type: none"> <li>• Time to determine income from assets (15 mins or .25 hours)</li> <li>• <i>times</i> the number of study participants (1,000)</li> <li>• <i>times</i> staff cost per hour \$33)</li> <li>• <i>plus</i> admin cost (\$20)</li> <li>• <i>times</i> the <u><b>estimated</b></u> proportion of affected participants (.05% or .0005)</li> </ul>



<b>CE #2: Staff Time Savings</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).
<b>Time to Complete Scheduled Certification</b>	<p><b>Year 1: 2,000 hours</b>  <b>Year 2: 0 hours</b>            (due to biennial recertification process already in place, there would be no certifications completed in Year 2)  <b>Year 3: 2,000 hours</b></p> <p>Baseline is equal to:            4,000 hours overall</p> <ul style="list-style-type: none"> <li>• 2 hours to complete a certification</li> <li>• <i>times</i> number of participants in the Study Group (1,000)</li> </ul>	<p><b>Year 1: 1,760 hours</b>  <b>Year 2: 0 hours</b>  <b>Year 3: 0 hours</b></p> <p>Benchmark is equal to:            1,760 hours overall</p> <ul style="list-style-type: none"> <li>• 14 min reduction in time to complete certification</li> <li>• <i>times</i> number of participants in the Study Group (1,000)</li> </ul>
<b>Time To Determine Tenant Rent</b>	<p><b>Year 1: 500 hours</b>  <b>Year 2: 0 hours</b>            (due to biennial recertification process already in place, there would be no certifications completed in Year 2)  <b>Year 3: 500 hours</b></p> <p>Baseline is equal to:            1,000 hours overall</p> <ul style="list-style-type: none"> <li>• Time to determine Tenant Rent (30 mins or .5 hours)</li> <li>• <i>times</i> number of participants in the Study Group (1,000)</li> </ul>	<p><b>Year 1: 267 hours</b>  <b>Year 2: 0 hours</b>  <b>Year 3: 0 hours</b></p> <p>Benchmark is equal to:            267 hours overall</p> <ul style="list-style-type: none"> <li>• Time to determine Tenant Rent (30 mins or .5 hours)</li> <li>• <i>minus</i> time savings (14 mins)</li> <li>• <i>times</i> the number of participants in the Study Group (1,000)</li> </ul>



<b>Time to Determine Utility Allowance</b>	<p>Year 1: <b>250 hours</b>  Year 2: <b>0 hours</b>  (due to biennial recertification process already in place, there would be no certifications completed in Year 2)</p> <p>Year 3: <b>250 hours</b></p> <p>Baseline is equal to:  500 hours</p> <ul style="list-style-type: none"> <li>• Time to determine utility allowance (15 mins or .25 hours)</li> <li>• <i>times</i> number participants in the Study Group (1,000)</li> </ul>	<p>Year 1: <b>20 hours</b>  Year 2: <b>0 hours</b>  Year 3: <b>0 hours</b></p> <p>Benchmark is equal to:  20 hours  (rounded up)</p> <ul style="list-style-type: none"> <li>• Time to determine utility allowance (15 mins or .25 hours)</li> <li>• <i>minus</i> time saved under the new simplified utility allowance schedule (14 mins or .23 hours)</li> <li>• <i>times</i> number participants in the Study Group (1,000)</li> </ul>
<b>Time to Determine Income from Assets</b>	<p>Year 1: <b>1.325 hours</b>  Year 2: <b>0 hours</b>  (due to biennial recertification process already in place, there would be no certifications completed in Year 2)</p> <p>Year 3: <b>1.325 hours</b></p> <p>Baseline is equal to:  <b>2.65 hours overall</b></p> <ul style="list-style-type: none"> <li>• Time to Determine Income from Assets (15 mins or .25 hours)</li> <li>• <i>times</i> the number of study participants (1,000)</li> <li>• <i>times</i> the <b><i>estimated</i></b> proportion of affected participants (.53%)</li> </ul>	<p>Year 1: <b>.125 hours</b>  Year 2: <b>0 hours</b>  Year 3: <b>0 hours</b></p> <p>Benchmark is equal to:  <b>.125 hours (7.5mins) overall</b></p> <ul style="list-style-type: none"> <li>• Time to Determine Income from Assets (15 mins or .25 hours)</li> <li>• <i>times</i> the number of study participants (1,000)</li> <li>• <i>times</i> the <b><i>estimated</i></b> proportion of affected participants (.05%)</li> </ul>



<b>CE #3: Decrease in Error Rate of Task Execution</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Average error rate in completing a task as a percentage (decrease).	Average error rate of task prior to implementation of the activity (percentage).	Expected average error rate of task after implementation of the activity (percentage).
<b>Average Error Rate in Determining TTP</b>	Baseline is equal to: 60% • <b>Average error rate In Determining the TTP</b>	Benchmark is equal to: 30% • <b>Average error rate In Determining the TTP.</b>
<b>Average Error Rate in Determining Utility Allowance</b>	Baseline is equal to: 20% • <b>Average error rate In Determining the Utility Allowance</b>	Benchmark is equal to: 5% • <b>Average Error Rate in Determining Utility Allowance.</b>

<b>SS #1: Increase in Household Income</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Average earned income of households affected by this policy in dollars (increase).	Average earned income of households affected by this policy prior to implementation of the activity (in dollars).	Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars).
<b>Average Earned Income of Households in the Study Group</b>	Baseline is equal to: • <b>Average Earned Income of Households in the Study Group</b>  *This information will be collected during the enrollment period as Study Group members are identified	Benchmark is equal to: <b>Annual increase in the Average Earned Income of Households in the Study Group</b>  *Benchmark will be established once baseline has been identified.
<b>Average Earned Income of Households in the Control Group</b>	Baseline is equal to: • <b>Average Earned Income of Households in the Control Group</b>  *This information will be collected during the enrollment period as Control Group members are identified	Benchmark is equal to: <b>Average Earned Income of Households in the Control Group</b>  *Benchmark will be established once baseline has been identified.



<b>SS #3: Increase in Positive Outcomes in Employment Status (Study Group)</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Report the following information separately for each category: (1) Employed Full- Time (2) Employed Part- Time (3) Enrolled in an Educational Program (4) Enrolled in Job Training Program (5) Unemployed (6) Other	Head(s) of households in the categories identified below prior to implementation of the activity (number). This number may be zero.	Expected head(s) of households in the categories identified below after implementation of the activity (number).
	Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent).
<b>Employment Status for</b> (1) Employed Full- Time: (2) Employed Part- Time: (3) Enrolled in an Educational Program: (4) Enrolled in Job Training Program: (5) Unemployed: (6) Other:	Baseline is equal to: The number of heads of household in the Study Group in each category: (1) Employed Full- Time: * (2) Employed Part- Time: * (3) Enrolled in an Educational Program: * (4) Enrolled in Job Training Program: * (5) Unemployed: * (6) Other: *  <b>*This information will be collected during the enrollment period as Study Group members are identified</b>	Benchmark is equal to: The number of heads of household in the Study Group in each category: (1) Employed Full- Time: * (2) Employed Part- Time: * (3) Enrolled in an Educational Program: * (4) Enrolled in Job Training Program: * (5) Unemployed: * (6) Other: *  <b>*Benchmark will be established once baseline has been identified.</b>
	Baseline is equal to: The percentages of households in the Study Group in each category (1) Employed Full- Time: * (2) Employed Part- Time: * (3) Enrolled in an Educational Program: * (4) Enrolled in Job Training Program: * (5) Unemployed: * (6) Other: *  <b>*This information will be collected during the enrollment period as Study Group members are identified.</b>	Benchmark is equal to: The following changes in percentages households in the Study Group in each category: (1) Employed Full- Time: * (2) Employed Part- Time: * (3) Enrolled in an Educational Program: * (4) Enrolled in Job Training Program: * (5) Unemployed: * (6) Other: *  <b>*Benchmark will be established once baseline has been identified.</b>



<b>SS #3: Increase in Positive Outcomes in Employment Status (Control Group)</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Report the following information separately for each category: (7) Employed Full- Time (8) Employed Part- Time (9) Enrolled in an Educational Program (10) Enrolled in Job Training Program (11) Unemployed (12) Other	Head(s) of households in the categories identified below prior to implementation of the activity (number). This number may be zero.	Expected head(s) of households in the categories identified below after implementation of the activity (number).
	Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero.	Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent).
<b>Employment Status</b> for (7) Employed Full- Time: (8) Employed Part- Time: (9) Enrolled in an Educational Program: (10) Enrolled in Job Training Program: (11) Unemployed: (12) Other:	Baseline is equal to: The number of heads of household in the Control Group in each category: (7) Employed Full- Time: * (8) Employed Part- Time: * (9) Enrolled in an Educational Program: * (10) Enrolled in Job Training Program: * (11) Unemployed: * (12) Other: *  <b>*This information will be collected during the enrollment period as Control Group members are identified</b>	Benchmark is equal to: The number of heads of household in the Control Group in each category: (7) Employed Full- Time: * (8) Employed Part- Time: * (9) Enrolled in an Educational Program: * (10) Enrolled in Job Training Program: * (11) Unemployed: * (12) Other: *  <b>*Benchmark will be established once baseline has been identified.</b>
	Baseline is equal to: The percentages of households in the Control Group in each category (7) Employed Full- Time: * (8) Employed Part- Time: * (9) Enrolled in an Educational Program: * (10) Enrolled in Job Training Program: * (11) Unemployed: * (12) Other: *  <b>*This information will be collected during the enrollment period as Control Group members are identified.</b>	Benchmark is equal to: The following changes in percentages households in the Control Group in each category: (7) Employed Full- Time: * (8) Employed Part- Time: * (9) Enrolled in an Educational Program: * (10) Enrolled in Job Training Program: * (11) Unemployed: *- (12) Other: *  <b>*Benchmark will be established once baseline has been identified.</b>



<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Number of households receiving TANF assistance (decrease).	Households receiving TANF prior to implementation of the activity (number).	Expected number of households receiving TANF after implementation of the activity (number).
<b>Households Receiving TANF Benefits</b>	Baseline is equal to: <ul style="list-style-type: none"> <li><b>Households in the Study Group Receiving TANF Benefits</b></li> </ul> <b>*This information will be collected during the enrollment period as Study Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li><b>A reduction of in the # of Households in the Study Group Receiving TANF Benefits.</b></li> </ul> <b>*Benchmark will be established once baseline has been identified.</b>
<b>Households Receiving TANF Benefits</b>	Baseline is equal to: <ul style="list-style-type: none"> <li><b>Households in the Control Group Receiving TANF Benefits</b></li> </ul> <b>*This information will be collected during the enrollment period as Control Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li><b>A reduction of in the # of Households in the Control Group Receiving TANF Benefits.</b></li> </ul> <b>*Benchmark will be established once baseline has been identified.</b>
<b>SS #5: Households Assisted by Services that Increase Self-sufficiency</b>		
<b>Self-sufficiency: Households that have increased household earned income and thereby increase family share</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	Households receiving self-sufficiency services prior to implementation of the activity (number).	Expected number of households receiving self-sufficiency services after implementation of the activity (number).
<b>Households Receiving Self-sufficiency Services (Study Group)</b>	<b>*This information will be collected during the enrollment period as Study Group members are identified</b>	<b>*Benchmark will be established once baseline has been identified.</b>
<b>Households Receiving Self-sufficiency Services (Control Group)</b>	<b>*This information will be collected during the enrollment period as Control Group members are identified</b>	<b>*Benchmark will be established once baseline has been identified.</b>





<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	Average subsidy per household affected by this policy prior to implementation of the activity (in dollars).	Expected average subsidy per household affected by this policy after implementation of the activity (in dollars).
<b>Average HCV Subsidy for Households in the Study Group</b>	Baseline is equal to: <ul style="list-style-type: none"> <li>Average <b>HCV Subsidy for Households in the Study Group</b></li> </ul> <b>*This information will be collected during the enrollment period as Study Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li>A decrease in the average <b>HCV Subsidy for Households in the Study Group</b></li> </ul> <b>*Benchmark will be established once Baseline has been identified.</b>
<b>Average HCV Subsidy for Households in the Control Group</b>	Baseline is equal to: <ul style="list-style-type: none"> <li>Average <b>HCV Subsidy for Households in the Study Group</b></li> </ul> <b>*This information will be collected during the enrollment period as Study Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li>A decrease in the average <b>HCV Subsidy for Households in the Study Group</b></li> </ul> <b>*Benchmark will be established once Baseline has been identified.</b>
<b>SS #7: Increase in Agency Rental Revenue</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
PHA rental revenue in dollars (increase).	PHA rental revenue prior to implementation of the activity (in dollars).	Expected PHA rental revenue after implementation of the activity (in dollars).
<b>Total HCV Tenant Share for Households in the Study Group</b>	Baseline is equal to: <ul style="list-style-type: none"> <li><b>Total HCV Tenant Share for Households in the Study Group</b></li> </ul> <b>*This information will be collected during the enrollment period as Study Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li><b>An increase in total HCV Tenant Share for Households in the Study Group</b></li> </ul> <b>*Benchmark will be established once Baseline has been identified.</b>
<b>Total HCV Tenant Share for Households in the Control Group</b>	Baseline is equal to: <ul style="list-style-type: none"> <li><b>Total HCV Tenant Share for Households in the Control Group</b></li> </ul> <b>*This information will be collected during the enrollment period as Control Group members are identified.</b>	Benchmark is equal to: <ul style="list-style-type: none"> <li><b>An increase in total HCV Tenant Share for Households in the Control Group</b></li> </ul> <b>*Benchmark will be established once Baseline has been identified.</b>



<b>SS #8: Households Transitioned to Self-sufficiency</b>		
<b>Self-sufficiency: Families who are able to afford the full contract rent for their unit (DCHA pays \$0 HAP)].</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency (as defined above) prior to implementation of the activity (number). This number may be zero.	Expected households transitioned to self-sufficiency (as defined above) after implementation of the activity (number).
<b>Households in the Study Group Transitioned/ Graduated to Self-sufficiency per Year</b>	0	<b>1% by the end of Year 3</b>
<b>Households in the Control Group Transitioned/ Graduated to Self-sufficiency per Year</b>	0	<b>.6% by the end of Year 3</b>

<b>HC #5: Increase in Resident Mobility</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number). This number may be zero.	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number).
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 The baseline for this activity is zero because the population selected for the rent reform activities has not been selected at this time.	0 The benchmark for this activity is zero, the same as the baseline, because the rent reform activities are not designed to move families into neighborhoods of opportunity as an intended impact.

### **Source of Data**

DCHA will use several sources to obtain the data necessary to evaluate this program.

- 1) Yardi, VisualHomes is DCHA's system of record. Information related to household income, assets, household composition, unit information will be collected from this system.
- 2) The E.I.V. system, pay stubs, and, for self-employed individuals, tax returns will be used to verify household income.



- 3) DCHA Human Resources personnel data will be used to determine the average hourly cost per job title.
- 4) DCHA will also use a Time Demonstration to record average time spent on certifications and quality control activities to compare the Demonstration policies to the traditional program rules.
  - a) The time spent on recertifications will include tracking on the average amount of time spent on the scheduling, verification of income, verification of assets over \$25,000, calculations of deductions and allowances, calculations of utility allowance, calculations of TTP, and Interviews with households (as applicable).
  - b) The time spent on quality control will include corrective actions.
- 5) DCHA will perform Quality Control (QC) comparison of demonstration and non-demonstration participants to determine reduced error rates using data obtained from the program QC tracking system.
- 6) Additional systems will be developed for tracking data and hardship requests.

#### **Need/Justification for MTW Flexibility**

DCHA Amended and Restated Moving To Work Agreement, executed September 2010, Attachment C, provides the authority to conduct rent reform activities. Specifically, Section D Authorizations for HCV only provides the following:

#### **Operational Policies and Procedures**

Item D. 1 (c) provides DCHA flexibility to define Operational Policies and Procedures. DCHA may define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act. This provision waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

This flexibility is necessary to establish a triennial certification and revised interim certification schedule as part of the rent reform activity. Local forms will be created in order to adapt the 9886 to reflect a 36-month term between certifications.

#### **Rent Policies**

Item D. 2 (a) Rent Policies and Term limits. DCHA is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant based assistance. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program waives Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H) – (I) of the 1937 Act and 24 C.F.R. 982.508; 982.503 and 982.518.

This authorization is necessary for the provision to set minimum rent, elimination of deductions and allowances, using a percent of gross income to calculate TTP, setting the



maximum initial rent burden to 40% of gross income and a simplified utility schedule as components of the rent reform activity.

#### Eligibility of Participants

Item D. 3 (b) Eligibility of Participants. DCHA is authorized to adopt and implement any reasonable policy for verifying household income and composition and for determining resident eligibility that differ from the current mandated program requirements. This provision waives provisions 24 CRR 982.516 and 982 Subpart E.

This authorization is necessary for the provisions to simplify rent calculation by eliminating income from household assets valued less than \$25,000; eliminating deductions and allowances and to use household gross income to set the TTP.

### Impact Analysis

#### **A. Description of HCV Rent Reform Activity**

A description of the HCV rent reform activity was provided in **Section I - Description of Rent Reform Components**.

#### **B. Tracking and Documenting the Implementation**

Information on tracking and documenting the implementation of the HCV rent reform activity is found in **Section II - Activity Metrics**. Additionally, MDRC will obtain information throughout the lifespan of this demonstration for use in a comprehensive assessment of the effectiveness of the rent reform activity.

On an annual basis, DCHA will report the results on the implementation in the annual report. MDRC will issue an interim report on the implementation. At the conclusion of the report, HUD and/or MDRC will report the outcomes of the Demonstration in a comprehensive report.

#### **C. Identifying the Intended and Possible Unintended Impacts**

Due to the nature of the project, the financial impacts are addressed comprehensively to reflect the totality of HCV rent reform activity.

##### **1) Impact on HAP Expenditures under Alternative and Current Rent Policies**

Models developed by MDRC estimate the impact on HAP expenditures over 4 years, with and without a modest employment impact.

##### Understanding the Table's Format

Table 1 presents the results of this HAP analysis for DCHA. The table shows:

- Estimated HAP payments for each year during the three-year recertification period, and then in Year 4.
- The dollar amount difference and the percent difference in comparing the current rent policy with the new rent policy.

The data in the table includes the following information:

- "Year 1" represents when the new rent policy would begin with an initial income assessment.



- “Year 4” represents the year after the next triennial recertification.
- For Year 4 and the cumulative years 1-4 two estimates are included:
  - one that assumes that the rent policy has no impact on tenant earnings, and
  - a second that assumes that the policy has a modest impact on tenant earnings.

These estimates are based on all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study

#### Background on Change

The alternative rent policy is intended to be roughly *cost-neutral* from the perspective of housing agencies and HUD. This means that the combination of HAP and administrative expenditures should remain about the same as the total expenditures for assisting the same number of voucher holders under the traditional rent policy. Ideally, those expenditures would fall, creating an opportunity to provide housing assistance to more families for the same amount of money.

#### Interpreting the Potential Impacts

**Potential Impact 1:** The results show that estimated HAP expenditures are higher under the new policy relative to the current policy in Years 1, 2 and 3 (by 1.7 percent, 4.8 percent and, 6.7 percent, respectively). This is largely because voucher holders who would increase their earnings under the current policy and normally have their housing subsidies reduced would not have their subsidies reduced during this period under the alternative policy’s TTP freeze.

**Potential Impact 2:** However, in Year 4, even assuming that the alternative rent policy did *not* have an impact on tenants’ employment and earnings, estimated HAP expenditures under the new rent policy are nearly the same as under the current policy. This reflects the fact that, on average, TTPs recalculated in Year 4 would be based on higher average earnings, because of normal increases in work and earnings over time (i.e., increases that would have occurred even in the absence of the new policy). It is at the point of the triennial recertification that housing agencies begin to recoup the foregone HAP reductions in the prior years when TTPs were held constant.

**Potential Impact 3:** HAP expenditures will fall even more in Year 4 (by \$740,132) if the new policy *does* have a modest positive impact on household earnings. This impact would push up the income base for setting new TTPs to a higher level than what it would reach under current rules. A higher income base means that households will pay a larger share of their rent and utilities, thus requiring a lower subsidy.

**Potential Impact 4:** The *cumulative* HAP expenditures for Years 1-4 show that in the absence of an employment impact, those expenditures may be higher under the new rent policy compared with the current policy by 3.3 percent. However, if the alternative policy has a modest employment impact of the assumed size, DCHA is projected to incur only a marginal cumulative increase in HAP expenditures (1.9 percent).



**Table 1**  
**Estimates of HAP Expenditures Under Alternative and Current Rent Policies**  
**for Working-Age/Non-Disabled Households (\$)**

				(no employment impact)	(modest employment impact)	(no employment impact)	( m o d e s t e m p l o y m e n t i m p a c t)
	Year 1	Year 2	Year 3	Year 4	Year 4	Total, Years 1-4	T o t a l , Y e a r s 1- 4



<b>New rent policy</b>	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	5 6, 7 4 0, 1 7 7
<b>Current rent policy</b>	13,544,700	13,680,462	13,935,416	14,504,801	14,504,801	55,665,380	5 5, 6 6 5, 3 8 0
<b>Difference</b>	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+ \$ 1, 0 7 4, 7 9 8
<b>Percent change</b>	+1.7%	+4.8%	+6.7%	(0.0%)	(5.1%)	+3.3%	+ 1. 9 %

**Table 1**

**Estimates of HAP Expenditures Under Alternative and Current Rent Policies  
for Working-Age/Non-Disabled Households (\$)**

				(no employmen t impact)	(modest employmen t impact)	(no employmen t impact)	(modest employment impact)
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 4</b>	<b>Total, Years 1-4</b>	<b>Total, Years 1-4</b>



<b>New rent policy</b>	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	56,740,177
<b>Current rent policy</b>	13,544,700	13,680,462	13,935,416	14,504,801	14,504,801	55,665,380	55,665,380
<b>Difference</b>	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+\$1,074,798
<b>Percent change</b>	+1.7%	+4.8%	+6.7%	(0.0%)	(5.1%)	+3.3%	+1.9%

**Table 1**

**Estimates of HAP Expenditures Under Alternative and Current Rent Policies  
for Working-Age/Non-Disabled Households (\$)**

				(no employment impact)	(modest employment impact)	(no employment impact)	(modest employment impact)
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 4</b>	<b>Total, Years 1-4</b>	<b>Total, Years 1-4</b>
<b>New rent policy</b>	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	56,740,177
<b>Current rent policy</b>	13,544,700	13,680,462	13,935,416	14,504,801	14,504,801	55,665,380	55,665,380
<b>Difference</b>	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+\$1,074,798
<b>Percent change</b>	+1.7%	+4.8%	+6.7%	(0.0%)	(5.1%)	+3.3%	+1.9%

**2) Existing deductions and allowances**

Table 2 presents the existing number of households receiving deductions and allowances, the percentage of households receiving specific deductions and allowances, and the average dollar amount of those deductions and allowances per household. Note that this table shows existing conditions rather than the potential impact.

Background on Change

Under the new policy, deductions and allowances are no longer permitted, making *gross* income the base for determining a household's TTP. Relying on gross income in calculating tenants' eligibility and TTP will simplify the rent-setting process and make it





more transparent for both housing agencies and tenants. Child care allowances, in particular, can be burdensome to administer accurately. Under the traditional rent rules, child care allowances are based on *anticipated* unreimbursed child care expenses for the next year (or until the next recertification). Actual costs can be difficult to anticipate, however, particularly for parents who move in and out of jobs, whose child care providers change, whose child care needs change (e.g., if their work shifts change, whose children make a transition to a free pre-school program, or who become eligible for an external child care subsidy during the course of the year. It is not clear how reliably these types of changes are reported to housing agencies between recertification meetings, some of which might result in TTP increases, or decreases. It would be considerably more difficult to estimate *anticipated* child care expenditures under the new rent policy for the entire three-year period until the next triennial recertification. This would likely raise expectations for housing agencies, as stewards of public monies, to monitor whether actual child care expenditures during that much longer time period actually conformed to the levels anticipated, and to revise tenants' TTPs when they did not. Building a new compliance system to monitor child care expenditures would work against the larger rent reform goal of reducing administrative burdens, and it would create more reporting requirements for tenants.

#### Interpreting the Potential Impacts

**Potential Impact 1:** Currently 71.9 percent of households at DCHA receive at least one deduction. Eliminating deductions may affect the housing subsidies of some households more than others. For example, those with large families and high deductions for child care costs will find that, at their current income levels, their subsidies would be reduced. It should also be noted, however, that only a small percentage of households currently make use of the existing child care allowance – about 5 percent of working-age/non-disabled households in DCHA. In part, these low rates reflect the fact that many tenants who might benefit from the deductions are not employed. The average annual amount of that deduction among those who use is about \$2,795 in DCHA. For the purposes of the Rent Reform Demonstration, all households with a *current* child care deduction will be excluded from the research sample and can continue to receive any qualifying child care deduction.

The new rent policy offers some compensation for the elimination of child care allowances for those who would otherwise qualify for one under current rules. It does this, first, by reducing the percent of income in calculating TTP to 28 percent, and, second, and more importantly, by not raising the TTPs of households that increase their incomes during the period until the next triennial recertification. This will leave families that increase their earnings with more resources to cover child care costs.



**Table 2**  
**Deductions And Allowances**  
**Among Current Working-Age/ Non-Disabled Voucher Holders**

Total number of households	7,106
<b>Income Allowances &amp; Deductions</b>	
Any deductions (%)	71.9
Type of deduction (%)	
Medical/disability	2.9
Elderly/Disability	10.0
Dependent care	63.8
Childcare	5.2
Average annual deduction amount among those receiving deduction (\$)	
Medical/disability	1,258
Elderly/Disability	400
Dependent care	1,111
Childcare	2,795
Total average deduction amount among those receiving a deduction (\$)	1,295
<b>Utility Allowance</b>	
Has utility allowance (%)	84.3
Total monthly average utility allowance if receiving an allowance (\$)	241
<b>Other</b>	
Receiving utility allowance reimbursement (%)	35.0
Average amount of utility allowance reimbursement (\$)	146

**3) Impact on Family Share for households with selected characteristics**

Models developed by MDRC estimate the percentage of households that will likely pay a higher “family share” of shelter costs under the alternative rent policy. Assuming no employment impact, the estimated percentages of households with selected characteristics likely to pay a higher family share in year 1 at DCHA is shown below in Table 3.

Background on Change



The alternative rent policy is likely to *reduce* the family share for some households and *increase* it for others. Table 3 shows that certain types of families may be more likely than other families to have a higher family share.

#### Understanding the Table's Format

Table 3 indicates:

- How prevalent certain types of households are among the total number households (1000), and
- How prevalent those same types of households are among all the voucher holders who would likely experience an increase in family share under the new policy (468).

These estimates are based on all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study.

#### Interpreting the Potential Impacts

**Potential Impact 1:** Overall, larger families would more likely be affected by the new rent policy, at least in terms of the likeliness of paying a higher family share of shelter costs. For example:

- The first column shows that households with three or more children represent 21.3 percent of households in DCHA (or 213 households out of 1000, as indicated in the second column).
- Of all voucher holders who are likely to pay a higher family share (468 households), households with three or more children represent a larger proportion (33.8 percent, as shown in the third column, or 158 households, as shown in the fourth column).

**Potential Impact 2:** Most of the households that are likely to have an increase in family share are households that have no earned income.

- About 654 households (or 65.4 percent out of a sample of 1000 households) have no earned income.
- Of the 468 households that are likely to have an increase in family share, 416, or 88.8 percent, of those, are households without earned income.

However, it is important to remember shelter costs represent only part of the picture of households' economic circumstances, and that overall *net income* might improve even for larger families if they increase their earnings over the course of the prior three years.



**Table 3**  
**Representativeness of Households (HH) with Selected Characteristics Among**  
**Working-Age/ Non-Disabled Households Likely to Pay a Higher Family Share in Year 4**  
**Under Alternative vs. Current Rent Policies**  
**(Assuming No Employment Impact)**

Characteristic	(%) Percent of Households	(#) Number of Households	(%) Percent with Higher Family Share under New Policy	(#) Number with Higher Family Share under New Policy
Number of Children				
No Children	39.7	397	29.8	140
Any number of Children	60.3	603	70.2	329
1 Child	22.1	221	16.7	78
2 Children	16.9	169	29.8	93
3 or more Children	21.3	213	33.8	158
Has earned income	34.6	346	11.2	53
Has earned income, but rent equals \$0 under current policy	0.2	2		
Has earned income, but current rent equals or is less than new policy's minimum rent (before any hardship remedy)			8.7	41
No earned income	65.4	654	88.8	416
No income	21.7	217	28.6	134
<b>Sample Size</b>	1000	1000	468	468

**4) Impact on Family Share for all working-age/ non-disabled households, by Dollar Amount**

Models developed by MDRC estimate the changes in monthly family share over 4 years, with and without a modest employment impact. Shown below are these estimates for DCHA.

Understanding the Table's Format

Table 4 presents the results of the impact on Family Share for DCHA. The table shows:



- The difference in Family Share under the new policy compared with the current policy using three main categories (Lower under new policy, No change, Higher under new policy).
- The estimated Percent of all households impacted under each main category and the estimated percent of all households impacted based on the dollar amount of the impact.
- Estimated number (#) of households impacted for each of the three main categories.

The data in the table includes the following information:

- “Year 1” represents when the new rent policy would begin with an initial income assessment.
- “Year 4” represents the year after the next triennial recertification.
- For Year 4 and the cumulative years 1-4, two estimates are included:
  - One that assumes that the rent policy has no impact on tenant earnings, and
  - A second that assumes that the policy has a modest impact on tenant earnings.

These estimates are based on a sample of all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study.

#### Interpreting the Potential Impacts

**Potential Impact 1:** Although the alternative rent policy will *reduce* the family share for some households, it will *increase* it for others. During the three-year period when the new policy’s delayed recertification period is in effect, up to 58.3 percent of households (*depending on the year*) may have a *lower* family share than they would otherwise have under current rules, while up to 47.0 percent of households (*depending on the year*) may have a *higher* family share.

**Potential Impact 2:** In Year 4, given no employment impact and without considering any hardship-related reductions in TTP (which were difficult to build into the statistical models), it appears that in about half of the cases where households would likely pay a higher family share under the new rules, they would only pay up to \$75 per month more. Less than 1 percent (0.1%) would pay more than \$200 more per month than they would under current rules. The higher family share under the new policy would come from the policy’s minimum rent, the absence of deductions, and limits on interim recertifications in the face of income declines. *However, as noted, this analysis does not apply any hardship remedies, so the increases in TTP are likely to be overstated to some extent.*

**Potential Impact 3:** If the new policy has a modest positive effect on earnings, more tenants than under current rules will experience an increase in their family share for Year 4, after their three-year income recertification. If the new policy has a modest employment impact, the analysis suggests that family share may increase by \$50 or less per month for 7.9 percent of households; by \$125.01 - \$150 per month for 34 percent of



households; and by more than \$200 per month for less than 1 percent (0.4%) of households.



**Table 4**  
**Change in Monthly Family Share (FS) Under Alternative vs. Current Rent Policies**  
**for Working-Age/Non-Disabled Households**

Difference in FS under new vs. Current policy	Year 1	Year 2	Year 3	(no Employment impact)	(modest employment impact)
				Year 4	Year 4
<b>Lower under new policy (#)</b>	515	573	583	474	334
<b>Lower under new policy (%)</b>	51.5	57.3	58.3	47.4	33.4
\$10 or less	9.0	7.4	6.1	12.0	4.4
\$10.01 - \$20.00	7.6	6.2	5.4	9.7	5.6
\$20.01 - \$30.00	5.9	4.4	4.3	6.7	5.2
\$30.01 - \$40.00	5.5	4.0	3.6	5.5	5.0
\$40.01 - \$50.00	3.7	3.1	2.7	4.4	4.3
\$50 or less	31.6	25.1	22.2	38.2	24.5
\$50.01 - \$75.00	6.0	6.0	4.8	6.1	5.9
\$75.01 - \$100.00	3.3	3.2	3.7	1.3	1.3
\$100.01 - \$125.00	1.6	3.0	2.9	0.2	0.2
\$125.01 - \$150.00	1.6	2.4	2.8	0.2	0.2
\$150.01 - \$175.00	1.1	2.2	2.5	0.1	0.1
\$175.01 - \$200.00	1.1	1.8	2.1	0.1	0.1
More than \$200	5.2	13.7	17.2	1.2	1.2
<b>No Change (#)</b>	15	8	6	16	11
<b>No Change (%)</b>	1.5	0.8	0.6	1.6	1.1
<b>Higher under new policy (#)</b>	470	419	410	510	655
<b>Higher under new policy (%)</b>	47.0	41.9	41.0	51.0	65.5
\$10 or less	9.6	6.6	6.9	11.5	3.1
\$10.01 - \$20.00	9.0	6.6	5.9	9.6	2.1
\$20.01 - \$30.00	6.3	5.2	4.8	6.5	1.4
\$30.01 - \$40.00	3.9	3.6	3.1	3.8	0.7
\$40.01 - \$50.00	2.7	2.6	2.6	2.2	0.6
\$50 or less	31.4	24.6	23.2	33.7	7.9
\$50.01 - \$75.00	11.2	10.5	11.5	16.8	3.0
\$75.01 - \$100.00	1.4	2.0	2.0	0.3	1.1
\$100.01 - \$125.00	0.7	0.9	0.7	0.1	8.7
\$125.01 - \$150.00	0.6	0.9	0.9	0.0	34.0
\$150.01 - \$175.00	0.4	0.7	0.6	0.1	8.3
\$175.01 - \$200.00	0.4	0.4	0.4	0.0	2.1
More than \$200	0.8	2.0	1.7	0.1	0.4
<b>Sample Size</b>	1000	1000	1000	1000	1000



### Impact on Net income

The MDRC team completed a net income analysis for two different types of households which vary importantly in terms of their potential need for child care subsidies:

*Table 5a and Table 5b are examples of “Shana’s” household, where Shana is a single parent with two teenage children and no child care expenses.*

*Table 6a and Table 6b are examples of “Maria’s” household, where Maria is a single parent with an infant who may need child care to work.*

### Background on Assumptions

For each household, the analysis estimated net monthly income under current rent rules and net income under new rent rules, making different assumptions about how much the parent worked (zero, 15, or 35 hours per week) and her hourly wage (\$8 or, in some cases, \$16).

Tables 5a and 6a illustrate net income for Shana and Maria under the new and current rent policies when ***there is a change in employment status***.

Tables 5b and 6b illustrate net income for Shana and Maria under the new and current rent policies when ***their employment status remains unchanged***.

### Interpreting the Potential Impacts

**Potential Impact 1:** The analysis of the net income effects illustrate that when a household changes its *work status and earnings*— e.g., when tenants who are not working go to work, or those who are working part-time get full-time jobs, or when working tenants attain wage increases – net household income will improve more under the new rent policy than under current rent rules. This is achieved primarily by holding TTP constant in the face of earnings gains during the three-year period before the next triennial recertification.

Table 5a helps to illustrate how the new policy benefits tenants who do change their work status. The table shows how “Shana’s” net monthly income would change under current rent rules as her work status changes. For example, if her initial status was not working, then her net income would be \$691, given there is not a minimum TTP. Under the new rent rules it would drop to \$675 because she would be paying a higher minimum rent (unless she qualified for a hardship exemption). If she were then to go to work full-time (35 hours per week) at a low wage rate (\$8 per hour, which is just above the Federal minimum wage), her net monthly income would increase to \$1,645 under current rent rules, but by \$243 *more* per month under the new rent rules to \$1,888. Thus, Shana would benefit substantially from the new policy if she were initially not working and took a full-time job, even at a low wage. It would increase her net income by 180% under the new policy, compared with 138% under current rules. On an annual basis, this increase would mean a gain in income of \$2,916 under the new policy.

The advantage under the new rules is created by holding her TTP constant. Shana’s TTP would rise under current rules as she progressed to full-time work, whereas they would remain the same under the new rules (not shown). In effect, the implicit marginal “tax” on any increased earnings due to the





normal income-based housing subsidy rules would drop to zero percent under the new rules during this period.

The columns on the right side of the Table 5a provide further details on what would happen after the triennial recertification. At that time under the new rent policy, Shana's TTP would be reset to a higher rate, and, as a result, her monthly net income would drop relative to what it had been in the prior period. It would become comparable to what it would be under current rent rules. However, because her TTP would be held constant for another three years, her net income would grow *more* under the new rent rules relative to current rules if she could increase her wage rate. For example, if she could double her wage rate to \$16 per hour job, her net income would grow by 29 percent under the new rent rules compared with only 8 percent under existing rules. Put differently, the same wage increase would boost her net monthly income by \$342 (or 19%) more per month (or \$4,104 per year) under the new rules than it would under current rules. The improvement would be less under existing rules because her TTP would increase per month.

**Potential Impact 2:** The advantages of the new rules will be smaller for tenants who, in order to go to work or to work more need external child care subsidies but cannot get them. The absence of child care allowances under the new rules will offset some of the benefit of holding TTP constant in the face of earnings gains for some families unless other child care arrangements can be found. Of course, many families who need but cannot get external child care subsidies have difficulty working even under current rent rules because the existing child care allowances are only an income deduction and do not fully cover child care costs. Thus, some families may not work under either rent policy because, if they have to pay for child care out of pocket, it may not "pay" to work.

Table 6a provides estimates of how net income would change for "Maria" as she changed her work status under the new and existing rent rules. However, in Maria's case, it is important to take into consideration her likelihood of receiving child care subsidies from an external funding source. The analysis shows that if Maria, who has a young child, does not need to pay for child care (e.g., because she is able to arrange for family or friends to care for her child at no cost), the new rent rules would provide a clear advantage for going to work full-time, as they do for Shana.

The new rules would also make it more advantageous, compared with current rules, for Maria to move from not working to working full-time, even if she needed to pay for child care out of her own pocket without any subsidies. However, this advantage would be less than it would be if Maria had no child care costs.

**Potential Impact 3:** Tenants who do not work at all may be somewhat worse off under the new rules if they become subject to the minimum rent and do not qualify for a hardship remedy. In addition, working tenants who do not increase their hours of work or wage levels (e.g., they remain working part-time or full-time at a constant wage) will experience little, if any, gain – or loss – in net income under the new rules relative to current rules. This is because their TTPs will remain constant over time, even under current rules. Tables 5b and 6b illustrate this pattern by comparing net income for Shana and Maria under the new and current rent policies when their employment status *remains unchanged*. These tables indicate that, at least in these hypothetical examples, the largest reduction in net income when work status does not change is about \$15 per month.



Exhibits illustrating the impact on “Shana’s” household

**Table 5a**

**Changes In Estimated Household Monthly Net Income as “Shana” Increases Her Work Effort Under Alternative and Current Rent Policies**

<b>Shana</b> is a single mother with 2 children (Ages 13 and 15)	Year 1 through Year 3				3-Year Recertification Interview: New TTP Set	Year 4 through Year 6			
	Not Working	Working FT at \$8/hour	Difference	Percent Change		Working FT at \$8/hour	Working FT at \$16/hour	Difference	Percent Change
<i>Initial Status</i>									
<b>Net Income</b>									
New Rules	\$675	\$1,888	+\$1,213	+180%		\$1,647	\$2,119	+\$472	+29%
Current rules	\$691	\$1,645	+\$954	+138%		\$1,645	\$1,777	+\$132	+8%
Difference (New minus Current) (%)	(2%)	+15%				+0.1%	+19%		

**Table 5b**

**Estimated Net Household Income Under Alternative and Current Rent Policies for "Shana," Assuming No Change in Work Status, by Work Status (\$)**

<b>Shana</b> is a single mother with 2 children (Ages 13 and 15)	Not Working	Working PT at \$8/hour	Working FT at \$8/hour
New Rules	\$645	\$1,102	\$1,647
Current Rules	\$691	\$1,109	\$1,645
Difference			
New minus Current	(\$15)	(\$7)	+2



Exhibits illustrating the impact on "Maria's" household

**Table 6a**  
**Changes in Estimated Household Monthly Net as "Maria" Increases Her**  
**Work Status Under Alternative and Current Rent Policies,**  
**by Receipt of External Child Care Subsidy**

<b>Maria</b> is a single mother with a 1-year old child	Year 1 through Year 3					Year 4 through Year 6			
	Not Working	Working FT at \$8/hour	Difference	Percent Change		Working FT at \$8/hour	Working FT at \$16/hour	Difference	Percent Change
	<i>Initial Status</i>					<i>Initial Status</i>			
<b>Does not need child care subsidy</b>									
New Rules	\$569	\$1,482	+\$913	160%		\$1,236	\$1,899	+\$663	+54%
Current rules	\$574	\$1,224	+\$650	113%		\$1,224	\$1,524	+\$300	+24%
Difference (New minus Current) (%)	(1%)	+21%				+1%	+25%		
<b>Needs child care subsidy but does not receive it</b>									
New Rules	\$569	\$627	+\$58	+10%		\$349	\$929	+\$580	166%
Current rules	\$574	\$588	+\$14	2%		\$588	\$893	+\$305	52%
Difference (New minus Current) (%)	(1%)	+7%				(41%)	+4%		

3-Year Recertification Interview: New TTP Set

**Table 6b**

**Estimated Household Monthly Net Income for "Maria," Assuming No Change in Work Status, Under**  
**Alternative and Current Rent Policies, by Work Status**

<b>Maria</b> is a single mother with a 1-year old child but does not currently have child care costs and does not use a child care deduction	Not Working	Working PT at \$8/hour	Working FT at \$8/hour
<b>New Rules</b>	\$569	\$951	\$1,236
<b>Current Rules</b>	\$574	\$948	\$1,224
<b>Difference</b>			
<b>New minus Current</b>	(\$5)	\$3	\$12



## **Hardship Policy**

DCHA is participating in the Demonstration in order to further the national discussion regarding the future of the Housing Choice Voucher program. The alternative rent strategies are not intended to create an undue burden on the Study Group members. DCHA has established the following Hardship Policy for Study Group members. Households participating in the Demonstration as part of the Control Group will be subject to the current DCHA policies.

### **A. Hardship Waiver Request Process**

The process for requesting a waiver will be as follows:

- 1) A household must initiate a request for a hardship waiver, by completing and submitting a written hardship request to the Housing Choice Voucher program office that shows an eviction risk (or negative impact on the family).
- 2) The household must supply information and documentation that supports a hardship claim with their written request. For example, a household must provide proof of the following: loss of eligibility for a federal state, or local assistance program; loss of employment or reduction in work hours; or the incapacitation, illness or death of an income-earning household member and amount of lost income.
- 3) If a household claims zero income as part of its hardship request, it must provide a detailed accounting of funds used to cover basic costs of living (food, personal/family care necessities, etc.). This information must be provided every 90 days.
- 4) To request hardship based on the risk of eviction for non-payment of rent or utilities, a household must provide a copy of written notice from the landlord of non-payment of rent and the landlord's intent to terminate the household's tenancy, or a notice from a utilities company warning of a utilities shut-off. Tenant must promptly deliver the notice from the Landlord well in advance of a scheduled court date for eviction proceedings. A copy of a rent ledger showing an accruing balance is also acceptable proof for risk of eviction for non-payment and a copy of a recent utility bill showing an accruing balance are also acceptable proof.



## **B. Hardship Waiver Criteria**

DCHA may determine a financial hardship exists when the household cannot pay the minimum rent or has an excessive rent burden. Households will be considered for a hardship waiver, as discussed below, if:

- 1) The hardship cannot be remedied by the one interim recertification permitted each year (which cannot reduce a household's TTP below the minimum level).
- 2) The household is at an income level or experiences a loss of income and/or a TTP increase such that its total monthly TTP exceeds 40 percent of its current monthly gross income. The gross income will include imputed income in the same manner as current calculations.
- 3) The household faces risk of eviction for non-payment of rent – including utility shut-offs for non-payment of utility bills that could lead to eviction.
- 4) Other circumstances as determined by DCHA.

## **C. Hardship Review Process**

- 1) The administrative informal review of the household circumstances will be conducted by DCHA according to current review processes.
- 2) For hardship claims related to imminent risk of eviction, DCHA will conduct an expedited review.
- 3) Where a hardship request is denied, the household may request an independent review of its case.
- 4) DCHA will complete all information regarding the request for Hardship and the outcome in the system of record for tracking Hardship requests.

## **D. Hardship Remedies**

- 1) The Hardship remedies may include any of the following:
  - a) Allowing an additional interim recertification beyond the normal one-per-year option. This could lower household's TTP (but only as low as the \$75 minimum TTP) until the next triennial recertification.
  - b) Setting the household's TTP at the minimum level for up to 180 days.
  - c) Setting the household's TTP at 28 percent of current income, for up to 180 days.



- d) Offering a “transfer voucher” to support a move to a more affordable unit (including a unit with lower utility expenses).
  - e) A specific time frame for the temporary TTP or minimum rent may be established for longer than 90 days based on specific circumstances. However, the time frame will never go beyond the triennial recertification date.
  - f) Any combination of the above remedies.
- 2) During the 180-day period when the TTP is reduced, DCHA will increase its payment to the landlord to cover the portion of the rent previously paid by the tenant directly to the landlord, and it will notify the landlord of the change and the time period of the increased payments.
  - 3) In addition to the remedy or remedies offered, the household may be referred to federal, state or local assistance programs to apply for assistance, or to obtain verification that they are ineligible to receive benefits.
  - 4) The Hardship remedies are subject to the following limitations:
    - a) The tenant portion of the rent payments will not be suspended prior to a hardship waiver request submission, once the request is approved..
    - b) Remedies will not affect any rent attributable to a gross rent that exceeds the applicable payment standard.
    - c) Opting out of the alternative rent policy is not a remedy option.

#### **E. End of Hardship Waiver Period**

- 1) If the hardship continues, the household may submit a request for an extension of the hardship remedy. However, the time frame will never go past the triennial recertification date.
- 2) At the end of the hardship waiver period, the household’s regular TTP will be reinstated.



### **Annual Reevaluation of Rent Reform Activity**

DCHA will review the rent reform activities annually and will report its findings to HUD in the yearly MTW Report. Because certain activities will be conducted on a triennial basis, not all information may be presented each year. However, DCHA will report on the following:

- Hardship requests and determinations
- Interim certifications for loss of income
- Program departures
- HAP Expenditures

### **Transition Period**

#### **A. Selection of Participants**

Demonstration Participants will be randomly selected from the eligible vouchers through a computer generated random selection program. Eligible vouchers will specifically exclude the following:

- 1) Vouchers not currently administered under the Moving to Work Program:
  - a) Veterans Affairs Supportive Housing
  - b) Moderate Rehabilitation
  - c) Shelter Plus Care
- 2) Enhanced Vouchers
- 3) HUD Project Based Vouchers
- 4) Vouchers administered under portability
- 5) Elderly households: Head of Household, co-head, spouse or single member households 62 years or older pursuant to the Administrative Plan
- 6) Households headed by people older than 56 years of age (who will become seniors during the course of the long-term demonstration).
- 7) Disabled households: Head of Household, co-head, spouse or single member households with disability as defined in the Administrative Plan
- 8) Households currently participating in the Family Self-sufficiency Program
- 9) Households participating in the Homeownership Program
- 10) Households that contain a mix of eligible and non-eligible household members would not be included in the Demonstration
- 11) Households currently receiving a childcare expense deduction

#### **B. Enrollment of Study Group Members**

- 1) Prior to Initial Demonstration Recertification Meeting/Orientation

Selected Demonstration Participants will receive special information with their recertification package to introduce them to the rent reform policies and to answer household questions. DCHA will conduct the triennial certification at the time otherwise scheduled for the household biennial recertification. Key staff will be trained in all



aspects of the Demonstration given their role as primary points of contact, including being resources for navigating the new policy, for Study Group members.

2) During Initial Demonstration Recertification Meeting/Orientation

At the initial recertification, the household will have the changes in rent reform policies explained to them, including the details of the hardship policy (when they may qualify and how to apply). Households will also be given a comprehensive resource guide of services related to increasing self-sufficiency that can be accessed throughout the city.

Changes in the family share, TTP, utility schedule allowance will be provided to the household with no less than 30 days' notice.

3) Mitigation of Impact at Initial Demonstration Recertification

A "grace period" of six months will be provided to mitigate the impact of the transition if at the triennial certification (initial demonstration recertification at the beginning of the three-year period), and at subsequent triennials, if a household's current/anticipated income is less than its retrospective income by more than 10%, the current income alone will be used to create a "temporary" TTP for a six-month grace period.

After that grace period, the TTP will automatically be switched to the TTP amount based on the previously determined average prior income. No interim recertification interview would be required to reset this TTP. Families can request a hardship waiver if the six month grace period is not sufficient for transitioning from the temporary TTP.





**Table V.2 Summary of Re-Proposed MTW Activities: HUD Approval Requested**

Objective/Initiative		Statutory Objective	Authorization
22	Housing Public Housing Residents in Service-Rich Environments	<ul style="list-style-type: none"><li>• Reduce cost and achieve greater cost effectiveness</li><li>• Increase housing choices for low-income families</li></ul>	Attachment C, Section C.9(b), C10, C.11

**Initiative 22: Housing Public Housing Residents in Service-Rich Environments (formerly 3.9.12)**

Description

As part of DCHA's efforts to provide service-rich environments for Public Housing residents with special needs, the Agency will contract out the management of a limited number of conventional units to organizations selected for their expertise in providing such services. Moving to and living in these properties will be voluntary.

Using MTW Initiative 11 (formerly 1.10.06)—Application Intake Site Designation, these units will have site-based, site-managed waiting lists with their own screening and selection criteria.

The properties will also have their own house rules equivalent to DCHA's Community Living Standards that are an addendum to the lease and their own rules for rent calculation.

The organizations will bring additional funding outside of Public Housing that will allow the creation of these service-rich environments—for example, Medicaid.

DCHA is currently completing the rehabilitation and conversion of a 14 unit building (located at 2905 11<sup>th</sup> Street, NW) to a Medicaid funded assisted living facility. A firm with experience in managing assisted living facilities in public housing has been retained to manage the facility (Mia Senior Living Solutions). The services to be provided will be in compliance with the local Assisted Living statute and State Medicaid Plan for Home and Community Based Services Waivers.

Services that allow residents to avoid moving to an institution, such as a nursing home, for as long as possible will be provided on an individual basis to each resident based on an individual services plan developed in consultation with the resident after the completion of a medical and functional assessment. Examples of services to be provided include:

- Attendant Care 24 hours per day, 7 days per week by Certified Nursing Assistants
- Oversight of care by a Registered Nurse
- Transportation to and from medical appointments
- Medication Management
- Activities and counseling to maintain acuity and prevent depression and isolation



- Professionally developed Diet Plans that take into consideration all medical limitations. In accordance with diet plans, the provider will also provide nutritious meals and snacks.

In accordance with the State Medicaid Plan for Assisted Living Services under the Home and Community Based Services Waiver, residents of the Assisted Living Facility will be required to pay for these services by providing their entire income to the facility. Residents will pay the firm managing the facility directly, as with all of DCHA's mixed finance and privately managed sites. All of the residents of the facility will be Medicaid eligible and thus have incomes below the Federal Poverty Level. As the units are public housing units, the incomes of residents will be less than 80% of AMI. The Facility will allow the resident a monthly allowance (\$100) for incidental living expenses, regardless of their actual income. As part of Initiative 22, DCHA will be excluding the monthly allowance from the adjusted income of the resident in the calculation of rent.

DCHA's new rent policy for the Service-Rich Environments:

1. Any amount that a family is required to pay for services provided at the Special Needs Property shall be considered to be medical expenses and shall be deducted from the family's gross income for the purposes of determining adjusted income and calculating rent. In the event that the amount calculated for rent is less than zero dollars (\$0), the rent charged will be zero dollars (\$0).
2. Payments or allowances to residents of Special Needs Properties for incidental living expenses shall be considered as exclusions for the purpose of calculating rent. Utilities will be paid by DCHA.
3. Participating families will not be required to pay for utilities.

#### Anticipated Impact(s)

DCHA anticipates that the establishment of the Service Rich Environments will facilitate the provision of service resources in residential settings for low-income special needs residents. This activity will increase housing choices for low-income families. It will result in preventing institutionalization, preventing victimization that results from allowing residents to stay in unsupported living environments, increasing neighborhood stability and leveraging additional outside funds to serve the needs of our residents. DCHA will implement these provisions at 2905 11<sup>th</sup> Street, NW. Additional sites, including any additional flexibilities, will be added by way of future MTW Plans for HUD approval prior to implementation.

#### Metrics

Metric	Baseline	Benchmark	Data Source
	No.		
Number of residents served by service rich units	0	14 residents housed and served by the end of FY 2014	Public Housing Operations—Service Provider



Metric	Baseline	Benchmark	Data Source
	No.		
			reports
Investment in services using non-DCHA funds	\$0	At least \$100,000 of the operating budget is paid for from non-DCHA sources after the 1 <sup>st</sup> year of operation.	Public Housing Operations—Service Provider Operating Budgets
# of residents that do not have to enter/stay in a nursing home/institution (residents maintaining a higher level of independence)	0	14 residents housed and served by the end of FY 2014	Public Housing Operations—Service Provider reports

#### Rent Reform Initiative Information

1. *Agency's Board of Approval of Policy:* Before implementing regulations allowing the managing agents for service-rich environments to establish an income based rent and fee structure, the Board will approve local regulations.
2. *Impact Analysis:* Residents are positively impacted as they will receive both housing assistance and supportive services that they would not be able to otherwise afford in an unsubsidized assisted living facility given the current average monthly base cost for an efficiency in an assisted living facility, without the specific services that may be needed by a resident, in the Washington, DC metropolitan area is \$3,500. While the units will cost the Agency more to operate than conventional public housing because of the supportive services being provided, the increased cost will be mitigated by the service provider's ability to access additional funding sources (i.e. Medicaid reimbursement). In addition, DCHA anticipates a positive impact on the community as this policy results in an increase in the number of units in service-rich environments.
3. *Annual reevaluation of rent reform initiative:* A re-evaluation of this policy will be completed on an annual basis.
4. *Hardship case criteria:* DCHA does not anticipate any potential hardship as the rents and fees charged will be set not to exceed 30% of a family's adjusted income.
5. *Transition period:* This policy will be implemented as sites come on-line.
6. *Documentation of public hearing (may be same as Annual Plan hearing):* A public hearing was held on the plan amendment on October 28, 2013. In addition, the process for updating local regulations will include a 30-day public comment period.



Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates full implementation in FY2014.



## Section VI. Ongoing MTW Activities: HUD Approval Previously Granted

The following outlines DCHA's Ongoing MTW Activities. Note that for simplification purposes, the numbering of the MTW Activities has changed since FY2012.

**Table VI.1 Summary of MTW Activities/Initiatives**

New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
1	1.1.04 1.5.05 1.9.06	Modifications to DCHA's Project-Based Voucher Program	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2004, FY2005 & FY2006	FY2004, FY2005 & FY2006
2	1.3.04	Designation of Elderly-Only Properties	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	FY2004
3	1.4.04	Modifications to HCV Homeownership Program	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	FY2004
4	2.1.04	Simplified Certification and Multi-Year Income Recertification	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2004	FY2004
5	2.2.04	Modifications to Market-Based Rents	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2004	FY2004
6	2.3.04 2.5.05	Modifications to Pet Policy	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004 & FY2005	FY2004 & FY2005
7	4.1.04	DCHA Subsidiary to Act as Energy Services Company	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	FY2004
8	1.6.05 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2005 & FY2010	FY2005 & FY2010
9	3.3.05	Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness in federal expenditures</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	FY2013
10	3.4.05	Supporting Grandfamilies	<ul style="list-style-type: none"> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2005	FY2005



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
11	1.10.06 2.5.04	Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	FY2005
12	3.5.06	Rent Simplification and Collections	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2006	FY2006
15	3.7.08	Reform Housing Quality Standards	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2008	Not Yet Implemented
16	2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies— Tenant/Landlord Self-Certification	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2011	FY2012
17	2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2011	FY2012
18	3.9.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2011	FY2012
19	4.5.11 <sup>2</sup>	Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2011	Not Yet Implemented
20	2.9.12	Enhance Neighborhood Services within Public Housing Communities	<ul style="list-style-type: none"> <li>▪ Encourage families to obtain employment and become economically self-sufficient</li> </ul>	FY2012	FY2012
21	2.10.12	DCHA Local Mixed Subsidy Program	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2012	On Hold
23	3.10.12	Encourage the Integration of Public Housing Units into Overall Hope VI Communities	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2012	Not Yet Implemented
24		Simplified Utility Allowance Schedule	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2013	Not Yet Implemented
<b>Closed Out Activities</b>					

<sup>2</sup> Initiative 4.5.11 Establishment of Resident Driven Community Based Programs to Improve Customer Service and Greater Resident Empowerment was originally numbered 4.3.11 in the FY2011 MTW Plan and FY2012 MTW Plan. In the FY2011 MTW Report the number was changed to recognize the previous use of 4.3.05 and 4.4.06 and to avoid confusion between the other initiatives.



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
N/A	1.2.04	Locally Defined Site and Neighborhood Standards	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	Implemented FY2004, Closed Out FY2011
N/A	2.4.04	Special Occupancy for Service Providers	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Never Implemented Closed Out FY2005
N/A	3.1.04	Voluntary Resident Community Service	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Never Implemented Closed Out FY2004
N/A	3.2.04	Resident Satisfaction Assessment	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Implemented FY2004 Closed Out FY2004
N/A	1.7.05	Security Deposit Guarantee Program	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	Never Implemented, Closed Out FY2010
N/A	1.8.05	Modification to HCV Inspections Scheduling	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2005	Never Implemented Closed Out FY2006
N/A	3.3.05	Streamlining Resident Community Service	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness in federal expenditures</li> </ul>	FY2005	Implemented FY2005 Closed Out FY2012
N/A	4.2.05	Revolving Loan Fund for HCV Landlords	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	Never Implemented Closed Out FY2009
N/A	4.3.05	Flexible Funding	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2005	Implemented FY2005 Closed Out FY2010
N/A	4.4.06	Reformulation of HUD Forms	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2006	Implemented FY2006 Closed Out FY2010
13	2.6.07	Enhanced Public Housing Lease Enforcement Operations	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2007	Closed
N/A	1.11.08	Maximizing Public Housing Subsidies	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2008	Never Implemented Closed Out FY2008



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
14	3.6.08	Streamlining the Transition from Project-Based to Tenant-Based Vouchers	<ul style="list-style-type: none"> <li>Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2008	Implemented FY2009 and Closed Out 2012

### Initiative 1: **Modifications to DCHA's Project-Based Voucher Program (formerly 1.1.04, 1.5.05 & 1.9.06)**

#### Description

In order to increase housing choices for low-income families, as part of its Partnership Program, DCHA modified existing project-based voucher (PBV) rules and regulations. Specifically, the changes:

- Allow a longer HAP contract term—from 10 to 15 years.
- Increase the threshold of units that can be project-based at a single building from 25% to 100%.
- Increase the percentage of DCHA's total voucher allocation that can be project-based to greater than 20%.
- Allow the owners of PBV units to establish site-based waiting lists.
- Allow applicants on the Public Housing waiting list who are determined to be eligible for accessible units meeting Uniform Federal Accessibility Standards (UFAS) to be eligible for UFAS PBV units that are subsidized through the Partnership Program.
- Allow Public Housing residents with a right of return to a HOPE VI development to have preference in returning to PBV units that are subsidized through the Partnership Program.
- Create a UFAS Loan Program to assist landlords in converting existing units to UFAS units or create new UFAS units that are subsidized through the Partnership Program and thus creating more housing choices for the disabled and their families.

Prior to FY2013, utilizing an approval issued in FY2004, DCHA also accepted unsolicited proposals for PBVs when a Request for Proposal (RFP) has not been issued. However, during the review of the FY2013 MTW Plan, the MTW Office advised DCHA that MTW flexibility under the Amended and Restated MTW Agreement allows for the competitive process to be waived when awarding PBVs only if the property is owned by the PHA. Thus, DCHA has removed this provision and is discontinuing the practice.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.





## Initiative 2: **Designation of Elderly-Only Properties (formerly 1.3.04)**

### Description

DCHA established a local review, comment and approval process designating properties as Elderly-Only. This replaced the requirement for HUD review of proposed Elderly-Only designation of Public Housing properties with a local review, broad community input and approval by the Board of Commissioners.

In addition, under this initiative, designation of Elderly-Only properties automatically renews from year to year indefinitely from the date of the designation unless otherwise rescinded or modified by the Board of Commissioners.

As is required locally, implementation of this initiative included adoption of local regulations outlining the process. These regulations can be found at Title 14 of the District of Columbia Municipal Regulations Section 6115 and are summarized below:

1. Staff reviews of resident and applicant needs and requests, market conditions and resource availability.
2. If review findings support an Elderly-Only designation of a DCHA property(ies), staff makes a recommendation to the Board of Commissioners.
3. The Board of Commissioners considers staff recommendations in committee.
4. Upon committee approval, the proposed Elderly-Only designation is published as part of the Board agenda for consideration at a Board of Commissioners' meeting.
5. The Board of Commissioners either accepts or rejects the designation after receiving comments from the public.
6. If the Board of Commissioners accepts the staff recommendation, the name of the new designated Elderly-Only property is published in the DC Register.
7. The designation continues from year to year indefinitely from the date of the designation.

In FY2004, the following conventional sites were designated as Elderly-Only: Knox Hill, Regency House, Arthur Capper Senior I and Carroll Apartments. That same year Elderly-Only existing designations were extended for units at Wheeler Creek as part of a HOPE VI project and the redeveloped Edgewood Terrace.

In FY2007, Elderly-Only units were designated at Henson Ridge as part of a HOPE VI project.

In the FY 2011 MTW Plan, it was anticipated that units at Mathews Memorial would be designated as Elderly-Only. However, during FY2011, it was determined that the Elderly-Only designation was not necessary for Matthews Memorial. While there will be units in the overall site that are designated Elderly-Only, as referenced in the DCHA MTW 2012 Plan, the 35 units for which DCHA is providing Public Housing subsidy will be family units.

To date, DCHA has designated seven properties in whole or in part as Elderly-Only.

### Status



Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 3: Modifications to HCV Homeownership Program (formerly 1.4.04)**

#### Description

As part of DCHA's efforts to develop new housing opportunities for low-income families that promote self-sufficiency, the Agency explored and implemented various modifications to its HVC Homeownership Program (HOAP), as regulated by HUD, that make it:

- more attractive to financial institutions and DCHA participants/residents,
- more user-friendly to DCHA participants interested in homeownership,
- more cost efficient to administer, and
- more realistic in promoting long-term homeownership success.

The result was the establishment of the following policies utilizing MTW flexibility:

1. The minimum down payment was set at 3% with no minimum required from the family's personal resources
2. A recapture mechanism was established that allows for the recapture of a portion of the homeownership (mortgage payments) assistance if the family leaves the property in the first 10 years
3. The employment requirement was increased from one year to at least two years
4. Portability is no longer permitted under the Homeownership program.
5. A termination clause was included providing for the termination of a household from the program if the household income falls below the minimum amount required for more than 12 months.

In addition to the above HOAP policy changes, DCHA created a homeownership component in HOAP for Public Housing residents as part of the Agency's second phase of implementation for this initiative. The Achieving Your Best Life Rewards (AYBL) Program was created to encourage and support upward mobility of Public Housing residents by facilitating the provision and utilization of necessary incentives and supportive services with homeownership as a goal.

The most important feature that distinguishes this program from Public Housing self-sufficiency/homeownership programs offered elsewhere is that this program is place-based. All of the neighbors in the community will have similar motivations and will work towards the same goals. It is the intent that this model will foster an environment in which participating families support and learn from



each other while working toward the end goal of homeownership. The first developments to be designated as AYBL Reward Properties were Elvans Road and Columbia Road.

It is expected that after five years, participating residents will have the down payment for the purchase of a home through the assistance of a Savings Escrow Account. If the family has successfully completed homeownership preparation, identified a home, and received a mortgage commitment, participating residents will be issued a homeownership voucher through HOAP.

A result of a review of existing federal requirements for Public Housing Authorities (PHAs) administering homeownership/self-sufficiency programs, lessons learned from the experiences of clients participating in the existing program, and the realities of the financial markets, DCHA utilized its MTW authority to create AYBL with the intent to increase the chances for acquiring financing and for long-term homeownership success for program participants. The following outlines key program elements for which MTW authority was utilized:

**Eligibility:** To be eligible for AYBL, unless the lessee(s) or spouse is elderly or disabled, the lessee and spouse must have a combined earned income sufficient to be able to afford a house with voucher assistance within five years. Currently, the minimum requirement for entry into the program is \$35,000 in earned income.

**Transfer into Rewards Properties:** AYBL-eligible families are relocated to designated Public Housing communities—referred to as Rewards Properties. These communities will have undergone major modernization prior to the initial occupancy by AYBL eligible families; the modernization should make the units easy for the residents to maintain.

**Rent, Utilities and Savings and Maintenance Escrows:** The payments required of the AYBL participants have been established to reflect the budgeting required of a homeowner. However, in place of the mortgage payment, the resident will pay into Savings Escrow and Maintenance Escrow accounts. Home maintenance costs will be reflected in the required Maintenance Escrow payment. Utility costs will be charged to reflect the reality of homeownership. Non-elderly or non-disabled AYBL residents will pay rent based on their unearned income with the expectation that this income source will cease as their earned income increases.

**Rent:** AYBL participants will pay 30% of their unearned income as traditional rent. Elderly and disabled families will be able to use unearned income to qualify for the program and pay into the escrow accounts rather than rent.

**Savings Escrow Account:** A major incentive of the program is that a portion of the family's earned income (28%), which is excluded from income in the calculation of rent, will be placed in a Savings Escrow account for the down-payment on a home. Account funds will be released to the AYBL participant when the family has a contract on a home, has a mortgage commitment and is ready to close on a purchase. Interim account disbursements will be considered, with DCHA approval, if needed to complete a task(s) in their Individual Training and Service Plan (ITSP).

**Maintenance Escrow Account:** As part of their homeownership training, AYBL families will be responsible for the upkeep of their unit with technical assistance provided by DCHA. To pay for unit maintenance costs, AYBL families will pay 2% of their earned income into a Maintenance Escrow account. The Maintenance Escrow account will be available to cover maintenance costs.



Elderly and disabled families will be able to use unearned income in the determination of eligibility and to pay into the Savings and Maintenance escrow accounts.

**Homeownership Preparation:** In addition to AYBL participants participating in homeownership training, home maintenance training, money management, credit repair and similar activities identified during the Needs Assessment process, they are responsible for the maintenance of their unit and for paying the utilities.

**Program Term:** It is expected that over the course of the five years of participation in the program, the residents will be able to increase their earned income to at least \$45,000; so that, when combined with a HOAP voucher and the five years of Savings Escrow funds the participant is able to purchase a home. If after five years, the family is not successful and thus not ready to buy a home, they will be required to transfer to another conventional Public Housing unit and the escrow account balances will be forfeited to DCHA.

The local regulations governing AYBL were approved by the Board of Commissioners and published in FY2011 after working closely with the housing advocate community and in accordance with the local public review process. In addition, recruitment, eligibility screening and the first families moved into Elvans Road during the latter part of FY2011. As of the close of FY2011, seven families were admitted to AYBL.

#### Status

Implemented and Ongoing.

DCHA is considering changes to the program eligibility criteria as a means of increasing program participation.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 4: Simplified Certification and Multi-Year Income Recertification (formerly 2.1.04)**

#### Description

This initiative has two parts—Simplified Certification and Multi-year Recertification, both designed to make the income and eligibility determination process more efficient and cost effective. The initiative has a double benefit. First, saving staffing costs so that scarce resources can be used where they bring more benefit to DCHA's customers. Second, providing greater convenience, as well as incentives for self-sufficiency to residents of DCHA properties and applicants for housing or assistance provided through DCHA.

#### *Simplified Certification*

At final determination of eligibility, as applicants are pulled from the waiting lists and forwarded to HCV or Public Housing for lease-up, DCHA extended the length of time to 180 days that the verified application data is deemed valid. This has reduced the amount of duplicative work required of eligibility staff in DCHA's Client Placement Division as well as reduce the time necessary to build a qualified applicant pool.



### *Multi-year Recertification (Biennial Recertification)*

In FY2007, DCHA began conducting recertifications for HCV participants every two years, instead of annually. In conjunction with this change, DCHA adopted local rules for the HCV program that provide work incentives for all participants. Specifically, any increase in earned income in the amount of \$10,000 or less will not result in an increase in rent until the family's next scheduled biennial recertification. However, a family may request an interim recertification and reduction of rent as a result of a reduction in income. These revised procedures provide a lifetime incentive to residents and voucher holders to increase income by removing the current limitation on eligibility for the earned income disregard.

#### Status

Implemented and Ongoing.

The biennial recertification initiative has been fully implemented for the HCV program. The process to implement biennial recertifications in the Public Housing program began in FY2012 and will continue to full implementation in FY2013/FY2014.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 5: Modifications to Market-Based Rents (formerly 2.2.04)**

#### Description

The local regulations developed under this initiative simplify the process of providing a work incentive to Public Housing residents. The regulation discontinues the HUD requirements that DCHA:

- Provide all residents information about the market-based and income-based rents associated with the unit in question; and
- Obtain written documentation of their choice of rent calculation method

Instead, DCHA calculates a resident's income-based rent, compares it to the market-based rent from a periodically updated rent schedule and automatically charges the resident the lower of the two rent options.

If a family's income decreases between recertifications, residents, regardless of the method used for calculating their rent, may request an interim recertification and the rent charged will be the lower of the two rent calculation options, automatically. There is no longer the requirement that the resident demonstrate a particular hardship to return to income-based rent from market-based rent. In addition, DCHA has removed the provision outlined in earlier plans and reports that families on market-based rent will recertify every three (3) years. Instead, these families currently recertify annually and will be included in the Public Housing biennial recertification process once implemented.

#### Status

Implemented and Ongoing.



DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 6: Modifications to Pet Policy (formerly 2.3.04 & 2.5.05)**

##### Description

In FY2004, DCHA adopted a local policy that only allows pets as a reasonable accommodation for families with a disabled member(s) requiring a pet. In FY2005, DCHA created a new policy governing the ownership of pets on DCHA properties. Based on public input and the realities of managing large subsidized rental communities, DCHA adopted regulations that limit pet ownership to those residents in both senior and family developments who are in need of service animals with a grandfather provision for those residents in senior buildings who had a pet prior to the effective date of the regulation.

##### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 7: DCHA Subsidiary to Act as Energy Services Company (formerly 4.1.04)**

##### Description

In 2007, following HUD's approval of DCHA's Energy Capital Improvement Plan, DCHA closed an Equipment Lease/Purchase Agreement in the amount of \$26,024,925. DCHA used Construction Services Administration, LLC (CSA), a wholly owned subsidiary of DCHA, as its Energy Services Company (ESCO). DCHA used HUD provisions allowing, for the purposes of energy subsidy calculation, a frozen base of consumption costs plus actual consumption costs savings to amortize private financing of a comprehensive DCHA energy management program. The frozen base method of operating subsidy calculation was used for some aspects of the program in conjunction with an add-on for energy conservation related debt service for other aspects of DCHA's comprehensive energy conservation program.

Using its MTW Authority, DCHA may, without prior HUD approval, modify the current energy performance contract (EPC) or enter into new performance contracts with Energy Service Companies (ESCOs), also called Energy Service Agreements (ESAs), and determine the terms and conditions of EPCs, provided that, with respect to each contract, (i) the term does not exceed 20 years and (ii) the Agency maintains adequate file demonstrating EPC performance. DCHA or its agents or subsidiaries may also function as its own ESCO, provided that any financing complies with requirements (i) through (ii) of this paragraph. HUD will honor the terms and conditions of such contracts during and beyond the term of DCHA's MTW Agreement.

DCHA has also received approval to pledge its reserves or other funds for use during the term of the MTW demonstration to guarantee the payment of debt service in the event the energy savings are not adequate to cover debt service costs.



#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 8: Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration (formerly 1.6.05 & 3.8.10)**

#### Description

As part of DCHA's ongoing efforts to maximize the resources available for DCHA's customers and to reduce the administrative cost of making these resources available, DCHA:

1. modified the process for making rent reasonableness determinations;
2. established a new method for reviewing rent increase requests and payment standards;
3. established administrative adjustments that improved the efficiency of payments to landlords; and
4. limited moves so that the new lease can only start on the first of a month, thereby avoiding overlapping leases and duplicative payments.

DCHA explored options to enhance the housing authority's ability to encourage voucher participants to exercise their choice in housing, especially related to moving into neighborhoods with low levels of poverty. Recognizing that using one city-wide fair market rent (FMR) encouraged voucher holders to reside in low-cost, high-poverty neighborhoods, DCHA devised a method for establishing Payment Standards and reasonable rent determinations that are in line with existing market rents. This method allowed DCHA to approve contract rents that are in line with existing market rents that are based on thorough and ongoing analyses of the District of Columbia rental market. By creating the in-house capacity to analyze rents annually, with monthly assessments of changes in the District of Columbia submarkets, DCHA has the increased flexibility to be more responsive to changes in established submarkets, while setting Payment Standards that mirror area rents.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.





#### **Initiative 9: Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing (formerly 3.3.05)**

##### Description

DCHA requested and received approval for a Streamlined Operating Subsidy Only (OPERA) Protocol as part of the FY2008 MTW Plan process. The first project approved under this initiative was Barnaby House; however, market conditions prohibited this project from being completed.

In addition to streamlined approval of Operating Subsidy Only mixed-finance transactions, OPERA also modifies HUD's requirement that the Agency record a Declaration of Trust in first position for properties receiving Public Housing subsidies; provides relief from the 10-year use restriction contained in Section 9(a)(3) of the U.S. Housing Act of 1937; and approves the form of project documents including an operating agreement entitled "Agreement Regarding Participation in the Operating Assistance for Rental Housing Program" and an Annual Contributions Contract amendment entitled "Operating Assistance Amendment to Consolidated Annual Contributions Contract".

DCHA continues to explore methods to further encourage owners of privately-owned and financed housing to include Public Housing units in new or rehabbed properties.

##### Status

Implemented and Ongoing.

Although OPERA was an approved initiative under DCHA's original MTW Agreement, language necessary to continue the use of the authority was not included in the negotiated Restated and Amended MTW Agreement executed in September 2010. As such, DCHA has worked with HUD to amend Attachment D of the new MTW Agreement so that this initiative can be reinstated as part of the Agency's ongoing activities. DCHA is finalizing the project documents with HUD on Hayes Street, the first project under this initiative, is coming on-line in FY2014.

#### **Initiative 10: Supporting Grandfamilies (formerly 3.4.05)**

##### Description

Increasingly, grandparents have become the legal guardians or primary caregivers for their grandchildren. This trend is evident in many of DCHA's households. DCHA has explored ways to use or modify Public Housing or voucher policies as resources to help provide support for such families. To date, DCHA has implemented a policy to exclude from the calculation of income the receipt of a local stipend that the District of Columbia provides to grandparents as caregivers of their grandchildren.

##### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.





### **Initiative 11: Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures (formerly 1.10.06 & 2.5.04)**

#### Description

DCHA undertook the implementation of site-based waiting lists in a phased approach. First, DCHA implemented site-based waiting lists for Mixed Finance and Special Purpose sites. These site-based waiting lists are managed at the sites by the third party owner/manager of the Mixed Finance and Special Purpose sites. Special Purpose sites are those supportive service intense sites that serve special needs populations or residents who have self-selected to pursue the goal of self-sufficiency. The site-based waiting lists at special purpose properties have eligibility and screening criteria that are site specific. The waiting list can be either for initial occupancy or transfer waiting lists from other Public Housing properties.

The next phase of this initiative is to implement centrally managed site-based waiting lists at DCHA's conventional Public Housing sites. To implement the site-based waiting lists at conventional Public Housing, in FY2011 DCHA completed a multi-phase review and purge its Public Housing waiting list. In FY2014, DCHA will complete the implementation.

#### Status

Implemented and Ongoing.

As part of a waiting list redesign project, DCHA suspended the intake of new applications for conventional Public Housing sites in FY2013. The next step will be an update of the waiting list which will include an opportunity for families to make site selections in order to establish site-based waiting lists for the agency's conventional Public Housing sites.

As reported in the Housing Stock section of this plan, two Mixed Finance sites are projected to have units coming online in 2014 [Metro Townes at Parkside (Polin Memorial) and Sheridan Station Phase III] and DCHA will be utilizing this initiative to implement both.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 12: Rent Simplification and Collections (formerly 3.5.06)**

#### Description

DCHA explored various ways to simplify the rent calculation and collections models. As part of its exploration, DCHA looked at self-certification of assets and excluding local stipends for grandparents. The goal of this initiative was to build on existing rent simplification models to design a model that simplifies the calculation process and lessens the burden of rent calculations for the neediest families.

As Phase 1 of this initiative, DCHA implemented the following as part of DCHA's Rent Simplification strategy:

- Self-certification of Assets less than \$15,000, including an increase in the threshold for reporting Assets.



### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 13: Enhanced Public Housing Lease Enforcement Operations (formerly 2.6.07)**

#### Description

DCHA utilized MTW regulatory flexibility in the 2008 revised Public Housing dwelling lease to include provisions that allow the incorporation by reference of property-specific community rules developed and adopted by the individual Resident Councils. The resulting lease, local regulations, policies and procedures are designed to give greater control of its properties to residents who are committed to a community's wellbeing and improve the effectiveness of its lease enforcement efforts.

### Status

Closed.

DCHA has worked with individual Resident Councils to establish property-specific community rules. No Resident Council, however, has availed itself of the option to establish property-specific community rules. Given the lack of movement with implementation of this activity, DCHA is changing the status to "Closed". However, DCHA still remains committed to providing residents the flexibility in establishing property specific community rules. In the future, if there is renewed interest to move forward by resident councils the initiative will be resubmitted for HUD approval.

### **Initiative 14: Streamlining the Transition from Project-Based to Tenant-Based Vouchers (formerly 3.6.08)**

#### Description

The District of Columbia has lost thousands of project-based contracts throughout the past decade due to the "opting out" of private owners whose contracts with HUD were expiring. Like most housing authorities, DCHA plays a key role during the transition phase of a project-based development through the counseling of the households impacted and the issuing of tenant-based vouchers.

In response to the large number of opt-outs, DCHA streamlined the transition of households from a project-based contract to a tenant-based voucher. Given that the affected households are already in a HUD-funded program and had been certified for eligibility, DCHA accepts the eligibility and re-certification data collected by the landlord under the project-based contract.

### Status

Implemented (FY2009) and Closed (FY2012)..

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.



DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 15: Reform Housing Quality Standards (formerly 3.7.08)**

##### Description

DCHA has been exploring modifying the definitions and content of the housing quality standards to reduce uncertainty as to the nature of a unit's deficiency. The research includes an analysis and comparison of all the various different housing standards across the federal housing programs and local housing programs. It is expected, that the modified standards will better align the standards of the HCV program to other housing programs. If deemed appropriate upon completion of the research, the housing authority intends to modify and standardize inspection standards with the goal of reducing leasing delays, which negatively impacts our clients, and reducing repetitive inspections, which impacts the efficient use of staff time.

Additionally, DCHA is working with three local government agencies in the District which conduct inspections on multifamily properties. The inspections by the various agencies are often conducted on the same units, resulting in redundant work and multiple inconveniences for residents. The agencies are exploring relying on a sister agency's inspections and creating a local universal inspections form.

##### Status

Not Yet Implemented.

DCHA is finalizing the research and subsequent set of standards that encompass both HQS and sister agency needs. DCHA anticipates full implementation in FY2014. DCHA will bring any alternate HQS to HUD for review and approval prior to its implementation.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 16: Requirement to Correct Minor HQS Unit Condition Discrepancies— Tenant/Landlord Self-Certification (formerly 2.7.11)**

##### Description

Housing Quality Standards (HQS) defines what "major and minor" violations are. Minor violations do not involve health or safety issues and thereby are marked as "Pass with Comments". Although HQS does not require that an agency re-inspect to insure that minor violations identified as "Pass with Comment" are addressed, DCHA has mandated that minor violations that are "Passed with Comment" are corrected and confirmed through the use of an Inspection Self-certification form.

Prior to implementation, DCHA had a self-certification procedure, but there were no consequences if the tenant or the landlord did not comply with self-certification. Whether or not the minor violations have been corrected, because the unit passed inspection, the landlord could request and receive a rent increase or the tenant could request and be approved for a transfer to a new unit regardless of who caused the violation. In the event that one party does not self-certify, both tenants and landlords can (and often do) request a re-inspection. A self-certification process that has consequences should reduce the number of re-inspection requests and thereby save staff time and reduce administration costs.

DCHA will use its MTW authority to implement the following consequences faced by tenants and/or landlords who fail to sign an Inspection Self-Certification form:



- For tenant caused violations: the tenant will be unable to move with continued assistance.
- For landlord caused violations: the landlord will not be granted a rent increase.

This change is focused on enforcement. As such, the new flexibility does not necessitate any change to the existing self-certification form.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 17: Change in Abatement Process, including Assessment of a Re-inspection Fee as an incentive to Maintain Acceptable Housing Quality Standards in Voucher Assisted Units (formerly 2.8.11)**

#### Description

DCHA is required to conduct a re-inspection for units that fail an annual HQS inspection to ensure that the owner has corrected the violations. If the landlord does not correct the violations by the time of the re-inspection, DCHA must abate the landlord's payment and terminate the HAP contract. In FY 2010, DCHA conducted third inspections on over 7% of its HCV units.

Prior to termination of the HAP contract (which is typically 30 days from the abatement), if the owner wants DCHA to come out for a third inspection, DCHA is using its MTW authority to charge the landlord a fee for the third inspection. The current fee for the third inspection is \$100.00. The fee for the inspection does not remove the abatement of the subsidy; rather, DCHA is seeking to impose this fee due to the administrative costs of conducting an inspection that is not required. If the unit passes after the third inspection, DCHA will lift the abatement effective the date the unit passed.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 18: Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process (formerly 3.9.11)**

#### Description

Since DCHA moved to biennial recertifications for HCV, and with future implementation planned for Public Housing, a longer release of information authorization is needed. Currently, income data provided for Public Housing and Housing Choice Voucher program participants through the HUD Enterprise Income Verification (EIV) system is only accessible for 15 months with a signed HUD Form 9886 (HUD



9886). The HUD 9886 is a release of information authorization signed by every adult member of the household. The HUD 9886 gives DCHA the ability to conduct third party verifications of income for up to 15 months from the date the adult members complete the form. If resident/participant data is not accessed within the 15 month period, DCHA will lose the ability to run the third party income data.

Using its MTW authority, DCHA has developed a local form that gives the Agency the authority to conduct 3<sup>rd</sup> party verifications of income for each adult member for 36 months instead of 15 months as long as said member remains a part of the household composition of the assisted household. This form is executed for each adult member of the participating household and conforms with 24 CFR 5.230 as required to access EIV. The packet sent to each participating household at the time of recertification contains a reminder that the authorization form was previously signed.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 19: Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment (formerly 4.5.11)**

#### Description

In the Housing Authority industry, self-sufficiency is usually defined as obtaining work and gaining financial independence, but DCHA views self-sufficiency more broadly. Self-sufficiency refers to the state of not requiring any outside aid, support, or interaction, for survival; it is therefore a type of personal or *collective* autonomy. When DCHA residents come together and take ownership of community issues, and work together to develop creative solutions to those issues and create better communities, they are achieving a level of empowerment and self-sufficiency. When the solutions call on residents to assist in solving the problems, the implementation of these solutions can also achieve greater cost effectiveness in federal expenditures.

Working with Resident Councils, DCHA proposes to create resident-driven and resident-implemented community-based programs to increase and improve quality of life services at DCHA's properties and achieve greater resident empowerment and self-sufficiency. In exchange for participating in the program by volunteering their time, residents will be rewarded with an income deduction for rent calculation purposes. Participation by each community and/or by each individual will be strictly voluntary. DCHA is proposing to use its MTW authority to implement the income deduction.

The income deduction will be based on a range of hours worked. The chart below offers a preliminary view of how the income deduction will be calculated:

Estimated Hours worked per month	Estimated Income allowance/deduction	Estimated resulting reduction in rent charged
0-4	\$32.00	\$9.60



Estimated Hours worked per month	Estimated Income allowance/deduction	Estimated resulting reduction in rent charged
4-8	\$64.00	\$19.20
8-12	\$96.00	\$28.80
12-16	\$108.00	\$32.40
16-20	\$160.00	\$48.00
20-24	\$192.00	\$57.60
24-32	\$256.00	\$76.80
32-36	\$288.00	\$86.40

Under no circumstance will the income deduction result in negative rent.

Resident Councils will identify a need for an increased level of service, particularly quality of life service that typically differentiates between affordable properties and market-rate properties. The service cannot be offered by management within the budget available for the property or is not traditionally provided at Public Housing sites. The Resident Councils will also develop a strategy for organizing residents to meet the need/desire for increased service. Throughout the process, DCHA staff will provide technical assistance to the Resident Councils to help them implement the program and oversee the provision of the service. The implementation of the service will include training volunteers, scheduling volunteers, time tracking and calculation of the income deduction. By participating in the implementation or serving as a day-to-day volunteer, participants are actively engaged in increasing the vibrancy and livability of their community. Additionally some participants, depending on the volunteer activity, may have the opportunity to gain or enhance job and life skills.

One example of a project currently being developed is a greeters program at a building for the elderly and disabled. The building has been retrofitted with a card key system to control access to the building. As part of the resident participation in the planning of the new building access control system and the establishment of the ground rules associated with the card key system, the residents identified several issues that they wanted to help solve. While they wanted the building to be accessible only by card key 24/7, they recognized that it may be difficult for mobility-impaired residents to be able to come to the front door to allow their visitors access. In addition, the residents were concerned that the unsavory elements of the community might disable the system or prop open the door and that visitors may come to the building without having called ahead first to make arrangements for their host or hostess to meet them at the door. The solution that was designed by the residents includes a cadre of volunteer residents manning a desk in the lobby in pairs for four hour shifts for 12 hours a day to monitor entry and assist visitors. The greeters will be trained by the DCHA Office of Public Safety so that they know how to avoid putting themselves in danger and will be provided instant communication to the security booth located a half block away. Residents who volunteer as greeters will receive an income deduction for the purposes of rent calculation commensurate with their level of participation in the greeters program.

Another example of a program expected to be implemented under this initiative is a gardening program in which the residents wish to take responsibility for creating and maintaining more elaborate gardens and lawns at their family property. With this program, designed and overseen by the Resident Council, DCHA staff would help arrange for landscaping training for the residents volunteering for the program



and provide materials and equipment. The residents who participate in the program, if they are exempt from the community service requirement or if they have completed the necessary community service hours, would receive an income deduction for the purposes of calculating rent based on their level of participation in the program.

The programs developed under this initiative will be initiated by the most organized and active Resident Councils. These will more than likely be the Resident Councils who are also actively discussing the establishment of various Community Living Standards under initiative 2.6.07: Enhanced Public Housing Lease Enforcement Operations. However, these two initiatives are very different. Initiative 2.6.07 involves lease provisions that apply to every resident of a property, but may be unique to that property. This newly proposed initiative will have a positive impact on all the residents of a community, but participation by any individual will be strictly voluntary.

#### Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates full implementation in FY2014.

### **Initiative 20: Enhance Neighborhood Services within Public Housing Communities (formerly 2.9.12)**

#### Description

As a means to better integrate Public Housing developments into surrounding communities while encouraging self-sufficiency, DCHA will convert public housing dwelling units into non-dwelling units to create space providers of services that help our residents/participants achieve self-sufficiency. These units will be classified as MTW Neighborhood Services Units in PIC. Many of these providers will serve both Public Housing residents and members of the surrounding community, including HCV participants, reducing the isolation that characterizes many Public Housing developments. In addition, the on-site services will augment those available elsewhere in the community so that available resources are used efficiently and residents will be encouraged to leave the community to meet some of their needs.

Working with Resident Councils to identify needs, opportunities and resources, DCHA will provide space to organizations providing the following range of services: occupational skills/job training, GED preparation, after school mentoring and tutoring, parenting training and support, case management and counseling, money management and business development, nutrition classes, health screening, gang intervention and violence prevention. This activity augments workforce development activities already provided to DCHA Public Housing residents and HCV participants. It is expected that these services will result in reductions in drug abuse, crime prevention, healthier communities and a reduction in maintenance and management costs.

DCHA will designate conventional Public Housing units as non-dwelling space based on need, unit configuration, existing services in the area, and availability and interest of service providers. Units will be determined based on the amount of space needed to support the on-site activities. DCHA will carefully consider development/unit designations, weighing the need to maintain available housing opportunities with the importance of families achieving self-sufficiency. Upon approval of this initiative,





DCHA will submit requests with descriptions of services to be provided and justifications to the HUD field office to designate specific units as MTW Neighborhood Service Units.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 21: DCHA Local Mixed Subsidy Program (formerly 2.10.12)**

#### Description

In order to preserve public housing, DCHA is proposing to use its MTW authority to use housing choice voucher subsidy in combination with Public Housing subsidy to finance and operate newly renovated or constructed properties. Using the MTW authority, all tenants in the newly renovated or constructed properties regardless of the subsidy source will be treated the same—tenants will be given all the rights and responsibilities that DCHA Public Housing residents are afforded.

The first property for which this activity will apply is Highland Dwellings, a conventional Public Housing community consisting of 208 units. The renovation of Highland Dwellings will be financed through tax-exempt bonds and 4% tax credits, along with other public housing funding. In order to pay the debt service on the bonds, 83 units will be subsidized using project based vouchers. The other 125 units will be subsidized through the public housing program. Under this MTW initiative, however, the tenants living in all the units and the units themselves, regardless of the subsidy source will be governed by the policies and procedures that govern DCHA's public housing. At Highland Dwellings, the renovations will be made to vacated units. The former residents of the development will all be given the right to return and be the initial occupants of the newly renovated or newly constructed units with future vacancies filled from the Public Housing waiting list.

The goal of the program is to use voucher budget authority to leverage the financing necessary to fund redevelopment, modernization and routine maintenance at Public Housing developments, while maintaining the stability of the community by continuing to manage the property and residents under one set of rules – public housing rules. This activity meets the MTW statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures. Examples of Public Housing occupancy policies that will be applied to all residents in a development designated a Local Mixed Subsidy Program include:

- All residents of the newly renovated property will pay public housing rents. The property will have Market-based Rent Cap schedule established based on data collected as part of the HCV Reasonable Rent determination process and rents will be charged according to Public Housing rent policies; in accordance with these policies, residents whose income-based rent would exceed the Market-based Rent Cap will only pay the Market-based rent; there will be no limitation on the length of time that the resident can remain in tenancy paying the Market-based Rent;
- Residents in good standing who are approved for or are required to transfer, for under-/over-housing issues, for reasonable accommodation requirements, or for public safety issues for





example, will be offered units in other Public Housing developments in accordance with the DCHA Public Housing transfer policies; no residents, regardless of the subsidy source on the unit, will be given a tenant-based voucher upon transfer;

- Residents with grievances will have access to DCHA's Public Housing Grievance process;
- The UPCS inspection protocol will be used;
- The Public Housing lease will be used;
- If the property renovation requires relocation of the existing residents, all former residents will have the right to return to the renovated property. After that, Public Housing waiting lists will be used to fill the vacancies at the property; and
- Eligibility and screening criteria will be used as provided for in DCHA Public Housing regulations. No households who have income greater than 80% of the adjusted median income at initial admission will be housed.

As the implementation work is completed, other differences between public housing operating policies and procedures and the HCV Administrative Plan may be found. However, as a rule it will be the public housing rule that will be used rather than HCVP provisions.

#### Status

On Hold

DCHA will not be using this initiative as part of the implementation of the redevelopment activity at Highland Dwellings (see *Initiative #25 : Local Blended Subsidy (LBS)* for detail about proposed MTW authority to be used for the Highland Dwellings redevelopment activity).

### **Initiative 23: Encourage the Integration of Public Housing Units into Overall HOPE VI Communities (formerly 3.10.12)**

#### Description

Many of DCHA's Mixed Finance communities include rental Public Housing units and market rate homeownership units. This often causes disagreements and misunderstandings that can best be resolved by bringing all the residents together in a Community Association.

Currently many of our Mixed Finance properties have Homeowner and Tenant Associations (HOTAs)/Community Associations. They are not as effective as they could be because the dues structure does not provide an adequate operating budget to engage in community building activities. With the implementation of this Activity, a budget will be developed that will allow the HOTAs/Community Associations to become an effective force in equitably governing and unifying the community. A community with a healthy, equitable Community Association is a truly mixed income community, rather than several communities segregated by income level or housing tenancy that exist in physical proximity to each other. When a truly mixed income community is thus created it creates real housing choice for DCHA's low income clientele.



In order to be full-fledged members of the community, Public Housing residents, or their landlords on behalf of the Public Housing residents, must pay HOTA dues to ensure that the community is well maintained and that a forum for discussing and resolving differences is always available.

Similar to the mechanism planned to allow the provision of selected service-rich environments, DCHA is utilizing its authority for rent simplification to ensure that residing in these units is affordable even though the property has greater expenses than is typical in Public Housing. DCHA will adopt local rent calculation regulations that allow the managers of Mixed Finance properties to establish an income based rent and fee structure that ensures that the rents and fees, including HOTA fees, are no more than 30% of adjusted income. Each public housing tenant will be given a HOTA dues allowance similar to a utility allowance, thus reducing the total rent charged so that the cost of the dues will not increase the tenant's housing expenses.

#### Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates implementation at one pilot mixed-income development in FY2014.

### **Initiative 24: Simplified Utility Allowance Schedule**

#### Description

DCHA is proposing to simplify the calculation of utility allowances for Housing Choice Voucher participants. The current utility allowance is based on the dwelling type, the number of bedrooms, the services paid by the tenant and the fuel type. DCHA will implement a simplified utility allowance schedule based on the bedroom size, heating fuel, and whether the tenant is responsible for paying the water and sewer bill to simplify the rent calculations.

The policy will be implemented in all new HCV contracts and at the time of recertifications (either biennial or interim) for current participants. The simplified utility allowance schedule will be updated annually, but applied to HCV participants at the time of recertifications. In addition, the DCHA will simplify the definition of bedrooms used in the assignment of utility allowances. Currently, utility allowances are assigned to households based on the actual size of the physical unit. DCHA will simplify the definition to be the lower of the voucher size or physical unit bedrooms when defining bedrooms for the assignment of utility allowances. This will follow the same definition used for the assignment of payment standards for HCV participants.

This initiative will improve administrative efficiency due to the decrease in time spent computing the correct utility allowance, verifying through inspections and documenting carefully on the Housing Assistance Payment (HAP) Contract. It will also help voucher participants in their unit search since it will give them an exact amount of rental assistance available. Participants can elect to go on DCHA's website to pull the maximum approved contract rent for the unit they have chosen, and then apply the new utility allowance formula to get the gross rent. This gross rent can be used to enable the family to calculate the tenant share of rent. With the simplified utility allowance, DCHA will be able to implement plans for a "Rent Portion Estimator" that utilizes real family income, unit and utility details, and 50058



calculations to allow the family to plug in variables for potential new moves that would give the family a close approximation of what their portion of rent would be if they moved into that unit.

Based on current utility rates the proposed schedule is below:

Bedroom Size	0	1	2	3	4	5	6
Baseline	89	120	152	183	239	280	322
Electric or oil heat add-on	48	64	80	96	140	159	183
Water & sewer add-on	28	57	84	112	141	196	225

#### Anticipated Impact(s)

From a cost savings/efficiency perspective, this activity will reduce administrative burden for the Agency by decreasing the time spent on utility allowance calculations.

From a direct cost (HAP expenditure) perspective, the utility allowance levels were set to be revenue neutral. That is, the total monthly utility allowance is expected to be virtually unchanged from the current policy. Because DCHA expects to grant some hardship waivers initially, the new policy is likely to be slightly more expensive to DCHA during the first several years of transition. These costs will be offset by the increased efficiencies.

From the perspective of increasing housing choices for low-income households, the activity will reduce reluctance of landlords to participate in the program. Owners are provided a maximum contract rent (factoring in average utility allowances). There are many cases where the actual utility allowance would impact the owner receiving the maximum (for instance if all utilities are electric making the gross rent too high for subsidy approval). By utilizing this simplified methodology; owners can now get a real sense of what they would be able to receive upfront – eliminating any confusion after RFTA submission. Additional benefits of the activity are a reduction of confusion for voucher participants, increased participant awareness to find more energy-efficient units, consistent with HUD's greening initiatives, and a shorter lease-up period. In addition it will help residents in their apartment search since the amount of subsidy will be clearly defined.

The impact of the proposed policy change on HCV participants is varied – some will see no change, some will see a utility allowance increase, while others will experience a utility allowance decrease. The magnitude of those changes will also vary.



Based on data from early May, 2012, the following table summarizes the percentage of clients positively and negatively impacted:

Bedroom Size	No Utility Allowance, No Change	Increase	Decrease	No Change
0	81%	8%	11%	0%
1	22%	31%	40%	8%
2	17%	25%	49%	9%
3	14%	20%	61%	5%
4	8%	56%	28%	4%
5+	8%	48%	34%	7%
Total	21%	27%	45%	7%

While 45% of participants will experience a decrease in their utility allowance (and therefore a corresponding decrease in rental assistance), less than 9% will experience a larger than \$25 per month decrease and less than 1% will see a larger than \$100 per month decrease. Based on preliminary analysis, some of those experiencing the largest impacts will not be due to the change in policy but due to the clean-up of errors in the current calculation of utility allowance.

DCHA does not anticipate any protected classes to be adversely affected by this activity. Individual choice of structure type is the factor that most affects the utility allowance change, with those choosing to live in single-family detached structures most likely to have the largest impact.

A hardship policy has been established for participants who are negatively impacted and will be reviewed on a case by case basis.

#### Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity and anticipates implementation in FY2014.



## Section VII. Sources and Uses of Funding

### A. Sources and Uses of MTW Funds

Under MTW, DCHA consolidates the public housing operating subsidy, the capital fund program, and the Section 8 Housing Choice Voucher program funding into a Single Fund Budget. The table below presents DCHA's adopted sources and uses of funds for fiscal year beginning October 1, 2013 and ending September 30, 2014.

**Table VII.1 Sources of MTW Funds**

Sources	Preliminary Budget FY 2014
Public Housing Rental Income	\$20,747,748
Public Housing Subsidy	47,387,696
Public Housing MTW Capital Funds	5,658,945
HCV Subsidy and Fees	173,548,556
Other Income <sup>3</sup>	643,041
Transferred to MTW from Local Funding <sup>4</sup>	4,000,000
Total Sources:	251,985,986
Uses	Preliminary Budget FY 2014
HCV Housing Assistance Payments	\$138,250,000
HCV Administration	7,996,684
Agency Managed Housing Operations	20,518,615
Privately Managed Housing Operations	14,863,741
Utility Payments	23,073,149
Public Housing Rehabilitation Expenses	11,430,765
Debt Service Repayment Expenses	6,123,170
Resident Services Expenses	2,864,405
Protective Services Expenses	8,042,839
Management Fee Expenses	22,659,520
Total Uses:	255,822,888

The DCHA Board of Commissioners approved the FY2014 Operating Budget on September 11, 2013, prior to the submission of this plan, with a projected deficit of \$3.7 million. Efforts were taken to reduce the deficit to \$3.7M, including internally holding vacant positions, stopping the issuance of new/atrritted vouchers, and reducing contractual and general expenses. Management has considered measures to

<sup>3</sup> Other income includes: Interest income, Dividend Income, and Reimbursements.

<sup>4</sup> Transfer to MTW from Local Funding: The \$4 million represents a grant given by DC Government for Public Safety at our AMP's that are a part of the MTW program.



contain costs to close the remaining gap during FY 2014 by continuing the efforts outlined above and completing a reorganization of key departments focused on maximizing efficiencies with the anticipated result of removing positions determined to be no longer needed.

Below is the expenditure plan for Capital Funds appropriated in FY2013, but to be expended in FY2014.

**District of Columbia Housing Authority  
Office of Capital Programs  
Capital Fund Available for Modernization Fiscal Year 2014**

PROPERTY	GENERAL DESCRIPTION	BUDGET VALUE
BARRY FARM	VARIOUS UNIT UPGRADES	\$ 350,000.00
SIBLEY PLAZA	STORAGE TANK REPLACEMENT	\$ 110,000.00
JUDICIARY HOUSE	ELEVATOR SYSTEM REPLACEMENT	\$ 535,000.00
LANGTON TERRACE	ROOF REPLACEMENT	\$ 650,000.00
RICHARDSON DW.	ROOF REPLACEMENTS & (3) UNIT REHABILITATION	\$ 450,000.00
FRONT LINE COST	BLUEPRINTS, DESIGNS, INSPECTIONS, FEES	\$ 522,591.00
FRONT LINE COST	MECHANICAL REPAIRS, UPGRADES & EMERGENCIES	\$ 300,000.00
FRONT LINE COST	NON DWELLING UNIT STRUCTURES	\$ -
FRONT LINE COST	CCTV SYSTEM UPGRADE	\$ 301,809.00
FRONT LINE COST	RESIDENT RELOCATION	\$ 100,000.00
<b>DCHA PROPERTIES</b>	<b>TOTAL GRANT VALUE</b>	<b>\$ 3,319,400.00</b>

<b>FY13' Budget Basis</b>	<b>\$ 14,117,364.00</b>	<b>FY12' Final Budget Value</b>
	\$ (6,041,443.00)	<b>FY12' Debt Service SCHEDULE</b>
	\$ 7,372,716.00	<b>FY12' - 5% (Except Debt Service)</b>
	\$ 6,038,780.00	<b>FY13' Debt Service SCHEDULE</b>
<b>(NET 5% REDUCTION)</b>	<b>\$ 13,411,496.00</b>	<b>Anticipated FY13' Budget Value</b>

<b>CAPITAL FUND GRANT BREAKDOWN</b>	<b>\$ 13,411,496.00</b>
RHF	\$ (1,713,771.00)
DEBT SERVICE	\$ (6,038,780.00)
ADMINISTRATIVE FEE	\$ (1,169,773.00)
PUBLIC SAFETY	\$ (1,169,772.00)
<b>NET CAPITAL FUNDS AVAILABLE</b>	<b>\$ 3,319,400.00</b>



## B. Sources and Uses of Non-MTW Funds

DCHA receives several sources of non-MTW funds, including federal grants and local funding. The table below presents DCHA's adopted sources and uses of funds for fiscal year beginning October 1, 2013 and ending September 30, 2014.

**Table VII.2 Sources of Non-MTW Funds**

Sources	Preliminary Budget FY 2014
HOPE VI Funding	\$4,629,749
Non-MTW HCV Funding	13,642,809
RHF Funding	10,517,241
Local Funding	53,087,242
Total Sources:	81,877,041
Uses	Preliminary Budget FY 2014
HOPE VI Authorized Activities	\$4,629,749
Non-MTW HCV Program Expenses	398,162
RHF Authorized Activities	10,517,241
Non-MTW and Local Voucher Housing Assistance Payments	57,945,369
HCV Administration	4,386,520
Local Funding Transferred to MTW	4,000,000
Total Uses:	81,877,041

## C. Sources and Uses of the COCC

DCHA utilizes a Central Office Cost Center (COCC). The table below presents DCHA's adopted sources and uses of funds for fiscal year beginning October 1, 2013 and ending September 30, 2014.

**Table VII.3 Sources of COCC Funds**

Sources	Preliminary Budget FY 2014
Management Fees	\$25,913,064
Interest	80,000
Other Income	2,911,637
Appropriated Fund Balance	0
Total Sources:	28,904,701
Uses	Preliminary Budget FY 2014
Agency Administration	\$28,302,197
General Expenses	446,120
Total Uses:	\$28,748,317



#### **D. Cost Allocation of Fee-for-Service Approach**

DCHA utilizes a Local Asset Management Plan (LAMP) that differs from the requirements of the Housing Act of 1937 Act, as amended. The LAMP is included in Appendix A.

#### **E. Use of Single-Fund Flexibility**

Single-Fund Budget Flexibility was used to meet many of the Agency's goals under the MTW Program. In FY2014 as in previous years, DCHA will use grant funds to achieve the following:

- Fund Public Housing Operations
- Modernize conventional public housing and generally address deferred maintenance issues at DCHA's conventional Public Housing sites
- Supplement operating fund payments to create new and replacement low income housing units. For detail about how this will be done to modernize/redevelop units at Highland Dwellings and development of Square 882 (The Lofts), see proposed *Initiative #25: Local Blended Subsidy*.
- Create and operate workforce training site for Public Housing residents
- Create UFAS units in the private market through DCHA's Partnership Program to accommodate the housing needs of DCHA residents
- Improve customer service, including the creation and maintenance of a Customer Call Center and work-order tracking system
- Purchase and maintain Public Safety equipment and tools to improve the safety and security in and around our communities

In addition, DCHA may utilize its MTW flexibility and block grant funds in a Rental Assistance Demonstration (RAD), upon HUD approval.

#### **F. List reserve balances at beginning of the Plan year (Optional)**

DCHA has chosen to exercise the option not to provide information related to this area. However, the information can be obtained directly, as submitted by DCHA, from the HUD FDS form.

#### **G. Planned Sources and Uses by AMP (Optional)**

At this time, DCHA has chosen to exercise the option not to provide information related to this area.





## **Section VIII. Administrative**

---

### **A. Board of Commissioners Authorization Resolution**

#### **1. Initial Plan Submission**

DCHA has taken the steps below to ensure a thorough public process in the development and adoption of the MTW Plan.

May 24, 2013: Public notice published of availability of MTW Plan for public comment and input in the Washington Post and the DCHA website. In addition, notices were also published in the June editions of The Washington Informer, Hill Rag, East of the River Magazine, and MidCity DC.

May 24, 2013: Public notice published in the Washington Post and on DCHA website announcing the public hearing on June 20, 2013. In addition, notices were also published in the June editions of The Washington Informer, Hill Rag, East of the River Magazine, and MidCity DC.

June 19, 2013: Meeting with HCV Landlords (Housing Providers' Association) held

June 20, 2013: Public Hearing held

July 24, 2013: Meeting with City-wide Advisory Board (CWAB) held

July 31, 2013: Approval by Board of Commissioners

On the following pages are the following documents:

- DCHA Board of Commissioners Authorization Resolution
- Board of Commissioners Meeting Agenda
- Annual Moving to Work Plan Certifications of Compliance
- Public Meeting Notices
- HCV Housing Providers' Association
- Public Hearing Agenda
- CWAB Meeting Agenda

In addition, while DCHA provided a copy to the local legal housing advocates group as in past, the group did not submit any comments to the plan. There was no public testimony at the June 24, 2013 Public Hearing requiring any changes to the draft plan. In addition, there were no public comments submitted in writing.



## RESOLUTION 13-12

### TO APPROVE THE DISTRICT OF COLUMBIA HOUSING AUTHORITY FISCAL YEAR 2014 MOVING TO WORK PLAN

WHEREAS, the District of Columbia Housing Authority (DCHA) and the U.S. Department of Housing and Urban Development (HUD) executed the Amended and Restated Moving to Work Agreement (MTW Agreement), effective September 29, 2010, that outlines the terms and conditions of DCHA's continued participation in the MTW Demonstration Program as authorized by federal law; and

WHEREAS, the proposed DCHA 2014 MTW Plan has been prepared in accordance with the requirements of Attachment B of the MTW Agreement; and

WHEREAS, the proposed MTW Plan includes an allocation of capital funds, including replacement housing factor funds ("CFP"), which are anticipated to be received from HUD from Fiscal Year 2013 appropriations; the exact amount of the CFP will be determined by HUD; and

WHEREAS, the proposed DCHA 2014 MTW Plan (including the proposed use of CFP) has been made available to the public for a 30-day comment period, discussed at a public hearing on June 20, 2013 and received no comments; and

WHEREAS the Board of Commissioners of the District of Columbia Housing Authority is required to certify that the MTW Plan complies with the requirements of the MTW Agreement and that it meets various other federal requirements;

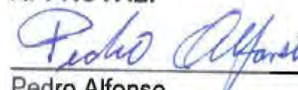
NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the District of Columbia Housing Authority hereby: 1) approves the DCHA MTW 2014 Plan; 2) authorizes the Executive Director to submit the DCHA MTW 2014 Plan to HUD; 3) authorizes the Executive Director to execute the ACC Amendments (HUD Form 52840-A) to obtain the capital funds appropriated by HUD in Fiscal Year 2013 and 4) authorizes the Executive Director to submit to HUD the Capital Fund Annual Statement (Form 50075.1) for such CFP;

ADOPTED by the Board of Commissioners and signed in authentication of its passage, the 31<sup>st</sup> day of July, 2013.

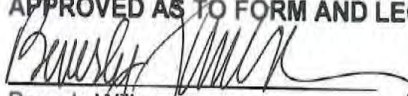
#### ATTEST:

  
Adrienne Todman  
Executive Director/Secretary

#### APPROVAL:

  
Pedro Alfonso  
Chairman

#### APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

  
Beverly Wilbourn  
General Counsel  
{0003564 -}



**DISTRICT OF COLUMBIA HOUSING AUTHORITY  
BOARD OF COMMISSIONERS**

**REGULAR MONTHLY MEETING**

1133 North Capitol Street, Northeast  
Washington, D.C. 20002-7599

**WEDNESDAY, JULY 31, 2013  
2:00 P.M.**

**A G E N D A**

**I. CALL TO ORDER [*MOMENT OF SILENCE*] AND QUORUM**

**II. APPROVAL OF MINUTES**

June 12, 2013 Board of Commissioners' Meeting

**Tab1**

**III. EXECUTIVE DIRECTOR'S REPORT**

**IV. RESOLUTIONS**

**PUBLIC COMMENT**

**A. RESOLUTION 13-12**

**Tab 2**

To Approve the District of Columbia Housing  
Authority Fiscal Year 2014 Moving to Work Plan

1. Description of Resolution
2. Board Action on Resolution

**B. RESOLUTION 13-11**

**Tab 3**

To Approve Submission of a Demolition/Disposition  
Application to the U.S. Department of Housing and Urban  
Development (HUD) for the Demolition and Disposition of the  
Barry Farm Management Office and Recreation Center



1. Description of Resolution
2. Board Action on Resolution

**C. RESOLUTION 13-10**

**Tab 4**

To Authorize the Executive Director to Submit to HUD a  
FY 2013 Choice Neighborhoods Initiative Implementation  
Grant Application for the Kenilworth-Parkside Neighborhood

1. Description of Resolution
2. Board Action on Resolution

**D. RESOLUTION 13-13**

**Tab 5**

To Approve Final Regulations for the Housing Choice Voucher  
Program Administrative Plan—Termination of Participation and  
Assistance for Criminal Activity and Notice of Hearing and  
Production of Documents (“Good Cause”)

1. Description of Resolution
2. Board Action on Resolution

**E. RESOLUTION 13-14**

**Tab 6**

To Approve the Award of a Contract for Master Planning and  
Development Services for Barry Farm and Wade Apartments

1. Description of Resolution
2. Board Action on Resolution

**V. PUBLIC COMMENT**

**RESIDENTS  
NONRESIDENTS**

**VI. ANNOUNCEMENTS**

**VII. ADJOURNMENT**





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

## Annual Moving to Work Plan Certifications of Compliance

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

### Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 10/01/2013, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

Attachment B

1



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

14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

**District of Columbia Housing Authority**  
PHA Name

**DC001**  
PHA Number/HA Code

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

**Adrianne Todman**  
Name of Authorized Official

**Executive Director**  
Title

  
Signature

  
Date



820 Official Notices

**DC Housing Authority  
Public Hearing Notice**

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on the agency's proposed 2014 Moving to Work (MTW) Plan. The Public Hearing will take place on Thursday, June 20, 2013 at 6:00 PM at 1133 North Capitol St., NE in the 2nd floor Board Room. The MTW program is a U.S. Department of Housing and Urban Development (HUD) program that allows select public housing authorities to design and implement innovative programs and policies with the intent to 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the plan, please contact the DCHA Office of Public Affairs at (202) 535-1315. Written comments on the proposed plan initiatives can be submitted via e-mail by June 24, 2013, to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org](http://www.dchousing.org).





## DCHA Web-site Posting



### District of Columbia Housing Authority

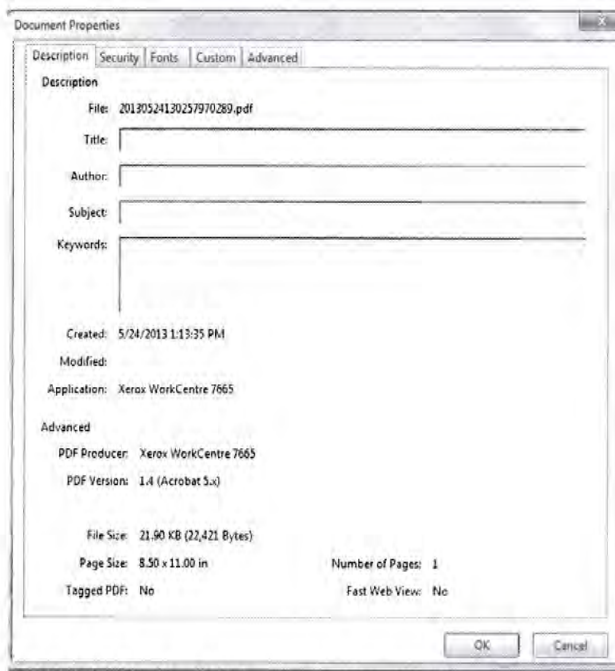
1133 North Capitol Street, NE Washington, DC 20002-7599

202-535-1000

Adrianna Todman, Executive Director

### DC Housing Authority Public Hearing Notice

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on the agency's proposed 2014 Moving to Work (MTW) Plan. The Public Hearing will take place on Thursday, June 20, 2013 at 6:00 PM at 1133 North Capitol St., NE in the 2<sup>nd</sup> floor Board Room. The MTW program is a U.S. Department of Housing and Urban Development (HUD) program that allows select public housing authorities to design and implement innovative programs and policies with the intent to 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the plan, please contact the DCHA Office of Public Affairs at (202) 535-1315. Written comments on the proposed plan initiatives can be submitted via e-mail by June 24, 2013, to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org](http://www.dchousing.org).



[www.dchousing.org](http://www.dchousing.org)





**Sent:** Wednesday, June 19, 2013 11:44 AM

**Subject:** TONIGHT - FUTURE DCHA INITIATIVES PRESENTED BY DCHA AND A PRESENTATION ON RENT CONTROL!

**Attachments:** DCHPA May 2013 Minutes[1].docx

### TONIGHT AT DCHA!

Good morning DCHA, DHCD, DCRA, DHS, OHR, and all DC Landlords,

The Housing Providers Association is pleased to announce that TONIGHT the DC Housing Authority will host the first half of tonight's meeting on their 2014 MTW (Move to Work) initiatives. MTW is a demonstration program for public housing authorities (PHAs) that provide the agencies the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW gives PHAs such as the DC Housing Authority, exemptions from many existing public housing and voucher rules and more flexibility with how they use their Federal funds. So tonight, DCHA's Deputy Chief of Staff Kim Cole, will give you a sneak peek into their future plans and hopefully receive some feedback from you as landlords.

The second half of tonight's meeting will be hosted by Rent Control Consultants, who will do a brief overview on

- 1) The Disclosure form process, describing the three different forms and when they used and filed
- 2) The Vacancy process and allowable rents upon turnover
- 3) The yearly General Increase In Rents Charged process including rent increase notices, inserts and filing Certificates to perfect increases
- 4) Elderly/Disabled Application
- 5) HCVP (Section 8) tenants
- 6) Petition processes, Hardship, Capital Improvement & 70% VA's

This will be a lot of information to pack into one night so we will try to start as close to 6pm as possible!



## **District of Columbia Housing Authority**

### **2014 Moving to Work Plan**

#### **Public Hearing**

**June 20, 2013**

**6:00pm**

**1133 North Capital Street, NE  
2<sup>nd</sup> Floor Board Room**

### **Agenda**

- |  |   |
|--|---|
| <b>I. Welcome</b>                                    | <b>Adrianne Todman</b><br>Executive Director                                |
| <b>II. Hearing Protocols</b>                         | <b>Lori Parris</b><br>Office of the General Counsel                         |
| <b>III. Overview of the Moving to Work Program</b>   | <b>Kimberley Cole</b><br>Office of the Executive Director                   |
| <b>IV. DCHA's 2014 Moving to Work Plan</b>           | <b>Kimberley Cole</b><br><b>Michael Brown</b><br>Office of Capital Programs |
| <b>V. Testimony</b>                                  |   |
| a. Public Housing Residents and Voucher Participants |   |
| b. Non-Residents/General Public                      |   |

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#### **Public Hearing Protocols**

- Time Limits: Public Housing Residents and Voucher Participants: 5 minutes  
Non-Residents/General Public: 3 minutes
- Persons testifying must be recognized and must speak into the microphone.
- Persons testifying are encouraged to speak on the contents of the proposed 2014 Moving to Work 2014 Plan.



**City-Wide Resident Advisory Board  
July 2013 Meeting  
Stoddert/Fort Dupont  
July 24, 2013**

**AGENDA**

- |      |                          |   |
|------|--------------------------|---|
| I.   | Welcome/Introductions    | Karen Settles<br>City-wide Advisory Board         |
| II.  | 2014 Moving to Work Plan | Kim Cole<br>DCHA Office of the Executive Director |
| III. | Closing Remarks          |   |



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## **2. Amendments to Initial Plan Submission**

DCHA has amended the agency's initial 2014 MTW Plan submission by adding a new initiative (Initiative 25—Local Blended Subsidy) and outlining a proposed new rent policy for existing Initiative 22—Housing Public Housing Residents in Service-Rich Environments.

DCHA took the following steps as part of the required public process in the development and adoption of the 2014 MTW Plan amendments:

September 27, 2013: Public notice published announcing availability of the 2014 MTW Plan amendments for public comment and input on the DCHA website, with the comment period ending October 28, 2013. Screenshot from the DCHA website of the public announcement posting confirms the start of the public comment period as September 27, 2013 ("created date") and end of the period as October 28, 2013. The notice also announced the public hearing scheduled for October 23, 2013.

October 23, 2013: Public notice published on DCHA website announcing change in the date for the public hearing to October 28, 2013.

October 24, 2013: Met with local public housing advocates

October 28, 2013: Public Hearing held

November 13, 2013: Approved by Board of Commissioners

On the following pages are the following documents:

- DCHA Board of Commissioners Authorization Resolution
- Board of Commissioners Meeting Agenda
- Annual Moving to Work Plan Certification of Compliance
- Public Meeting Notices
- Public Hearing Agenda
- Local Advocates Meeting Agenda

In addition, while DCHA met with the local housing advocates group as in past to discuss the plan, the group did not have any comments to the plan amendments. There was no public testimony at the October 28, 2013 Public Hearing requiring any changes to the draft plan amendments. In addition, there were no public comments submitted in writing.



## RESOLUTION 13- 23

### APPROVAL OF AMENDMENTS TO THE DISTRICT OF COLUMBIA FY 2014 MOVING TO WORK PLAN

WHEREAS, on September 29, 2010, the District of Columbia Housing Authority (DCHA) and the United States Department of Housing and Urban Development (HUD) executed the Amended and Restated Moving to Work Agreement (MTW Agreement) that outlines the terms and conditions of DCHA's continued participation in the MTW Demonstration Program as authorized by federal law; and

WHEREAS, DCHA submitted the agency's 2014 MTW Plan to HUD on August 5, 2013 and HUD provided comments on September 19, 2013; and

WHEREAS, based on HUD's comments, in order for DCHA to proceed with certain activities in FY2014, changes to the plan had to be made that required an opportunity for public review and comment; and

WHEREAS, proposed changes to the DCHA 2014 MTW Plan were prepared in accordance with the requirements of Attachment B of the MTW Agreement; and

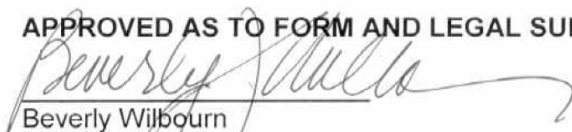
WHEREAS, the proposed DCHA 2014 MTW Plan has been made available to the public for a 30-day comment period, discussed at a public hearing on October 28, 2013 and received no comments; and

WHEREAS the Board of Commissioners of the District of Columbia Housing Authority is required to certify that the MTW Plan complies with the requirements of the MTW Agreement and that it meets various other federal requirements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the District of Columbia Housing Authority hereby: 1) approves the revised DCHA 2014 MTW Plan and 2) authorizes the Executive Director to submit the revised DCHA 2014 MTW Plan to HUD.

ADOPTED by the Board of Commissioners and signed in authentication of its passage, the 13<sup>th</sup> day of November, 2013.

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY:**

  
Beverly Wilbourn  
General Counsel





**DISTRICT OF COLUMBIA HOUSING AUTHORITY  
BOARD OF COMMISSIONERS**

**REGULAR MONTHLY MEETING**

Woodland Terrace  
2311 Ainger Place, S.E.  
Washington, D.C. 20020

**WEDNESDAY, NOVEMBER 13, 2013**  
**1:00 P.M.**

**A G E N D A**

- I. **CALL TO ORDER [*MOMENT OF SILENCE*] AND QUORUM**
- II. **APPROVAL OF MINUTES**  
October 9, 2013 Board of Commissioners' Meeting Tab 1
- III. **EXECUTIVE DIRECTOR'S REPORT**
- IV. **RESOLUTIONS**  
**PUBLIC COMMENT**
  - A. **RESOLUTION 13-20** Tab 2  
To Authorize the Execution of FY 2014 Memorandum  
Of Understanding with DHCD for Demolition Activity
    - 1. Description of Resolution
    - 2. Board Action on Resolution
  - B. **RESOLUTION 13-21** Tab 3  
To Authorize the Execution of FY 2014 Memorandum  
Of Understanding with DCHFA for Maintenance at  
Parkway Overlook
    - 1. Description of Resolution
    - 2. Board Action on Resolution



Regular Monthly Meeting  
Wednesday, November 13, 2013  
1:00 p.m.  
Agenda

- |    |   |       |
|----|---|-------|
| C. | RESOLUTION 13-22<br>To Approve the Provision of Project Based VASH<br>Vouchers for the North Capitol Commons Project<br>1. Description of Resolution<br>2. Board Action on Resolution | Tab 4 |
|    |   |       |
| D. | RESOLUTION 13-23<br>To Approve Amendments to the DCHA 2014 MTW Plan<br>1. Description of Resolution<br>2. Board Action on Resolution  | Tab 5 |
|    |   |       |
| E. | RESOLUTION 13-24<br>To Approve Final Regulations for the Public Housing<br>Biennial Recertification Process<br>1. Description of Resolution<br>2. Board Action on Resolution          | Tab 6 |

- |      |                |                           |
|------|----------------|---------------------------|
| V.   | PUBLIC COMMENT | RESIDENTS<br>NONRESIDENTS |
|      |                |                           |
| VI.  | ANNOUNCEMENTS  |                           |
| VII. | ADJOURNMENT    |                           |

Revised 09/10/13

Page 2 of 2



OMB Control Number: 2577-0216

Expiration Date: 12/31/2011

## **Annual Moving to Work Plan Certifications of Compliance**

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

### **Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 10/01/2013, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

Attachment B

1





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

14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

District of Columbia Housing Authority  
PHA Name

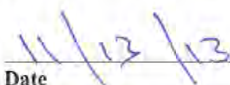
DC001  
PHA Number/HA Code

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

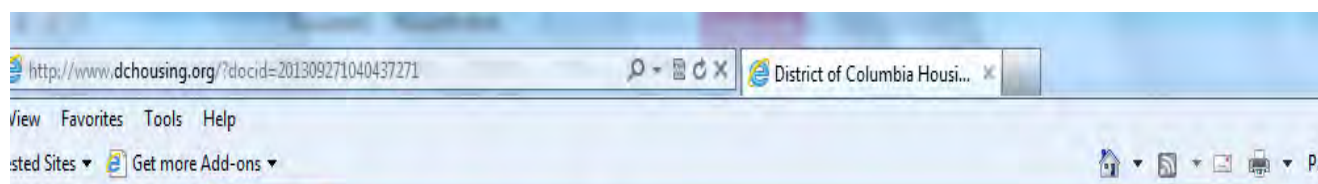
Adrienne Todman  
Name of Authorized Official

Executive Director  
Title

  
Signature

  
Date

Attachment B  
2



[ABOUT DCHA](#) [TWEET](#) [FACEBOOK](#) [CREATED: 9/27/2013](#)

## DISTRICT OF COLUMBIA HOUSING AUTHORITY PUBLIC HEARING NOTICE

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on revisions to the agency's proposed 2014 Moving to Work (MTW) Plan. The Public Hearing will take place on Wednesday, October 23, 2013 at 6:00pm at 1133 North Capitol Street, NE in the 2nd floor Board Room. The MTW program is a U.S. Department of Housing and Urban Development (HUD) program that allows select public housing authorities to design and implement innovative programs and policies with the intent to: 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the plan, please contact the DCHA Office of Public Affairs at (202)535-1315. Written comments on the proposed revisions should be submitted by Monday, October 28, 2013 via e-mail to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org/mtw](http://www.dchousing.org/mtw).

### Also see:

- REVISED - DCHA 2012 MOVING TO WORK PLAN AND AGREEMENT AMENDMENT - PUBLIC HEARING NOTICE
- DISTRICT OF COLUMBIA HOUSING AUTHORITY PUBLIC HEARING NOTICE MOVING TO WORK DESIGNATION NEW AGREEMENT AND FY2011 PLAN
- ADA/504 PROGRAM





ABOUT DCHA TWEET FACEBOOK CREATED: 9/27/2013 UPDATED: 10/23/2013

### REVISED DISTRICT OF COLUMBIA HOUSING AUTHORITY MTW PUBLIC HEARING NOTICE

The District of Columbia Housing Authority (DCHA) is providing notice of the rescheduling of the Public Hearing to discuss and solicit comments on revisions to the agency's proposed 2014 Moving to Work (MTW) Plan. The Public Hearing will take place on Monday, October 28, 2013 at 6:00pm at 1133 North Capitol Street, NE in the 2nd floor Board Room. The MTW program is a U.S. Department of Housing and Urban Development (HUD) program that allows select public housing authorities to design and implement innovative programs and policies with the intent to: 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the plan, please contact the DCHA Office of Public Affairs at (202)535-1315. Written comments on the proposed revisions should be submitted by Monday, October 28, 2013 via e-mail to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org/mtw](http://www.dchousing.org/mtw).

1133 North Capitol Street N.E. Washington, DC 20002 (202) 535-1000 | DC Relay (202) 855-1234  
Building Hours: Monday - Friday, 8:30 am - 4:30 pm  
HCVP Walk-In Day: Tuesday, 8:30 am - 3:30 pm | Landlord Walk-In Day: Friday, 8:30 am - 3:30 pm





## **District of Columbia Housing Authority**

**MEETING WITH LOCAL ADVOCATES**

**Working Session**

### **AGENDA**

**Thursday, October 24, 2013**

**Executive Director's Conference Room**

**3:00 pm**

- 1) Revisions to AYBL regulations
- 2) HCVP - Inspection / Admission and request for 3rd inspection vs.  
hearing
- 3) HCVP - Self Certification for Intent to Vacate form
- 4) 2014 MTW Plan Revisions



**District of Columbia Housing Authority  
2014 Moving to Work Plan  
Proposed Revisions**

**Public Hearing  
October 28, 2013  
6:00pm**

**1133 North Capital Street, NE  
2<sup>nd</sup> Floor Board Room**

**AGENDA**

- |  |  |
|--|--|
| I. Welcome   | Kimberley Cole<br>Office of the Executive Director           |
| II. Hearing Protocols  | Nicola Grey<br>Office of the General Counsel                 |
| III. Overview of the Moving to Work Program                  | Kimberley Cole   |
| IV. Proposed Revisions to DCHA's<br>2014 Moving to Work Plan | Kimberley Cole<br>Kerry Smyser<br>Office of Capital Programs |
| V. Testimony   |  |
| a. Public Housing Residents and Voucher Participants         |  |
| b. Non-Residents/General Public                              |  |

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**Public Hearing Protocols**

- Time Limits: Public Housing Residents and Voucher Participants: 5 minutes  
Non-Residents/General Public: 3 minutes
- Persons testifying must be recognized and must speak into the microphone.
- Persons testifying are encouraged to speak on the contents of the proposed revisions to the 2014 Moving to Work Plan



### 3. Amendment to Approved Plan

DCHA is amending the agency's approved 2014 MTW Plan by adding a new initiative—*Initiative 28—Rent Reform Demonstration (HCVP)*.

DCHA took the following steps as part of the required public process in the development and adoption of the 2014 MTW Plan amendment:

- May 23, 2014: Public notice published announcing availability of the 2014 MTW Plan amendment for public comment and input on the DCHA website, with the comment period ending June 24, 2014. Screenshot from the DCHA website of the public announcement posting confirms the start of the public comment period as May 23, 2014 ("created date") and end of the period as June 24, 2013. The notice also announced the public hearing scheduled for June 19, 2013.
- May 24, 2014: Public notice of availability of MTW Plan amendment for public comment and notice of Public Hearing published in the Washington Post. In addition, notice was also published in the June edition of the Afro-American.
- May 29, 2014: Meeting with local legal housing advocate held
- June 17, 2014: Meeting with local legal housing advocates held
- June 17, 2014: Meeting with the HCV Participant Advisory Committee held
- June 18, 2014: Meeting with the HCV Housing Providers' Association held
- June 19, 2014: Meeting with Public Housing City-wide Advisory Board (CWAB) held
- June 19, 2014: Public Hearing held
- July 7, 2014: Meeting with local legal housing advocates held (conference call)
- July 9, 2014: Approval by the Board of Commissioners at monthly meeting

The following documents are included with this amendment:

- DCHA Board of Commissioners Authorization Resolution
- Board of Commissioners Meeting Agenda
- Annual Moving to Work Plan Certifications of Compliance
- Public Meeting Notices
- HCV Participant Advisory Committee Meeting Agenda
- HCV Housing Providers' Association Meeting Agenda



- CWAB Meeting Agenda
- Public Hearing Agenda
- Local legal housing advocates Meeting Agendas

All comments received were considered and minor changes were made to the activity as a result.





## RESOLUTION 14-26

### **TO APPROVE AN AMENDMENT TO THE DCHA FY2014 MOVING TO WORK PLAN—U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) RENT REFORM DEMONSTRATION**

WHEREAS, the District of Columbia Housing Authority (DCHA) and the U.S. Department of Housing and Urban Development (HUD) executed the Amended and Restated Moving to Work Agreement (MTW Agreement), effective September 29, 2010, that outlines the terms and conditions of DCHA's continued participation in the MTW Demonstration Program as authorized by federal law; and

WHEREAS, on December 19, 2013, the DCHA FY2014 Moving to Work (MTW) Plan was approved by HUD; and

WHEREAS, HUD, is conducting the MTW Housing Choice Voucher Program (HCVP) Rent Reform Demonstration designed to implement and evaluate an alternative rent policies; and

WHEREAS, DCHA was selected to participate in the study along with 3 other housing authorities; and

WHEREAS, DCHA will modify its policies and rent calculation for a group of program participants (study group) and will compare the results to a group of participants who are assisted under the rent policies used for all other DCHA assisted households (control group); and

WHEREAS, the proposed DCHA FY2014 MTW Plan Amendment has been made available to the public for a 30-day comment period, discussed at a public hearing on June 19, 2014 and DCHA revised the MTW Plan Amendment to take into account accepted public comments; and

WHEREAS, during the public comment period, DCHA met with its stakeholders, specifically, the Advocacy community, City-Wide Advisory Board, HCVP Participant Advisory Committee, and the HCVP Housing Providers Association to discuss the MTW Plan amendment and any comments received; and

WHEREAS, after DCHA carefully considered the comments made by the agency's stakeholders, non-substantive changes were made to the activity; and

WHEREAS the Board of Commissioners of the District of Columbia Housing Authority is required to certify that the MTW Plan Amendment complies with the requirements of the MTW Agreement and that it meets various other federal requirements; and





Resolution 14-26  
To Approve an Amendment to the DCHA FY2014  
Moving to Work Plan—U.S. Department of Housing and  
Urban Development (HUD) Rent Reform Demonstration

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the District of Columbia Housing Authority hereby certifies that the MTW Plan Amendment complies with all applicable federal requirement and : 1) approves the DCHA FY2014 MTW Plan Amendment; and 2) authorizes the Executive Director to submit the DCHA FY2014 MTW Plan Amendment to HUD.

ADOPTED by the Board of Commissioners and signed in authentication of its passage, the 9<sup>th</sup> day of July, 2014.


ATTEST:

  
Adrienne Todman  
Executive Director/Secretary

APPROVAL:

  
Pedro Alfonso  
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

  
Kenneth S. Slaughter  
Interim General Counsel



**DISTRICT OF COLUMBIA HOUSING AUTHORITY  
BOARD OF COMMISSIONERS**

**REGULAR MONTHLY MEETING**

FORT LINCOLN  
2855 Bladensburg Road, N.E.  
Washington, D.C. 20018

**WEDNESDAY, JULY 9, 2014  
1:00 P.M.**

**A G E N D A  
-REVISED-**

- I. **CALL TO ORDER [MOMENT OF SILENCE] AND QUORUM**
- II. **APPROVAL OF MINUTES**  
June 11, 2014 Board of Commissioners' Meeting Tab 1
- III. **EXECUTIVE DIRECTOR'S REPORT**
- IV. **PROCLAMATION**  
  
Presented to Commissioner M. Bernadette Tolson
- V. **RESOLUTIONS**  
**PUBLIC COMMENT**
  - A. **RESOLUTION 14-21** Tab 2  
To Authorize the Executive Director to Enter Into a Contract  
For Utility Billing Administrative Services
    - 1. Description of Resolution
    - 2. Board Action on Resolution
  - B. **RESOLUTION 14-22** Tab 3  
To Authorize the Executive Director to Enter Into Contracts  
Under the Job Order Contracting (JOC) System
    - 1. Description of Resolution
    - 2. Board Action on Resolution



Regular Monthly Meeting  
Wednesday, July 9, 2014  
1:00 p.m.  
Agenda

- |    |   |       |
|----|---|-------|
| C. | RESOLUTION 14-23<br>To Authorize a Modification to the Memorandum of Understanding with the District of Columbia Department Of Housing and Community Development for Demolition Services<br>1. Description of Resolution<br>2. Board Action on Resolution | Tab 4 |
| D. | RESOLUTION 14-24<br>To Authorize the Submission of a Rental Assistance Demonstration (RAD) Application for Barry Farm Dwellings And Wade Road Apartments<br>1. Description of Resolution<br>2. Board Action on Resolution                                 | Tab 5 |
| E. | RESOLUTION 14-25 *<br>Approval of the District of Columbia Housing Authority Fiscal Year 2015 Moving to Work Plan<br>1. Description of Resolution<br>2. Board Action on Resolution  | Tab 6 |
| F. | RESOLUTION 14-26 *<br>Approval of an Amendment to District of Columbia Housing Authority Fiscal Year 2014 Moving to Work Plan – HUD Rent Reform Demonstration<br>1. Description of Resolution<br>2. Board Action on Resolution                            | Tab 7 |
| G. | RESOLUTION 14-27<br>To Authorize the Executive Director to Submit and Execute Documents to Facilitate the Project Financing for the Highland Dwellings Redevelopment<br>1. Description of Resolution<br>2. Board Action on Resolution                     | Tab 8 |



Regular Monthly Meeting  
Wednesday, July 9, 2014  
1:00 p.m.  
Agenda

- H. RESOLUTION 14-28  
To Authorize the Executive Director to Submit to  
HUD a Choice Neighborhoods Initiative Planning  
Grant Application for the Lincoln Heights/Richardson  
Dwelling Neighborhood and Execute a Grant Agreement  
if Awarded
1. Description of Resolution
  2. Board Action on Resolution

Tab 9

V. PUBLIC COMMENT

RESIDENTS  
NONRESIDENTS

VI. ANNOUNCEMENTS

VII. ADJOURNMENT

*\*Resolution is still being reviewed by the Committee on Operations*

RESOLUTIONS CAN BE ACCESSED ON THE DCHA WEB-SITE AT  
[www.dchousing.org](http://www.dchousing.org)



Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

Certifications of Compliance

Annual Moving to Work Plan  
Certifications of Compliance

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan\*

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of this Amendment to the District of Columbia Housing Authority (DCHA) FY2014 Annual Moving to Work Plan, hereinafter referred to as "the Plan Amendment" for fiscal year beginning 10/01/2013, of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan Amendment and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan Amendment by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan Amendment and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan Amendment by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan Amendment in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.





17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
20. The PHA will undertake only activities and programs covered by the Plan Amendment in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
21. All attachments to the Plan Amendment have been and will continue to be available at all times and all locations that the Plan Amendment is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan Amendment and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

District of Columbia Housing Authority

DC001

PHA Name

PHA Number/HA Code

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

Adrienne Todman

Executive Director/Board Secretary

Name of Authorized Official

Title

Signature

\_\_\_\_\_

Date

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.



http://www.dchousing.org/default.aspx?docid=2014052307011035921 District of Columbia Housi...

File Edit View Favorites Tools Help

Federal Poverty Guidelines Suggested Sites Get more Add-ons Page Safety Tools

 DISTRICT OF COLUMBIA  
HOUSING AUTHORITY



search Log-In Go To--> About Services Properties Contact Español

HOUSING APPLICATIONS JOBS

ABOUT DCHA TWEET FACEBOOK CREATED: 5/23/2014

### NOTICE OF PUBLIC HEARING TO DISCUSS AN AMENDMENT TO THE 2014 MOVING TO WORK (MTW) PLAN AND THE PROPOSED 2015 MTW PLAN

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on an amendment to the agency's 2014 Moving to Work (MTW) Plan related to a U.S. Department of Housing and Urban Development (HUD) Rent Reform Demonstration initiative AND the agency's proposed 2015 MTW Plan. The Public Hearing will take place on Thursday, June 19, 2014 at 6:00 PM at 1133 North Capitol St., NE in the 2nd floor Board Room. The MTW program is a HUD program that allows select public housing authorities to design and implement innovative programs and policies with the intent to 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the amendment and/or plan, please call (202)435-3382. Written comments on the 2014 plan amendment and the 2015 proposed plan initiatives can be submitted via e-mail by June 24, 2014, to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002.

1133 North Capitol Street N.E. Washington, DC 20002 (202) 535-1000 | DC Relay (202) 855-1234  
Building Hours: Monday - Friday, 8:30 am - 4:30 pm  
HCVP Walk-In Day: Tuesday, 8:30 am - 3:30 pm | Landlord Walk-In Day: Friday, 8:30 am - 3:30 pm

Language Support:

100% 9:26 AM 5/23/2014




**Official Notices**

**DISTRICT OF COLUMBIA  
HOUSING AUTHORITY  
Public Hearing Notice**

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on an amendment to the agency's 2014 Moving to Work (MTW) Plan related to a U.S. Department of Housing and Urban Development (HUD) Rent Reform Demonstration Initiative AND the agency's proposed 2015 MTW Plan. **The Public Hearing will take place on Thursday, June 19, 2014 at 6:00 PM at 1133 North Capitol St., NE in the 2nd floor Board Room.** The MTW program is a HUD program that allows select public housing authorities to design and implement innovative programs and policies with the intent to 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families. To request a copy of the amendment and/or plan, please call (202)435-3382. Written comments on the 2014 plan amendment and the 2015 proposed plan initiatives can be submitted via e-mail by June 24, 2014, to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org](http://www.dchousing.org).







**District of Columbia Housing Authority**  
1133 North Capitol Street, NE Washington, DC 20002-7599  
202-535-1000  
Adrianne Todman, Executive Director

### DC Housing Authority Public Hearing Notice

The District of Columbia Housing Authority (DCHA) is providing notice of a Public Hearing to discuss and solicit comments on an amendment to the agency's 2014 Moving to Work (MTW) Plan related to a U.S. Department of Housing and Urban Development (HUD) Rent Reform Demonstration initiative AND the agency's proposed 2015 MTW Plan. The Public Hearing will take place on Thursday, June 19, 2014 at 6:00 PM at 1133 North Capitol St., NE in the 2nd floor Board Room.

The MTW program is a HUD program that allows select public housing authorities to design and implement innovative programs and policies with the intent to 1) reduce costs and improve efficiencies; 2) encourage residents to obtain employment and become economically self-sufficient; and 3) increase housing choices for low-income families.

To request a copy of the amendment and/or plan, please call (202)435-3382. Written comments on the 2014 plan amendment and the 2015 proposed plan initiatives can be submitted via e-mail by June 24, 2014, to [MTW@dchousing.org](mailto:MTW@dchousing.org) or by mail to Kimberley Cole, Deputy Chief of Staff, DCHA, 1133 North Capitol Street, NE, Suite 200, Washington, DC 20002. Information on the MTW program is available on the DCHA web-site at [www.dchousing.org](http://www.dchousing.org).



**District of Columbia Housing Authority**  
**MEETING WITH HCVP PARTICIPANT ADVISORY COMMITTEE**

**AGENDA**

**Tuesday, June 17, 2014**  
**5:30pm**

**1133 North Capital Street**  
**Washington, DC 20002**

- I. HUD MTW Rent Reform Demonstration—FY14 Plan Amendment
- II. DCHA FY15 MTW Plan



**DC Housing Providers Association ( DCHPA)  
2014 Theme: "Taking Ownership of our Business"**

**2014 DCHPA OFFICERS**

<b>Chairman - Karissa Leake</b>	<b><u>Karissa.Leake@dchpa.org</u></b>
<b>Vice Chairman - Mike Kornegay</b>	<b><u>Mike.Kornegay@dchpa.org</u></b>
<b>Secretary - Roshonda Josephs</b>	<b><u>Roshonda.Josephs@dchpa.org</u></b>
<b>Treasurer – Brent Simpson</b>	<b><u>Brent.Simpson@dchpa.org</u></b>
<b>Sergeant at Arms – Vivan Sills</b>	<b><u>Vivan.Sills@dchpa.org</u></b>
<b>Parliamentarian – Johnnie Mae Durant</b>	<b><u>JohnnieMae.Durant@dchpa.org</u></b>

**DC HPA Meeting – Wednesday, June 18, 2014**

**6:00pm – 7:00pm**

**Meeting Agenda**

- I. Introduction – DCHPA Purpose and Board Members
- II. Tonya Truesdale – District of Columbia Department of Housing and Community Development
- III. Kimberly Cole – District of Columbia Housing Authority Office of Executive Director
- IV. Allison Tucker – Department of Human Services & Clarence Stewart of the Community Partnership

Notes:

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**\*\* If you wish to be added to our email list please send an email to  
Karissa.Leake.DCHPA@gmail.com with subject ADD ME**



**District of Columbia Housing Authority**  
**MEETING WITH CITYWIDE ADVISORY BOARD**

**AGENDA**

**Thursday, June 19, 2014**  
**1:00pm**

**Fort Dupont/Stoddert Community Center**

- I. DCHA FY15 MTW Plan
- II. HUD MTW Rent Reform Demonstration—FY14 Plan Amendment



**District of Columbia Housing Authority  
2014 Moving to Work (MTW) Plan Amendment &  
Proposed 2015 MTW Plan**

**Public Hearing  
June 19, 2014  
6:00pm**

**1133 North Capital Street, NE  
2<sup>nd</sup> Floor Board Room**

**AGENDA**

- |  |   |
|--|---|
| <b>I. Welcome</b>  | <b>Kimberley Cole</b><br>Office of the Executive Director                   |
| <b>II. Hearing Protocols</b>                                     | <b>Nicola Grey</b><br>Office of the General Counsel                         |
| <b>III. Overview of the Moving to Work Program</b>               | <b>Kimberley Cole</b>   |
| <b>IV. 2014 MTW Plan Amendment—HUD Rent Reform Demonstration</b> | <b>Kimberley Cole</b>   |
| <b>V. 2015 Proposed MTW Plan</b>                                 | <b>Kimberley Cole</b><br><b>Michael Brown</b><br>Office of Capital Programs |
| <b>VI. Testimony</b>   |   |
| a. Public Housing Residents and Voucher Participants             |   |
| b. Non-Residents/General Public                                  |   |

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**Public Hearing Protocol**

- Time Limits: Public Housing Residents and Voucher Participants: 5 minutes  
Non-Residents/General Public: 3 minutes
- Persons testifying must be recognized and must speak into the microphone.
- Persons testifying are encouraged to speak on the contents of the FY2014 Plan Amendment and proposed FY2015 MTW Plan.



## **District of Columbia Housing Authority**

**MEETING WITH LOCAL ADVOCATES**

### **AGENDA**

**Thursday, May 29, 2014**

**Housing Choice Voucher Conference Room**

**1:00 pm**

- I. HUD MTW Rent Reform Demonstration—FY14 Plan Amendment
  - MTW Initiative/Local Regulation Review
  
- II. 2905 11<sup>th</sup> Street (Assisted Living) Regulation Review
  
- III. Next Steps



## **District of Columbia Housing Authority**

**MEETING WITH LOCAL ADVOCATES**

### **AGENDA**

**Tuesday, June 17, 2014**

**Housing Choice Voucher Conference Room**

**1:00 pm**

- I. HUD MTW Rent Reform Demonstration—FY14 Plan Amendment
  - MTW Initiative/Local Regulation Review

- II. DCHA FY15 MTW Plan

- III. Next Steps



## **B. Agency-Directed Evaluations of the Demonstration**

DCHA is not currently using an outside evaluator(s) for the demonstration or any of the Agency MTW initiatives.





## **Appendix A: Local Asset Management Program**

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### **Background and Introduction**

The Amended and Restated Moving to Work Agreement, effective September 29, 2010, required DCHA to design and implement a local asset management program for its Public Housing Program and describe such program in its Annual MTW Plan. The term “Public Housing Program” means the operation of properties owned or subsidized by the Agency that are required by the U.S. Housing Act of 1937 to be subject to a Public Housing declaration of trust in favor of HUD. The Agency’s local asset management program shall include a description of how it’s implementing project-based property management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements. Under the First Amendment to the MTW Agreement, DCHA agreed to describe its cost accounting plan (cost allocation plan) as part of its local asset management program including how it deviates from the HUD fee for service system.

### **Project-based approach for Public Housing Program**

DCHA maintains a project-based management approach which includes both DCHA-managed properties, as well as privately managed properties, under the Public Housing Program. Project-level budgeting and accounting is maintained for each of these Public Housing properties. In addition, each mixed-income, mixed-finance rental community that contains Agency-assisted units under the Public Housing Program are owned, managed and operated by third party partnerships as established at the time each of the transactions were structured. DCHA maintains a separate budget and accounting for the operating subsidy paid to the owners of these properties as well as any other cost incurred by the Agency on behalf of these properties.

### **COST ALLOCATION PLAN**

#### **Identification of Cost Allocation Approach**

DCHA approached its cost allocation plan with consideration to the entire operation of the Agency, rather than a strict focus on only the MTW Program. This cost allocation plan addresses the larger DCHA operation as well as the specific information required related to the MTW Program.

Under the MTW Agreement, the cost accounting options available to the Agency include either a “fee-for-service” methodology or an “indirect cost rate” methodology. DCHA can establish multiple cost objectives or a single cost objective for its MTW Program. DCHA opted to use a fee-for-service methodology and to establish the MTW Program as a single cost objective, as further described below.

#### **Classification of Costs**

There is no universal rule for classifying certain costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, the definitions and guidelines provided in this Cost Allocation Plan are used for determining direct and indirect costs charged to the cost objectives.



## **Definitions**

**Cost Objective** – Cost objective is a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

**Direct Costs** – Direct costs are those that can be identified specifically with a particular final cost objective.

**Indirect Costs** – Indirect costs are those: (a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objective(s) specifically benefitted, without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to the cost objectives.

**Cost Base** – A cost base is the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to cost objectives (Federal awards). Generally, the direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

## **DCHA Cost Objectives**

DCHA has identified the following cost objectives:

**MTW Program** – All associated activities funded under the MTW Single Fund authority are deemed as a **single cost objective**. The MTW Program cost objective includes: 1) DCHA-owned Public Housing Properties and Public Housing units contained in third party-owned properties, 2) MTW Housing Choice Vouchers, both Project-Based Vouchers (PBV) and Tenant-Based Vouchers, 3) Development Activity funded from MTW, 4) resident services and case management services offered to families served under the MTW program, 5) Capital Funds, and 6) any other activity that is permitted in DCHA's Amended and Restated MTW Agreement.

**Revitalization Program** – The Revitalization Program includes the development-related activity funded from HOPE VI, Choice Neighborhood Initiatives and other local funds. Generally, DCHA will capture costs by development and will include the ability to track charges to specific funding sources.

**Special Purpose (Non-MTW) Tenant-Based and Project-Based Housing Choice Vouchers** – Special Purpose Vouchers include, but are not limited to, the Section 8 Moderate Rehab Program, the Veterans Affairs Supportive Housing (VASH) vouchers, Tenant Protection and Opt-Out Vouchers in the first year, and the Multicultural vouchers.

**American Recovery and Reinvestment Act (ARRA) Grants** – The ARRA grants are one-time grants which will be use for rehabilitation of existing DCHA-owned Public Housing properties, and demolition and development related to the Public Housing-assisted units inside of mixed-income, mixed-finance developments.

**Other Federal and State Awards** – DCHA may be the recipient of other Federal and Local awards from time to time. Each of these awards will be a separate cost objective as necessary. For



example, DCHA has two locally funded voucher programs that are treated as separate programs and therefore, as separate cost objectives.

### **DCHA Direct Costs**

DCHA direct costs are defined in conjunction with the cost objectives defined in this Cost Allocation Plan. As previously mentioned, under OMB Circular A-87, there is no universal rule for classifying costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the final cost objective.

**MTW Program** direct costs include, but are not limited to:

1. All contract costs readily identifiable with delivering housing assistance to low income families under the MTW Program;
2. Housing Assistance Payments (including utility allowances) for tenant-based vouchers and PBV;
3. Portability Administrative Fees;
4. Homeownership voucher funding;
5. Foreclosure and emergency assistance for low income families served under HCV;
6. HCV costs for administering tenant-based vouchers, including inspection activities;
7. Operating costs directly attributable to operating DCHA-owned Public Housing properties, including utility costs and maintenance costs administered centrally;
8. Capital improvement costs at DCHA owned properties;
9. Operating subsidies paid to MIMF properties
10. Operating costs paid related to or on behalf of third party owned properties with Public Housing units including utility charges;
11. The Asset Management Department costs attributable to PBV, DCHA-owned Public Housing properties and third party-owned Public Housing units;
12. Resident Services directly attributable to MTW Program activities;
13. Gap financing in MTW real estate transactions;
14. Acquisition costs funded from MTW funds
15. Demolition, relocation and leasing incentive fees in repositioning DCHA-owned real estate;
16. Homeownership activities for low income families;
17. Office of Capital Programs and Development costs associated with MTW-funded development activity, homeownership initiatives, and PBRA as a development tool, and
18. Any other activities associated with delivering housing assistance to low income families under the MTW Program.

**Revitalization Program** direct costs include, but are not limited to:

1. Construction costs;
2. Loan and financing for affordable units;
3. Acquisition costs;
4. Land Improvements;
5. Legal expenses;
6. Professional services;
7. Contract cost (case management);



8. Relocation;
9. Extraordinary site work;
10. Demolition; and
11. Other revitalization expenditures (such as homeownership mortgage assistance and down payment assistance).

**Special Purpose Housing Choice Tenant-based Vouchers** direct costs include, but are not limited to:

1. Housing Assistance Payments (HAP) and
2. Program Administration Costs.

**American Recovery and Reinvestment Act (ARRA) Grant** direct costs include, but are not limited to:

1. Demolition of DCHA-owned Public Housing properties
2. Rehabilitation of existing DCHA-owned Public Housing properties, and
3. Construction costs including loans and financing related to the Public Housing units inside of mixed-income, mixed-finance developments.

**Other Federal and State Awards** direct cost include, but are not limited to:

1. Legal expenses;
1. Professional services;
2. Utilities (gas, water, electric, other utilities expense);
3. Real estate taxes;
4. Insurance;
5. Bank charges;
6. Staff training;
7. Interest expense;
8. Contract cost for CDBG; and
9. Any cost identified for which the award is made. Such costs will be determined as DCHA receives awards.

### **Explanation of Differences**

DCHA has the ability to define direct costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR Part 990.

DCHA is required to describe any differences between the Agency's Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. DCHA determined to implement a cost allocation system that was more comprehensive than HUD's Asset Management System which advocated a fee-for-service approach specific to the properties in the Public Housing Program. HUD's system was limited in focusing only a fee-for-service system at the property level and failed to address DCHA's comprehensive operation which includes other programs and business activities. DCHA's MTW Program is much broader than Public Housing properties and includes activities not found in traditional HUD Programs. This Cost Allocation Plan addressed the entire DCHA operation.



2. DCHA defined its cost objectives at a different level than HUD's System. Specifically, DCHA defined the MTW Program as a cost objective which is consistent with the issuance of the CFDA number for MTW as a Federal program. HUD defined its cost objective at the property level which fails to recognize the overall effort required to deliver the housing resources to Low Income families under the MTW Program. Because the cost objectives are defined differently, direct and indirect costs are defined based on the cost objectives identified in this Cost Allocation Plan.
3. DCHA will use a simple fee system of charging 10% of MTW Program funds to cover the costs of the Central Office Cost Center (COCC). DCHA views the 10% fee as reasonable when compared to the fees earned for administering the Local Voucher Programs. DCHA will account for an allocable share of the "MTW Fee" charges at the property level based upon the size of the property.
4. DCHA will charge a fee to other Federal and Local awards in a manner that is consistent with that allowed for those Federal awards. The fee charged to the Revitalization program will continue to follow the HUD guidelines of 3% of the total cost of the development.