

Making an IMPACT...



2014 Moving to Work Report

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This Moving to Work (MTW) Annual Report is prepared in accordance with the “Amended and Restated Moving to Work Agreement” between the Department of Housing and Urban Development (HUD) 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 Report are detailed in HUD Form 50900, published July 24, 2008 and subsequently revised (OMB Control Number: 2577-0216 Expiration Date: 05/31/2016).



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Section I. Introduction

A. Overview

The District of Columbia Housing Authority (DCHA) 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 titled Moving to Work (MTW). The program allows certain regulatory flexibility to participating agencies to design and test innovative approaches to local housing and policy issues. MTW also allows the 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.

Moving forward, DCHA will continue to look to identify innovative and practical ways in which the Agency utilizes its MTW regulatory flexibility and financial fungibility to better serve our clients.

DCHA's IMPACT report has been prepared in accordance with DCHA's MTW agreement with HUD. Submitted following the end of each fiscal year, the annual report outlines annual general operating information and DCHA's progress in utilizing its MTW authority. It is important to note that this is the first report DCHA is submitting under HUD's new MTW annual reporting requirements, as outlined in the revised Attachment B of the MTW Agreement (HUD Form 50900).

Mission and Strategic Goals

DCHA's MTW Program is guided by the principals set forth by the Agency's Mission Statement and Strategic Goals. In addition, the Agency's 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 cost 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.

B. Short-term and Long-Term MTW Goals and Objectives

DCHA has been faced with the challenge of fulfilling the agency's mission and strategic goals in light of diminished federal funding over the last few years, including the impact of sequestration. However, DCHA acknowledges that the flexibility provided by its MTW designation has lessened the impact on the provision of core services by reductions in federal funding. DCHA will continue to aggressively seek ways to utilize the agency's MTW authority to fulfill its mission and strategic goals in ways that are reflective of local housing needs, while implementing activities designed to meet one or more the MTW statutory objectives.

The following outlines the progress DCHA made in FY2014 to meet the agency's long-term and short-term goals and objectives.

Long-term

DCHA looks to create outcome based housing programs that incorporate streamlined administrative functions. With respect to Public Housing, the Agency is focusing on the "power of opportunity" by: building a program that provides opportunities for seniors and the disabled to live with integrity; using the program as a platform for work-able adults to fully explore opportunities at making their families more self-sufficient; and providing opportunities for youth to fully explore their potential, both academically and socially. Understanding that the HCV subsidy is a pass-through to landlords and participants, DCHA as program administrator looks to improve the experiences of HCV landlords and participants with DCHA. In addition, DCHA looks to increase pathways to self-sufficiency for HCV families through homeownership and improved access to private/public services. Finally, DCHA will increase affordable housing opportunities in the District of Columbia by continuing to be a strong partner with the public and private sectors.

Short-term

DCHA's short-term goals and objectives align with the Agency's long-term vision. The following outlines DCHA's progress in FY2014 toward fulfilling the Agency's vision. For additional information about the following activities, refer to full descriptions provided in Section IV of the report.



Increasing the supply of affordable housing

Completion of work on units produced through development and redevelopment efforts

A total of six Public Housing units came on-line at Sheridan Terrace III in FY2014. Construction delays prevented the completion of the remaining 35 units that were projected to come on-line at Sheridan Terrace III (17) and Metro Townes at Parkside (Polin Memorial) (18).

Financing closed on 39 Public Housing units at The Lofts (located at the site of the former Capper/Carrollsborg Public Housing community)

As part of DCHA's commitment to identify creative approaches to funding modernization and redevelopment of Public Housing communities in light of shrinking federal funding, closing the financing at this site was made possible through the establishment of DCHA's Local Blended Subsidy initiative.

Department of Housing and Community Development (DHCD)/DCHA Memorandum of Understanding and request for proposal process to create new units of affordable housing with comprehensive service provision through collaborative efforts at various city agencies. There was a delay in bringing the 50 project-based units that were projected to come on-line in FY2014. DCHA anticipates that these units will be on-line in FY2015.

Streamlining processes and creating savings

Public Housing biennial recertification implementation

DCHA finalized the local regulations governing the management of the Public Housing Biennial recertification process and began the implementation process in FY2014

Simplified HCV utility allowance schedule implementation

DCHA kicked off implemented the simplified schedule during the second half of FY14 and FY15 will mark the first full year of implementation of this MTW initiative. Among the anticipated outcomes DCHA looks to experience are reductions in staff time related to covering Utility Allowances during briefings and processing utility allowance calculations.

DCHA subsidiary as Energy Services Company (ESCo)

DCHA experienced increased energy savings through its ESCo FY2014.

Encouraging self-sufficiency

DCHA has been working on a redesign of the agency's self-sufficiency efforts that will result in a more comprehensive and coordinated approach focused on facilitating access to services/resources that meet the individual needs of residents and provide incentives for residents to work toward attaining self-sufficiency. The following outlines some of DCHA's efforts in this area:

- Four families became 1st time homeowners through DCHA Homeownership Assistance Program, bringing the total number of HOAP homeowners to 69.
- Under DCHA's Enhanced Neighborhood Services within Public Housing Communities initiative, 143 participants graduated from the transitional housing program located at the Sibley Plaza Public Housing community. In addition, the program provided services that increase self-sufficiency (i.e. case management, counseling, financial literacy, job preparedness, etc.) to between 34-69 participants a month in FY2014



- Over 400 Public Housing and HCV residents/participants accessed services offered at DCHA's workforce development center (created and funded through MTW single budget flexibility) in FY2014.
- After only 2 years of full implementation, families participating in the Achieving Your Best Life (AYBL) program for transitioning families from Public Housing assistance have escrowed over \$325,000

Assisted Living Facility Opened

DCHA opened the agency's first assisted living facility during the 3rd quarter of FY2014 and occupied 11 of the 14 units. Along with Medicaid waiver approval, DCHA utilized its MTW authority to establish an income exclusion to ensure affordability. In addition, total resources leveraged for investment in services during the last quarter of FY2014 was \$4,560.

Single fund flexibility

Through single fund flexibility, in FY2014, DCHA has been able to:

- Provide funding to maintain Public Housing operations and to undertake much needed modernization and deferred maintenance necessary to keep/bring units on-line for occupancy.
- Operate the agency's workforce development center
- Operate the agency's Customer Call Center
- Purchase and maintain public safety equipment and tools to improve safety and security in and around DCHA's Public Housing communities



Section II. General Housing Authority Operating Information

A. Housing Stock Information

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

New Housing Choice Vouchers that were Project-Based During the Fiscal Year			
Property Name	Anticipated Number of New Vouchers to be Project-Based *	Actual Number of New Vouchers that were Project-Based	Description of Project
Multiple Sites	50	0	DCHA entered into an MOU to create permanent supportive housing with other city agencies in which DCHA committed 50 project-based vouchers to subsidize the operating costs of selected units. Under a NOFA issued by the Department of Housing and Community Development, the project-based voucher subsidies have been awarded; however, AHAPs were not executed in FY2014 as anticipated. These units are currently undergoing construction/rehabilitation.
North Capital Commons	0	60	DCHA executed AHAPs for 60 project based VASH vouchers to house homeless veterans within a building of 123 affordable housing units. Other partners will be providing supporting services to residents.
Anticipated Total Number of New Vouchers to be Project-Based *		Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year *	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year *
50		1,550	1,281
Actual Total Number of New Vouchers that were Project-Based		Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
60		1,531	1,315

* From the Plan

Prior to the new Form 50900 plan requirements, DCHA only included a "Committed or In Use" projection in the agency's FY2014 plan.



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

Financing closed on 39 units at The Lofts (located on the site of the former Capper/Carrollsborg Public Housing development) as part of the financing efforts supported by DCHA's Local Blended Subsidy Initiative.

As part of DCHA's efforts to dispose of its scattered sites portfolio, two scattered sites (AMP#/Dev#--DC001000081 and DC0100526) were sold in FY2014.

There were a total of 101 units off-line at the end of FY2014 at New Communities Initiative sites (Park Morton, Lincoln Heights, and Barry Farm). These are units DCHA does not plan to reoccupy as the agency has plans to redevelop.

2. General Description of Actual Capital Fund Expenditures During the Plan Year

Narrative general description of actual capital fund expenditures during the Plan year (by development): James Creek--\$12,498 for emergency manhole replacement; **Frederick Douglass Dwellings**--\$9,236 for HAZMAT survey and abatement at the Center; **Kelly Miller**--\$55,248 for various renovations to units and mechanical upgrades, CCTV equipment and upgrades; **Barry Farm Dwellings**--\$6,786 for emergency mechanical systems replacements; **Lincoln Heights**--\$23,605 for mechanical systems and roof repairs and replacement; **Richardson Dwellings**--\$389,453 for replacement of roofs, CCTV equipment and bathroom window glazing; **Kenilworth Courts**--\$12,039 for emergency mechanical systems maintenance/repairs and replacements; **Greenleaf Gardens**--\$23,444 for CCTV equipment and upgrades, mechanical system maintenance, various routine and emergency repairs/upgrades (i.e. radiator, pipes, walls, doors, windows, sewer lines, electrical panels); **Benning Terrace**--\$42,844 for fire unit renovation, CCTV equipment and repair; **Stoddert Terrace**--\$19,746 for emergency mechanical systems replacement and electrical work; **Syphax Gardens**--\$10,702 for emergency replacement of cooper line, underground waterline, and induce fan; **Langston Terrace**--\$541,860 for roof replacements, fire unit renovation, storage tank removal, soil testing, feasibility study activities; **Sibley Plaza**--\$105,420 for mechanical systems replacements, CCTV equipment; **Hopkins Apartments**--\$1,373 for CCTV equipment; **Park Morton**--70,214 for HAZMAT testing, UFAS unit conversion, CCTV equipment, resident relocation; **Woodland Terrace**--CCTV equipment; **Kentucky Courts**--\$11,916 for CCTV equipment; **Carroll Apartments**--\$5,794 for CCTV equipment; **Garfield Terrace**--\$40,681 for CCTV equipment; A&E for mechanical system project; **Ledroit Apartments**--\$250,415 for CCTV equipment, roof upgrades, HAZMAT testing and abatement, unit renovations, mechanical upgrades and various common area improvements; **Potomac Gardens**--\$67,077 for CCTV equipment, fire alarm system modifications, HAZMAT testing and abatement, emergency cable replacement; **Montana Terrace**--\$50,936 for CCTV equipment, Community building storm drain repair; **Fort Dupont Addition**--\$7,650 for HAZMAT testing and abatement; **Claridge Towers**--\$5,762 for CCTV equipment, motors for fan coil units; **Knox Hill**--\$5,004 for CCTV equipment; **Horizon House**--\$4,882 for CCTV equipment; **Fort Lincoln**--\$4,942 for CCTV equipment; **Judiciary House**--\$437,139 for elevator upgrades and interior improvements, chairlift replacements, CCTV equipment, design services; **Harvard Towers**--\$31,215 for CCTV equipment, masonry replacements, A&E for boiler flue gas recovery project; **Regency House**--\$2,393 for Design services, CCTV equipment; **James Apartments**--\$5,233 for CCTV equipment, design services; **The Villager**--\$90 for CCTV equipment; Columbia Road--\$6,268 for CCTV equipment; **Colorado Apartments**--\$486,165 for comprehensive modernization and structural modifications, CCTV equipment, UFAS unit upgrades, rehabilitation of units, resident relocation, mechanical systems installation, electrical/plumbing modifications; **Lincoln Road**--\$2,169 for CCTV equipment; **2905 11th Street (Assisted Living Facility)**--\$321,015 for new construction, CCTV equipment, electrical services installation.



3. Overview of Other Housing Owned and/or Managed by the PHA at the Fiscal Year End

Housing Program *	Total Units	Overview of the Program
Other: Williston	28	Through foreclosure action, DCHA owned this affordable property. In order to maintain the affordability in a gentrifying neighborhood, an AHAP was executed in FY2010. In FY 2013, DCHA transferred the property to the Williston Preservation Corporation (a subsidiary controlled by the DCHA) for the purposes of refinancing the property through a HUD approved 223(f) mortgage. Additionally, a project based HAP was executed on the property in March of 2013 in furtherance of this purpose.
Other: Capital City Housing Corporation	51	Capital City Housing Corporation (an affiliate of DCHA) is the General Managing Partner (GP) of this affordable property. In order to maintain the affordability a HUD HAP renewal was issued in April 2013.
Tax-Credit: Accessibuild	22	Accessibuild--DC Housing Enterprises (an affiliate of DCHA) is GP in this low income housing tax credit property. The units were funded with 4% tax credits, bonds and DC Housing Production Trust Fund. The units are subsidized with project based vouchers.
Other: Single Family UFAS	1	Owned by the Affordable Housing Development Corporation of the District of Columbia, a wholly owned subsidiary of DCHA, the property is a single family UFAS unit subsidized through a project-based HAP contract executed in 2009.
Total Other Housing Owned and/or Managed	102	
If Other, please describe:		See descriptions above under "Overview of the Program".



B. Leasing Information

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

Housing Program:	Number of Households Served*	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs **	0*	11
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs **	0*	0
Port-In Vouchers (not absorbed)	N/A	75
Total Projected and Actual Households Served	0	86

* Calculated by dividing the planned/actual number of unit months occupied/leased by 12.

** In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

Housing Program:	Unit Months Occupied/Leased****	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ***	0	33*
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ***	0	0
Port-In Vouchers (not absorbed)	N/A	516
Total Projected and Annual Unit Months Occupied/Leased	0	549

***Explanation for differences between planned and actual households served and unit months:** As this is the 1st year that DCHA is using the new 50090 reporting format, the agency did not project "local non-traditional MTW funded households served" in the FY14 Plan. DCHA is in the process of reconciling these units in PIC and working with HUD to clarify the DCHA baseline related to these types of units.

*** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served.

**** Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0



2. Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income

HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on **local, non-traditional families** provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2011	2012	2013	2014
Total Number of Local, Non-Traditional MTW Households Assisted	NA	NA	NA	11
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	NA	NA	NA	11
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	NA	NA	NA	100%



3. Reporting Compliance Statutory MTW Requirements: Maintain Comparable Mix

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

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW (as of FY2003)	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW (as of FY2003)	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
0 bdrm	2255	see previous column	2255	2255	13.7%
1 bdrm	3592	see previous column	3592	3592	21.8%
2 bdrm	5193	see previous column	5193	5193	31.6%
3 bdrm	3857	see previous column	3857	3857	23.4%
4 bdrm	1177	see previous column	1177	1177	7.2%
5 bdrm	343	see previous column	343	343	2.1%
6+ bdrm	35	see previous column	35	35	0.2%
Totals	16452	0	16452	16452	100%

Explanation for
Baseline
Adjustments to
the Distribution
of Household
Sizes Utilized

NA



Mix of Family Sizes Served

	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6+ Bdrm	Totals
Baseline Percentages of Household Sizes to be Maintained **	13.7	21.8	31.6	23.4	7.2	2.1	0.2	100
Number of Households Served by Family Size this Fiscal Year ***	1053	5146	5384	3987	1387	345	70	17372
Percentages of Households Served by Household Size this Fiscal Year ****	6.1	29.6	31	23	8	2	0.4	100.1
Percentage Change	-55%	36%	-2%	-2%	7	1	-0.6	99.1

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

As provided in DCHA's 2003 MTW agreement and subsequent annual reports, the Agency has provided family size in terms of bedroom size in a cumulative number for both the Public Housing and HCV programs. Changes in family size as represented by bedroom sizes are consistent with changes in room sizes reported in the American Housing Survey for the Washington Metropolitan Area.



4. Description of Any Issues Related to Leasing of Public Housing, Housing Choice Voucher or Local, Non-Traditional Units and Solutions at the Fiscal Year End

Housing Program	Description of Leasing Issues and Solutions
Public Housing	At this time, DCHA did not have any difficulties in leasing Public Housing units.
Housing Choice Voucher	With the decrease in HUD Fair Market Rents, HCV participants are being squeezed into fewer and fewer submarkets. DCHA will be approaching HUD with an approach for addressing this issue in FY2015.

5. Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

Activity Name/#	Number of Households Transitioned *	Agency Definition of Self Sufficiency
Modification to HCV Homeownership Program/Initiative #3 (HOAP)	5	Households purchasing homes
Modification to HCV Homeownership Program/Initiative #3 (AYBL Program)	0	Households purchasing homes or renting in the private market
Simplified Certification and Multi-Year Income Recertification/Initiative #4	0	HCV families who are able to afford the full contract rent and Public Housing families who transition from TANF due to increased earnings
Establishment of Resident Driven Community Based Program to Improve Customer Service and Foster Greater Resident Empowerment/Initiative #19	0	Households participating in a resident driven community based programs implemented under this initiative
Enhance Neighborhood Services within Public Housing Communities/Initiative #20--Safe Haven (Employment)	50	Graduation from the service provider administered program and obtain employment and/or stable housing



Enhance Neighborhood Services within Public Housing Communities/Initiative #20--Safe Have (Stable Housing)	43	Graduation from the service provider administered program and obtain employment and/or stable housing
Encourage the Integration of Public Housing Units into Overall HOPE VI Communities/#23	0	Families participating in community governance activities and events
Family Stabilization through Housing and Education Demonstration/ Initiative #27	0	Families who transition from TANF due to increased earnings
Rent Reform Demonstration/Initiative #28	0	Families who are able to afford the full contract rent for their unit (DCHA pays \$0 HAP)]
Households Duplicated Across Activities/Definitions	0	* The number provided here should match the outcome reported where metric SS #8 is used.
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	93	



C. Waiting List Information

1. Wait List Information at Fiscal Year End

Housing Program(s) *	Wait List Type **	Number of Households on Wait List	Wait List Open, Partially Open or Closed ***	Was the Wait List Opened During the Fiscal Year
Federal MTW Public Housing	Community-wide	27,439	Closed	No
Federal MTW Housing Choice Voucher	Community-wide	36,683	Closed	No
Federal non-MTW Housing Choice Voucher Units (Moderate Rehabilitation)	Community-wide (same list as Federal MTW HCV)	36,683	Closed	No
Federal non-MTW Housing Choice Voucher Units (Tenant-Based and Project-based)	Community-wide (Federal MTW HCV)/None	36,683	Closed/NA	No
Federal MTW Public Housing (Mixed Finance/Service Rich)	Site-based	4,545	Varies by Site-- DCHA has various mixed finance/service rich unit sites that have site-based wait lists. Each site makes decisions about the need to open or close their respective wait lists.	Only 1 new waiting list opened in FY2014

The various mixed finance/service rich unit lists that are open are for public housing units. DCHA opened the waiting list for 2905 11th Street, the agency's first assisted living facility and service rich property, in FY2014.

If Local, Non-Traditional Program, please describe:

2905 11th Street (Assisted Living)—a "Service Rich" property under MTW Initiative #11 (Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties): families are selected from a site-based waiting list.

If Other Wait List Type, please describe:

NA



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

DCHA completed an update to its centrally managed community-wide waiting lists in FY2014 as part of the agency's waiting list re-engineering effort. The size of the lists was reduced from around 72,000 to 41,000 unduplicated households (persons indicating interest in at least one housing program). Although there was a decline in the number of households, it is clear that a fair amount of people desire a housing subsidy from the housing authority.



Section III. Proposed MTW Activities

Table III.1 Summary of Proposed Activities

New Number	Old Number	Activity	Statutory Objective	MTW Flexibility	Yr. Identified
			•		



Section IV. Approved MTW Activities: HUD Approval Previously Granted

A. Implemented Activities

Table IV.1 Summary of MTW Activities/Initiatives

New Number	Old Number	Activity	Statutory Objective	MTW Flexibility	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"> • Increase housing choices for low-income families 	Sections D4 and D7 of Attachment C.	FY2004, FY2005 & FY2006	FY2004, FY2005 & FY2006
2	1.3.04	Designation of Elderly-Only Properties	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness 	Section C10 of Attachment C.	FY2004	FY2004
3	1.4.04	Modifications to HCV Homeownership Program	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness • Increase housing choices for low-income families 	Sections C11, D2, D8 and E of Attachment C.	FY2004	FY2004
4	2.1.04	Simplified Certification and Multi-Year Income Recertification	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness • Encourage families to obtain employment and become economically self sufficient 	Sections C4 and D1c of Attachment C.	FY2004	FY2004
5	2.2.04	Modifications to Market-Based Rents	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness • Encourage families to obtain employment and become economically self sufficient 	Section D2 of Attachment C.	FY2004	FY2004
6	2.3.04 2.5.05	Modifications to Pet Policy	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness 	Section C10 of Attachment C.	FY2004 & FY2005	FY2004 & FY2005
7	4.1.04	DCHA Subsidiary to Act as Energy Services Company	<ul style="list-style-type: none"> • Reduce cost and achieve greater cost effectiveness 	Attachment D.	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"> • Reduce cost and achieve greater cost effectiveness • Increase housing choices for low-income families 	Section D2 of Attachment C.	FY2005 & FY2010	FY2005 & FY2010



New Number	Old Number	Activity	Statutory Objective	MTW Flexibility	Yr. Identified	Yr. Implemented
10	3.4.05	Supporting Grandfamilies	<ul style="list-style-type: none"> Encourage families to obtain employment and become economically self sufficient 	Sections C11 and D2 of Attachment C.	FY2005	FY2005
11	1.10.06; 2.5.04; 3.9.12; 22	Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness Encourage families to obtain employment and become economically self-sufficient Increase housing choices for low-income families 	Sections C1, C9b, C10, C11, and D4 of Attachment C.	FY2004 FY2012	FY2005 FY2014
12	3.5.06	Rent Simplification and Collections	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	Sections C11 and D2 of Attachment C.	FY2006	FY2006
16	2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	Section D5 of Attachment C.	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"> Reduce cost and achieve greater cost effectiveness 	Section D5 of Attachment C.	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"> Reduce cost and achieve greater cost effectiveness 	Sections C4 and D3b of Attachment C.	FY2011	FY2012
20	2.9.12	Enhance Neighborhood Services within Public Housing Communities	<ul style="list-style-type: none"> Encourage families to obtain employment and become economically self-sufficient 	Sections B1b3, C1 and C15 of Attachment C.	FY2012	FY2012
24	NA	Simplified Utility Allowance Schedule	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness in federal expenditures 	Section D2(b) of Attachment C	FY2012	FY2014
25	NA	Local Blended Subsidy	<ul style="list-style-type: none"> Reduce cost and achieve greater cost 	Attachment C, Section B.1;	FY2014	FY2014



New Number	Old Number	Activity	Statutory Objective	MTW Flexibility	Yr. Identified	Yr. Implemented
			effectiveness <ul style="list-style-type: none">▪ Increase housing choices for low-income families	Attachment D, Uses of Funds		



Initiative 1: Modifications to DCHA's Project-Based Voucher Program

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 Agency to accept unsolicited proposals for PBVs when an RFP has not been issued. (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 discontinued this practice and will be removing it from MTW Reports going forward.)
- 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 UFAS units to be eligible for UFAS PBV units that are subsidized through the Partnership Program.
- 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.
- 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.

The changes resulted in:

- Increasing participation by housing owners/landlords;
- Meeting local housing and community needs.

Status

Implemented and Ongoing

DCHA has slowed down the project basing of Housing Choice Vouchers and is opting instead to utilize its unused Public Housing Annual Contribution Contract (ACC) authority to add subsidized units in private developments. Additionally, the City has created a local voucher program and DCHA has used its project-basing authority within that program to further expand affordable housing. During 2014, 60 units were project-based as part of 123 unit building of affordable units, with permanent supportive services provided by the DC Department of Behavioral Health, slated for veterans.



Between FY2004 and FY2006, DCHA used its flexibility to award project based vouchers to properties with affordable units who were receiving local funding through the city's Tenant Assistance Program (TAP). The city was faced with having to discontinue funding for the properties in the program and without MTW flexibility, 328 families would have been displaced as a result.

Metrics

DCHA is working to shore up internal reporting tools necessary to effectively track activity under the new HUD standard metrics.

DCHA Defined Metric(s)

Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of housing units in the Partnership Program (with executed HAP or AHAP)	1,467	235 units added	1,531	Benchmark not achieved
Number of completed units in the program that are UFAS compliant	6	11 new UFAS units added	12 (total units added since FY2010—no units added in FY2014)	Benchmark achieved
Number of Public Housing applicants requiring UFAS compliant units who are housed in such units through the Partnership Program	6	11	11 (total housed since FY2010)	Benchmark achieved

Housing Choice #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move.	Households losing assistance/moving prior to the implementation of the activity	Expected households losing assistance/moving after implementation of the activity	Actual households losing assistance/moving after implementation of the activity.	Whether the outcome meets or exceeds the benchmark.
Number of households under the local Tenant Assistance Program facing displacement (FY2004-FY2006)	328	0	0	Benchmark achieved



Initiative 2: Designation of Elderly Only Properties

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 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 (7) properties in whole or in part as Elderly-Only.



Status

Implemented and Ongoing

No elderly-only units were designated in FY2014.

This activity reduced the time necessary to put in place an Elderly-only designation.

Outside of the assessment process to determine the need, feasibility and federal compliance of an Elderly-Only designation, completing a designation under the DCHA local process can take as few as 30 days. Even under the HUD stream-lined designation process, the federal agency has 60 days to evaluate the request and respond to housing authorities with a decision. In addition, the default approval built into the HUD process requires a 60 day waiting time for housing authorities.

DCHA experienced a cost savings with respect to the time required under the HUD designation process compared to the locally established process. Measurable outcomes based on cost savings and gained efficiencies were experienced with the designation of each site and as such will be experienced with each future designation.

Metrics

As the local policy for streamlining of the Elderly-Only designation process was adopted in FY2004 and the subsequent designations took place prior to the new reporting requirements under the MTW Agreement, the related benefits are in the past. Future benefits will be experienced with the designation of additional properties/units. DCHA has established a metric to capture the difference in timing required to designate elderly only properties/units based on the HUD required review process that is foregone by way of this initiative.

DCHA Defined Metric(s)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Time to complete a designation	Up to 6.5 months (inclusive of HUD 60 day review)	3.5 months	To be determined with the next designation	TBD

HUD Standard Metric(s)

Cost Effective #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars	Cost of task prior to implementation (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Cost to complete the task in staff	To be determined with the next designation	To be determined with the next designation	To be determined with the next designation	TBD



Cost Effective #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
hours (completing feasibility determination, preparation of documents; resident and Board presentation preparation, etc.)				

Cost Effectiveness #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Total time to complete the task in staff hours (completing feasibility determination, preparation of documents; resident and Board presentation preparation, etc.)	20 hours	15 hours	To be determined with the next designation	TBD

Housing Choice #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to better unit and/or neighborhood of opportunity as a result of the activity	Households able to move to better unit and/or neighborhood of opportunity prior to implementation of the activity	Expected Households able to a move to better unit and/or neighborhood of opportunity after implementation of	Actual increase in Households able to a move to better unit and/or neighborhood of opportunity after implementation of	Whether the outcome meets or exceeds the benchmark.



Housing Choice #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
		the activity	the activity	
Number of households able to move to better unit and/or neighborhood of opportunity as a result of the activity	0	To be determined with the next designation	To be determined with the next designation	TBD

Initiative 3: Modifications to HCV Homeownership Program

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 HCV 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 what 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 Program (AYBL)** 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 development to be designated as a Reward Property was Elvans Road.

It is expected that after five (5) 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 (PHA) 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 would be \$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 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 (5) 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 FY2012 after working closely with the housing advocate community and in accordance with the local public review process. In addition, recruitment, eligibility screening began and the first families moved into Elvans Road during the latter part of FY2012.

It is anticipated that more families will move toward self-sufficiency through their efforts to meet the AYBL minimum income program entry requirement. In addition, the desire to participate in AYBL and HOAP may motivate residents/participants to be more diligent in achieving/maintaining their “good-standing” status.

AYBL requirements, along with changes in HOAP requirements, are designed to foster sustained homeownership by requiring that families are better prepared for homeownership beyond the expiration of the voucher assistance.

DCHA anticipates that this activity will increase the number of families housed off of the Public Housing waiting list as AYBL families transfer into AYBL Rewards properties and move on to homeownership or renting in the private market.

Status

Implemented and ongoing

The number of new HCV families purchasing homes increased by 4 households in FY2014, missing the annual goal of 5 new homeowners. This number is down from the 14 purchases that occurred in FY2013. It is important to note that there were at least 10 families who did not go to closing in FY2014



due to construction delays. Another condition impacting families' ability to purchase in FY2014 was a change in the local HPAP income eligibility requirements for downpayment assistance—it increased to \$37,000.

As discussed in the FY2013 Report, DCHA considered making changes to AYBL program eligibility requirements and adding an additional program goal as a means of increasing program participation. In FY2014, those changes were made to include:

- (1) Expanding the program goal of homeownership to renting in the private market without federal or local housing assistance
- (2) Decrease the earned income requirement from \$35,000 to \$32,000
- (3) Increasing the pool of potential applicants in the event AYBL units cannot be filled with families residing in conventional public housing by allowing the selection of families residing in mixed finance properties and applicants from the public housing waiting list selection pool
- (4) Allow applicant families up to four (4) late rental payments in either public housing or the private market within the twelve (12) months prior to the approval of an AYBL application.

While these changes did not require MTW authority, measurement of the additional program goal will be captured with a HUD standard metric (see Measurement Changes section). Due to the policy changes related to program eligibility and increased recruitment efforts, an additional 3 families entered the AYBL program by the end of FY2014. With the additions to the program, the total number of AYBL program participants at the end of FY2014 was 14.

Metrics

DCHA is working to shore up internal reporting tools necessary to effectively track activity under the new HUD standard metrics.

DCHA Defined Metric(s)

Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Housing Choice Voucher participants				
Number of HCV families purchasing homes	51	At least 5 additional families each FY	4 (additional households) 69 (new homeowners at the end of FY2014)	Not for FY2014 (1 purchase short of goal)
Public Housing participants—AYBL (Baseline=FY2011)				
Number of families	0	18 by the end of	14 (total at the end	No, but increase of 3



Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
enrolled in AYBL		FY2014 (formerly 21 one year after implementation)	of FY2014)	families in FY2014
Number of HOAP vouchers issued to Public Housing families through AYBL*	0	Up to 18 by 2018 (formerly 21 by 2017)	0	Benchmark not yet met—2 years into a 5 year program
Number of AYBL families purchasing homes*	0	Up to 18 by 2018 (formerly 21 by 2017)	0	Benchmark not yet met—2 years into a 5 year program
Number of AYBL families renting in the private market**	0	Up to 18 by 2018 (formerly 21 by 2017)	0	Benchmark not yet met—2 years into a 5 year program

*Modified

**New metric

HUD Standard Metrics

Cost Effective #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome (end of FY2014)	Benchmark Achieved?
Total cost of task in dollars	Cost of task prior to implementation (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Portability (cost to process portability action— interim recertification + 10mins)	\$38.5/port	\$0	\$0	Benchmark achieved

Cost Effectiveness #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.



Cost Effectiveness #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Portability (time to process portability action— interim recertification + 10mins)	1 hour and 10mins	1 hour	0 hours	Benchmark achieved

Self Sufficiency #1: Increase in Household Income				
Unit of Measurement	Baseline (FY2011/FY2012)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase) AYBL Program	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)	Actual average earned income of households affected by this policy prior to implementation (in dollars)	Whether the outcome meets or exceeds the benchmark.
Average earned income of households affected by this policy in dollars (increase)	\$35,000/year	\$45,000/year	\$43,816.73/year	Benchmark not yet met—2 years into a 5 year program

Self Sufficiency #2: Increase in Household Savings				
Unit of Measurement	Baseline (FY2011/FY2012)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase) AYBL Program	Average savings/escrow amount of households affected by this policy prior to implementation of the activity (in dollars).	Expected average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars)	Actual average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Average amount of savings/escrow of households affected by this policy in dollars (increase) AYBL Program	0	\$800/month per household	\$2,465.57/month per household	Benchmark achieved

Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency



Unit of Measurement	Baseline (FY2011/FY2012)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual number of households receiving self-sufficiency services after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase self-sufficiency (increase)	0	At least 18	14	Benchmark achieved

Self Sufficiency #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market) prior to implementation of the activity (number)	Expected households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market w/out federal or local housing assistance) after implementation of the activity (number)	Actual households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market) after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
HCVP—HOAP (Baseline=FY2010)				
Number of households transitioned to self-sufficiency—households becoming homebuyers	51	At least 5 additional families each FY	4 (additional households) 69 (new homeowners at the end of FY2014)	Not for FY2014 (1 purchase short of goal)
Public Housing participants—AYBL (Baseline=FY2011)				
Number of households	0	18	0	Benchmark not yet met—2 years into a



Self Sufficiency #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
transitioned to self-sufficiency—households becoming homebuyers or renting in the private market (increase).				5 year program

Housing Choice #6: Increase Homeownership Opportunities				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households that purchased a home as a result of the activity	Number of households that purchased a home prior to implementation of the activity	Expected number of households that purchased a home after implementation of the activity	Actual number of households that purchased a home after implementation of the activity	Whether the outcome meets or exceeds the benchmark.
HCVP—HOAP (Baseline=FY2010)				
Number of households that purchased a home as a result of the activity— HOAP	51	At least 5 additional families each FY	4 (additional households) 69 (new homeowners at the end of FY2014)	Benchmark not met for FY2014 (1 purchase short of goal)
Public Housing participants—AYBL (Baseline=FY2011)				
Number of households that purchased a home as a result of the activity — AYBL	0	18	0	Benchmark not yet met—2 years into a 5 year program

Initiative 4: Simplified Certification and Multi-Year Income Recertification

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 re-certifications 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. In FY2013, DCHA drafted Public Housing biennial recertification regulations with the final regulations approved by the DCHA Board of Commissioners in early FY2014. DCHA began the process of transitioning Public Housing families to a biennial recertification cycle in FY2014.

This initiative saves DCHA substantial staff time by reducing the number of recertifications conducted by half. In addition, with the implementation of the biennial Public Housing recertifications, DCHA anticipates a reduction in the annual administrative costs of preparing and mailing recertification packages.

Metrics

DCHA Defined Metric(s)

HCV

Metric	Baseline (FY2007)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of HCV regular re-certifications conducted (includes any related compliance actions taken)	10,319	50% reduction [9,173—families under contract in FY14)		To be provided in the Annual MTW Report
Staff time to conduct HCV	10,319 hours	50% reduction		To be provided in



Metric	Baseline (FY2007)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
re-certifications	(estimated as 60 minutes per re-certification)	[9,173—families under contract in FY14)		the Annual MTW Report

Public Housing

Metric	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of regular Public Housing recertifications conducted	7,066	50% reduction	Pending completion of transition of households to biennial recertification cycle	Pending completion of transition of households to biennial recertification cycle
Staff time to conduct Public Housing recertifications (hours)	10,034 hours [estimated at 1 hour and 25 minutes (1.42 hours) per recertification]	50% reduction	Pending completion of transition of households to biennial recertification cycle	Pending completion of transition of households to biennial recertification cycle
Annual costs related to prepare for scheduled recertifications (includes cost of paper, postage, envelopes)	\$14,000	50% reduction	Pending completion of transition of households to biennial recertification cycle	Pending completion of transition of households to biennial recertification cycle

HUD Standard Metrics

Cost Effectiveness #1: Agency Cost Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.



Cost per Interim Certification Each interim costs approx. \$100 in administrative processing (which may include any back-charges for family failure to report). DCHA avgs 150 families reporting increases in income monthly (outside of scheduled recert processing). $\$100 \times 150 = \$150,000$	\$150,000	\$0	To be provided in the Annual FY2015 MTW Report	To be provided in the Annual FY2015 MTW Report
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*DCHA is working to shore up internal reporting tools necessary to effectively track activity under the new HUD standard metrics.

Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Total time to complete the task in staff hours	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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours)	Whether the outcome meets or exceeds the benchmark.
Time per Interim Certification related to increases in income (avg 150 interims/year; staff time to complete an interim = 1hour)	150 hours	0	To be provided in the Annual FY2015 MTW Report	To be provided in the Annual FY2015 MTW Report

*DCHA is working to shore up internal reporting tools necessary to effectively track activity under the new HUD standard metrics.

Self-Sufficiency #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
Average Earned Income	Baseline to be established during FY2015r and provided in the subsequent report.	1% increase each biennial recertification cycle*	To be provided in the Annual FY2015 MTW Report	To be provided in the Annual FY2015 MTW Report



*After consideration of the feasibility of the benchmark for this metric, the percentage increase was changed from 3% to 1%.

Self-Sufficiency #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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 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).	Actual head(s) of households in the category after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
	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).	Actual percentage of total work-able households in the category after the implementation of the activity (percent)	Whether the outcome meets or exceeds the benchmark.
Employment Status for (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 the Study population in each of these categories: (1) Employed Full- Time: (2) Employed Part- Time: (3) Enrolled in an Educational Program: (4) Enrolled in Job Training Program: (5) Unemployed: (6) Other:	Benchmark is equal to: The following changes in the number of the Study population in each of these categories: (1) Employed Full- Time: (2) Employed Part- Time: (3) Enrolled in an Educational Program: (4) Enrolled in Job Training Program: (5) Unemployed: (6) Other:	To be provided in the Annual FY2015 MTW Report	To be provided in the Annual FY2015 MTW Report
	Baseline to be established during FY2015 and provided in the subsequent report.	Baseline to be established during FY2015 and provided in the subsequent report.		



Self-Sufficiency #4: Households Removed from Temporary Assistance for Needy Families (TANF)*				
Unit of Measurement	Baseline	Benchmark	Outcome* (FY2014)	Benchmark Achieved?
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).	Actual households receiving TANF after implementation of the activity	Whether the outcome meets or exceeds the benchmark.
Households Receiving TANF Benefits	2,984 (HCVP) 1,353 (Public Housing)	1% of families by the end of a complete biennial recertification cycle after the activity is implemented	To be provided in the Annual FY2015 MTW Report	To be provided in the Annual FY2015 MTW Report

*Given that this is DCHA's 1st report under the new HUD metrics, having established these as part of the FY2015 Plan, the agency is in the process of defining internal tracking necessary to provide this information.

Self-Sufficiency #8: Households Transitioned to Self-sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency prior to implementation of the activity (number). This number may be zero.	Expected households transitioned to self-sufficiency after implementation of the activity (number).	Actual households transitioned to self-sufficiency after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Non-elderly Non-disabled Households Transitioned/ Graduated to Self-sufficiency per Year. [HCVP Families who are able to afford the full contract rent for their unit (DCHA pays \$0 HAP) Public Housing Families who are transitioned from TANF due to increased earnings]	0 (HCVP) 0 (Public Housing)	Increase of 1% after the first full biennial recertification cycle after implementation of the activity	0	To be provided in the Annual MTW Report

Initiative 5: Modifications to Market-Based Rents

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 methods used for calculating their rents, 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

As this activity was implemented in FY2004, the measurable benefits are in the past, prior to the new reporting requirements under the MTW Agreement. No incremental cost savings are expected.

This activity has decreased the staff time necessary to inform residents and record rent choice, as well as resident time to review and respond. DCHA has eliminated the administrative burden associated with a formal process of notifying approximately 8,000 DCHA Public Housing residents annually of the choice and having residents provide a written response to the Agency.

Metrics

HUD Standard Metric(s)

Cost Effectiveness #1: Agency Cost Savings*				
Unit of Measurement	Baseline*	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Total cost to process resident rent options in staff hours (decrease)	\$34.5 per eligibility determination	\$2.88 reduction per eligibility determination	\$31.62	Benchmark achieved



*Metric reflect estimates in light of the fact that this initiative was implemented in FY2004 and related to these metrics is no longer available.

Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline*	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Total time to process resident rent options in staff hours (decrease)	1 hour 30 mins	1 hour 25 mins (reflects a 5 min reduction in the staff time necessary to complete an initial eligibility and recertification interview process)	0 mins	Benchmark achieved

*Metric reflect estimates in light of the fact that this initiative was implemented in FY2004 and related to these metrics is no longer available.

Initiative 6: Modifications to Pet Policy

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

Impact

DCHA has experienced cost savings with respect to the potential wear/tear of units and common areas related to the restrictions placed on pet ownership with the establishment of Agency's pet policy. Measurable outcomes based on reduced costs and efficiencies were experienced shortly after this activity was implemented.



Metrics

As the modifications to the DCHA Pet Policy took place in FY2005, the measurable benefits are in the past, prior to the new reporting requirements under the MTW Agreement. No incremental cost savings are expected.

Initiative 7: DCHA Subsidiary to Act as Energy Services Company

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, 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 experienced an increase in savings in FY2014. This additional savings is attributable to DCHA's consumption savings performance for the period, compared to the established rolling base in ECIP and the utility rates for the period. Primarily, the bulk of the savings is in water (DCWASA).

Impact

DCHA secured \$26 million in funding to implement DCHA's energy efficiencies as articulated in the Agency's plan. As of the end of FY2013, the entire \$26 million of the loan proceeds have been expended. In FY2012, DCHA took advantage of the very favorable interest rate environment and refinanced its energy loan. The flexibility to execute the new loan documents without HUD approval greatly simplified and sped up the process, saving an unknown amount of DCHA and HUD staff-time. The refinancing shortened the term on the loan while keeping payments relatively unchanged, greatly reducing interest expenses over the life of the loan.



Metrics

EPC Reporting Requirements	FY2011	FY2012	FY2013	FY2014
Is the project ESCo or Self-developed?	self-developed	self-developed	self-developed	self-developed
Number of rehabilitated units in the energy project?	5,444	5,444	5,444	5,444
Number of rehabilitated AMPs in the energy project?	31	31	31	31
What is Total Investment?	\$26,024,925	\$26,024,925	26,024,925	\$26,024,925
What is Total Financed?	\$26,024,925	\$26,024,925	26,024,925	\$26,024,925
What is Debt Service (Annual)?	\$2,878,597	\$2,989,371	3,185,506	\$3,185,506
What are Guaranteed Savings?	\$3,143,583	\$3,143,583	3,143,583	\$3,143,583
What are Actual Savings?	\$2,651,000	\$3,180,247	\$2,893,505	\$4,347,925
What is the Investment per unit?	\$4,780.48	\$4,780.48	\$4,780.48	\$4,780.48
What is the Finance per unit?	\$4,780.48	\$4,780.48	\$4,780.48	\$4,780.48
What is the Actual Savings per unit?	\$528.77	\$584.17	\$531.50	\$798.66
What is the Savings per project (AMP)?	\$92,859.58	\$102,588.61	\$93,338.87	\$140,255
What is the Term of the contract?	12 years	12 years	12 years	12 years
What date was the Request for Proposal issued?	Self-developed did not require a RFP	Self-developed did not require a RFP	Self-developed did not require a RFP	Self-developed did not require a RFP
What was Date Audit Executed?	April through June of 2004	April through June of 2004	April through June of 2004	April through June of 2004
What was Date Energy Services agreement executed?	September 28, 2007	September 28, 2007	September 28, 2007	September 28, 2007
What was Date Repayment starts?	December 20, 2007	December 20, 2007	December 20, 2007	December 20, 2007
What Types of Energy Conservation Measures were installed at each AMP site?	Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation.	Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation.	Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation	Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation



Initiative 8: Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration

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.

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.

Rent Reasonableness Analysis

Prior to implementation of the changes in the approach to rent reasonableness analyses, DCHA conducted a rent reasonableness analysis for each unit submitted for lease-up and for each rent increase that was processed. Each analysis was conducted in two (2) parts:

1. automated calculation using industry software that did not take into account District of Columbia sub-markets
2. negotiations with landlords based on the reasonable rent determination for the unit

While the automated calculation took three minutes to complete based on data entered by staff, HUD required negotiations with landlords that took approximately one hour of staff time. Looking at FY2011 data for the number of transfers/new lease-ups (2,161) alone, DCHA gained at least 2,161 hours in staff time by using MTW authority to annually establish reasonable rents by sub-market and eliminated the need for negotiations with landlords. With the staff time savings, DCHA made changes to workflow processes allowing for staff to perform other needed activities. DCHA believes that the time savings achieved here has already been realized.



Deconcentration of Poverty

Efforts to match payment standards in submarkets to the existing market rent is expected to increase housing choices for DCHA's voucher holders by enabling them to better afford to move into low poverty neighborhoods.

Status

Implemented and Ongoing

DCHA continued to maintain its performance in FY2014 related to the "number of rent reasonableness analyses conducted at lease-up and rent increase processing" and "staff time to conduct rent reasonableness analyses" by exceeding the 90% benchmark for both metrics and achieving 100% reduction in the established baselines. With respect to the "number of voucher participants moving to low-poverty wards", the Agency did not meet the 3% of households served benchmark as a result of Sequestration. Specifically, Sequestration forced DCHA not to use its flexibility to go up to 120% of FMR as a key tool for allowing families to rent in lower poverty/higher rent areas.

Metrics

DCHA Defined Metric(s)

Metric	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of rent reasonableness analyses conducted at lease-up and rent increase processing	2,161	90% reduction	0 conducted	Benchmark achieved
Staff time to conduct rent reasonableness analyses	2,269 hours	90% reduction	0 hours	Benchmark achieved
Dollars spent on comp analysis	\$6,483 (\$3 per analysis x 2,161 analyses)	90% reduction	\$0—no need for third party comp analysis. All analysis is done in-house	Benchmark achieved
Voucher participants moving to low-poverty wards	107	3% of households served	68	Benchmark not met

HUD Standard Metric(s)

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total cost of task in dollars (decrease)	Cost of task prior to implementation of the activity (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.



Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total cost of task in dollars (decrease) \$3/comparable*	\$6,483	\$0	\$0	Benchmark achieved

*Based on average number of yearly comparable performed (2,161) at a cost of \$3/each

Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Total time to complete rent reasonable analyses in staff hours (decrease) [10 mins per analysis and baseline of 2,161 analyses performed in FY2010]	21,610 mins/year OR 360 hours/year	30.5 hours/year	0 mins	Benchmark achieved

Housing Choice #5 Increase in Resident Mobility				
Unit of Measurement	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity	Actual households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity	Whether the outcome meets or exceeds the benchmark.
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	107	3% of households served	68	Benchmark not met



Initiative 11: Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties (formerly 1.10.06, 2.5.04, 3.9.12 & 22)

Description

Due to the close relationship of Initiative 11 (*Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures*—formerly 1.10.06, 2.5.04) and Initiative 22 (*Housing Public Housing Residents in Service-Rich Environments*—formerly 3.9.12) with respect to the “Special Purpose” sites and “Service Rich” units, these initiatives are being combined. In addition, the name of the combined initiatives better reflects the activities being undertaken.

Redeveloped Properties are mixed-finance communities owned by private entities which communities are created through HOPE VI or other public funding combined with private financing, which have some or all of their units assisted by operating funds provided by DCHA. These properties have site specific in-take and waiting list management policies and procedures.

Service Rich Properties may be DCHA-owned, conventional public housing or privately owned units assisted with operating funds provided by DCHA and managed by DCHA or third parties, which provide and/or oversee the delivery of services for residents. Service Rich sites are 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 Service Rich sites 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. 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. These properties may 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.

Assisted Living Facility—2905 11th Street, NW (Service Rich Environments)

DCHA completed the rehabilitation and conversion of a 14 unit building (located at 2905 11th Street, NW) to a Medicaid funded assisted living facility in FY2014. 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 being provided are 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.

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 11th Street, NW. Additional sites, including any additional flexibilities, will be added by way of future MTW Plans for HUD approval prior to implementation.

This initiative also includes the establishment of centrally managed site-based waiting lists at DCHA's conventional Public Housing sites. To implement the site-based waiting lists at conventional Public Housing, DCHA is in the midst of undertaking a waiting list reengineering project which includes a multi-phase review and purge of its Public Housing waiting list.



The implementation of site-based waiting list will both reduce costs and increase housing choices. Currently when a unit became available, an applicant first goes through eligibility determination. Once the applicant has been identified as eligible for the program, they are shown the available unit, which could be at any of the Public Housing properties. If the applicant turns down the first unit shown, which happens often, then the applicant goes back to the eligible applicant pool and waits for another unit. If there was another unit vacant, the applicant is shown a second unit. At this point the applicant must either accept the second unit or be removed from the waiting list (unless the applicant presents acceptable evidence of a hardship).

With the implementation of site-based waiting lists, the process to lease a vacant unit is expected to be reduced considerably. When people apply for the site-based waiting list of their choice, they will only be shown units in the properties where they want to reside. This will reduce the number of first offer rejections and reduce duplicate staff efforts. It will also increase in the household's exercising housing choice, because they will be in a position to determine in which area or property they will live, rather than having to take only what is offered.

Status

Implemented and Ongoing.

Site-based Waiting Lists

As part of a waiting list redesign project, DCHA suspended the intake of new applications for conventional Public Housing sites in FY2013. In addition, DCHA updated the waiting list in FY2014 to confirm applicants continued interest in housing assistance. Work began in FY2014 on the policy design for site-based waiting lists for the agency's conventional Public Housing sites.

Special Purpose Sites/Service Rich Units

The assisted living facility (2905 11th Street, NW) has been completed; an operator who will manage the facility has been engaged (Mia Senior Living Solutions); the local program regulations have been finalized; and units are being occupied. As of the end of FY2014, 11 residents have moved into the facility (the facility did not open until June FY2014). DCHA anticipates being at 100% occupancy in FY2015.

Metrics

DCHA Defined Metric(s)

Unit of Measure	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of residents served by service rich units	0	14 residents housed and served by the end of FY 2014	11 resident housed	Not yet met—partial implementation in FY2014
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 st year of operation.	\$4,560 invested in services through Medicaid (payments received through FY2014)	Not yet met—partial implementation in FY2014



Unit of Measure	Baseline	Benchmark	Outcome	Benchmark Achieved?
# 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	11	Not yet met—partial implementation in FY2014

HUD Standard Metric(s)

Cost Effectiveness #4: Increases in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars). This number may be zero.	Expected amount leveraged after implementation of the activity (in dollars)	Actual amount leveraged after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Amount of funds leveraged in dollars (increase).	0	\$400,000 (Medicaid and OSS monies that allow for provisions of service to residents)	\$4,560 invested in services through Medicaid (payments received through FY2014)	Not yet met—partial implementation in FY2014

Housing Choice #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units made available for households at or below 80% AMI as a result of the activity (increase) Assisted Living	Housing units of this type prior to implementation of the activity (number)	Expected housing units of this type after implementation of the activity (number)	Actual housing units of this type after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of housing units made available for households at or below 80% AMI as a result of the activity (increase) Assisted Living	0	14 by the end of FY2014	14	Not yet met—partial implementation in FY2014



Housing Choice #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). Assisted Living	Households that would lose assistance/moving prior to implementation of the activity (number).	Expected households that would lose assistance/moving prior to implementation of the activity (number).	Actual that would lose assistance/moving prior to implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). Assisted Living	14 (based on units to be created)	0 by the end of FY2014	3 (based on 11 persons housed in FY2014)	Not yet met—partial implementation in FY2014

Housing Choice #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice	Households receiving this type of service prior to implementation of this activity (number).	Expected number of households receiving these services after implementation of this activity (number).	Actual number of households receiving these services after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase housing choice— Assisted Living	0	14	11	Not yet met—partial implementation in FY2014

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease)	Cost of task prior to implementation of the activity (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.



Total cost of task in dollars (decrease) Public Housing	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists
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Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Total time to managed centralized single community waiting list in staff hours (decrease) Public Housing	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists	To be provided in Annual FY2015 MTW Report based on finalized policy design for site-based waiting lists

As many of the Mixed Finance and Special Purpose Site-based waiting lists were implemented prior to the new MTW reporting requirements and these HUD standard metrics were added as part of the FY2015 Plan process, the ability to measure the savings that DCHA experienced in agency costs and staff time dedicated to centrally managing these lists has passed. Moving forward with the establishment of new lists, cost and time-savings information will be provided.

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease)	Cost of task prior to implementation of the activity (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Total cost of task in dollars (decrease) Mixed Finance Sites	To be provided in Annual FY2015 MTW Report	To be provided with the establishment of new site based waiting lists	To be provided with the establishment of new site based waiting lists	TBD



Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Total time to managed centralized single community waiting list in staff hours (decrease) Mixed Finance Sites	To be provided in Annual FY2015 MTW Report	To be provided with the establishment of new site based waiting lists	To be provided with the establishment of new site based waiting lists	TBD

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.



Initiative 12: Rent Simplification and Collections

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 experienced a savings in staff time dedicated to completing 3rd party verifications. However, measurable outcomes based on reduced costs and efficiencies were experienced shortly after this activity was implemented in FY2006.

With respect to other rent reform activities, DCHA is participating in a HUD sponsored rent reform demonstration (see Initiative #28 for details).

Metrics

Since the implementation of the increased threshold for reporting assets and self-certification of assets less than \$15,000 took place in FY2006, the measurable benefits are in the past—prior to the new reporting requirements under the MTW Agreement. No incremental cost benefits are expected.



HUD Standard Metric

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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).	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Cost to Determine Income from Assets	\$4,180 <ul style="list-style-type: none"> Number of households with assets (< approx. 5% of families in both programs combined) = 836 times the Cost to Determine Income from Assets (\$5) Cost to Determine Income from Assets is equal to: (\$5—HCVP and Public Housing) <ul style="list-style-type: none"> Average time to verify assets, calculate income, perform quality control (10 mins) times the cost per staff hour (\$31—avg for HCVP/Public Housing) 	95% decrease based	To be provided in FY2015 MTW Annual Report*	TBD

*As this initiative was implemented in FY2006, the cost-savings has already been realized and providing baseline data from the point of implementation is not possible. As such, the baseline and benchmark data provided is based on FY2014 data.

Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Time to Determine Income from Assets	8,360 mins or 139 hours	\$2,325 Cost for determining 9% of households with assets (75)	\$2,325	Benchmark achieved



Initiative 16: Requirement to Correct Minor HQS Unit Condition Discrepancies— Tenant/Landlord Self-Certification

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 wants to mandate that minor violations that are “Passed with Comment” are corrected and confirmed through the use of an Inspection Self-certification form (see Appendix D).

DCHA has utilized a self-certification procedure for many years, but there were previously no consequences if the tenant or the landlord does not comply with self-certification. Whether or not the minor violations had been corrected, because the unit passed inspection, the landlord can request and receive a rent increase or the tenant can request and be approved for a transfer to a new unit regardless of who caused the violation.

DCHA used 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

Impact

DCHA continued to see an increase in the number of minor HQS violations that are self-certified as resolved in FY2014. With respect to families approved for transfer while living in a unit with unresolved minor HQS violations and rent increases for units with unresolved minor HQS violations, no (0) requests for transfers or rent increases were granted in FY2014. There was a significant decrease in re-inspections from FY2013 (6,502) to FY2014 (1,081), as more units are passing inspections and not requiring re-inspections. In addition, the decrease in this area may also be attributed, in part, to fewer new families coming onto the program due to attrition, as DCHA stopped issuing attrited vouchers as a result of sequestration.

As with all administrative funds saved through MTW activities, DCHA will use savings from this initiative to further other MTW initiatives that increase housing choices or self-sufficiency, but may cost the Agency more to implement.



Metrics

DCHA Defined Metric(s)

Metric	Baseline (FY2011)	Benchmark	Outcome (Actual FY2014)	Benchmark Achieved?
Number of resolved Minor HQS violations as a share of Minor HQS violations	Currently, about 60% of units that pass with comments are self-certified that the minor violations have been corrected.	Within two years of implementation, DCHA expects that over 90% of units that pass with comments will be self-certified that the minor violations have been corrected.	3,741 self-certifications passed with comment	Benchmark achieved
Number of rent increases and transfer requests granted without a self-certification that Minor HQS violations have been corrected	2,156	50% (1,078) decline in the fiscal year after implementation and sustained reduction thereafter	0 rent increases granted when a self-certification was not received from the owner 0 families were allowed to transfer when a self-certification was not received from the participant unless as a result of owner unit final fail or VAWA	Benchmark achieved
Number of re-inspections	8,962	10% (896) decline in the fiscal year after implementation and sustained decline thereafter	1,081	Benchmark achieved

HUD Standard Metric(s)

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
Cost of performing re-inspections \$75 per required re-inspection for failed minor HQS violation	\$37,500	\$0	\$0	Benchmark achieved



Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(average 500 fails per month) = \$37,500/month or \$450k				

Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Time it takes to conduct re-inspections for minor HQS violations	500 hours/month	0 hours	0 hours	Benchmark achieved

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

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 FY2010, 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 uses its MTW authority to charge the landlord a fee for the third inspection. The fee for the third inspection is \$75.00 (originally proposed as \$100.00 but lowered in consultation with DCHA Landlord Advisory Group). The fee for the inspection does not remove the abatement of the subsidy; rather, DCHA imposes 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



The imposition of the fee for the third inspection resulted in faster resolutions to health and safety violations and helped provide our clients with safer living conditions. DCHA saw the number of third inspections drop by an additional 6% from the 547 third inspections performed in FY2013 to 530 performed in FY2014. DCHA collected \$38,250 in revenues generated from the 3rd inspection fee. The additional revenues from the third inspection fees and cost savings realized by fewer inspections being conducted are used to support DCHA's other MTW initiatives designed to increase housing choices and promote self-sufficiency.

Metrics

DCHA Defined Metric(s)

Metric	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of annual abatements	2,155	10% (215) reduction in abatements in initial year, with further small reductions thereafter	791	Benchmark achieved
Number of 3rd inspections	983	10% (98) reduction of number of 3rd inspections in initial year of implementation, with further small reductions thereafter	530	Benchmark achieved

HUD Standard Metric(s)

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
\$400 per contract abatement/ termination (includes administrative cost to mail notices, process termination, issue new voucher, briefing, initial inspection of new unit, processing new move-in, new contract rent)	\$862,000 (2,155—abatements/ terminations in FY2011)	\$66,375 [cost to conduct 3 rd party inspections in lieu of termination; based on 10% reduction in 3 rd inspections— 885(\$75)]	\$38,250* (510—3 rd inspections in FY2014)	Benchmark achieved



Cost Effectiveness #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome FY2014	Benchmark Achieved?
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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
3 hours Time it takes to conduct contract abatement/ termination (includes administrative cost to mail notices, process termination, issue new voucher, briefing, initial inspection of new unit, processing new move-in, new contract rent)	2,949 hours (2,155—abatements/ terminations in FY2011)	442.5 hours (½ hour per 3 rd inspection X 885 3 rd inspections)	255 hours (1/2 hour per 3 rd inspection X 510 3 rd inspections)	Benchmark achieved

Initiative 18: Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process

Description

Since DCHA moved to biennial recertifications for HCV, and with future implementation planned for Public Housing, a longer release of information authorization was needed. Using the HUD standard Form 9886 (HUD 9886) release form, income data provided for Public Housing and Housing Choice Voucher program participants through the HUD Enterprise Income Verification (EIV) system is only accessible for. 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 lost the ability to run the third party income data.

DCHA has developed a local form that gives the Agency the authority to conduct 3rd 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 and the household continues to participate in a DCHA program. 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 re-certification contains a reminder that the authorization form was previously signed.



Status

Implemented and Ongoing

Upon review of the intent of this initiative and the metrics established, DCHA determined that the agency defined metrics did not truly represent the intended impact of this initiative. Instead, HUD Standard metric Cost Effectiveness #3—Decrease in Error Rate of Task Execution was most appropriate as the time and cost related to obtaining signatures for this form were minuscule and difficult to effectively measure.

Since the implementation of this initiative, DCHA has not received any audit findings related to incomplete or missing 9886 forms. As our annual audits are not complete until the following fiscal year, confirmation of the FY2014 performance in this area will not be available until after this report is submitted.

Metrics

HUD Standard Metric(s)

Cost Effectiveness #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average error rate in completing task as a percentage	Average error rate of task prior to implementation of the activity	Expected average error rate of task after implementation of the activity (in hours).	Actual average error rate of task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Average error rate in completing task as a percentage	6%	1%	0% (FY2013—No audit errors found in FY2011 audit) To be provided in the Annual FY2015 MTW Report (FY2014 audit not yet complete)	TBD

Initiative 20: Enhance Neighborhood Services within Public Housing Communities

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 for providers of services that help DCHA 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 services 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 designated 61 units as MTW Neighborhood Service Units to provide space to organizations providing a range of services. The 48 units on the top two floors of Sibley Plaza a Mixed Population elderly/ disabled community are used by Safe Haven, Inc. a local faith-based nonprofit, to provide meals, drug treatment, counseling, health care services and transitional housing to residents of the transitional housing and to members of the larger community.

Ontario Road, a component of the Sibley Family asset management project, has 13 units that are used to provide transitional housing for veterans participating in the Compensated Work Therapy program through the local VA hospital.

Status

Implemented and Ongoing

As of the end of FY2014, Safe Haven was serving 67 clients as part of its transitional housing program and an average of 34-99 non-resident clients.

As of the end of FY2014, there were no residents in Ontario Road units. DCHA has decided to issue a Request for Proposal in order to identify a new service provider for the Ontario Road units, with a continued focus on veterans in need of affordable housing. In addition, in FY2014 DCHA submitted a funding proposal for comprehensive services for veterans who will be living in the Ontario Road units..

Metrics

DCHA Defined Metric(s)

Metric	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of residents served by MTW Neighborhood Service Units	0	At least 30 residents served per service provider	Safe Haven served an average 34-69 residents at any given time during the year	Benchmark achieved

HUD Standard Metric(s)

Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Actual number of households receiving self-sufficiency services after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark



Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase)— Safe Haven	0	At least 30 residents served per service provider/month	An average of 34-69 residents received services at any given time during the year	Benchmark achieved
Cost Effectiveness #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Amount of funds leveraged (increase)	Amount leveraged prior to implementation of the activity (in dollars)	Expected amount leveraged after implementation of the activity (in dollars)	Actual amount leveraged after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark
Resources leveraged— Safe Haven	\$0	\$1,735,920 (30 residents served/month)	\$892,296-\$2,182,440 (range of resources leveraged for 34-69 residents receiving services)	Benchmark exceeded

Self-Sufficiency #8: Households Transitioned to Self-sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency prior to implementation of the activity (number). This number may be zero.	Expected households transitioned to self-sufficiency after implementation of the activity (number).	Actual households transitioned to self-sufficiency after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Number of households transitioned to self-sufficiency (increase)—graduated from Safe Haven	0	120 graduates/year	143 graduates	Benchmark exceeded



Housing Choice #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households receiving these types of services prior to implementation of the activity (number)	Expected number of households receiving these types of services after implementation of the activity (number)	Actual expected number of households receiving these types of services after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase housing choice (increase)— Safe Haven	0	At least 30 residents served per service provider/month	An average of 34-69 residents received services at any given time during the year	Benchmark exceeded

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

Implemented

Local regulations governing the new policy have are in place. Implementation began in late FY2014 to coincide with the regular biennial recertification schedule.

Metrics

DCHA Defined Metric(s)

Metrics	Baseline (FY2012)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total allowances	Total utility allowances	Annual increase in line with inflation every year after initial implementation (Cost neutral)	To be provided in the Annual FY2015 MTW Report	Implementation began in late FY2014—full implementation complete after a complete biennial recertification cycle
Hardship Waivers Requested	0	150 per year for three year transition	To be provided in the Annual FY2015 MTW Report	Implementation began in late FY2014—full implementation complete after a complete biennial recertification cycle
Hardship Waivers Granted	0	75% of those requested	To be provided in the Annual FY2015 MTW Report	Implementation began in late FY2014—full implementation complete after a complete biennial recertification cycle



HUD Standard Metric(s)

Cost Effectiveness #1: Agency Cost Savings				
Unit of Measurement	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
Cost of performing briefings to describe utility allowance calculation	\$1,584 30 minutes per briefing * 8 briefings per month = 48 hours per year times \$33/hour	\$792 Reduction of 50% (15 minutes per briefing) by the end FY2013 (or the end of the year in which the initiative is initiated)	To be provided in the Annual FY2015 MTW Report	Implementation began in late FY2014—full implementation complete after a complete biennial recertification cycle
Cost of processing utility allowances (time per utility allowance calculation times number of calculations)	\$5,178 1 minute * 9,415 recerts = 157 hours per year*\$33/hour	\$2,589 Reduction in time to process of 50% (30 seconds) by the end FY2013 (or the end of the year in which the initiative is initiated)	To be provided in the Annual FY2015 MTW Report	Implementation began in late FY2014—full implementation complete after a complete biennial recertification cycle

Cost Effectiveness #2: Staff Time Savings				
Unit of Measurement	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Total time to complete the task in staff hours	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).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Staff time to perform briefings to describe utility allowance calculation	48 hours 30 minutes per briefing * 8 briefings per month	24 hours Reduction of 50% (15 minutes) by the end FY2013 (or the end of the year in which the initiative is initiated)	To be provided in the Annual FY2015 MTW Report	Implementation began in FY2014—full implementation complete after a complete biennial recertification cycle
Staff time to process utility allowances (time per utility allowance calculation times number of calculations)	157 hours 1 minute * 9,415 recerts	78.46 hours Reduction of 50% (30 seconds) by the end FY2013 (or the end of the year in which the initiative is initiated)	To be provided in the Annual FY2015 MTW Report	Implementation began in FY2014—full implementation complete after a complete biennial recertification cycle



Cost Effectiveness #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average error rate in completing task as a percentage	Average error rate of task prior to implementation of the activity	Expected average error rate of task after implementation of the activity (in hours).	Actual average error rate of task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
Average error rate in completing task as a percentage	20%	1%	To be provided in the Annual FY2015 MTW Report	Implementation began in FY2014—full implementation complete after a complete biennial recertification cycle

Rent Reform Information

1. Agency's Board of Approval of Policy: Before implementing the simplified utility allowance, the Board will approve the updated required local regulations. The approval of the initiative was part of the approval of the 2013 MTW Plan.
2. Impact Analysis: See discussion of impact above.
3. Annual reevaluation of rent reform initiative: A re-evaluation of this policy will be completed on an annual basis.
4. Hardship case criteria: Any family whose utility allowance changes by more than \$25 AND the change is more than 10% of the household's adjusted monthly income may request a hardship waiver. To qualify for the waiver, the head of household must provide documentation that their average utility bills for the past six months exceeded their simplified utility allowance. A household who meets these criteria will be provided a six month utility allowance waiver and the utility allowance will be set at the lower of the previous utility allowance or their average utility bills from the past six months. The household will be provided an emergency transfer voucher. At the end of six months, if the household has not moved, the simplified utility allowance will be applied.
5. Transition period: To transition participants to the simplified utility allowance schedule, DCHA will provide advance notice to affected families and advise them of their right to request a hardship claim. The simplified utility allowance schedule will be used in the rent calculation at a family's next recertification, interim recertification, or move after adequate advance notice has been provided.

Documentation of public hearing (may be same as Annual Plan hearing): In addition to the 2013 MTW Plan Public Hearing, before implementing the simplified utility allowance schedule, a public hearing may need to be held on the updated local regulations.



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.



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.

Status

Implemented and Ongoing

DCHA closed on financing for the 39 units at The Lofts in FY2014. With respect to leveraged resources, DCHA received \$500,000 from the Federal Home Loan Bank of Atlanta for The Lofts.

In addition, DCHA spent much of the last quarter of FY2014 working to close on financing for the 208 units at Highland Dwellings—closing is scheduled for early FY2015.

Metrics

In addition to the DCHA established metrics, DCHA is adopting the HUD standard metric(s) listed below for this initiative. Two DCHA defined metrics were in line with two HUD standard metrics (funds leveraged and units of affordable housing preserved). Both are now included as part of the HUD standard metrics for this initiative.

DCHA Defined Metrics

Metrics	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
New Public Housing Units created through this initiative	0	39 new public housing units at The Lofts (Square 882) (formerly Capper/Carrollsborg)	0 Unit construction began in FY2014	DCHA did not meet the benchmark
Number of former Public Housing households that remain in units	0	Public Housing households (208) remain in Public Housing	0	DCHA has not yet met the benchmark
Cross Subsidization from Market Units (Non-HUD funds generated for Square 882)	\$0	\$2.5 Million from market units	Pending finance closing	DCHA did not meet the benchmark



Metrics	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Increase in Debt and Equity (Highland Dwellings)	\$24 Million	Additional \$22 Million in debt and equity	\$0	DCHA did not meet the benchmark
Increase in Debt and Equity (The Lofts)	\$0	\$5.4 Million in Debt	\$0 No increase since closing took place in FY2014	DCHA did not meet the benchmark
Cost Savings to the Project (as compared to using PBVs for Highland Dwellings)	\$0	33% reduction in affordability reserves	\$0	DCHA did not meet the benchmark

HUD Standard Metric(s)

Cost Effectiveness #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Amount of funds leveraged in dollars (increase)	Amount leveraged prior to implementation of the activity (in dollars).	Expected amount leveraged after implementation of the activity (in dollars)	Actual amount leveraged after implementation of activity (in dollars)	Whether the outcome meets or exceeds the benchmark
Amount of funds leveraged in dollars (increase)	\$12M	\$56M	Leveraged \$500,00 from the Federal Home Loan Bank of Atlanta for The Lofts	To be provided in the Annual MTW Report

Housing Choice #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of new housing units made available for households at or below 80% of AMI as a result of the activity (increase).	Housing units of this type prior to implementation of the activity (number).	Expected housing units of this type after implementation of this activity	Actual housing units of this type after the implementation of the activity	Whether the outcome meets or exceeds the benchmark
Number of new housing units made available for households at or below 80% of AMI as a result of the activity (increase)— The Lofts	0	39 units (The Lofts at Capital Quarter)	Units under Construction	To be provided in the Annual MTW Report



Housing Choice #2: Units of Housing Preserved				
Unit of Measurement	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase), if units reach a specific type of household, indicate below	Housing units preserved prior to implementation of the activity (number)	Expected housing units preserved after implementation of the activity (number)	Actual housing units preserved after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase)-- Highland	0	208 units (Highland Dwellings)	Pending finance closing	To be provided in the Annual MTW Report following the completion of unit rehabilitation/construction

Housing Choice #5: Increase in Resident Mobility				
Unit of Measurement	Baseline (FY2014)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
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)	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number)	Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	39 units (The Lofts at Capital Quarter)	Units under construction	To be provided in the Annual MTW Report following the completion of unit construction and occupancy



B. Not Yet Implemented

New Number	Old Number	Objective/Initiative	Statutory Objective	MTW Flexibility	Yr. Identified
9	3.3.05	Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness in federal expenditures Increase housing choices for low-income families 	Attachment D	FY2005
15	3.7.08	Reform Housing Quality Standards	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness in federal expenditures 	Section D5 of Attachment C	FY2008
19	4.5.11	Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	Sections C11 and E of Attachment C	FY2011
23	3.10.12	Encourage the Integration of Public Housing Units into Overall HOPE VI Communities	<ul style="list-style-type: none"> Increase housing choices for low-income families 	Section C2 and C11 of Attachment C	FY2012
26	NA	Local Investment Policy	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	Section B.5 of Attachment C	FY2014
27	NA	Family Stabilization through Housing and Education Demonstration	<ul style="list-style-type: none"> 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 	Section B(1)(b)(iii); C.11, of Attachment C	FY2014
28	NA	Rent Reform Demonstration (HCVP)	<ul style="list-style-type: none"> 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 	Attachment C, Section D.1(c); D.2(a); D.3(b)	FY2014



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

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

Not Yet Implemented

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. The required amendment to Attachment D of the new MTW Agreement was executed in November 2012. Now that the amendment to the MTW Agreement has been executed, DCHA has been working with HUD to finalize the project documents for Hayes Street, the first project under this initiative. However, the documents were not finalized in FY2014.

With respect to the first site in which DCHA planned to utilize OPERA (4427 Hayes Street site), DCHA and the developer were working towards executing the Operating and Regulatory Agreement; however, the developer has an organizational structure issue that would make it difficult to comply with certain GAAP audit requirements. Specifically, the developer conducts all business transactions through one company which opening up his entire business, not just activity related to the Hayes Street site, to GAAP audits. DCHA will continue to work with the developer to provide affordable housing to families at this, and other, locations in the District of Columbia through other methods such as Project Based Vouchers and Local Rent Subsidy.

Metrics

DCHA Defined Metric(s)

Metric	Baseline (FY2010)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of OPERA units	0	9 units	NA - Not Yet Implemented	NA - Not Yet Implemented



HUD Standard Metric(s)

Housing Choice #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	Housing units of this type prior to implementation of the activity.	Expected housing units of this type after implementation of the activity.	Actual housing units of this type after implementation of the activity.	Whether the outcome meets or exceeds the benchmark.
Additional units of housing made available— Hayes Street	0	9 units	NA - Not Yet Implemented	NA - Not Yet Implemented

Housing Choice #5: Increase in Housing Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity	Expected households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity	Actual households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity	Whether the outcome meets or exceeds the benchmark.
Number of households able to move to a better unit and/or neighborhood of opportunity— Hayes Street	0	9 households	NA - Not Yet Implemented	NA - Not Yet Implemented

Initiative 15: Reform Housing Quality Standards

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 other 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 DCRA needs. DCHA anticipates providing the alternate HQS to HUD for review and approval in early FY2015.

Metrics

HUD Standard Metric(s)

Cost Effective #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars	Cost of task prior to implementation (in dollars)	Expected cost of task after implementation of the activity (in dollars)	Actual cost of task after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Cost to conduct multiple inspections on the same unit	\$ Cost to conduct multiple inspections on the same unit	Reduction in the cost of conducting inspections	TBD	TBD

Cost Effective #2: Agency Cost Saving				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours	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)	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours)	Whether the outcome meets or exceeds the benchmark.
Time to complete all inspections	hours Time to complete all inspections	% Reduction in the time to conduct inspections as a function a reduction in the number of inspections staff has to perform	TBD	TBD



Initiative 19: **Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment**

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
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/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 become greeters will receive an income deduction for the purposes of rent calculation commensurate with their level of participation in the greeters program. The programs developed under this initiative will be initiated by the most organized and active Resident Councils. 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

Local regulations have been drafted and DCHA looks to publish as final by the 3rd fiscal quarter of FY2015 and anticipates implementation of the Greeters program before the end of FY2015

Metrics

DCHA Defined Metric(s)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of programs developed and implemented	0	1 program implemented during the first complete year of implementation.	To be provided in the FY2015 Annual MTW Report	To be provided in the FY2015 Annual MTW Report
Number of participants in the active programs	0	Up to 8 residents in the 1 st program implemented	To be provided in the FY2015 Annual MTW Report	To be provided in the FY2015 Annual MTW Report
Imputed value of services provided	\$0	The imputed value of services will depend on the extensiveness	To be provided in the FY2015 Annual MTW	To be provided in the FY2015 Annual MTW



Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
		of the programs established.	Report	Report

HUD Standard Metric(s)

Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase)	Households receiving self-sufficiency services related to this initiative prior to implementation of the activity (number)	Expected number of households receiving self-sufficiency services after implementation of the activity (number)	Actual number of households receiving self-sufficiency services after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase self-sufficiency— Greeters Program	0	Up to 8 residents	To be provided in the FY2015 Annual MTW Report	To be provided in the FY2015 Annual MTW Report

Self Sufficiency #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (participation in a resident driven community based program)	Households transitioned to self-sufficiency (participation in a resident driven community based program)	Expected households transitioned to self-sufficiency (participation in a resident driven community based program) after implementation of the activity (number)	Actual number of households transitioned to self-sufficiency (participation in a resident driven community based program) after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households participating in a resident driven community based program – Greeters Program	0	Up to 8 residents	To be provided in the FY2015 Annual MTW Report	To be provided in the FY2015 Annual MTW Report



Initiative 23: Encourage the Integration of Public Housing Units into Overall HOPE VI Communities

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.

The specialized rent structures for Mixed Finance Communities will result in greater community stability and housing choice for DCHA's low income clientele.

The change in the rent structure will only impact DCHA or the property financially to the extent that the subsidy is prorated. If the subsidy were provided by HUD at 100% of allowable there would be no financial impact on DCHA or the property, financially.

Status

Not yet implemented.

Regulations governing this initiative were drafted in FY2014 and subsequently finalized in early 2015. Absent the HOTA fee implementation, DCHA has been working with residents in support of community-wide events. There were two such events in FY2014.



Metrics

DCHA Defined Metrics

Metric	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of community-wide events sponsored by HOTAs	0	At least 2 community-wide events annually	2 community-wide events held 2014	Benchmark achieved
REAC scores from common areas	REAC Scores for common areas prior to establishment of Community Associations. The baseline will be quantified upon selection of applicable properties.	No deterioration in the REAC scores regarding public space	NA- Not Yet Implemented	Benchmark not met

Self Sufficiency #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline (FY2011)	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households transitioned to self-sufficiency (participating in community governance activities and events)	Households transitioned to self-sufficiency (participating in community governance activities and events)	Expected households transitioned to self-sufficiency (participating in community governance activities and events) after implementation of the activity (number)	Actual number of households transitioned to self-sufficiency (participating in community governance activities and events) after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households participating in community governance activities and events	0*	Up to 40 residents	NA—Not yet implemented	Benchmark not met

*Data related to the number of residents participating in community-wide events is not available for FY2013 and FY2014 as this HUD standard metric was established for the initiative as part of the DCHA FY2015 MTW Annual Plan.



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.

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.

Status

DCHA has not yet implemented this initiative. In the current investment marketplace the investment earnings, comparing the yield under the proposed new instruments and the current instruments, would have been substantially the same (see DCHA Defined Metric below). Due to the flat investment yield curve across investment types there is no real yield spread. DCHA will continue to monitor the market for an opportunity to implement this initiative and will need to maintain the flexibility it provides to do so.

DCHA has more clearly defined the projections for this initiative with the use of the HUD Standard Metric—Cost Effectiveness #4: Increase in Resources Leveraged (see below).

Metrics

DCHA Defined Metrics

1. DCHA reviewed the 2012-2013 interest rates earned on investments utilized under the current HUD eligible investments by month. The Agency then tracked 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.



- The Agency then tracked 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 was reviewed to see if a higher interest rate was achieved under the new portfolio strategy (see DCHA Defined Metric below).

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

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

Please note that projected eligible interest data was used to project the potential earnings differential for FY2014.

HUD Standard Metric(s)

Cost Effectiveness #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Amount of funds leveraged in dollars (increase)	Amount leveraged prior to implementation of the activity (in dollars)	Expected amount leveraged after implementation of the activity (in dollars)	Actual amount leveraged after implementation of activity (in dollars)	Whether the outcome meets or exceeds the benchmark
Amount of funds leveraged in dollars (increase)	\$12,500	\$15,000* (\$2,500 in increased earnings)	To be provided in the FY2015 Annual MTW Report	To be provided in the FY2015 Annual MTW Report

*Based on a \$5,000,000 investment of funds



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 8th 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 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:

Summer 2014-Fall 2014 Activities

- Establish data-sharing MOUs with education partners (OSSE, DC Public Schools, DC Public Charter Schools)



- Select DCHA property(ies) to participate
- Secure community partners/service providers

Spring 2015-Summer 2015 Activities

- Finalize 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

Fall 2015 – 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

Fall 2015—Spring 2016 Implementation Activities

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

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.

Status

DCHA has identified two public housing properties where this initiative will be implemented—Benning Terrace and Woodland Terrace.

A data-sharing MOU with the Office of the State Superintendent for Education (OSSE) has been drafted. OSSE is one of the key partners for data sharing related to student school performance.

Fundraising efforts have begun as part of DCHA’s larger youth initiative (IMPACT 5,000), along with the identification of IMPACT teams dedicated to the site and comprised of corporate, public sector and college/university partners who will provide support to the education and stabilization activities.

DCHA will engage an experienced contractor to conduct a needs assessment during FY2015 of the agency’s family properties, including Benning and Woodland. The needs assessment will inform the programming necessary to support the parents of the children participating in this initiative.

Please note that the implementation time-line has been adjusted accordingly

Metrics

DCHA-Defined Metric(s)

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	Benchmark	Outcome	Benchmark Achieved?
Participant families enrolled	10	100%	To be provided in the Annual MTW Report following the	To be provided in the Annual MTW Report following the



Metric	Baseline	Benchmark	Outcome	Benchmark Achieved?
			implementation year	implementation year
Students still enrolled each year compared to non-participating students	Enrollment	100% by the end of 2017-2018 school year	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Math and reading test scores among students from participating households	TBD from 2013-2014 school year data	5% annual improvement in both sets of scores	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Attendance among students from participating households	TBD from 2013-2014 school year data	5% annual improvement	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Suspensions among students from participating households	TBD from 2013-2014 school year data	10% annual reduction	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Number of school activities in which parents participate	TBD from survey	10% improvement annually	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Number of adults from participating households involved in job training or educational programs	TBD	% increase each year (TBD as % of established baseline)	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Number of adults working for the first time since entry into the program	0	% increase each year (TBD as % of established baseline)	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Number of adults escrowing additional income	TBD	% increase each year (TBD as % of established baseline)	To be provided in the Annual MTW Report following the	To be provided in the Annual MTW Report following the



Metric	Baseline	Benchmark	Outcome	Benchmark Achieved?
			implementation year	implementation year

HUD Standard Metric(s)

Self Sufficiency #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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)	Actual average earned income of households affected by this policy prior to implementation (in dollars)	Whether the outcome meets or exceeds the benchmark.
Average earned income of households affected by this policy in dollars (increase)	To be determined during the plan year	% increase each year (TBD as % of established baseline)	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

Self Sufficiency #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	Average savings/escrow amount of households affected by this policy prior to implementation of the activity (in dollars). The number may be zero.	Expected average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars)	Actual average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark.
Average amount of savings/escrow of households affected by this policy in dollars (increase).	To be determined during the plan year once the demonstration participants are identified	% increase each year (TBD as % of established baseline)	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year



Self Sufficiency #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
	Head(s) of households prior to implementation of the activity (number). This number may be zero.	Expected head(s) of households after implementation of the activity (number).	Actual head(s) of households after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Employed Full-time	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Employed Part-time	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Enrolled in an Educational Program	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Enrolled in a Job Training Program	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Unemployed	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
	Percentage of total work-able households prior to	Expected percentage of total work-able	Actual percentage of total work-able households after	Whether the outcome meets or exceeds the



Self Sufficiency #3: Increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
	implementation of activity (percent).	households after implementation of the activity (percent)	implementation of the activity (percent).	benchmark.
Employed Full-time	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Employed Part-time	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Enrolled in an Educational Program	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Enrolled in a Job Training Program	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year
Unemployed	To be determined during the plan year once the demonstration participants are identified	To be determined based on the baseline during the plan year once the demonstration participants are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year



Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase)	Households receiving self-sufficiency services related to this initiative prior to implementation of the activity (number)	Expected number of households receiving self-sufficiency services after implementation of the activity (number)	Actual number of households receiving self-sufficiency services after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase self-sufficiency	0	10	To be provided in the Annual MTW Report following the implementation year	To be determined during the plan year

Self Sufficiency #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance	Number of households receiving TANF assistance prior to implementation of the activity (number)	Expected number of households receiving TANF assistance after implementation of the activity (number)	Actual number of households receiving TANF assistance after implementation of the activity (number)	Whether the outcome meets or exceeds the benchmark.
Number of households receiving TANF assistance	To be determined when participating families are identified	To be determined when participating families are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

Cost Effectiveness #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected in dollars	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)	Actual Average subsidy per household affected by this policy after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark
Average amount of Section 8 and/or 9	To be determined when participating	To be determined when participating	To be provided in the Annual MTW	To be provided in the Annual MTW



Cost Effectiveness #6: Reducing Per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
subsidy per household affected	families are identified	families are identified	Report following the implementation year	Report following the implementation year

Self-Sufficiency #7: Increase in Tenant Share in Dollars				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Tenant Share in Dollars	Tenant share prior to implementation of the activity (in dollars)	Expected tenant share after implementation of the activity (in dollars)	Actual tenant share after implementation of the activity (in dollars)	Whether the outcome meets or exceeds the benchmark
Tenant Share in Dollars	To be determined when participating families are identified	To be determined when participating families are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

Self Sufficiency #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Households transitioned to self-sufficiency (households who transition from TANF due to increased earnings) prior to implementation of this activity (number)	Expected Households transitioned to self-sufficiency (households who transition from TANF due to increased earnings) after implementation of this activity (number)	Actual Households transitioned to self-sufficiency (households who transition from TANF due to increased earnings) after implementation of this activity (number)	Whether the outcome meets or exceeds the benchmark.
Households who transition from TANF due to increased earnings	To be determined when participating families are identified	To be determined when participating families are identified	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

Cost Effectiveness #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Amount of funds leveraged (increase)	Amount leveraged prior to implementation of the activity (in	Expected amount leveraged after implementation of the activity (in	Actual amount leveraged after implementation of the activity (in	Whether the outcome meets or exceeds the benchmark



Cost Effectiveness #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
	dollars)	dollars)	dollars)	
Funds leveraged (direct and in-kind)	\$0	\$250,000	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

Housing Choice #7: Households Assisted by Services that Increase Housing Choice				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice	Households receiving this type of service prior to implementation of this activity (number).	Expected number of households receiving these services after implementation of this activity (number).	Actual number of households receiving these services after implementation of the activity (number).	Whether the outcome meets or exceeds the benchmark.
Number of households receiving services aimed to increase housing choice— Assisted Living	0	10	To be provided in the Annual MTW Report following the implementation year	To be provided in the Annual MTW Report following the implementation year

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 (HCVP)

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.

CE #1: Agency Cost Savings		
Unit of Measurement	Baseline	Benchmark
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).
Cost per Scheduled Certification¹	<p>Year 1: \$86,000 Year 2: \$0 (due to biennial recertification process already in place, there would be no costs in Year 2) Year 3: \$86,000</p> <p>Baseline is equal to: \$172,000 overall</p> <ul style="list-style-type: none"> • Cost per Scheduled Certification (\$86) • <i>times</i> the number of Study Group participants (1,000) <p>Cost per Annual Certification equal to:</p> <ul style="list-style-type: none"> • Hard cost (the mail and reproduction costs) (\$20) • <i>plus</i> Staff Cost (\$66) <p>Staff Cost is equal to:</p> <ul style="list-style-type: none"> • Average time spent per annual interview/ verification/quality control (2 hours) • <i>times</i> the average staff cost per hour (33) 	<p>Year 1: \$78,080 Year 2: \$0 Year 3: \$0</p> <p>Benchmark is equal to: \$78,080 overall</p> <ul style="list-style-type: none"> • Average time spent per certification interview/ verification/quality control (2 hours) • <i>minus</i> time savings (14 mins) • <i>times</i> Staff Cost per hour (\$33) • <i>plus</i> Hard Cost (\$20) • <i>times</i> the number of Study Group participants (1,000)

¹ DCHA implemented biennial recertifications prior to the demonstration.



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



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



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



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



CE #3: Decrease in Error Rate of Task Execution		
Unit of Measurement	Baseline	Benchmark
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).
Average Error Rate in Determining TTP	Baseline is equal to: 60% <ul style="list-style-type: none"> Average error rate In Determining the TTP 	Benchmark is equal to: 30% <ul style="list-style-type: none"> Average error rate In Determining the TTP.
Average Error Rate in Determining Utility Allowance	Baseline is equal to: 20% <ul style="list-style-type: none"> Average error rate In Determining the Utility Allowance 	Benchmark is equal to: 5% <ul style="list-style-type: none"> Average Error Rate in Determining Utility Allowance.

SS #1: Increase in Household Income		
Unit of Measurement	Baseline	Benchmark
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).
Average Earned Income of Households in the Study Group	Baseline is equal to: <ul style="list-style-type: none"> Average Earned Income of Households in the Study Group <p>*This information will be collected during the enrollment period as Study Group members are identified</p>	Benchmark is equal to: Annual increase in the Average Earned Income of Households in the Study Group <p>*Benchmark will be established once baseline has been identified.</p>
Average Earned Income of Households in the Control Group	Baseline is equal to: <ul style="list-style-type: none"> Average Earned Income of Households in the Control Group <p>*This information will be collected during the enrollment period as Control Group members are identified</p>	Benchmark is equal to: Average Earned Income of Households in the Control Group <p>*Benchmark will be established once baseline has been identified.</p>



SS #3: Increase in Positive Outcomes in Employment Status (Study Group)		
Unit of Measurement	Baseline	Benchmark
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. Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero.	Expected head(s) of households in the categories identified below after implementation of the activity (number). Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent).
Employment Status 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 Study 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: * *This information will be collected during the enrollment period as Study Group members are identified	Benchmark is equal to: The number of heads of household in the Study 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: * *Benchmark will be established once baseline has been identified.
	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: * *This information will be collected during the enrollment period as Study Group members are identified.	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: * *Benchmark will be established once baseline has been identified.



SS #3: Increase in Positive Outcomes in Employment Status (Control Group)		
Unit of Measurement	Baseline	Benchmark
Report the following information separately for each category: (13) Employed Full-Time (14) Employed Part-Time (15) Enrolled in an Educational Program (16) Enrolled in Job Training Program (17) Unemployed (18) Other	Head(s) of households in the categories identified below prior to implementation of the activity (number). This number may be zero. Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero.	Expected head(s) of households in the categories identified below after implementation of the activity (number). Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent).
Employment Status for (13) Employed Full-Time: (14) Employed Part-Time: (15) Enrolled in an Educational Program: (16) Enrolled in Job Training Program: (17) Unemployed: (18) Other:	Baseline is equal to: The number of heads of household in the Control Group in each category: (13) Employed Full- Time: * (14) Employed Part- Time: * (15) Enrolled in an Educational Program: * (16) Enrolled in Job Training Program: * (17) Unemployed: * (18) Other: * *This information will be collected during the enrollment period as Control Group members are identified	Benchmark is equal to: The number of heads of household in the Control Group in each category: (13) Employed Full- Time: * (14) Employed Part- Time: * (15) Enrolled in an Educational Program: * (16) Enrolled in Job Training Program: * (17) Unemployed: * (18) Other: * *Benchmark will be established once baseline has been identified.
	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: * *This information will be collected during the enrollment period as Control Group members are identified.	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: * *Benchmark will be established once baseline has been identified.



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



SS #6: Reducing Per Unit Subsidy Costs for Participating Households		
Unit of Measurement	Baseline	Benchmark
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).
Average HCV Subsidy for Households in the Study Group	Baseline is equal to: <ul style="list-style-type: none"> Average HCV Subsidy for Households in the Study Group *This information will be collected during the enrollment period as Study Group members are identified.	Benchmark is equal to: <ul style="list-style-type: none"> A decrease in the average HCV Subsidy for Households in the Study Group *Benchmark will be established once Baseline has been identified.
Average HCV Subsidy for Households in the Control Group	Baseline is equal to: <ul style="list-style-type: none"> Average HCV Subsidy for Households in the Study Group *This information will be collected during the enrollment period as Study Group members are identified.	Benchmark is equal to: <ul style="list-style-type: none"> A decrease in the average HCV Subsidy for Households in the Study Group *Benchmark will be established once Baseline has been identified.
SS #7: Increase in Agency Rental Revenue		
Unit of Measurement	Baseline	Benchmark
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).
Total HCV Tenant Share for Households in the Study Group	Baseline is equal to: <ul style="list-style-type: none"> Total HCV Tenant Share for Households in the Study Group *This information will be collected during the enrollment period as Study Group members are identified.	Benchmark is equal to: <ul style="list-style-type: none"> An increase in total HCV Tenant Share for Households in the Study Group *Benchmark will be established once Baseline has been identified.
Total HCV Tenant Share for Households in the Control Group	Baseline is equal to: <ul style="list-style-type: none"> Total HCV Tenant Share for Households in the Control Group *This information will be collected during the enrollment period as Control Group members are identified.	Benchmark is equal to: <ul style="list-style-type: none"> An increase in total HCV Tenant Share for Households in the Control Group *Benchmark will be established once Baseline has been identified.



SS #8: Households Transitioned to Self-sufficiency		
Self-sufficiency: Families who are able to afford the full contract rent for their unit (DCHA pays \$0 HAP)].		
Unit of Measurement	Baseline	Benchmark
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).
Households in the Study Group Transitioned/ Graduated to Self-sufficiency per Year	0	1% by the end of Year 3
Households in the Control Group Transitioned/ Graduated to Self-sufficiency per Year	0	.6% by the end of Year 3

HC #5: Increase in Resident Mobility		
Unit of Measurement	Baseline	Benchmark
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)	(modest employment impact)
	Year 1	Year 2	Year 3	Year 4	Year 4	Total, Years 1-4	Total, Years 1-4
New rent policy	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	56,740,177
Current rent policy	13,544,700	13,680,462	13,935,416	14,504,801	14,504,801	55,665,380	55,665,380
Difference	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+\$1,074,798
Percent change	+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)
	Year 1	Year 2	Year 3	Year 4	Year 4	Total, Years 1-4	Total, Years 1-4
New rent policy	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	56,740,177
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Difference	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+\$1,074,798



Percent change	+1.7%	+4.8%	+6.7%	(0.0%)	(5.1%)	+3.3%	+1.9%
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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)
	Year 1	Year 2	Year 3	Year 4	Year 4	Total, Years 1-4	Total, Years 1-4
New rent policy	13,779,403	14,331,826	14,864,279	14,503,903	13,764,669	57,479,412	56,740,177
Current rent policy	13,544,700	13,680,462	13,935,416	14,504,801	14,504,801	55,665,380	55,665,380
Difference	+\$234,703	+\$651,363	+\$928,863	(\$898)	(\$740,132)	+\$1,814,032	+\$1,074,798
Percent change	+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 results. 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
Income Allowances & Deductions	
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
Utility Allowance	
Has utility allowance (%)	84.3
Total monthly average utility allowance if receiving an allowance (\$)	241
Other	
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
Sample Size	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
Lower under new policy (#)	515	573	583	474	334
Lower under new policy (%)	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
No Change (#)	15	8	6	16	11
No Change (%)	1.5	0.8	0.6	1.6	1.1
Higher under new policy (#)	470	419	410	510	655
Higher under new policy (%)	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
Sample Size	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

Shana 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>									
Net Income									
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 (\$)

Shana 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

Maria 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
Initial Status						Initial Status			
Does not need child care subsidy					3-Year Recertification Interview: New TTP Set				
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%		
Needs child care subsidy but does not receive it									
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%		

Table 6b

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

Maria 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
New Rules	\$569	\$951	\$1,236
Current Rules	\$574	\$948	\$1,224
Difference			
New minus Current	(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

I. 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.



C. On Hold Activities

New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
10	3.4.05	Supporting Grandfamilies	<ul style="list-style-type: none"> 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 	FY2004	Implemented FY2004
21	2.10.12	DCHA Local Mixed Subsidy Program	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness Increase housing choices for low-income families 	FY2012	On Hold

Initiative 10: Supporting Grandfamilies

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.

The intent of this activity is to provide increased options to children who can no longer live with their parents. Federal regulations exclude foster payments from income for the calculation of rent. DCHA has expanded this exclusion to include "grandparent stipends". The grandparents and children who benefit from this exclusion have greater resources and support to pursue self-sufficiency.

Status

Implemented—On Hold

Based on local designation of grandparent stipends, there is no need to provide an exclusion for these payments under MTW as HUD guidelines do. However, this initiative is broader than this one effort and DCHA will be exploring other ways to support Grandfamilies.

Metrics

Metric	Baseline (FY 2005)	Benchmark	Actual FY2014
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Number of grandparents as primary caregivers for whom the local stipend has been excluded from income and rent calculations	0	TBD	Not available
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As this initiative was implemented prior to the new reporting requirements under the MTW Agreement, DCHA's system is unable to track this metric. DCHA will continue to work with its software provider to determine a way to track the number of impacted families.

Initiative 21: **DCHA Local Mixed Subsidy Program**

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 as 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; and
- 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.
- 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 HCV provisions.

DCHA expects to strengthen the Agency's ability to maintain the viability of its housing stock. The proposed activity will enable DCHA to receive the additional subsidy it needs to carry the debt service required to renovate the property to highly energy efficient Green standards and re-establish the community to market rate standards. With the establishment of the Local Mixed Subsidy Program, DCHA is able to allay resident concerns about the project-basing of Public Housing units, while keeping overhead costs lower and ensuring consistency in the management of all the units at the site by not having to use two separate sets of rules and procedures.

Status

On Hold

The first property for which this activity was to apply was Highland Dwellings, a conventional Public Housing community consisting of 208 units. The renovation of Highland Dwellings was to 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 were to 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 would be governed by the policies and procedures that govern DCHA's public housing.

DCHA decided to explore utilizing its MTW authority to finance the redevelopment of Highland in another way, while ensuring that all residents continue to be governed by the policies and procedures of the Public Housing program.



Metrics

DCHA Defined Metrics

Metric	Baseline (FY2011)	Benchmark	Actual FY2014
Number of Public Housing units preserved through this initiative	0	208 preserved units at Highland Dwellings	NA- Not Yet Implemented
Number of units managed as Public Housing that are retained	0	83 vouchers committed to former Public Housing units	NA- Not Yet Implemented
Number of former Public Housing households that remain in the units	0	All former Public Housing households (83) remain in units managed as Public Housing, except for those who cannot return because of under- or over-housing issues	NA- Not Yet Implemented
Dollars of private financing leveraged by use of the HCV budget authority	\$0	Up to \$14 million	Office of Capital Planning and Development

HUD Standard Metrics

Housing Choice #3 Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Average applicant time on wait list in months	Average applicant time on wait list prior to implementation of the activity	Expected average applicant time on wait list after implementation of the activity	Actual average applicant time on wait list after implementation of the activity	Whether the outcome meets or exceeds the benchmark.
Average applicant time on wait list in months	To be determined once program is further defined	To be determined once program is further defined	To be determined once program is further defined	NA

Housing Choice #5 Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity	Actual households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity	Whether the outcome meets or exceeds the benchmark.
Number of households able to move to a better unit and/or neighborhood	To be determined once program is further defined	To be determined once program is further defined	To be determined once program is further defined	NA



Housing Choice #5 Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome (FY2014)	Benchmark Achieved?
of opportunity as a result of the activity				



D. Closed Out Activities

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"> Increase housing choices for low-income families 	FY2004	Implemented FY2004, Closed Out FY2011
N/A	2.4.04	Special Occupancy for Service Providers	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2004	Never Implemented Closed Out FY2005
N/A	3.1.04	Voluntary Resident Community Service	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2004	Never Implemented Closed Out FY2004
N/A	3.2.04	Resident Satisfaction Assessment	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2004	Implemented FY2004 Closed Out FY2004
N/A	1.7.05	Security Deposit Guarantee Program	<ul style="list-style-type: none"> Increase housing choices for low-income families 	FY2005	Never Implemented, Closed Out FY2010
N/A	1.8.05	Modification to HCV Inspections Scheduling	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2005	Never Implemented Closed Out FY2006
N/A	3.3.05	Streamlining Resident Community Service	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness in federal expenditures 	FY2005	Implemented FY2005 Closed Out FY2012
N/A	4.2.05	Revolving Loan Fund for HCV Landlords	<ul style="list-style-type: none"> Increase housing choices for low-income families 	FY2005	Never Implemented Closed Out FY2009
N/A	4.3.05	Flexible Funding	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2005	Implemented FY2005 Closed Out FY2010
N/A	4.4.06	Reformulation of HUD Forms	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness 	FY2006	Implemented FY2006 Closed Out FY2010
13	2.6.07	Enhanced Public Housing Lease Enforcement Operations	<ul style="list-style-type: none"> Increase housing choices for low-income families 	FY2007	Closed
N/A	1.11.08	Maximizing Public Housing Subsidies	<ul style="list-style-type: none"> Reduce cost and achieve greater cost effectiveness Increase housing choices for low-income families 	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">Reduce cost and achieve greater cost effectiveness	FY2008	Implemented FY2009 and Closed Out 2012

Locally Defined Site and Neighborhood Standards

Description

As outlined in Attachment C of the DCHA original MTW agreement, DCHA needed the ability to move swiftly to expand and preserve affordable housing in the District of Columbia in the face of rapid and dramatic gentrification of many of the city's neighborhoods. These are neighborhoods targeted for revitalization as indicated by designation as an Empowerment Zone, Housing Opportunity Area, Strategic Neighborhood Target Area or Neighborhood Strategy Areas under the Community Development Block Grant (CDBG). Under stated federal requirements, the use of census data would not provide accurate and timely demographic information reflective of the quickly changing racial and economic landscape of the city's neighborhoods. Establishment of Locally Defined Site and Neighborhood Standards provided DCHA with the agility necessary to determine the location of newly constructed or substantially rehabilitated housing to be subsidized through project-based section 8 voucher funding or Public Housing operating subsidy. In determining the location of such housing, in lieu of the Site and Neighborhood Standards set forth in 24 CFR 941.202(b)-(d), DCHA acted in accordance with the following locally established requirements:

3. The units may be located throughout the District, including within the following types of urban areas: (i) an area of revitalization that has been designated as such by the District of Columbia; (ii) an area where Public Housing units were previously constructed and were demolished; (iii) a racially or economically impacted area where DCHA plans to preserve existing affordable housing; or (iv) an area designated by the District of Columbia as a blight elimination zone; and
4. A housing needs analysis indicates that there is a real need for the housing in the area; and
5. When developing or substantially rehabilitating six or more units, DCHA will provide documentation to HUD which evidences that: (i) during the planning process, it has consulted with Public Housing residents through appropriate resident organizations and representative community groups in the vicinity of the subject property; (ii) it has advised current residents of the subject properties ("Resident") and Public Housing residents, by letter to resident organizations and by public meeting, of DCHA's revitalization plan; and (iii) it has submitted a signed certification to HUD that the comments from Residents, Public Housing residents and representative community groups have been considered in the revitalization plan.

In addition, the locally defined site and neighborhood standards complied with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and the implementing regulations referenced compliance with these Acts. Similar to HOPE VI Site and Neighborhood Standards, a DCHA project for which locally defined site and neighborhood standards were applied would either have to:

- Encourage reinvestment in areas of minority concentration;



- Improve or preserve affordable housing in the area;
- Provide quality housing choices for assisted households; or
- Reduce displacement in properties undergoing substantial rehabilitation as part of a comprehensive neighborhood revitalization strategy

Status

Closed Out

In 2012, the MTW Office, in consultation with HUD's Urban Revitalization Division of the Office of Public Housing Investments, advised DCHA that MTW flexibility relative to site and neighborhood standards for DCHA's HOPE VI developments is not necessary and that local site and neighborhood standards cannot be approved for future non-HOPE VI development activities.

Special Occupancy Policy of Service Providers

Description

Both sworn and special police officers in DCHA's Office of Public Safety and the District of Columbia Metropolitan Police Department officers can serve their community better if they are part of it. DCHA currently makes use of this resource at several of its communities. The same would be true for other service providers as well. In addition to security officers, DCHA proposed creating policies to allow members of Vista, AmeriCorps, and similar organizations to live in DCHA Public Housing units in exchange for the services that they provide.

Status

Closed Out

Many of the Resident Councils in DCHA's Public Housing communities felt strongly that it was more beneficial to continue to house traditional Public Housing residents rather than the service providers. Because of this input, DCHA discontinued exploration of this initiative.

Voluntary Resident Community Service

Description

Under this initiative, DCHA sought to seek voluntary, rather than the Quality Housing and Work Responsibility Act (QHWRA) required, community service by the residents of its communities while seeking to expand opportunities for residents to be empowered and inspired to make a difference and contribute service to their community.

Status

Closed Out

In FY2004, DCHA completed the development of this initiative with the adoption of the Neighbor to Neighbor policy designed to provide incentives for voluntary community service. However, based on a legal determination from HUD that the community service requirement was not subject to the MTW



agreement, and thereby was not to be implemented as voluntary for Public Housing residents, this initiative has been closed out.

Resident Satisfaction Assessment

Description

In FY2003, DCHA initiated a sophisticated assessment protocol to reliably determine resident satisfaction. Through a third party professional analyst of customer service satisfaction, DCHA assessed customer satisfaction using a combination of professionally administered surveys of a scientifically selected sample of residents and a carefully selected focus group representing a mix of interests.

DCHA proposed as part of its first MTW Plan for FY2004 to continue this process on a biennial basis, submitting the findings biennially as part of the MTW Annual Report in place of the HUD administered resident satisfaction survey. This approach was adopted by DCHA as it more effectively measured customer satisfaction than the HUD administered survey. For example, the HUD survey consistently had low response rates and a relied too heavily on the literacy of customers being surveyed.

Status

Closed Out

Although DCHA found the information gathered from its survey approach to be reliable and useful in shaping the Agency's programs and making key decisions, it was decided during FY2004 that DCHA would not pursue this initiative due to cost of administering the more sophisticated survey.

Security Deposit Guarantee Program

Description

Over the years, DCHA has sought to enhance the housing opportunities available to our housing choice voucher participants. One item that has consistently been an issue is the limited ability of some voucher participants to secure funding for a security deposit. DCHA explored the development of a small security deposit guarantee program to which voucher recipients could subscribe for a monthly fee in lieu of a lump sum security deposit payment to landlords. The goal of the proposed program was to provide a mechanism whereby voucher participants are not unduly restricted from leasing potential units.

This Initiative would have required flexible use of funds to allow for the payment of any claims on any guarantee where the recipient caused damage.

Status

Closed Out

Due to MTW funding limitations and lack of local funding to supplement the MTW funds, the initiative was not pursued beyond initial exploration.



Modification to HCV Inspections Scheduling

Description

DCHA considered alternatives to the standard housing choice voucher inspection schedule, allowing the inspections staff to focus on properties which or landlords who persistently fail to meet HQS standards. DCHA considered categorizing properties with HAP contracts according to risk, quality, or upkeep level, and proposed using this categorization to determine the frequency of inspections. It was believed that many properties would only need to be re-inspected on a multi-year schedule thus allowing staff efficiency and a focus on properties or landlords that indicate a need for more frequent inspection.

Status

Closed Out

Upon exploration, DCHA staff could not find sufficient patterns of consistency among landlords or properties to justify reducing inspection frequency. DCHA felt that because of the high failure rate of HQS inspections and the age of the housing stock affordable to HCV participants, the benefits of annual inspections outweighed any potential cost savings from this proposed initiative.

Streamlining Resident Community Service

Description

Under this initiative, DCHA sought to identify regulatory simplifications and administrative streamlining with respect to the implementation of the statutory resident community service requirement. As such the Agency implemented the following:

- Automatically determining those individuals who are not exempt based on data residents already report regarding income amount and sources
- Set the number of work activity related hours required by an adult household member to be exempt from the community service requirement
- Documented self-certification by non-exempt members of compliance with the community service requirement

Status

Closed Out

It was determined that at the time DCHA would re-think its approach and re-introduce another initiative once vetted.

Revolving Loan Fund for HVCP Landlords

Description

The HCV lease-up process is often impeded by delays in making repairs to units with HQS deficiencies. Additionally, DCHA is often faced with no other option than to halt the payment of HAP subsidy for existing clients when landlords are delinquent in repairing deficiencies identified during annual inspections. To lessen these problems, DCHA explored the development of a revolving loan program as an incentive for landlords to make required HQS repairs quickly.



Components of the program design were to include deducting the loan payments from the HAP payment and placing a lien on the property until the loan is paid off. DCHA planned to capitalize this program using the flexibility allowed by the MTW Block Grant. With a mechanism, such as the proposed loan program, in place to make HQS repairs quickly, DCHA hoped to maintain the supply of affordable HCV units and to reduce the inconvenience for the voucher holder. The revolving loan fund would have allowed an HCV participant-occupied unit to be repaired timely rather than force a participant to find and move to a compliant unit

Status

Closed Out

Due to MTW funding limitations and lack of local funding to supplement the MTW funds, the initiative was not pursued beyond initial exploration.

Flexible Funding

Description

This initiative allows DCHA to exercise its funding fungibility authority as provided for in its MTW Agreement to utilize MTW Block Grant funds to support investments in operational costs and costs associated with providing customer service, resident programming, enhanced public safety for our residents, and capital projects that will improve access to resident services and expand affordable housing opportunities.

Status

Closed Out

DCHA has been advised by the MTW staff at HUD that because flexible funding is part of our new MTW Agreement, a standalone flexible funding initiative is no longer required.

Reformulation of HUD Forms

Description

Many of DCHA's functions, both Public Housing and assisted housing through the Housing Choice Voucher Program use HUD prescribed forms for implementation. The forms facilitate uniformity and efficiency and in many cases work very well. The staff has discovered, however, that the prescribed forms may not in all cases serve our customers or internal operations as effectively or efficiently as possible. Some forms may not request as much information as would be useful to the customer or to DCHA. Additionally, they may not appropriately request or document information on aspects of the programs that have been modified locally through an MTW initiative.

For instance, the Housing Choice Voucher Program has simplified the voucher program by providing vouchers for a full 180 days, rather than a 60 day initial period with a 120 day extension. This has reduced the amount of staff time and also has been customer friendly as it allows all voucher holders the full amount of the time to locate a unit without requiring staff to "evaluate" each request for an extension. The HUD provided forms do not reflect this policy change and in its current form requires staff to input two dates, the initial period and an extension. In situations like this, where there would be efficiencies and customer improvements from a local form, DCHA would develop a local form in



substitution of the HUD provided form. DCHA would not be modifying the forms, rather it would substitute, as the Moving to Work program contemplated, a locally devised solution that responds to locally identified program needs.

DCHA contemplated this Initiative continuing through the term of the Moving to Work Agreement in order to facilitate implementation of locally revised or devised programs, rather than a burdensome review of all forms at one point in time when Initiatives are still being developed and implemented.

Status

Closed Out

While it may be necessary to modify HUD forms as part of an MTW initiative in the future, this initiative, in and of itself, does not address any of the three statutory objectives and has therefore been closed out. If modifications to HUD forms are required, that action will be proposed as part of a specific MTW initiative.

Enhanced Public Housing Lease Enforcement Operations

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.

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.

Status

Closed

Given the lack of movement with implementation of this activity, DCHA is changing the status to "Closed". However, DCHA still remains committed to providing the 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.

Maximizing Public Housing Subsidies

Description

Since the start of its MTW demonstration, DCHA has implemented a number of innovative mixed-finance redevelopment deals that are generating approximately \$1.5 billion in economic activity in the District of Columbia, and which produced a number of new or rehabbed affordable housing units in a gentrifying city. While the housing authority has used most tools in the development toolkit, one tool, the use of ACCs, has not been creatively maximized despite its capacity to complement operational costs of very low income housing.



During FY07 and FY08, DCHA explored the combining of ACCs in order to generate adequate public resources to support the rising operational costs of a unit in the District of Columbia. It was decided that DCHA would not pursue the use of ACCs in this manner.

Status

Closed (FY08)

This activity was approved in FY08, but not implemented as originally crafted. However, in FY14, DCHA introduced its *Local Blended Subsidy* initiative—a more developed initiative in which implementation began in FY14.

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)



V. Sources and Uses of Funds

A. Actual Sources and Uses of MTW Funding for the Fiscal Year

Confirmation of DCHA submission of the agency's "Unaudited A-133".

Submit FDS Page

Page 1 of 1



Real Estate Assessment Center Financial Assessment Subsystem (FASS-PH)

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PHA Information
PHA Code: DC001 Fiscal Year End Date: 09/30/2014
PHA Name: D.C. Housing Authority
Submission Type: Unaudited/A-133

Submit

Certification Statement

This is to certify that, to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDS is accurate and complete for the period described on data element lines G9000-010, G2000-021, and G2000-031.

By selecting Submit Financial Data, I declare that the foregoing is true and correct.

Congratulations! Your submission has been successfully transmitted to FASS-PH.

Date/Time: Fri Dec 12 18:23:21 EST 2014
Confirmation Key: 4140000000.123757.56.10.RVS

Line Item #	Description	Total
190	Total Assets	\$665,425,557
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$665,425,557
70000	Total Revenue	\$352,741,726
96900	Total Operating Expenses	\$137,376,692
97000	Excess of Operating Revenue over Operating Expenses	\$215,365,034
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$2,290,005

Please Click on 'My InBox' at the top to Return to your inbox.

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12/12/2014



B. Activities that Use Only MTW Single Fund Flexibility

Describe the Activities that Used Only MTW 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 has used 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
- Create and operate workforce training site for Public Housing 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



C. Local Asset Management Plan

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

☐

No

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

Yes

or

☐

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

Has the PHA provided a LAMP in the appendix?

Yes

or

☐

See Appendix A for narrative description of DCHA LAMP.

D. MTW Report: Commitment of Unspent Funds

DCHA is exercising the option not to complete this section.



VI. Administrative

A. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue

DCHA does not have any of these issues to report.

B. Results of DCHA directed evaluations

DCHA does not currently have any evaluations underway for its MTW program.



C. Certification—DCHA of MTW Statutory Requirements



District of Columbia Housing Authority

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


202-535-1000

Adrianne Todman, Executive Director

Certification of MTW Statutory Compliance

On behalf of the District of Columbia Housing Authority (DCHA or Agency), I certify that DCHA has met the three (3) statutory requirements of the Moving to Work (MTW) program during Fiscal Year 2014. Specifically, DCHA confirms that:

1. At least 75 percent (75%) of the families assisted by the Agency were very low-income families;
2. The Agency has continued to assist substantially the same total number of eligible low-income families as would have been served without MTW; and
3. The Agency has continued to serve a comparable mix of families (by family size) as would have been served without MTW.



Adrianne Todman
Executive Director

01/07/15

Date



Appendix A: Local Asset Management Program

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.