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Keene Housing Authority

Moving to Work Fiscal Year 2013 Annual Plan

JANUARY 1, 2013 TO DECEMBER 31, 2013

A Program of the Department of Housing and Urban Development

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Keene Housing Authority Governing Board and Staff

Board of Commissioners

Tom Moses, Chairperson

Lee Robator, Vice Chairperson

Christopher Coates, Treasurer

Jennifer Marsh

Jack Noonan

Executive Director

Joshua Meehan

Senior Management Staff

Sandy Clark, Facilities and Asset Manager

Carolyn Crane, Housing Manager

Linda Mangones, Community Development Block Grant Administrator

Denise Pratt, Programs and Services Manager

Michelle Young, Finance Manager

Executive Summary

“The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.” Albert Einstein

The Keene Housing Authority (KHA) was established in July 1965, and its mission was to fill the need for “safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene.” As the families we serve changed, our mission statement evolved to more accurately reflect our focus and commitment:

“The Keene Housing Authority, directly or in collaboration with others, will provide and advocate for: decent, safe and affordable housing for individuals, families, elderly and disabled persons of low-income within the Monadnock region; and to provide and advocate for; any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.”

Management and staff have worked hard over the years to remain conscious of the changing demographics in the Monadnock region and are committed to meeting the needs of the families in our service area. The KHA owns and/or manages over 580 units of affordable housing as well as administering over 670 housing vouchers in Keene and surrounding towns within Cheshire County. Many of our properties have been financed through multiple sources; low income housing tax credits, HOME funds, HUD Section 8, and CDBG; each bringing with it another layer of compliance and oversight. The complexity of multi-funded properties presents unique challenges in administrative sustainability for a small agency with limited resources. These challenges are met through effective training programs strong internal monitoring systems and the dedication of staff.

“Things do not change; we change.” Henry David Thoreau

The authorities granted to KHA in its Moving To Work (MTW) agreement with HUD, allows the KHA to establish and execute uniquely tailored activities that help families achieve economic independence. Through a comprehensive initial assessment process families are aided by a resident services coordinator in setting specific financial and employment/educational goals tailored to each family’s skills and resources. Each family works to achieve competencies specific to their circumstances. One of the changes proposed in the 2013 plan provides support for families whose sole adult member is enrolled in a degree or trade program. We continually assess and monitor our MTW activities to ensure statutory compliance and effectiveness.

“Seems to me that there is a fine line between insanity and dedication...I call that line commitment.”
Jeremy Aldana

In January of 2012, KHAs CEO retired. Since then, the KHA has operated under the senior leadership of an interim executive director, Linda Mangones and interim assistant executive director, Michelle Young, both of whom are long-time members of KHAs management team. Thanks to their commitment, and the commitment of the entire KHA staff, we have operated at a level of ‘business as usual’ for the past several months – maintaining quality, affordable housing and providing services and service coordination for the families, elders and disabled neighbors we serve.

We have brought our interim leadership to a close as we warmly welcome Joshua Meehan as the Keene Housing Authority’s new executive director. Josh is a seasoned housing executive with extensive knowledge

of the Moving To Work demonstration. We look forward to his leadership and are excited about the Agency's future.

“Change is not only likely, it’s inevitable.” Barbara Sher

Moving forward, our Keys to Success will continue to include:

- maintaining our strong, collaborative relationships;
- focusing on our responsibilities to the families we serve, and being responsive to their needs; and
- providing ongoing training to staff and maintaining effective monitoring systems to ensure we are meeting agency and programmatic goals and objectives.

The KHA plays a vital role in our community, providing necessary, affordable housing and housing choices to families in the Mondadnock region. The majority of our tenants and participants are either elderly and/or disabled. The ability to obtain, safe, decent, affordable housing allows these vulnerable populations to focus on other issues that impact their quality of life. Providing meaningful, relevant programming that supports self-sufficiency positively impacts our families and ultimately the community in which we all live.

Section I. Introduction

A. The Keene Housing Authority

The Keene Housing Authority was created by resolution of the City Council for the city of Keene on July 15, 1965 in accordance with Section 4 of Chapter 203, New Hampshire Revised Statutes Annotated. The stated mission of the authority was filling the need for “safe, sanitary dwelling accommodations for the elderly and persons of low-income in Keene.” Pursuant to this resolution the Mayor of Keene, in accordance with NHRSA 203:5, appointed five persons as Commissioners of the Keene Housing Authority, and these appointments have been made regularly in accordance with the law, through and including the present time. The Authority, as a duly created municipal agency of the city, derives extensive powers from RSA 203.8. Among these powers is the authority to:

- Acquire, lease, manage, maintain or operate housing projects.
- Provide for the construction, reconstruction, improvement, and extension of housing projects or any part thereof.
- Lease or rent any dwellings, houses, land, or buildings in any housing project.
- Establish and revise the rents and other charges for use of the property.
- Own, hold, and improve real or personal property.
- Purchase, lease, obtain options upon, and acquire by gift any real or personal property.
- Sell, lease, exchange, transfer or dispose of any real or personal property.

The mission of the Keene Housing Authority is, directly or in collaboration with others, to provide and/or advocate for:

- *Decent, safe and affordable housing for individuals, families, elderly and disabled persons of low to moderate income within the Monadnock region;*

And; to provide and/or advocate for

- *Any and all services and programs that will assist in improving the social and economic welfare of such individuals and families.*

The Authority is governed by a five person Board of Commissioners appointed by the Mayor of the city of Keene. The Board is responsible for the hiring and supervision of the Executive Director, who is responsible for the day-to-day operation of the agency. The Keene Housing Authority has a staff of approximately 35.

Organization

Keene Housing Authority is a small agency that operates an array of diverse housing programs including HUD Multifamily programs, Low Income Housing Tax Credit programs, Rural Development and HOME. KHA also administers the city’s Community Development Block Grant program. A diverse portfolio of housing and services enables the agency to fulfill its goal of

providing affordable and quality housing to the Keene and surrounding communities. As a small agency, it is challenging to administer complex programs. Keene does not have staff resources to create positions or departments that specialize in compliance, data management, policy development, etc. The flexibilities granted under MTW help alleviate some, but not all, of the administrative requirements allowing staff to focus their time addressing the housing and service needs of the low-income Keene residents we serve.

Keene's organizational structure consists of an Executive Director and five departments and several administrative positions. The five departments are Housing, Programs and Services, Facilities and Asset, Finance, and Human Resources. Administrative positions include the Community Development Block Grant Administrator.

Keene Facts

Keene, New Hampshire is located in Cheshire County in the southwest corner of the state and is the busy hub for several local and interstate roads and highways. At an elevation of 486 feet above sea level, it covers a land area of 37.3 square miles. Population in the year 2000 was 22,563. Industries providing employment include educational, health and social services (24%), retail trade (16.3%) and manufacturing (15.9%). The nearest cities with large populations include Nashua (57 miles), Boston (93 miles) and New York (191 miles). In addition to typical municipal services provided by the city the area is served by the Cheshire Medical Center, Keene State College, Antioch New England Graduate School, the Keene Public Library, and the Dillant Hopkins Airport. Keene is well known in the region for the quality of service programs available to low income households. Indeed one of the city's greatest strengths is the coordination and collaboration amongst the regions service agencies.

B. Moving to Work Program (MTW) Demonstration Summary

Keene Housing Authority was selected as a Moving to Work participant after responding to HUD's initial request for proposals in 1996. The MTW agreement was executed in 1999 and included all of the agency's Public Housing portfolio and Section 8 allocation with the exception of the Mainstream Voucher program. KHA first leveraged its MTW flexibility in its Public Housing program in October 1999. KHA then used MTW to completely reinvent its Housing Choice Voucher program in 2000.

Then and now every KHA MTW initiative is designed to meet the three statutory objectives set out by Congress when they created MTW in 1996:

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, seeking work, or is preparing for work by participating in on the 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.

Consistent with Congress's objectives, the primary goals of **Keene Housing Authority's MTW Demonstration Program** include:

- Increase share of residents making progress toward economic independence.
- Improve the quality and quantity of assisted housing stock.
- Provide a full spectrum of housing options for applicants. Collaborations with the local shelter program and the creation of the Heading for Home Homeownership program increase housing options. The Shelter HAC program provides assistance for households living in the shelters. Once the participant graduates from the program, they are given a preference for our Section 8 HAC so they can find housing on the private market.
- Enhance Keene Housing Authority's capacity to plan and deliver effective programs.
- Increase resident satisfaction with their housing and with Keene Housing Authority programs.

Summary of Keene Housing Authority's MTW Activities and Initiatives

KHA's plans and activities for 2013 are to continue with its successful MTW initiatives. Ongoing strategies include the following:

- Utilize MTW flexibility to **increase housing options and services** through collaborative projects, partnerships and development with local, regional and national institutions.
- Provide subsidy reform initiatives, through the **Section 8 Stepped Subsidy program**, to provide incentives for working families to achieve and maintain employment.
- Operate the **Safety Net Program** to provide temporary relief for people who experience an increase in rent burden due to a qualified decrease in income or increase in rent.
- Provide supportive services such as the **Resident Self-Reliance Program and Youth Services to increase success rates of tenants and participants**.
- **Diversify funding sources** to ensure the long term financial viability of all housing and service programs, including MTW initiatives, operated by the Keene Housing Authority.
- **Maximize efficiency** of operations and **streamline service delivery** through MTW initiatives such as self-certifications, standard deductions, and HQS modifications.
- Develop plans to implement **energy efficiency programs** at properties owned or managed by KHA.
- Engage in regular **organizational and staff development initiatives** to accommodate the shifting paradigm of how we serve residents and the community.

C. 2013 Operating Goals

Housing Choices

KHA constantly pursues opportunities to expand housing options for low-income households. For more than a decade, KHA has leveraged its MTW flexibilities to dramatically expand housing choices for residents of the Monadnock region. This section focuses on the KHA Operating Goals for the coming fiscal year, which begins on January 1, 2013.


Pursuing the goal of maintaining and preserving KHA's existing portfolio; KHA began the process of updating capital needs assessments for several properties in its portfolio in 2011 and initiated funding strategies and submission of funding requests in 2012.


Funding was secured for the replacement of an elevator at Central Square Terrace, a 7-story, 90 unit, elderly multifamily property located in downtown Keene. The elevator will be completed in 2012. Negotiations between the KHA and the City of Keene Police Department resulted in the conversion of a small area of the community space on Main Street being used as a police substation. The substation provides the benefit of added security for the elderly and disabled residents living at CST at no cost to the KHA.


In 2011, KHA anticipated a rehabilitation and weatherization project being completed in 2012 at Wedgewood Duplexes, located in Winchester, NH. Upon further study, KHA determined this project was not advisable or feasible on the existing units. Currently, the plan is to demolish and replace (1:1) this 30-unit property over an 18-month period beginning in 2013. In July 2012 the HUD HAP contract was renewed for a 20-year term and the application for CDBG funds was submitted. The LIHTC application was submitted in August. The KHA staff and development partners have held, and will continue to hold, informational meetings for tenants, neighbors, and interested community members throughout this project.

Brookbend Family Housing, a project involving the acquisition, demolition, and replacement of a 75 unit existing Section 236 project located in Keene, NH, is well underway and on schedule to be completed in 2013. The property was subdivided into two parcels, which are owned by two separate Limited Partnerships. The existing HAP contract covering 54 units was split and extended to 20 years. In addition KHA has committed MTW Project Based Coupons for a 20 year term to cover the 21 units that were not supported by the extended HUD HAP contract. Energy Star Homes Requirements Version 3.0 guidelines were incorporated in the construction plans to maximize energy performance within each unit. The first 18 units were placed in service in August 2012.


Keene Housing Authority Operating Goals

 Maintain and preserve KHA's existing affordable housing portfolio.

 Improve administrative efficiency of the KHA by reviewing, updating and revising operational procedures, ensuring adherence to current laws and KHA practices.

 Identify the housing needs of special populations in the region and to foster and pursue collaborations to fulfill these needs.

 Provide supportive services for KHA's residents to foster independence and successful tenancies while empowering the residents to take ownership of and investment in their neighborhoods.

 Promote and increase the awareness of KHA's mission, programs, services, and initiatives.

The Section 8 Homeownership Program, known as the “Heading for Home Program” permits eligible participants in the Section 8 housing choice voucher program or in the Housing Assistance Coupon program, the option of purchasing a home with their Section 8 assistance rather than renting. Keene Housing Authority works collaboratively with other area agencies to encourage families to attend workshops and prepare for the transition to homeownership. For most families, this planning and preparation process will span several years.

The Shelter Housing Assistance Coupon (HAC) program provides assistance for households living in the shelters. Once the participant graduates from the program, they are given a preference for the HAC to use in the private market.

Staff, tenants/participants, and our neighbors in the community provide feedback and input on an ongoing basis, helping KHA revise current policies and develop new policies and procedures that meet the ever changing needs of the people we serve. Participation in regular service provider/partner meetings keeps KHA tapped into the housing needs in our service area and gives KHA opportunity to gauge the efficacy of its programs and the impact on other local agencies with who we share a wide client base. Services staff look for partnership opportunities to stretch ever shrinking resources and maximize the positive impact our programming provides.

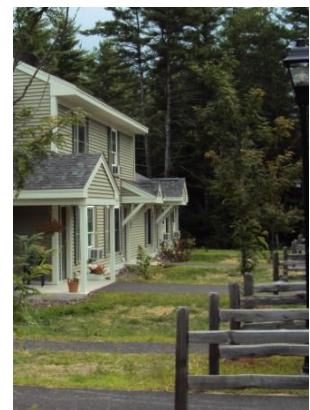
KHA is committed to ensuring that we provide the highest quality housing and the highest quality living environment. On-going assessments of how the larger economic and social environments are impacting our tenants inform our MTW Plans and KHA administrative procedures encourage successful tenancies. Continuing to monitor internal and external measures, reviewing data for opportunities to improve programming or client access to community resources, and strengthening our connections with community providers will enable KHA to continue to deliver housing opportunities that support our mission in 2013 and beyond.

Section II. General Housing Authority Operating Information

• Housing Portfolio

The Keene Housing Authority owns and manages 582 units of housing under multiple governing agents. The largest allocations of units (37%/213) are supported by conventional financing and project-based subsidies. Low Income Housing Tax Credit units comprise the second largest allocation of units (32%/188). The third largest allocation (30%/177) is administered under HUD’s Multi-family program. The remaining 1% (4 units) consists of CDBG and shelter programs.

Rural Development and Home programs add another layer of complexity and compliance to the portfolio. The KHA disposed of its public housing

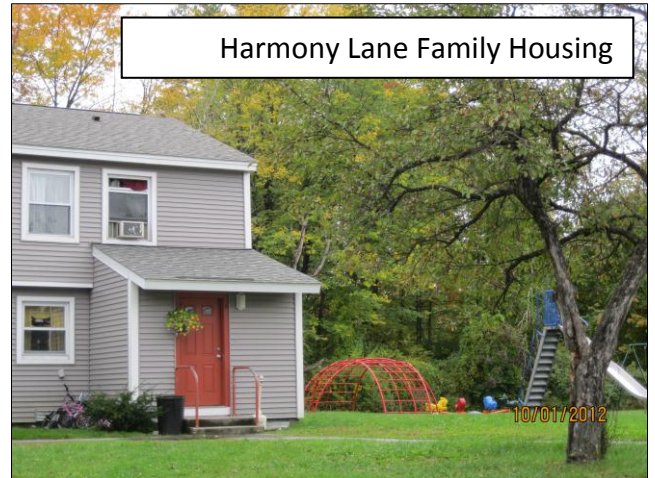


portfolio. The properties, now owned by a KHA subsidiary organization, are subsidized with project-based coupons.

Keene also owns and manages commercial spaces disbursed among several different properties in Keene. Many of these spaces are rented to local non-profit agencies providing essential services to residents of the KHA. Keene Housing Authority also provides management assistance and support to Cheshire Housing Trust also operating in Keene and the Monadnock region.



Brookbend West Family Housing



Harmony Lane Family Housing



Transitional Housing



Central Square Terrace
Elderly/Disabled Housing



Harper Acres
Family Housing



Riverbend Family Housing

<i>Housing Portfolio – Properties Owned and Managed by the KHA</i>			
<i>Conventional</i>			
Main Developments	Number of Units	Housing Type	Description
Keene Affordable Housing Properties (KAHP)	213	Family/MTW project-based subsidy ALL UNITS	Range of units and building styles from efficiencies to 4 bedrooms – 14 accessible units
<i>Low Income Housing Tax Credit</i>			
Riverbend (Includes HOME Units)	24	Family/MTW project-based subsidy ALL UNITS	2 and 3 bedroom townhouse style units – 2 accessible units
Evergreen Knoll (Includes HOME units and USDA Subsidy)	32	Family/MTW project-based subsidy 3 UNITS	2 and 3 bedroom townhouse style units – 4 accessible units
Stone Arch Village Senior Housing	33	Senior/MTW project-based subsidy ALL UNITS	1 and 2 bedroom units in high rise with elevator – 3 accessible units
Stone Arch Village Family Housing	24	Family/ MTW project based subsidy ALL UNITS	2 and 3 bedroom townhouse style units – 2 accessible units
Brookbend East	40	Family/MTW project-based subsidy 11 UNITS	2 and 3 bedroom units in townhouse style units - 2 accessible units
Brookbend West	35	Family/MTW project-based subsidy 10 UNITS	2 and 3 bedroom units in townhouse style units - 2 accessible units
<i>Multi-Family Section 8</i>			
Meadow Road	18	Family	2 and 3 bedroom townhouse style units – 2 accessible units
Wedgewood Duplexes	30	Family	2 and 3 bedroom duplex units
Central Square Terrace	90	Senior and Disabled	Efficiencies and 1 bedroom units in high rise with elevator – 9 accessible units
<i>Special Programs – CDBG & Shelter</i>			
Ash Brook	24	Family	1 bedroom units
Emerald Street House	10	Section 202/Chronically mentally ill	Group home with shared bathroom/s and common spaces. Manager apartment on site.
Fairweather Lodge	5	Chronically mentally ill	5-bedroom apartment with shared bathroom and common spaces. Manager apartment on site.
Cottage Street	3	Family/ MTW project-based subsidy ALL UNITS	2 and 3 bedroom units – 3 accessible units
139 Roxbury Street Shelter	1	Shelter Housing	SRO
<i>Housing Choice Voucher - Moving To Work</i>			
Moving To Work (MTW)			587 units
<i>Housing Choice Voucher – Special Programs</i>			
Mainstream-5			50 units
Non-Elderly/Disabled (NED) Administered under MTW Policies			100 units

Moving to Work Housing Assistance Coupons

As part of the Moving to Work Demonstration program, Keene created the Housing Assistance Coupon program (HAC) in 2000 as an alternative to HUD's Housing Choice Voucher program (HCV). All of KHA's Section 8 assistance, with the exception of the 50 Mainstream Vouchers, is administered under the MTW program. In October of 2010, KHA was awarded 100 non-elderly disabled vouchers. These vouchers are administered under the KHA's MTW administrative policies and are issued to eligible households as tenant based coupons.

MTW Project-Based Coupons

The approval of KHA's 2011 MTW Plan enabled KHA to begin phasing in 60%, or 352 units, of its voucher allocation as project-based units. The plan to project base up to 50%, or 293 units, of KHA's total coupon allocation in the KHA owned and managed properties was included and approved as part of the 2008 MTW Annual Plan. The process started in September of 2009 with the Keene Affordable Housing units.

Effective November 1, 2010, KHA executed project-based HAP Contracts at Riverbend, Stone Arch Village Senior and Stone Arch Village Family. All families at these properties were provided with the same option as the tenants who resided in KHA's former Public Housing; the option to remain in their units and receive the project-based assistance or move with a coupon. Of the 82 families affected by the change, only 1 family chose to move to the private market.

A project-based HAP contract with Cheshire Housing Trust was executed in June of 2012 for 20 units. These project-based units will be phased in as turnover occurs at the properties. Project-based HAP contracts at Cottage Street and at Evergreen Knoll are planned to be executed prior to the end of 2012 and current tenant based subsidies will be replaced with project-based subsidies at turnover as in the case with Cheshire Housing Trust.

The HAP contracts for Cottage Street and Evergreen Knoll were not executed in 2012; we anticipate the execution of these contracts in 2013. Due to the uncertainty of 2013 funding levels; KHA is not planning on project-basing any other units in 2013.

• Occupancy and Lease-up Information

KHA is expecting an increase in utilization in FY 2013 from 94% (551 coupons) to 97% (569 coupons). This increase is a result of the execution of two project-based Housing Assistance Payment Contracts (HAPCs). The first, executed in 2011 and 2012, with Brookbend West Housing Associates, L.P. and Brookbend East Housing Associates, L.P., provides 21 project-based subsidies between the two family properties. The second HAPC was executed in 2012 with Cheshire Housing Trust, providing 20 floating, project-based subsidies in units throughout the KHA jurisdiction. The leasing of the units under these contracts began in the second quarter of 2012.

2013 leasing rates for KHAs non-MTW vouchers is expected to be no less than 98% each in the Mainstream and Non-Elderly Disabled programs.

• **Waiting List Information**

KHA manages separate waiting lists for Section 8, Mainstream HCV, and for each property subsidized with project-based coupons. The Non-elderly Disabled coupons are administered from KHA's Section 8 waitlist to eligible families meeting the specific program criteria. Applicants choose their housing options when submitting their original application and can amend their choices, being placed on waitlists for which they are eligible with the new date and time of the amendment.

KHA is not considering closing any of the waiting lists at this time. Closing the waiting lists might prevent applicants from

Waiting List	Current Households	Current Length	Projected Length
Mainstream	201	2.5 yrs	2.5 - 3 yrs
MTW HAC Coupons	348	6.5 – 7 yrs	7 yrs
Project-Based Coupons	525	6 mo – 4 yrs	1 to 4 yrs

accessing resource and referral services. Intake staff provide other referral services to applicants while they are on our waiting lists. Waiting lists will continue to be purged at least annually. The next purge is scheduled for February 2013. The waiting lists were last purged in February 2012.

Of the 348 applicants populating the Section 8 waitlist (August 2012), 66 applicants or 20%, are comprised of persons currently residing in federally subsidized housing owned by the KHA. KHA does not currently have a way to calculate how many applicants live in other subsidized housing not owned by the KHA.

Section III. Non-MTW Related Housing Authority Information

Reporting in this section is optional.

Homeownership

The Heading for Home Program (H4H) offers eligible participants the option of buying a home with mortgage payment assistance through the Section 8 Housing Assistance Coupon (HAC). Eligible applicants for H4H must be eligible for a HAC. H4H participants are required to participate in the Homeownership Seminars facilitated by Cheshire Housing Trust (CHT), a HUD approved homeownership counseling agency. Participants are required to participate in counseling sessions and financial management workshops. CHT refers participants interested in establishing Individual Development Accounts (IDAs) to the New Hampshire Community Loan Fund. Participants receive a match from the IDA program up to certain limits for contributions they make to their savings accounts. The money can then be used for eligible homeownership expenses. Cheshire Housing Trust is exploring methods of continuing a reasonable funding level for the housing counseling program now that the HUD counseling grants have been completely eliminated from the federal budget.

Keene used its MTW authority to permit households who graduated from the Resident Self-Reliance program to remain eligible for a flat rate of assistance if they were over the income limits but below 140% of the AMI. The purpose was to provide an incentive and reward for RSR families who were successful in the program. KHA didn't want to penalize families who were able to increase their income during the program by denying them homeownership coupons.

Youth Services

The BUILDING BRIDGES program uses several strategies to influence youth development utilizing both family and community to prevent juvenile delinquency. On average about 25 youth are served by the program annually. The program is offered at Family Activity Centers located at Harmony Lane and North and Gilsum family communities. These centers are community hubs, attracting and encouraging positive interaction with youth, adults and staff. Daily programming focuses on four primary programmatic components:

- Academic Achievement
- Leadership and Social Responsibility
- Wellness and Healthy Living
- Community Involvement

Activities in the youth services program reflect current risks and needs of the participating youth. The program's main focus is to serve youth ages 5 through 10, but youth up to age 18 may participate.



BUILDING BRIDGES Youth Services Program seeks to build community connections by offering events that encourage positive interactions and build a sense of ownership and responsibility. Youth coordinate community service events focusing on their neighborhood such as community gardening, making recipe and fresh vegetable kits for families, participating in Community Clean-up Day and partnering with KHA senior sites for Youth and Senior game day. The Family Activity Center hosts family events and meals at the activity center are cooked and prepared by youth and parent volunteers.

Daily homework labs facilitate academic assistance and encourage youth to complete their school assignments in an organized and efficient fashion; thereby developing positive and productive attitudes towards education. Volunteers from Keene State College help facilitate daily homework labs.



Families that move to either Harmony Lane or North Street are automatically referred to the Building Bridges Youth Services programs by Keene Housing Authority staff. The Building Bridges program is integrated with the Resident Self-Reliance program for adults so all members of the family are served.

Section IV. Long Term Vision for KHA's Moving to Work Program

Since February of 2012, the Keene Housing Authority has been operating under the leadership of an interim executive director and assistant interim executive director. A new executive director was approved and appointed by the board of commissioners at a special meeting at the end of August 2012. KHA is deferring the optional reporting in this section to a date when the new executive director has had opportunity to formulate and communicate his vision for the KHA to the board of commissioners, KHA senior management, and KHA staff.

Section V. Proposed MTW Activities

The Keene Housing Authority is not proposing any new MTW Activities this year.

Detailed explanations of changes to existing MTW Activities are provided within the specific MTW Activity area. A summary of the proposed changes are below (as identified in the Table of Contents):

B. Housing Assistance Coupon (HAC) Stepped Subsidy

- a. Revise name of activity to **Stepped Subsidy**
- b. Maintain initial subsidy level (deepest subsidy) for 2 years for households whose sole adult member is enrolled in a degree or trade program.
- c. Households whose 30% of gross monthly income meets or exceeds their gross rent at the time of annual re-certification will be considered self-sufficient and subsidy will be reduced to \$0 for 6 months, then terminated if no unforeseen circumstances which negatively affect rent burden have occurred within the 6 month period.

D. HQS Inspections

- a. Eliminate Housing Quality Standards (HQS) inspections in all units subject to annual, regulatory monitoring by an independent agency, or agencies, and are inspected with stricter protocols (UPCS, REAC, state or local codes) than HQS.

F. Resident Self Reliance Program

- a. Required length of program participation for non-waivered households will be 5 years.

G. Alternative Recertification Schedule

- a. Households whose sole source of income is SS or SSI, and with assets less than \$5,000, will be recertified by applying the COLA. No documentation from the family will be required except in cases of family composition changes and/or changes in income source/s. The HUD form 9886 will still be required annually.

Section VI. Ongoing MTW Activities

This section of the plan provides an updated description of ongoing MTW activities. Progress on the activities is provided in the MTW Annual Report. Keene Housing Authority is not using an outside evaluator for any of its Moving to Work activities. All evaluation and data collection is conducted by program staff. In some instances, baseline data was not initially available and was collected where possible when completing the 2010 MTW Annual Report and successive year's reports based on the activity. KHA implemented its MTW program in 1999 and baseline data was not collected on individual initiatives. The Urban Institute did collect baseline data but Keene does not have access to the data they collected and it was not specific to Keene's activities.

Therefore, it is not accurate to evaluate activities based on a baseline collected over a decade into the demonstration program when numerous changes have already occurred. Establishing baselines as of 2005, 2007, 2009 or later, are not providing accurate information or a true picture of the changes or impact of an activity. It is much easier for new programs to establish baselines and comply with the new reporting requirements than for those programs that predate HUD's Restated and Amended Moving To Work Agreement.

A. Project-Based Coupons

Statutory Objective(s): Increase housing options

Baseline: Zero PBC units as of 1/2009. Zero PBC coupons utilized 1/2009. Average leasing rate 12/2008 96%. Average waitlist time 2 years 12/2009.

Baseline: Established 2011. Income distribution of section 8 tenants; very low and extremely low, 87%. 292 units leased.

Benchmarks: 213 units of PBCs by 12/2010; 294 units of PBCs by 12/2011; 341 units of PBCs by 12/2013; 352 units of PBCs by 12/2015. PBC lease rate 92%, 2011. Average waitlist time 1.8 years, 2011.

Measures: Number of housing units added to PBC inventory. Supplemental measures: Income distribution of Section 8 tenants; Number of coupons issued vs. utilized. Average time spent on waitlists. 96% lease rate all PBC units, annually. Average waitlist time not to exceed baseline by more than 1 year on an annual basis.

Plan Year Proposed: 2008

Plan Year Implemented: 2008 Annual Plan

Outcomes for FY 2011: 315 units of PBCs, 292 units leased by eligible families from the PBC waitlists. Lease rate all PBC units 92%. Average waitlist time 1.8 years.

KHA currently has HUD approval to use up to 60% of its MTW allocation for project based units either owned or managed by the KHA or in which KHA is a partner with other organizations. This approval dramatically increased the number of units available for the foreseeable future to the low, very low, and extremely low income tenants the KHA serves.

The ability to determine the policy to select owners and percentage of project-based coupons created an important opportunity for housing authorities in the MTW program to increase the number of affordable housing units in their communities. KHA has designated properties managed by partnerships of which KHA is a part to receive a portion of the project-based coupons. A majority of the project-based coupons have been placed with the Keene Affordable Housing Project. The remaining units are being project-based in other LIHTC properties owned and managed by partnerships of which KHA is a part.

Without Coupons, there is a narrow window of applicants who are income eligible for LIHTC programs and can afford the rent. The ability to project-base coupons provides long-term affordability to a wider range of applicants who qualify for and can afford the housing.

Effective November 1st of 2010, KHA project-based the units at Riverbend, Stone Arch Village Senior and Stone Arch Village Family; all three properties are LIHTC with HOME units. All families were provided notice and opportunity to move to a unit on the private market; converting their tenant based MTW Housing Choice Voucher to a Housing Assistance Coupon. Of the 81 units converted to PBCs, only one family chose to move to the private market.

Residents who chose to continue their residency at these properties were notified that all non-elderly/non-disabled households would be integrated into the Resident Self Reliance (RSR) program beginning with re-certifications effective April 1st of 2011. In 2011, 26 non-elderly/non-disabled families residing in these units were integrated into the RSR program during their annual recertification. Subsidy for the RSR families was calculated using the first year formula of VPS-20% Gross Monthly Income. Families leased in January, February and March of 2011 were integrated into the RSR program as of their 2012 recertification.

In 2012, KHA executed a project-based HAP contract with Cheshire Housing Trust for 20 units of Project-based Coupons (PBCs) will be phased in at turnover. Two additional project-based HAP contracts with Cottage Street (3 units) and Evergreen Knoll (3 units) are planned to be executed by the end of 2012.

KHA is not proposing any changes to this activity in 2013.

Data Collection: Data is maintained in the Tracker Systems Software which is used to administer all of KHA Section 8 Voucher and Coupon programs.

Plan Year Implemented: 2008 Annual Plan

Authorization (s): Attachment C. Section D.7 Establishment of an Agency MTW Section 8 Project-Based Program. The Agency is authorized to Project-Base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are they owned units subject to any required assessments for voluntary conversion. This

authorization waives certain provisions of Section 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan.

Attachment C authorization Section D(1)(e) – The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8 (o)(13) of the 1937 Act and 24 C.F.R.983 as necessary to implement the Agency's Annual MTW Plan

B. Stepped Subsidies (formerly Housing Assistance Coupon Program (HAC) Stepped Subsidies)

Statutory Objective(s): Incentive for self-sufficiency; Increase cost effectiveness/efficiency

Baseline: Established 2009 and 2010. ***Education incentive established 2012. 30% of GMI meets/exceeds contract rent = \$0 subsidy established 2012.***

74 MTW households employed 2009; 49 MTW households exiting program in 2009 evicted for non-payment of rent; \$26,000 in administrative expense, 2010. ***6 MTW households currently enrolled in degree or trade programs. 9 households with rent burdens @ 30% or less.***

Benchmarks: 84 MTW households employed 2010; 1 household exiting the program due to eviction for non-payment of rent, 12/2010; administrative expenses proportionate to program participants. ***6 households receiving education incentive complete degree or trade program. 4 households receiving education incentive report increase in earned income. 9 households with rent burdens at or less than 30% of GMI.***

Measures: number of households reporting earned income; households exiting the program due to eviction for non-payment of rent; administrative expenses. ***Number of households completing degree or trade program. Number of households with decreased rent burden. Number of households at \$0 HAP due to rent burden at or below 30% GMI. Increase in number of household's assisted.***

Plan Year Proposed: Proposed in KHA's original application in response to 1996 RFP. ***Education incentive, 2013. 30% of GMI meets/exceeds gross rent = \$0 subsidy, 2013.***

Plan Year Implemented: Original MTW Agreement executed in 1999

Outcomes for FY 2011: 72 MTW households employed; 2 households exited the program due to eviction for non-payment of rent; \$31,500 in administrative expenses.

The Keene Housing Authority provides Section 8 Coupon assistance, paid on behalf or directly to the household, in the form of a Housing Assistance Coupon. The HAC can be used to pay for rent in units operated by private landlords. KHA calculates subsidy based on one of two methods; (1) Step subsidy method and (2) Income-based subsidy method. Elderly and disabled households are allowed to choose between participating in the step subsidy method of calculation, which includes required participation in the Resident Self-Reliance Program, or the income-based method of subsidy calculation. All families that do not have an elderly or disabled head of household are required to participate in the Step subsidy method and Resident Self-Reliance Program.

The Step subsidy method provides a flat rate subsidy that is based on unit size and the number of years in the program. The subsidy is gradually reduced over a five year period. The first year's

tenant portion of rent is determined by subtracting 20% of gross income (or welfare rent) from the VPS. If, when calculating the first year subsidy, a family's subsidy would be less than the 2nd step but more than the 3rd step, the subsidy would begin at the 2nd step (65% of the VPS) and remain at that step for three years. After 3 years, the subsidy would then drop down to the 3rd step (45% of the VPS) for the remaining two years. If the family's subsidy would be less than the 3rd step, the subsidy would begin at the 3rd step and remain at that step for the full five years. There is a minimum rent of \$125. The second and third step subsidies are based on a percentage of the local Fair Market Rents. Utility rebates are not paid as part of the program as a minimum rent has been established.

Housing Assistance Coupon Program Subsidies Effective 1/1/2012

1st Step (1st year)	2nd Step at 65% of FMR (2nd year)	3rd Step at 45% of FMR (4th year)	Bedroom Size
Lower of Welfare rent or VPS - 20% of Gross Income	\$550	\$380	1 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$690	\$480	2 Bedroom
Lower of Welfare rent or VPS - 20% of Gross Income	\$840	\$580	3 Bedroom

The subsidy is directly deposited into the family's bank account on the 1st of the month. The family is then responsible for paying their rent in full and on time. In the case of elderly and disabled households, they may choose to receive the subsidy directly or have it paid to the landlord as in traditional Section 8 HCV programs.

Upon entry into the program, landlords are sent letters detailing the family's obligation for paying their rent. In addition, the letter states that if the family does not pay the contract rent in full per the lease agreement, then the landlord should contact Keene Housing Authority who will work with the family to address issues preventing timely payment.

Keene Housing Authority works with families to resolve issues of late payments or non-payment of rent. Initially, some families do not have bank accounts and are required to come into the office to pick up their subsidy checks on the first of the month. The option of providing the rental assistance subsidy to the family is also given to the elderly and individuals with disabilities.

Keene has been operating the HAC Step Rent program for over 10 years. As previous reports and data have demonstrated, it has provided incentives for families to move to work. Families who are not working receive a strong incentive to gain employment and take advantage of the employment programs. Since the family portion of rent does not increase in the step subsidy program when their income increases, the family may use it to finance other costs of living

necessities, reduce debt or build savings. The RSR program is designed to help tenants gain the personal financial management skills and knowledge to make decisions that best help them achieve their goals. These strategies help the family stabilize and advance their financial and employment base over the next two years before their subsidy is reduced at years two and four of the program.

Proposed Changes

- a) The stepped subsidy method of calculating housing assistance payment applies to tenant-based coupons (HAC) as well as project-based coupons (PBC). KHA is renaming this activity to Stepped Subsidies in 2013.*
- b) KHA is also proposing to extend the first year subsidy (deepest subsidy) to two years for current household's whose sole adult member is currently enrolled in degree or trade program or newly admitted households who have whose sole adult member is enrolled or enrolls in a degree or trade program during the first year of assistance. Household's qualifying for this incentive will be required to consistently maintain a GPA that will allow them to receive their degree or trade license/certificate and provide the KHA with verification of GPA. Additionally, eligible households will have a minimum 10 hour per week work requirement. Internships will be credited to the work requirement. The impact on subsidy in 2013 for currently qualified families would be an estimated additional \$10,872.*

Cheshire County is rich with educational resources. Families who are working toward self-sufficiency through educational programs are currently being negatively impacted when the household's initial subsidy decreases after the first year. Households who initially found they could afford their unit and attend school are finding that they are now faced with having to extend the duration and time to obtain their degree/license due to having to reduce their educational schedule or withdraw from their educational program completely when the subsidy is decreased.

While the cost benefit of this incentive will not be immediate; the KHA believes the risk is worth the investment for the long-term benefit of our program and the families it serves.

- c) Historically, income level has been used to determine continued housing assistance eligibility and as a test for 'attaining self-sufficiency' for households in the stepped subsidy program. Increased rent burden is a test in the KHA hardship program, Safety Net. KHA believes a decrease in rent burden is an indicator of a family's progress toward self-sufficiency.*

Currently, 9 households, or 7% of all stepped subsidy households, receiving between \$350 and \$840 per month in housing assistance have rent burdens at or below 30%. KHA is proposing to reduce the HAP to \$0, for households whose rent burden at the time of re-certification is 30% or less. The \$0 HAP would be effective for 6 months from the effective date of the re-certification. If the household does not experience an unanticipated change

that directly effects income within the \$0 HAP period, the household's housing assistance will be terminated.

Cases of hardship are referred to the Safety Net program. The ability to adjust the percentages of the VPS on which the step subsidies are based allows KHA to adapt the program to changing economic circumstances and maximize the use of subsidy while maintaining rent affordability for participants. In 2009, KHA increased the percentage of the FMR on which the step subsidies were based to help offset a rise in rents on the local level. The deeper level of subsidy means fewer families would be served but those being served would remain stable in their housing. Having the authority to set the FMR on an annual basis provides KHA the ability to respond to local market trends.

Safety Net Program

The Safety Net program provides temporary relief to households experiencing a financial hardship. The Safety Net program allows participants to work off a portion of their rent by completing jobs for the Keene Housing Authority, following a payment arrangement, or requesting Keene Housing Authority allow a reduction in the rent/increase subsidy for a specified period of time by conducting an interim adjustment.

Participants who work to pay rent receive an hourly rental credit toward their rent balance. Safety Net is not meant to take the place of full-time employment for the participants who are able to work. Participants are encouraged to find employment rather than use the Safety Net program. It is meant to be temporary assistance during times of economic hardship.

Information on the Safety Net program is distributed during lease-up and/or issuance and during annual certifications and self-certifications to remind housing recipients that they are entitled to apply for assistance.

Safety Net Eligibility Guidelines

Anyone who receives assistance under the MTW program may apply for assistance through the Safety Net program. Applicants must meet all three of the following criteria to be eligible for Safety Net:

- In good standing with the Keene Housing Authority
- In compliance with the RSR program
- Income eligible: resident pays more than 30% of their monthly income toward rent

Once an applicant meets the basic eligibility criteria, the Safety Net Committee will consider additional criteria such as:

1. Applicant presents a valid, verifiable reduction in income by job loss, change in household composition of income earners or other extraordinary circumstances
2. Applicant has lost their job for good cause or is unable to work

3. Flat, Minimum or Step Rent Level is not affordable (more than 30% of the Resident's monthly income)
4. Extraordinary circumstances (such as an increase in qualified expenses)
5. Applicant applies by the 20th of the month prior to the month for which they are requesting assistance or within ten days of the effective date of their income or expense change (with exception of unexpected occurrences such as loss of job or illness).

Once an applicant has been accepted into the Safety Net program, they must sign an amendment to the Family Obligations Contract that adjusts their rent/subsidy for a specified period.

The intention of the Safety Net program is to provide a temporary hardship policy for participants who cannot afford to pay rent due to circumstances beyond their control. KHA understands that circumstances such as loss of job, death of a partner or other factors can create hardships that require additional assistance. Safety Net has also served as an opportunity for participants to develop job skills. Many of the participants who have been given a work assignment in exchange businesses as a result of the skills and experience gained while participating in a Safety Net job assignment.

Safety Net is an indicator of the health of the rent reform initiatives. If Keene witnesses a large percentage of HAC Step Subsidy participants requesting or receiving Safety Net assistance, the agency would need to reevaluate its initiatives and external factors to determine if changes are necessary in its policies. Safety Net cases are tracked in Excel. They are recorded as applications are received. The number of participants who request Safety Net, the reasons for their requests and the type of assistance received through Safety Net are monitored to track the impact of external factors and MTW policies.

Authorization(s): Attachment C. Section D.2 Rent Policies and Term Limits.

The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. 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 requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 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, as necessary to implement the Agency's Annual MTW Plan.

Plan Year Implemented: Original MTW Agreement executed in 1999

Data Collection: The information is tracked in the new KHA Tracker software. Information on rents and housing subsidy are tracked in the software. The software, Tracker by Tracker Systems, Inc. provides better reporting and better control of management information than our previous system. The KHA has traditionally monitored rent burdens of active participants over the years to evaluate this initiative. The KHA will continue to monitor rent burdens, employment status, and local economic factors such as rents, utility costs, unemployment rates and costs of living as they impact rent affordability.

C. Eligibility Administration

Statutory Objective(s): Increase housing options

Baseline: 1 household achieved homeownership in 1999.

Baseline: Established 2011, data for new admission income level.

116 households admitted at or below VLI.

Benchmarks: 10 households achieving and maintaining homeownership, 12/2011; Maintain 75% of new admissions with incomes at or below the VLI, ongoing.

Measures: Number of households achieving homeownership; Number of households in KHA's Section 8 homeownership program; Income distribution of new admissions.

Plan Year Proposed: This was proposed in the original 1999 MTW agreement with the Homeownership program changes proposed in the 2008 Annual Plan.

Plan Year Implemented: Implemented as part of the Original MTW Agreement Executed in 1999 for Section 8; Homeownership plan changes implemented in 2008.

Outcomes for FY 2011: 0 households achieving homeownership, 10 households maintaining homeownership; 88% (116 of 131) households admitted at or below VLI.

Keene Housing Authority increased program eligibility from 50% to 80% of the AMI in the Section 8 program at the start of its MTW program. Previously, households in the 80% income bracket were only eligible for Public Housing program. This change in program eligibility expanded the number of programs available for households. When the Section 8 Homeownership program was created in 2006, KHA realized that residents who progressed in the Resident Self-Reliance program and increased their incomes over 80% would be penalized by losing eligibility for the homeownership program.

As a result, KHA changed eligibility requirements for this program to permit RSR households who were over 80% to be subsidized at a flat rate for homeownership. Later on, when the economy and housing market became unstable, KHA needed to address foreclosure potential among this population of participants. A policy change was added permitting households who entered the program at the flat rate subsidy to request an interim if their income changed. This policy change prevented two households from going into foreclosure.

In 2012, two households entered into homeownership without the need of housing assistance. Currently (July 2012 VMS) KHA administers housing subsidy to 9 households participating in the KHA homeownership program.

KHA is not proposing any changes to this activity in 2013.

Plan Year Implemented: Original MTW Agreement executed in 1999 for Section 8; 2008 Plan Year for Homeownership program changes

Data Collection: Data on new admissions is tracked in the Tracker Systems database. Data can be tracked separately for homeownership and Section 8 participants.

Authorization(s): Attachment C Section D.3. Eligibility of Participants - The agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are “very low-income” as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have otherwise in Section C.I. of the MTW Agreement are met. This authorization waives certain provisions of Sections 16(b) and 8(o) (40 of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency’s Annual MTW plan.

D. HQS Inspections

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 2001- 359 households require annual HQS inspections conducted by KHA at 1 hour per inspection, 359 hours of staff time; Zero HQS inspections conducted by Landlords.

Baseline: 2009 – 9/62 households (15%) fail HQS QC.

Baseline: 2012 – 126 HQS inspections conducted on Low Income Housing Tax Credit (LIHTC) units; \$4,536 contracted inspection costs.

Benchmarks: Increase landlord conducted annual HQS inspections by 2% annually, 2012, 2013, 2014. HQS QC fail rate less than 5%, ongoing. Zero (0) HQS inspections conducted on LIHTC units, ongoing; no loss of tax credits due to substandard unit condition, ongoing.

Measures: Number of inspections conducted annually by KHA; Number of units failing HQS QC. Number of LIHTC units; number of LIHTC units in noncompliance after grace period due to violation of UPCS or local inspection standards cited on IRS Form 8823.

Plan Year Proposed: Proposed in KHA’s original application in response to the 1996 RFP

Plan Year Implemented: Original MTW Agreement executed in 1999

Outcomes for FY 2011: 370 HQS inspections conducted by KHA, 99 HQS inspections conducted by landlords resulting in approximately 99 inspection hours saved. 3 households failed HQS QC.

The approval of the 2011 MTW Plan gave the Keene Housing Authority the ability to change the annual HQS inspection requirement to a biennial HQS inspection requirement for units meeting HQS compliance at the initial or annual inspection conducted in 2011, including KHA owned and managed properties. The initiative is intended to reduce cost and unnecessary administrative burden; as well as reduce the intrusiveness of numerous inspections on the households we serve.

Initiative Summary

The KHA proposed in its 2011 MTW Plan and received approval, to initiate a biennial inspection cycle for any unit inspected either as an initial inspection or an annual inspection which meets HQS compliance. Units which achieve this high bar of compliance are generally of high quality, with property owners attentive to keeping the unit in good condition. The KHA incorporates thorough landlord and tenant HQS education programs and the systems we have in place provide an avenue to quickly address any issues that arise.

This initiative has already demonstrated that KHA will significantly reduce the administrative processing and the cost of inspections both internal and in contracted services. By cutting costs, KHA has more resources to invest in services.

Further, this initiative is improving the quality of life for our residents. Imagine living in a situation where you and your family were subjected to strangers inspecting your unit and asking for the same information several different times a year. We believe that the biennial inspection scheduling is efficient, administratively and monetarily economical, and is less disruptive to the households we serve.

Proposed Changes

The KHA is proposing to discontinue Housing Quality Standards (HQS) inspections in all units subject to annual, regulatory monitoring by an independent agency, or agencies, and are inspected with stricter protocols (UPCS, REAC, state or local codes) than HQS.

One-hundred and twenty six (126) Housing Quality Standards inspections were conducted on Low Income Housing Tax Credit (LIHTC) units owned and managed by the KHA from August 2011 through August 2012, resulting in \$4,536 in contracted inspection costs. Regulatory monitoring agencies also conduct annual inspections on LIHTC units. Twice a year, between 20% and 25% of KHAs LIHTC units are randomly selected for inspection (40% to 50% annually) using Uniform Physical Condition Standards (UPCS) or state or local codes. UPCS and state/local code protocol are higher standards than HUD HQS.

KHA unit turnovers are inspected to Real Estate Assessment Center (REAC) standards by trained staff, a higher standard than UPCS or HQS. Additionally, move-in inspections are conducted with all prospective tenants providing applicants and staff opportunity to identify any issues prior to lease signing. The move-in inspections are signed by both KHA staff and the prospective tenant. If needed, work orders are placed using an inspection form and are promptly addressed before the tenant takes occupancy of the unit. KHA must maintain habitability of its' LIHTC properties and units to ensure tax credits are not negatively impacted.

Capital Needs Assessments (CNA), conducted every 5 years, have helped KHA determine the needs of its properties and management has been able to prioritize and plan for energy efficiency, effective operation and maintenance, and implementation of maintenance routines to help prolong the useful lifespan of the existing housing stock.

KHA believes this change supports this activity's intended positive impacts on staff efficiency and cost savings.

Landlord and Tenant Education and Participation in HQS

The sections below explain the KHA education programs that inform both landlords and participating households of their responsibilities under HQS. We believe that this is an important piece given KHA's reformed HQS protocols. Well educated consumers more quickly identify

problems with unit quality and are able to address them. We believe that this education program along with the other protections built into the initiative will allow this proposed change in KHA HQS inspections requirements to protect the quality of the units in the KHA program.

Landlord Education and Participation

When new potential participants are briefed, they are given the materials explained below and encouraged to do a walk through inspection with the landlord. Keene Housing Authority conducts initial inspections for all units and encourages new landlords to participate in the initial inspection. This gives the landlord an opportunity to better understand his or her responsibilities under HUD HQS. Landlords are encouraged to conduct annual inspections of the units. However, most landlords view inspections as a service. The KHA sends the landlord a survey form about the unit called the Landlord Annual Form. As a part of the KHA effort to continually improve the quality of the program, this form was updated to include the exact same information sent to the participant on HQS standards. Feedback from the owner and tenant is based on the same set of questions and gives KHA a good sense of the quality of the unit.

In the HAC Program, Keene Housing Authority conducts the initial inspections (as well as educating the landlords with HQS inspections). Interim inspections are conducted by KHA if requested by the participant, landlord or staff.

Landlords are encouraged to contact KHA with any questions they may have about the HQS inspections. The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible. Furthermore, the KHA may terminate assistance to a family because of the HQS breach caused by the family.

Currently, the KHA HQS inspector is designing a workshop specifically geared to educating current and prospective landlords about HQS and self-certifying annual HQS in their own units. This workshop will be piloted in Q4, 2012. If well received, the workshops will be offered 1 to 2 times per year beginning in 2013.

Family Education and Participation in HQS

KHA staff work on a regular basis to educate program participants about HQS, providing them with increased ownership over the leasing process while making sure they are not living in a sub-standard apartment. The program is designed to educate the residents so they are empowered to make informed decisions when searching for or living in an apartment. Due to this education, they are able to determine first hand if there are issues that need to be addressed to make sure the unit continuously meets HQS.

The education process starts with an intensive orientation before a HAC is issued. The participant's responsibility for ensuring that their rental unit meets the HQS is explained during this process. During the issuance of Housing Assistance Coupons, a Keene Housing Authority staff member provides a detailed explanation of Housing Quality Standards (HQS) utilizing the following materials:

- A Good Place to Live

- Inspection Form for the Housing Assistance Coupon Program
- Protect Your Family from Lead in Your Home

KHA employees inquire about and discuss HQS during quarterly meetings and monthly contacts. Participants are asked during the Annual Review, about HQS and staff briefly review the HQS. Participants are asked to complete an inspection form demonstrating that they have assessed the condition of their apartment and determined whether it meets HQS.

During quarterly Resident Self-Reliance program meetings, families complete and update family information including information on HQS in their units. During the Annual Recertification process, participants are asked about the HQS and a brief review of HQS is conducted.

KHA conducts quality control inspections on 5% of units (assuming a lease rate of 98%) to ensure compliance with HQS. The KHA employs several types of inspection strategies to ensure all subsidized apartments meet HQS in addition to extensive education programs for both the participant and the landlord.

Every three months, 5% of all units self-inspected by landlords receive a quality control inspection conducted by KHA. If the owner fails to maintain the dwelling unit in accordance with HQS, the Keene Housing Authority will take prompt and vigorous action to enforce the owner obligations. The Keene Housing Authority's remedies for such breach of HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.

The Keene Housing Authority will not make any housing assistance payments for a unit that fails to meet the HQS, unless the owner corrects the defect within the specified period and KHA verifies the correction.

If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any KHA approved extension).

Again, the intended impact is to reduce the administration required to execute the program while shifting some of the program responsibility to the tenants in an effort to integrate self-sufficiency activities into the housing component. It may also indirectly have an impact on the quality of tenant-based housing units as tenants become more educated about Housing Quality Standards and local code requirements.

Plan Year Implemented: Original MTW Agreement executed in 1999.

Data Collection: Inspection data is tracked in the Tracker MIS.

Authorization(s): *Attachment C. Section D.5. Ability to Certify Housing Quality Standards - The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. This authorization waives certain provisions of Section 8(o) (8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

E. Standard Deductions

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 100% of eligible households reporting medical or disability expenses require verification, 2006.

Baseline: Established 2011. 375 households with elderly and/or disabled status requiring 656 hours staff time for verification processing. Actual medical expenses reported higher than standard deduction, \$419,500; Standard Deduction expense, \$355,800.

Benchmarks: 474 hours processing time saved, 2011. \$419,500 reported expenses; \$355, 860 in standard deductions, 2011.

Measures: Number of households claiming medical/disability expenses: Reported decrease in staff time to process annual certifications; Difference between reported expenses and expenses provided by the standard deduction.

Plan Year Proposed: 2006 Annual Plan

Plan Year Implemented: 2005

Outcomes for FY 2011 : 104 households with reported expenses higher than standard deduction. 271 households with standard deduction resulting in 474 hours of processing time saved. Difference of \$63,640 between reported expenses and standard deduction.

In its 2006 Annual Plan, Keene Housing Authority created a standard deduction for elderly and disabled households. A standard deduction of \$1718 is provided for all elderly and disabled households effective 1/1/2010. This deduction includes any qualifying medical, disability assistance expenses, childcare expenses and the elderly household deduction of \$400. It does not include the \$480 deduction per household dependent. Households with qualifying dependents receive \$480 per qualifying dependent in the household in addition to the standard deduction of \$1718. It is still assumed that residents can pay 3% of the medical expenses, which is subtracted from the standard deduction. Households that would experience a rent burden of 30% or higher of their adjusted income would be eligible to receive a full deduction based on their actual qualifying expenses plus the standard \$400 deduction. In these cases, staff follows the standard procedures for calculating adjusted income, including verification procedures.

In an amendment to the 2007 Annual Plan, KHA included a clause that allows the standard deduction to be adjusted on a yearly basis according to the Medicare increase.

The verification process consumes a tremendous amount of staff time. By implementing a standard deduction, a large portion of administrative costs is reduced without removing the benefit for a family. If a family has extraordinary medical costs not covered by the standard deduction, they may request their deduction be based on actual expenses through our Safety Net hardship policy. It is a win-win situation for both parties. It also limits the intrusiveness in tenants' lives. The requirement for a family to track their individual expenses causes a tremendous amount of anxiety on a yearly basis for elderly and disabled families.

As part of this activity, KHA had been verifying expense deductions unless a household requests it because their actual expenses are more than the standard deduction. However, the average reduction in tenant portion per month for households receiving the standard deduction is \$30, which when applied to the 271 households receiving the standard deduction in 2011 resulted in additional HAP expense in 2011 of \$97,560, or \$8,130 per month, assuming that households receiving the standard deduction had no out of pocket expenses.

Originally, this activity was intended to reduce administrative costs as well as benefit the participating households by reducing the amount of medical expense tracking/reporting required during the annual process. Currently, medical expense data is much more readily available and is easier for clients to obtain from providers than when this activity was proposed. Additionally, staff processing time has been saved with HUD allowing tenant provided third party documentation.

KHA management will need to assess if the additional HAP expended with this initiative should be redirected to assisting more families or providing other service activities which support KHAs mission and goals.

Historically KHA had not had the ability to measure if we were spending too much HAP providing a deduction for families who normally do not have qualifying expenses or qualifying expenses less than the standard deduction. The KHAs Section 8 MIS now has the capability to allow staff to enter expenses reported by the household if less than the standard deduction. This information is being entered beginning with re-certifications effective October 1, 2012. KHA will now be able to accurately evaluate this activity and based on its evaluation, may or may not make changes to the standard deduction in 2013. KHA determination if an adjustment to the standard deduction will be implemented in 2013 will be based on analysis of the comparative data which will be available after Q4, 2012.

Plan Year Implemented: 2006 Annual Plan

Data Collection: This information is collected annually during the tenant's certification, whether it is a self-certification or full certification. Keene will monitor, with its Tracker software, the impact of the deduction on subsidy funds expended and number of participants requesting Safety Net because their medical expenses are higher than the standard deduction. This information will help us evaluate whether or not the standard deduction is high enough to cover the median medical expenses of households yet not so high that the program is using more funds for subsidy than necessary.

Authorization(s): Attachment C. Section C.11. Rent Policies and Term Limits. The agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies include provisions for addressing hardship cases. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.6238, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan. Section D.2 (a) Rent Policies and Term Limits. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. 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 requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan.

F. Resident Self-Reliance Program (RSR)

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

Baseline: 47% households employed FT in 1999; 56 out of 110 households increased earned income in 2008; approximately 17 households (39%) exiting the program in 2005 left because they achieved self-sufficiency.

Benchmarks: 15% increase in number of households employed, 6/2012; 75% increase in earned income among households reporting no income, 6/2012; 13 households (13%) exiting program in 2011 due to self-sufficiency.

Measures: Percentage of households employed; Earned income of households; number of waiver households

Plan Year Proposed: Proposed in Keene's original application in response to the 1996 RFP

Plan Year Implemented: Original MTW Agreement executed in 1999

Outcomes for FY 2011 72 households reporting earned income; 25 households reporting no earned income; 13 households exiting program due to self-sufficiency

In 2010 KHA modified the Resident Self-Reliance Program participation requirement for non-elderly and disabled families from 5 years to 3 years. KHA has focused on working with families in their first 3 years of the program before they reach the lowest subsidy level.

Families wanting to continue after 3 years may do so but on a voluntary basis. Families may be required to participate in RSR activities after 3 years if they enter the Safety Net program. The required RSR activities will be listed as a condition on their Safety Net Contract Amendment.

The first 3 years are most crucial to helping a family address factors affecting their employment and financial stability. Those that continue to have problems paying their rent will likely apply for Safety Net and therefore be required to reenter the program so those who are having difficulty still will receive services. This focuses resources on the households that most need assistance. Keene will monitor the number of households, who, after 3 years, are still not meeting important self sufficiency benchmarks such as maintaining employment, paying their rent on time and rent burdens.

Proposed Change

KHAs resident services coordinators have closely monitored the participants who were waived in 2010 from programmatic requirements after having met or exceeded 3 years of program participation. Three families were mandated back into the program because they applied for

Safety Net and a number of families have been identified were struggling evidenced by not paying their rent on time or not paying their rent at all (seeking additional housing assistance through city welfare or other welfare program). Some were identified as struggling with tenancy issues, such as lease compliance and neighbor relations. Enough families were identified with issues or impending issues, if better choices are not made, that KHA has determined that the 5-year participation requirement will be re-instated effective January 2013 for all families not currently waived and new families entering into the program. Currently waived families would have the 5-year participation enforced if re-instated to the program through application for Safety Net.

Initiative Summary

All families participating in the Step Subsidy programs are required to participate in the RSR program. An expansion of Keene Housing Authority's former Family Self-Sufficiency program, RSR provides service coordination and case management to help families become economically independent, recognizing that self-sufficiency will vary widely based on individual participant's abilities. Every family in the program is assigned a Resident Service Coordinator (RSC) who is responsible for coaching their progress.

The RSR program defines competencies for self sufficiency. These competencies outline the skills necessary to achieve economic independence. Each family's needs are identified during an initial assessment. The competencies families must work on are identified by the RSC and participant working together. In order to be exempt from required activities, families must demonstrate they have developed the skills associated with each competency.

Competency categories include the core skill groups of financial management, employment, education, and family planning in addition to the self-development groups of interpersonal skills, wellness, healthy relationships and household management. The program is uniquely tailored to the family's skills, resources and goals. Each family works to achieve competencies specific to their circumstances, since the abilities and backgrounds of participants are diverse and one plan would not be suitable for all families.

There are four main program requirements participants must engage in to remain active in the Spectrum program and maintain their housing assistance:

- Develop a financial plan
- Participate in quarterly goal setting meetings
- Participate in required skill development activities
- Make reasonable progress toward ISTP goals

Develop a Financial Plan

Each family receives extensive counseling in financial management from the moment they lease-up in the program. They are taught how to track their income and expenses, develop a financial plan, calculate their net worth, read and interpret their credit score and manage debt.

Quarterly Goal Meetings

Families meet on a quarterly basis to review progress on their goals in small groups of up to 20 people. The intention of these meetings is to provide an opportunity for program participants to network, problem solve, share successful strategies and learn about new resources, programs, and financial management and employment strategies. Topics may include tax filing, job search strategies, saving for a financial goal, etc. At the end of every meeting, participants update their Individual Service and Training Plan (ISTP). An ISTP outlines the family's goals and the steps and resources required to meet them.

Skill Development Activities

Families who need to achieve competencies are required to accomplish take home activities or workshops that will assist them in developing the associated skills. There are numerous workshops facilitated by Keene Housing Authority staff, as well as programs run by outside agencies.

Goal Setting

Every person is required to develop and update his or her ISTP every quarter. The ISTP helps families identify a goal and break it down into simple steps. Participants are taught how to write SMART goals (Specific, measurable, achievable, resources, and time lines). They are required to document and track their progress on these forms and revise them as their goals change or new goals are added once significant milestones have been achieved.

The RSC acts as a coach and mentor guiding the participants to self-sufficiency. All RSCs are trained in financial management programs and are available to meet one on one to provide additional assistance to participants.

RSR Waiver

In 2005, the RSR waiver was implemented for those who have achieved all of their required competencies. The waiver removes certain RSR required activities with the exception of an annual meeting with their RSC to review progress toward their goals. In order to receive the waiver, the family must present a portfolio that demonstrates how they have achieved the required competencies and the progress they have made on their goals. This process provides recognition for families for their accomplishments in the program. The skills they learn in creating and presenting the portfolio also helps them gain public speaking and presentation skills valuable in the workplace.

Quarterly Goal Meetings

Two Tracks, employment and finance, are offered every quarter. Within each Track, there are three groups from beginner to advanced skill level from which participants can elect to attend. Each of the groups is offered twice every quarter for a total of 12 meetings every quarter. Agendas are based on need identified from data collected from families in the program and their ideas.

Employment Track Meetings

- Track A Career and Life Planning
- Track B Surviving the Job
- Track C Management and Advancement

Financial Track Meetings

- Track A Financial Management
- Track B Credit and Debt Management
- Track C Homeownership and Long Term Financial Planning

First year families must participate in Goal Setting at a Glance and Developing Your Financial Plan which serve as the foundation for developing skills they will build upon as they move through the different tracks throughout their participation in the program.

The purpose of the program is to provide families with the knowledge, skills and resources they need to achieve economic self-reliance. This task has become more difficult for families over the past several years with dramatic increase in costs of basic needs such as food, clothing, shelter and transportation. In addition to affordable housing and livable wages, families will continue to need the support of the program to navigate the turbulent economy. Participants receive free employment and financial counseling to help them achieve their goals.

Plan Year Implemented: Original MTW Agreement executed in 1999

Data Collection: Data is collected from families during quarterly goal meetings reported on a case management form. The information is then entered into the KHA Housing Tracker database. Since the beginning of the demonstration, the KHA has tracked a wide variety of data on families in the program including public benefits, income, employment and job benefits, education level, service needs, child care, savings, assets and credit issues to name a few. This information is used by the RSC to evaluate the ability of participants to achieve self-reliance and the obstacles they may face in reaching the goal. Self-sufficiency is defined as moving to non-subsidized rental on the private market or homeownership, employed and rent burden at 40% or below of the household's income.

Authorization(s): *Attachment C Section E. Authorizations Related to Family Self-Sufficiency. The Agency is authorized to operate any of its self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

G. Alternative Recertification Schedule

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: Baseline data established 2011. ***Baseline data for COLA only application to households with sole source of income SS/SSI and assets < \$5K, established 2012.***

Estimated baseline of 575 certifications conducted annually, estimated 3 hours per certification, estimated 1,725 processing hours per year; administrative costs of approximately \$25,875 annually. \$3,978,000 estimated HAP expense. ***100 households with sole income source of SS/SSI and assets < \$5K.***

Benchmarks: By 12/2012, 1/3 reduction in recertification costs or \$25,875. HAP expenses historically rise. ***An additional \$1,800 reduction in recertification costs. Reduction of 100 hours in processing time.***

Measures: Number of certifications required under traditional HUD rules vs. MTW rules; Decrease in administrative costs of coupons; Changes in monthly HAP. ***Number of households processed by applying COLA vs number of these same households requiring additional processing due to change in circumstances affecting income.***

Plan Year Proposed: 2004 (initiative was not proposed through the plan process, but rather through a direct request in writing to HUD which was approved by the Deputy Assistant Secretary for Public Housing and Indian Housing.) ***COLA only proposed in 2012.***

Plan Year Implemented: 2004

Outcomes for FY 2011 575 certifications conducted, 1725 processing hours, \$25,875 administrative costs.

Introduction

KHA conducts certifications every 3 years for families in the income-based subsidy program. In the two interim years, KHA recalculates subsidy based on information families provide in self-certifications. This has posed a problem, with mostly elderly and disabled families who are confused about their sources of income and how to report it.

To address this, in 2012 KHA proposed and HUD approved a procedure to recalculate subsidy during the interim years by using EIV data to verify available income information in addition to self-certifications. Information not available through EIV is provided by the tenant using the self-certifications. Most tenants in the income based program receive Social Security benefits. Social Security income benefits are calculated by applying the COLA to the previously verified Social Security benefit. Any income derived from assets is self-certified by the residents. KHA continues to reserve the right to verify information if tenant reporting of income is inconsistent or accuracy of information is in question.

Families in the step subsidy program are required to participate in a recertification with every step change and then every 3 years once they reach the final step. During the interim years, families are required to complete self-certifications. Since their rent is not based on income, there is no need to use EIV or supplement the self-certification with other forms of verification, as they have no bearing on the subsidy calculation.

This procedure has diminished confusion and frustration for income-based families during the recertification process and assures that KHA is not utilizing more subsidy than necessary while continuing to provide sufficient subsidy levels for the family. It also allows a higher percentage of funding to be allocated for coupon subsidy rather than program administration.

This HUD approved change was in response to the change in HUD's regulations for the use of EIV and is not a rent reform activity. Additionally, KHA did not change the way it calculates subsidy, but rather, how we how we verify income information, and KHA did not conduct an impact analysis.

Initiative Summary

Annually Keene Housing Authority reexamines the family characteristics to ensure the family has the correct size coupon. KHA conducts a full recertification of income during the years a family is moving from one Step subsidy level to the next. Once the family has reached the final step, a full recertification of their income occurs every three years. During the interim years, households report their income through the self-certification process. Households still execute a HUD consent form every year. Full certifications are held every three years for income-based households who are not in the Step Rent or Subsidy program. During the interim years, they will complete a self-certification form.

Obtaining verification, a large part of the certification process, consumes a tremendous amount of staff time. There is no need to conduct a full recertification for families if their rent is based on a step subsidy system and not their income. Continuing the process creates excess administrative work and defeats the purpose of the demonstration. Families with income-based rents in the MTW program are mostly on fixed incomes. Keene has incorporated EIV and hand delivered documentation into the self-certification process for families in the income-based program. The standard deduction, discussed in the next section, further removes the need to conduct a full recertification.

KHA expected to be able to track self-recertification and full-recertification through its MIS software in 2011. However, this is proving to be a moot point due to current recertification processes.

It is quite obvious that KHA's self-certification processing, with implementation of EIV and HUD's guidance on tenant provided documentation, is more time efficient and cost effective.

Proposed Change

In an effort to continue to drill down re-certifications to the most efficient process, while maintaining accuracy and efficacy, KHA is proposing to eliminate data gathering and the re-certification process for households whose sole source of income is SS/SSI and asset value is less than \$5,000. Annual recertification will be processed by applying the Cost Of Living Adjustment (COLA) and sending the participant a breakdown letter specifying the new Total Tenant Payment (TTP) and subsidy. The letter would contain instructions to contact KHA in the event the household has experienced changes effecting annual income and provide

opportunity to review TTP calculation at the household's request. With current processing time at 1.5 hours, KHA anticipates cutting processing time by 1 hour per recertification for the households that qualify for this expedited process. This will free up approximately 100 hours that staff will be able to re-allocate to services, services coordination and effective property management; activities that encourage and support positive tenancy for an extraordinarily vulnerable group of participants.

This activity was originally authorized as an amendment to Keene's original MTW Plan approved by HUD on October 6, 2004.

Plan Year Implemented: Amendment No.3 to the MTW original Agreement signed 10/6/2004

Data Collection: Keene Housing Authority will track the changes in HAP subsidy administered during the first year of implementation. KHA will also consider other factors that affect changes in subsidy such as rent increases, changes in the VPS and utility allowances etc. It is not necessary to evaluate the change to this initiative on an ongoing basis once we determine it does result in a cost savings and 2) KHA is simply incorporating already HUD mandated use of the EIV system into its self-certification process for income-based coupons. If a cost savings is not realized, KHA will re-evaluate EIV and the self-certification process for income-based coupons.

Authorization(s): Attachment C. Section D.2 Rent Policies and Term Limits.

The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. 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 requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 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, as necessary to implement the Agency's Annual MTW Plan.

Data Collection: See Initiative Ongoing Eligibility.

H. Rent Reasonableness

Statutory Objective(s): Increase housing options; Increase cost effectiveness/efficiency

Baseline: 98% lease-up rate. Less than 5% of households leased with high rent burdens and rents over VPS. 95% of contract rents not exceeding 110% of FMR at lease up. Zero staff time conducting rent reasonableness.

Benchmarks: 2010 lease rate will be calculated year end from VMS and will be included in 2010 MTW report. 2010 average rent burdens/contract rents will be monitored and included in the 2010 MTW report. Range of rents and apartment types monitored and will be reported in the 2010 MTW report. Zero staff time in 2011 administering rent reasonableness for MTW assisted households, anticipated 2012 savings of approximately \$4,200.

Measures: Number of coupons utilized vs. coupons issued; Number households with high rent burdens and rents over the VPS; Monitor range of rents and apartment types in Section 8 software; reduction in staff time.

Keene Housing Authority removed rent reasonableness as a requirement in the MTW Section 8 program. When approving a unit, potential coupon holders do not have to meet the 40% rule. The responsibility of determining affordability is left to the participant. The program assumes participants are capable of making these decisions and provides education to every household member. Participants are trained to consider factors such as location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities. These factors are a better gauge of determining rent affordability than the 40% rule, as they are adjustable to individual circumstances and local market conditions. Additionally, participants are trained to negotiate rents with landlords.

Families also receive the document “Can I Afford the Unit I Have Found?” with a detailed explanation of how to calculate affordability. The family must fill out and sign an Income and Expense Report with the program manager detailing their ability to afford the apartment. The Income and Expense Form is updated and reviewed at each examination.

Affordability Factors

- Age of the Head of Household
- Disability
- Currently in place
- Length of time family has lived at that address
- Actual dollar amount the family share exceeds 40% of their adjusted monthly income
- Location- near work or medical services
- Transportation
- Amount of assets a family has at its disposal
- Employment
- Contract Rent-does it include utilities?
- Fuel Assistance and/or Electrical Assistance
- Food Stamps and/or Community Kitchen

Data Collection: Keene does not conduct rent reasonableness; an exception granted as part of its original MTW agreement. Therefore, Keene does not tabulate the rental data on an annual basis nor does KHA determine if the rents in Keene are appropriate for the Section 8 MTW program. It is up to the household to determine rent reasonableness and select their unit. Keene tracks utilization rate, success rates of tenants issued coupons, reasons tenants do not find housing, and rent burdens.

Plan Year Implemented: Original MTW Agreement executed in 1999.

Authorization(s): Attachment C Section D.2. (c) Rent Policies and Term Limits. The agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o) (10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan

I. Restrictions on Section 8 Portability

Statutory Objective(s): Increase cost effectiveness/efficiency

Baseline: 4 ports annually; \$50,000 annually in HAP expense; \$400 annually in direct staff expense.

Benchmarks: Less than 5% of funds spent on ports.

Measures: Number and dollar amount of coupons utilized locally vs. administered through ports.

In 2009 KHA stopped absorbing ports from other Public Housing Authorities. As part of MTW, KHA has always had restrictions on ports but no baseline data is available on the numbers of ports administered before the initiative was implemented.

Keene submitted data on ports to VMS in 2009 and included it as its baseline number. In order to measure this initiative, Keene would need to know the number of ports it would have administered if they were permitted. Since households are aware of this policy, and may not request portability as a result of the policy, it is unlikely KHA could estimate the number of ports it would administer if they were permitted.

Therefore, KHA will track the value of dollars lost for the ports it does administer. Keene's main reason for restricting ports, with the exception of those requested by reasonable accommodation or due to domestic violence, is to keep coupon funding in the Keene community for use by those who intend to live in the Monadnock region.

Data Collection: Ports are tracked in the Tracker software. To date there has been one reasonable accommodation request to port and one request to port due to domestic violence, both were approved.

Plan Year Implemented: 2008 Annual Plan

Authorization(s): *Attachment C Section D.1. (g) Operational Policies and Procedures. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 subpart H as necessary to implement the Agency's Annual Plan.*

Section VII. Sources and Uses of Funding

A. Planned Sources & Uses for Section 8

The Keene Housing Authority receives funding for 587 Section 8 vouchers under its MTW plan, 50 Mainstream vouchers, and 100 Non-Elderly Disabled vouchers. Consistent with the 2012 MTW Plan, the budget for the 2013 Section 8 block grant funding is based on the assumption of level funding at the 2012 final calculation. KHA is however aware that as this Plan is being drafted, the program's future viability is threatened by the potential sequestration on January 1, 2013. KHA will closely monitor Congressional action in the coming months and develop contingencies should sequestration require them.

The KHA also administers 50 Mainstream 5-Year Vouchers and 100 Non-Elderly Disabled Vouchers. The 2013 Sources for the Mainstream vouchers is based on funding from form HUD-52663, HUD-52672, and HUD-52673 methodology submitted in September 2012. The 2013 Sources for the Non-Elderly Disabled Vouchers projects an administrative fee based on the assumption of the 2012 administrative fee rate.

SOURCES	2013 Budget MTW Coupons	2013 Budget Mainstream Vouchers	2013 Budget Non-Elderly Disabled Vouchers	Total Budget 2013
Section 8 Funds	\$5,293,649	\$372,784	\$723,276	\$6,389,709
Other Income				
TOTAL SOURCES	\$5,293,649	\$372,784	\$723,276	\$6,389,709
USES				
Audit Fees	\$20,000	\$1,000	\$1,000	\$22,000
Office Expenses	\$210,000	\$500	\$20,000	\$230,500
Salaries - Admin	\$440,508	\$10,665	\$2,000	\$453,173
Salaries - Programs & Services	\$400,433	\$42,019	\$76,276	\$518,727
Tenant Services	\$10,000			\$10,000
Other Expense				
Total Administrative Expenses	\$1,080,940	\$54,184	\$99,276	\$1,234,400
HAPs Disbursed	\$4,212,709	\$318,600	\$624,000	\$5,155,309
TOTAL USES	\$5,293,649	\$372,784	\$723,276	\$6,389,709

B. State and Local Funding

The Keene Housing Authority has not been awarded any state or local grants for 2013.

C. Planned Sources and Uses of COCC

Not applicable.

D. Use of Single Fund Flexibility

As a result of the sale of public housing in 2009, single fund flexibility is no longer applicable to the Keene Housing Authority.

Section VIII. Administrative

Notice of Public Hearing and Comment Period

PUBLIC NOTICE

The Keene Housing Authority is preparing its 2013 Moving to Work Annual Plan in compliance with its Moving to Work Agreement. The Plan applies to the Section 8 Coupon program and the Moving to Work portion of the program only applies to families. Elderly and disabled households are waived from the Moving to Work program requirements. Proposed changes to the plan include:

The Plan does not contain any new initiatives.

Proposed change/s to existing initiatives:

- **Housing Assistance Coupon (HAC) Stepped Subsidies**
- **Resident Self-Reliance Program**
- **Alternative Recertification Schedule**

A draft will be available for review at the Authority's Office located at 831 Court Street, Keene, starting August 31, 2012 to September 30, 2012. The Authority's hours of operation are 8:30 a.m. to 4:30 p.m. The plan will also be available electronically by sending a request to callen@kha.org. The electronic request should include the name, address and phone number of the person making the request and the organization represented, if any. In addition, a public hearing will be held on Thursday, September 20, 2012, at the Authority's office, 831 Court St., Keene, NH, at 6:00 pm. Everyone is invited to attend and provide comment. Additionally written comments will be received from any interested parties as long as they are received at the KHA Office by 4:30 p.m. September 30, 2012.

Public Hearing Documentation

Hearing date/time: September 20, 2012 at 6:00 p.m.

Location: KHA Administrative Offices, 831 Court St., Keene, NH

FY 2013 Keene Housing Authority Moving To Work Plan Public Hearing Meeting Minutes September 20, 2012

Keene Housing Authority Attendees:

Joshua Meehan, Executive Director

Denise Pratt, Manager of Programs and Services and hearing facilitator

Martina Davis, Administrative Assistant

Public Attendees:

P. Curtis Hiebert

At 6:05 p.m., Denise Pratt called the hearing to order and opened for comments and questions from the public.

Curt asked, "Are there any significant changes?" Denise explained that KHA is proposing to adjust the housing assistance payment (HAP) to \$0 for Step Subsidy participants whose 30% of gross monthly income at re-certification meets or exceeds their contract rent. This change would impact an estimated 9 families in 2013. Based on current household data, the gross rent for these 9 families did not exceed 40% of their gross monthly income. Curt asked if eviction (project-based families) would be part of this change; Denise explained that eviction was not part of this proposed change. The tenant portion would be the full contract rent and families would be eligible to apply for hardship if unforeseen circumstances affected their income within the \$0 HAP period of six months following the effective date of the re-certification. After six months at \$0 HAP, the housing assistance would be terminated.

A second change that is proposed is simplifying the annual re-recertification process for participants whose sole income source is social security or supplemental security income and assets less than \$5,000. The subsidy for these households is calculated using the income based method and KHA will use the Enterprise Income Verification system to verify benefits and apply the COLA annually to calculate tenant portion of rent. This is expected to streamline the annual reexamination process for approximately 100 households.

Curt commented that these changes sounded like a "natural progression" of the MTW Program, and how valuable the program is to the Keene community.

There was brief discussion about improved communication between KHA and the City of Keene.

Meeting was officially adjourned at 6:35 p.m.

Respectfully submitted,

Martina Davis, Administrative Assistant
Keene Housing Authority

Agency Directed Evaluation of the Demonstration

Keene has not engaged any outside evaluators to review the program. The agency will be continuing to evaluate the impact of its proposed and ongoing activities in 2013.

Keene will be working on identifying new measures for its initiatives and tools to collect and evaluate the data. New Section 8 software will aid in KHA's ability to extract and evaluate data relative to the demonstration. Policy discussions will be scheduled with key staff as well as regular strategic planning sessions to help monitor and redirect demonstration activities as needed.

Keene values the opportunity to participate in the demonstration and the benefits it affords not only the recipients of its services but the organization. The perception of MTW staff and their roles has changed with the flexibility granted under the demonstration prompting more inquiry into the impact of its policy and activities on the community. Keene continues to nurture and cherish this growth as it tries to address the impact of a national housing crisis on the local community.

Appendix I - Moving to Work Evaluation: Major Activities					
MTW Activity	Statutory Objective	Impact on Statutory Objective	Baseline	Benchmarks	Metrics
Project-Based Coupons	Increase housing options	Increase availability, quantity and quality of assisted housing	Zero units of PBCs on 1/1/2009. Supplemental Measures: income distribution of Section 8 tenants (See report for baseline); Average time spent on waiting list (baseline will be established when lease-up resumed). Number of coupons issued vs. utilized (baseline will be established when issuance resumes)	213 units of PBCs by 12/31/2010 Income distribution of Section 8 tenants; Average time spent on waiting list; Number of coupons issued vs. utilized	Number of housing units added to PBC inventory; <i>Supplemental Measures:</i> Income distribution of Section 8 tenants; Average time spent on waiting list; Number of coupons issued vs. utilized
Stepped Subsidies (formerly Housing Assistance Coupon)	Incentive for self-sufficiency; Increase cost effectiveness/efficiency	Provide incentives for families to move to work; Reduce administrative burden for KHA and reporting requirements for participants. Provide educational incentives for families.	100% Coupons utilized in 2001. 47% of MTW households employed in 1999. 29% MTW households exiting program in 2004 evicted for non-payment of rent. \$617 average HAP as of 12/2009.	Increase in 15% of Coupons utilized; Increase of 15% in number of households working within first 5 years of demonstration; 20% or less of households evicted due to non-payment of rent annually	Increase in percentage of coupons utilized; Percentage of households working; Number of households evicted due to non-payment of rent and their rent burden. Average dollar amount of HAP paid per Coupon.
Eligibility Administration for Section 8 and Homeownership Programs	Increase housing options	Increase number of households moving to homeownership; Provide increased housing choices for applicants	1 household achieved homeownership in 1999; 100% of applicants lease-up after issuance in 2009. 100 private landlords and 7 waiting lists for the Section 8 program	10 households active in KHA's homeownership program by 4/2008; 95% of applicants lease up after issuance on an annual basis	Number of households in KHA's Section 8 homeownership program; Percentage of applicants issued Coupons who lease up in Section 8 program
HQS Initiative: Landlord Option to Self-certify HQS. Biennial inspections for 100% Pass status on initial or annual HQS	Increase cost effectiveness/efficiency	Reduce number of required HQS inspections. Reduce number of duplicative inspections.	100% HQS inspections conducted by KHA in 2001. 0% conducted by Landlords in 2001. 130 units failed initial HQS Inspection in 2009 with 0 resulting in subsidy abatements 100% HQS inspections	75% reduction in HQS inspections conducted by KHA staff within first year of demonstration. Number of units failing HQS in a fiscal year resulting in subsidy abatement. 60% reduction in unit inspection costs realized in	Percentage of HQS inspections conducted by the landlord vs. KHA staff. Number of units failing HQS Number of inspections conducted by KHA staff and contracted services.

Appendix I - Moving to Work Evaluation: Major Activities					
MTW Activity	Statutory Objective	Impact on Statutory Objective	Baseline	Benchmarks	Metrics
			conducted in 2009. 65% passed with no findings.	2012. Reduction in administrative processing costs. 100% HQS compliance for units on biennial schedule.	
Standard Deductions	Increase cost effectiveness/efficiency	Reduce administrative burden and reporting requirements for residents	Percentage of eligible households receiving the standard medical/disability expense deduction. Baseline will need to be established in 2010. Baseline in number of hrs saved TBA	75% of households receive standard deduction within a fiscal year. Number of staff time verifying expenses saved per year per household	Percentage of households receiving the standard deduction. Staff time saved.
Resident Self-Reliance Program	Give incentives to families with children to obtain employment and self-sufficiency	Increase number of families working; Increase share of residents making progress toward self-sufficiency	47% of households employed full-time in 10/1999; 51% of households increased their earned income in 2008 (% of increase over 5 yr period baseline will be established in 2010); 39% households exiting the program achieved self-sufficiency in 2005	15 % increase in number of households employed; 75% of households increase their earned income (by 25% over a 5 year period). 75% of households leaving the program over the course of the demonstration due to achievement of self-sufficiency competencies	Number of households employed; Earned income of households; Reasons participants leave the program
Rent Reasonableness	Increase housing options; Increase cost effectiveness/efficiency	Reduce administrative burden; Reduce barriers for tenants leasing up in Section 8	1 hr of staff time allocated to creating a Rent Reasonableness Table in 2009 (adopt NHHFA's table) Percentage of household receiving exemption to lease-up with rents over 40% of their gross monthly income (new measure in 2010)	100% reduction in staff time on rent reasonableness for MTW coupons on an annual basis Less than 25% of households lease-up with rent over 40% of gross monthly income	Staff time spent on rent reasonableness charts annually; Number of households with rent burdens over 40% at initial lease-up
Alternative Recertification Schedule	Increase cost effectiveness/efficiency	Reduce administrative burden	Estimated baseline of 359 certifications conducted annually in 1999. Staff time spent on annual re-certifications (baseline	30% reduction in number of required full re-certifications on an annual basis; 50% reduction in staff time	Number of full re-certifications conducted annually; Staff time; Changes in administrative

Appendix I - Moving to Work Evaluation: Major Activities					
MTW Activity	Statutory Objective	Impact on Statutory Objective	Baseline	Benchmarks	Metrics
			in 2010) Reduction in coupon administrative costs per HAP (baseline in 2010)	spent on annual re-certifications. 25% reduction in coupon administrative costs per HAP	costs per HAP on a monthly basis
Restrictions on Section 8 Portability	Increase cost effectiveness/efficiency	Preserve ability to administer coupons locally	Less than 1% of coupons were issued as ports as of 12/31/2009; Average HAP of \$373 paid per port	Less than 5% of coupons paid as ports; Average HAP cost per port on a monthly basis.	Number of ports paid. Average HAP paid per port.
Shelter Housing Assistance Coupon Program	Increase housing options/Increase cost effectiveness	Increase housing options for the homeless; effective use of HAP to serve more families	Pre-dates 2008; not required.	SRO Average HAP/yr, \$6,420; SHAC Average HAP/yr, \$1,056	Number of families served. SHAC Average HAP. SRO Average HAP.

Appendix II

Keene Housing Authority

Resolution 449

Adopt Fiscal Year 2013 Moving To Work Plan

RESOLVED, October 10, 2012 that the Keene Housing Authority Board of Commissioners approve and adopt the Keene Housing Authority Fiscal Year 2013 Annual Moving To Work Plan; and further authorize the Executive Director to make any technical corrections necessary pursuant to the memorandum dated October 1, 2012 from Denise Pratt, Manager of Programs and Services, to Joshua Meehan, Executive Director.

The Board certifies compliance with the regulations as outlined in Attachment B of the 2012 MTW Plan.

Motion to Adopt: Commissioner Jack Noonan

Motion Seconded By: Commissioner Lee Robator

Resolution Passed On October 10, 2012



Executive Director

10/10/12

Date

OMB Control Number: 2577-0216

Expiration Date: 12/31/2011

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

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2013, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

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

Attachment B

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


Keene Housing Authority

PHA Name PHA

NH010

Number/HA Code

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


Signature of Authorized Official

Board Chair

Title