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YEAR 18

# Moving to Work

ANNUAL PLAN

Original Submission:

[December 16, 2015](#)

Revision 1 Submitted:

[March 22, 2016](#)

HUD Approval Received:

[April 1, 2016](#)

Amendment 1 Submitted:

[June 24, 2016](#)



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YEAR 18

# FY2017 Moving to Work ANNUAL PLAN

April 1, 2016 – March 31, 2017

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# Introduction

Moving to Work (MTW) is a demonstration program that offers public housing authorities (PHAs) the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies for low income families by allowing exemptions from existing public housing and Housing Choice Voucher rules. The program also permits PHAs to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source, as approved by HUD. The purpose of the MTW program is to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

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

Home Forward has been designated an MTW agency since 1998. In 2009 we signed a new agreement with HUD that ensures our participation in the program until 2018. This additional time has allowed us to expand our innovation, piloting activities that would not be feasible in a limited time frame.

The following FY2017 Moving to Work Plan details how Home Forward intends to use our flexibility in the coming year. Moving to Work enables us to tailor our programs to best meet community needs and to quickly react to changes in the economy and rental market. Even as we emerge from a deep economic recession, our community's affordable housing crisis demands prompt action and thoughtful policy innovation. As described in the sections below, our MTW status is vital to how Home Forward operates as an effective and efficient public agency while providing more than 15,000 families in our community with safe and affordable housing.

## Overview of the Agency's MTW Goals and Objectives for the Year

For the last few years, the Portland metro area has seen rental vacancy rates shrink and market rents climb. This year the situation has become critical. Renters have experienced rent spikes and there has been a marked increase in building-wide evictions. The vacancy rate is around 3% - one of the lowest in the country - and we still have an estimated 1,800 people who lack shelter every night. In October, the Portland City Council passed an ordinance declaring an official housing emergency in the city. New rules require landlords to give 90 days' notice to tenants when evicting without cause or when raising rent by more than 5%.

Home Forward is committed to partnering with jurisdictional partners, our elected officials and our community partners to help our low-income families in a rental market that has made it even more difficult to find or keep a home. Through MTW flexibility, our Local Project-Based Voucher Program (Activity 10) has made it possible to pledge and assign 500 project-based vouchers to developments that provide homes for families earning less than 30% of the area median income. In addition to making vouchers available through our competitive process, we have also pledged project-based vouchers in support of the City's investment in affordable housing development.

Using our single-fund flexibility, Home Forward is pledging funds to help new voucher holders, as well as those voucher holders who have been forced to move, with their housing search and related expenses. Locating available and affordable housing in this market has become increasingly difficult, and we hope that this resource will help families find that housing before their voucher expires. These funds will be matched by a grant from the City of Portland.

In this Plan, Home Forward is proposing a modification to our payment standard activity (Activity 13: Broaden range of approved payment standards). Approved in 2014, the activity allows us to use market rates to set our payments standards, up to 120% of HUD's established Fair Market Rents. Unfortunately the market rent increases have outpaced that range and our payment standards are once again insufficient to ensure that voucher holders have choice in all of the neighborhoods we serve. According to the most recent local market studies, average shelter costs are above 120% of HUD's Fair Market Rents in more than a third of our payment standard areas. We are proposing increasing the range up to 160%, so that payment standards can be set to reflect market rents and our voucher holders have the support they need to find housing.

While our primary goal in using Moving to Work flexibility is always to tailor our programs to meet community needs, the next year will have an enhanced focus on easing our community's housing crisis. Home Forward is hopeful that these efforts, along with our ongoing initiatives and the work of our community, will affect the necessary changes to ensure that our most vulnerable community members have access to safe and affordable housing.

## Overview of the Agency's Long-Term MTW Goals and Objectives

Home Forward is in the process of developing a new strategic plan, which will lead the agency for the next three years. While the plan has not yet been finalized and adopted, we know that it will emphasize unity, cohesion, inclusion and alignment. The strategic plan will focus on five key areas:

One Portfolio: We will look to improve systems performance at the property level and across the portfolio. We'll continue significant work to rehabilitate and redevelop properties, while considering how to best position them to meet the needs of the populations and neighborhoods they serve. We will also develop strategic policy objectives that inform how we acquire, rehabilitate and develop new properties.

One Resource: We'll work to match different kinds of assistance to individual needs and will explore the use of vouchers as a housing stabilization or anti-displacement tool for renters in place. In an effort to make ourselves more available to the community and to better align staff resources and processes, we'll explore the creation of service hubs that will co-locate property management, rent assistance and community services staff.

One Agency: As we move forward with public housing conversion through the Rental Assistance Demonstration (RAD), we will position ourselves proactively to anticipate the implications and operate in a changed environment. We'll build on the community compact and relational engagement work that's been done, and add the lens of trauma-informed practice. We recognize that technology can be used to facilitate innovation and efficiency in the organization. We'll emphasize communication within the agency, with our residents and to the community.

One Community: We will continue to define agency-specific best practices in equity and to delve deeper to recognize population-level disparities. We'll continue to support the needs of East Multnomah County, and to offer resources throughout our community, such as the recent commitment of 500 project-based vouchers, to leverage additional housing for very low-income households. We will use technology to facilitate better access to us for the community.

One System: We recognize that we are part of a larger affordable housing system to which we contribute and, in this context, that we have a key role in addressing homelessness in our community. We'll continue to focus our partnership efforts on systems-level solutions, with emphasis on education and healthcare systems.

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In cases where we deem it appropriate, Home Forward may accept an owner's certification that repairs have been made.	
08 Inspection and rent reasonableness at Home Forward-owned properties .....	47
Home Forward sets rent reasonableness and inspects the unit when a voucher holder selects a unit we own.	
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## Overview of Non-MTW Activities

Home Forward's goals and objectives for FY2017 also include a number of activities that do not require MTW flexibility, but are key to continuing to be innovative in the ways we serve our community.

### **Responding to rapidly increasing rents in the local rental market:**

The rental housing market in Multnomah County has experienced annual rent increases ranging between 7% and 10% annually over the past three years. Escalating rents are coupled with a vacancy rate in Portland below 3%. These combined factors are putting incredible pressure on the market-dependent Housing Choice Voucher program. Families participating in the voucher program are finding it increasingly difficult to compete in the market, especially in opportunity neighborhoods with the greatest access to quality schools, connections to employment and access to amenities.

In partnership with jurisdictional and regional public housing partners, Home Forward is pursuing two strategies designed to improve our ability to make the Housing Choice Voucher program effective in the face of these challenges:

- Home Forward is working with jurisdictional and community partners to explore the creation of a fund that would assist Housing Choice Voucher holders in reducing barriers to successfully leasing up. Home Forward will use MTW Initiative Funds (listed in our Single Fund Flexibility section) to contribute to this effort, creating funding for application fee or security deposit assistance, contracts with housing search assistance providers, or other supports that will help our voucher holders find safe and affordable housing in our community.
- HUD's methodology for establishing Fair Market Rents depends on three-year old American Community Survey data. Given the pace of rent increases in our market, this data falls well out of date, and Fair Market Rents lag behind actual market rents. When this happens, even establishing payment standards for the voucher program at 120% of Fair Market Rents (through Activity 13: Broaden range of approved payment standards) does not provide low-income voucher holders the ability to rent in opportunity neighborhoods.

Home Forward partnered with Washington State University, Portland Housing Bureau, and other housing authorities in the Portland-Vancouver-Hillsboro OR-WA Metropolitan Statistical area to conduct a market study of local rents. This Fair Market Rent survey followed guidelines established by HUD to calculate Fair Market Rent values for FY2016 utilizing current market data and was submitted to HUD for review. HUD has since approved a revised 2016 Fair Market Rents, leading to payment standards that more closely reflect the average rents in our rental market.

## Regional Efforts

Home Forward has been working closely with our three neighboring housing authorities, as well as with the three local Workforce Investment Boards. The goal is to identify and pursue strategies that are regional in nature and increase residents' abilities to view the Portland Metro area as a single region with respect to housing, jobs, and education. We have several activities under this umbrella:

- Sharing jurisdiction with Clackamas County – Since July 2012, Home Forward and the Housing Authority of Clackamas County (HACC) have been testing the impact of sharing jurisdictions. Sharing jurisdictions has allowed families with vouchers from either housing authority the flexibility to use their voucher within Multnomah or Clackamas County without going through the portability process. While this effort has not required MTW authority, Home Forward has pursued this activity with the hope of increasing administrative efficiency by reducing workload related to portability, as well as increasing housing choice for families. Effective July 31, 2015, 144 Home Forward families were living in Clackamas County with 56% of those living in low-poverty areas. There are also 126 Housing Authority of Clackamas County participants who have taken advantage of the shared jurisdiction and moved to Multnomah County. In FY2015, Home Forward estimated administrative savings of \$36,345. With a tight rental market in the Portland Metro area, this activity is critical for giving participants greater choice. As of October 2015, sharing jurisdictions for Housing Choice Voucher households of either housing authority have been paused as Home Forward has MTW flexibility and approval for broader payment standards and a higher percentage of gross income that families can pay their rent and utilities, which the Housing Authority of Clackamas County does not have. To ensure compliance for both public housing authorities, the Memorandum of Understanding is currently being updated to meet HUD regulations and retain cross jurisdictional services that are cost saving
- Mobility Counseling and Transportation Toolkit – In 2013, Home Forward was awarded a grant from Metro, a regional governmental planning agency, to work collaboratively with the three metro-area housing authorities to develop tools to provide mobility counseling to Housing Choice Voucher participants. The goal has been to help reduce participants' combined housing and transportation costs and assist them in identifying housing locations with affordable transit options to further Fair Housing goals. Since April 2014, each housing authority has been introducing the transportation toolkit to participants when they move or attend the initial program orientation. The online and paper toolkit includes a video, brochures for considering transportation costs when moving, a worksheet to compare transportation costs of housing choices, and a tutorial for using WalkScore.
- Expanding employment and training for housing authority residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards in our region, received a \$5.5 million, multi-year Workforce Innovation Fund grant from the Department of Labor in 2012 to provide training and employment opportunities to housing authority residents. This grant built upon a model that Home Forward and Worksystems, Inc. had been operating for several years. Home Forward received \$1.1 million to fund case management staff to support 270 residents as they accessed training and employment opportunities through the local Worksource system in high demand occupations. Funds were also available to provide employment supports (such as assistance with transportation and childcare) for participating families. The grant will end in April of 2016, but all participating partners have committed to either continue elements of the

program with existing resources or explore potential funding sources to support continuation. Lessons learned from this program will inform future collaborations between Home Forward and the Workforce system.

### **Employment/Education Preferences**

Home Forward's public housing program added the employment/education and training preference at nine family properties: New Columbia, Slavin Court, Eliot Square, Celilo Court, Floresta, Maple Mallory, Chateau, Madrona Apartments and Stephens Creek Crossing. Applicants who are currently employed (defined as working an average of 30 hours per month) or are engaged in a training or education program qualify for the preference. Applicants who are senior or a person with a disability receive an equal preference at the property. An informational mailing went out to applicants on all of Home Forward's waiting lists in February 2014 that allowed them to switch to or from a site with the preference.

The Section 8 waiting list mirrors the above preference. The waiting list includes a preference for households that are employed or engaged in a training or education program. As we pull from the list, priority selection is offered to seniors, people with disabilities, and families who qualify for the preference. Households who do not have one of these priority preferences may wait longer to receive their voucher.

### **Saint Francis Park Apartments**

Home Forward has entered into a development agreement with a local non-profit, Catholic Charities, and a local parish in order to build affordable housing on land currently owned by the parish. Home Forward is serving as project developer and Catholic Charities will be the owner and operator upon completion. 106 units, affordable to households below 60% MFI, will be made available in this highly desirable neighborhood located in inner southeast Portland, close to jobs, transportation and neighborhood amenities. Programming by Catholic Charities will also ensure services for approximately 25 of the households, including supports for women and children who have experienced homelessness and/or domestic violence. The land has been purchased and the local development subsidy has been secured. Construction is slated to begin the end of FY2016.

### **Framework Apartments**

Home Forward is collaborating in a partnership that will develop an innovative, 12-story urban building highlighting five floors of workforce rental housing (60 units) for households at 80% MFI and below. The building will also include ground-floor retail and offices and will be located in Portland's downtown "Pearl District" – one of Portland's most desirable (and expensive) mixed-use neighborhoods. The building is designed as a wood framed building constructed primarily of an innovative structural system plus a wood product termed Cross Laminated Timber. It is supported by a \$1.5 million award from the U.S. Department of Agriculture's (USDA) Tall Wood Building Prize Competition. It represents an urban-rural connection that promotes use of domestically sourced and engineered wood products, thereby increasing demand from domestic rural lumber mills and boosting their local economies. Construction is anticipated to begin in October 2016 with the opening date scheduled for December 2017.

## VASH Households

Veterans Affairs Supportive Housing (VASH) vouchers are an important and valuable resource for homeless veterans in our community. Since our original award of 70 vouchers in FY2009, Home Forward has received additional awards representing an increase of 650%. Most recently, Home Forward was awarded 79 new VASH vouchers in April 2015 with an effective date of June 1, 2015. With this additional award our total will be 525 vouchers. We are proud to administer these vouchers for the veteran men and women in our community.

As of October 2015 our VASH utilization had dropped to 78.5% as we work to lease up the most recent award of vouchers. Our ability to lease-up new VASH awards has been hampered by increasingly challenging market conditions and insufficient referrals from the Department of Veterans Affairs (VA). We continue to work diligently the VA, local jurisdictional representatives and non-profit partners to increase or utilization. In FY2015, Home Forward continued to provide security deposit assistance, and Multnomah County funded additional flexible placement and retention assistance which could be used for any costs related to removing barriers related to lease-up, such as application fees, utility and housing debt, and transportation costs associated with housing search.

Early in 2015, Portland Mayor Charlie Hales and Multnomah County Chair Deborah Kafoury signed on to the Mayors Challenge to End Veteran Homelessness by the end of 2015. To achieve this goal, our community is creating a well-coordinated system designed to assure that veteran homelessness is rare, brief, and non-recurring, and no veteran is forced to live on the street and that every newly discovered veteran living on the streets is offered immediate access to shelter and crisis services, while permanent stable housing and appropriate supports are being secured. Key to our plan to end veteran homelessness has been the full utilization of VASH, and to that end, Home Forward worked with our partners to implement the following strategies:

- Learning from the experience of other communities, we will be working with partners to develop a dynamic “name registry” of veterans experiencing homelessness in order to facilitate outreach and connection to appropriate housing programs. The registry is continually updated, and our community has held two registry weeks during which volunteers and outreach workers connected with people experiencing homelessness to identify veterans and add them to the registry.
- Mayor Hales and Chair Kafoury are spearheading targeted recruitment of landlords that will be coupled with increased support for housing providers renting to veterans exiting homelessness. These new supports will include a landlord guarantee and a retention program that will provide after-hours support to landlords and veterans placed through our efforts.
- Home Forward is providing priority access to 50 units within our affordable housing portfolio, as they become vacant, for veterans with VASH vouchers or other veteran assistance, such as Supportive Services for Veteran Families.
- We are working with partners to utilize rapid rehousing programs, including Supportive Services for Veteran Families, as a bridge to VASH.
- We are pursuing opportunities to project-base VASH vouchers in buildings that will provide greater access and retention for veterans with high barriers to success in the private market.

In fall of 2014 we requested authorization from the HUD Voucher Office to include VASH voucher holders in the application of approved MTW activities. In November and December 2014, we received approval to apply the requested MTW activities to VASH voucher holders.

## **A Home for Everyone**

A Home for Everyone is a community-wide effort to better assist people experiencing homelessness in Multnomah County. Established through a charter adopted by Home Forward, Multnomah County and the cities of Portland and Gresham, A Home for Everyone is led by an executive committee comprised of jurisdictional and funding partners and supported by a coordinating board comprised of a diverse set of community, non-profit and government stakeholders. By charter, Home Forward has a seat on the Home for Everyone Executive Committee.

In 2014, the Home for Everyone Coordinating Board developed staged action plans related to community efforts to address homelessness. This included an actionable plan to end veteran homelessness by 2016, an assessment of housing needs and gaps for people experiencing homelessness, and a plan to reduce the gap by 50% by July 2017. In response to action plans developed by a Home for Everyone, Home Forward has committed to new targeting of Housing Choice Vouchers in two areas: 1) a limited preference for up to fifty vouchers for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers; and 2) a limited preference for up to 200 vouchers for families assisted through Multnomah County's Homeless Family System of Care. We anticipate full utilization of these preferences by the end of FY2016

## **Public Housing Strategy**

Home Forward operates nearly 2,100 apartment homes as public housing, a specific subset of affordable housing that receives federal operating subsidy and capital funding. The buildings, and the deep rent subsidies they provide, are an important resource for Home Forward and the people we serve. Unfortunately, given waning federal support, mounting capital needs, and growing demand for affordable housing, the public housing program itself severely limits our ability to reinvest in these homes and meet the preservation challenges each apartment community faces. The reality is that the ongoing viability of this community resource is in jeopardy.

It is in the best interests of our residents, and the properties they call home, for Home Forward to pursue a transition from public housing subsidy to a type of Section 8 rent assistance for all of Home Forward's public housing communities. Section 8 provides more stable operating funding and allows Home Forward to use a conventional real estate model that leverages equity and debt to make vital and significant capital improvements.

The process to convert public housing properties to Section 8 began with our **85 Stories** effort to preserve our ten high-rise public housing communities. The ten high-rises provide 1,232 housing units, which account for almost half of Home Forward's total public housing supply. They serve some of our most vulnerable community members: seniors and persons with disabilities. The buildings are well located and worthy of

preservation. In May 2012, the critical needs in these ten high-rise buildings totaled \$80 million in capital improvements. If these properties were to continue to provide safe, decent and affordable homes, work needed to begin soon and to continue at an accelerated pace.

Several important policies continue to guide us as we undertake this complex and challenging initiative. We have developed these policies as a result of our work over the last 15 years, starting with our first HOPE VI redevelopment, to preserve this vital community resource.

#### Policy Guidelines for Subsidy Conversion

- 1) Continue to serve very low-income populations in these communities
- 2) Maintain ownership or control of the properties
- 3) Improve the physical and financial condition of the properties
- 4) Partner to optimize public and private resources on behalf of the properties and our residents

Home Forward has formulated a financing strategy for the improvements, grouping the work into two phases with the most critical needs addressed first.

Phase 1: HUD approved our proposal to change the operating subsidy at four of the buildings from public housing to project-based Section 8 funding. This subsidy change occurred in September 2013 and transfer to the LIHTC partnership (and the accompanying affordable housing lease up) was completed during FY2015. Construction is underway and will be completed in FY2016 at each of the first four properties: Northwest Tower & Annex, Gallagher Plaza, Hollywood East, and Sellwood Center.

Phase 2: We are continuing our plans to make the change for the rest of our public housing portfolio. Home Forward is proposing two options to convert the public housing properties to Section 8 rent assistance: HUD's Section 18 demolition and disposition process or the Rental Assistance Demonstration (RAD), which could transition properties to either project-based vouchers or project-based rental assistance. Home Forward submitted RAD applications for six properties (285 units) in May 2015 and received approval in September 2015. An additional application for 31 properties (1,008 units) was submitted in July 2015 and we are awaiting HUD approval.

Although the six remaining high-rise properties originally received RAD approval, Home Forward plans to include these properties with another three in order to submit a Section 18 disposition proposal in late FY2016 or early FY2017. The total unit count for the nine Section 18 properties will equal 802 units.

Two of the six properties that received RAD approval in September 2015 are Bud Clark Commons (130 units) and Madrona Place (45 units). We propose to project-base 100% of the units at these properties since the units serve Qualifying Families. Bud Clark Commons provides permanent supportive housing for highly vulnerable, formerly homeless individuals, as screened by four medical clinics using a vulnerability index tool. Services

include advocacy and case management; medical, mental health and substance abuse treatment; and vocational, employment, money management and life skills training. Madrona Place is a family property with many Spanish-speaking households that include a large number of children as well as many single parent households. Home Forward provides a .5 FTE Resident and Community Service Coordinator with services focused on housing stability, increasing economic opportunity, and creating a sense of community for the entire family.

# Amendment 1 to FY2017 MTW Plan

## RAD AMENDMENT

In May 2015 Home Forward submitted six Rental Assistance Demonstration (RAD) applications for six properties<sup>1</sup>, with a total of 285 public housing units. We received six initial Commitments to enter into a Housing Assistance Payment (CHAPs) in September 2015, with amended CHAPS issued in March 2016. As a result, Home Forward will be converting these public housing units to project-based vouchers.

Home Forward is amending its FY2017 MTW Plan because it was a successful applicant in RAD. As a result, Home Forward will be converting to project-based vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to project-based vouchers, Home Forward will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-2; and Joint Housing PIH Notice H-2014-09/PHI-2014-17. These resident rights, participation, waiting list and grievance procedures are appended to this attachment. Additionally, Home Forward certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing Housing Authorities access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, Home Forward's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that Home Forward may also borrow funds to address their capital needs. Project-based voucher subsidy is sized to replace the reduction in Capital Funds and operating subsidy lost from the RAD conversions. Home Forward currently has debt under the Capital Fund Financing Program and will be working with Wells Fargo to address outstanding debt issues, which may result in additional reductions of capital funds. Regardless of any funding changes that may occur as a result of conversion under RAD, Home Forward certifies that it will maintain its continued service level.

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<sup>1</sup> The Jeffrey, Rockwood Station, Martha Washington, Bud Clark Commons, Madrona Place, and Fairview Oaks and Woods.

The following table lists all properties currently utilizing public housing subsidy, which may be chosen for conversion via either Section 18 Disposition or the Rental Assistance Demonstration:

PIC Development No.	Development Name	ACC Units	Conversion Strategy
OR002000058	Humboldt Gardens	100	RAD <sup>1</sup>
OR002000060	Rockwood Station	25	RAD <sup>2</sup>
OR002000061	The Jeffrey	20	RAD <sup>2</sup>
OR002000062	Martha Washington	25	RAD <sup>2</sup>
OR002000063	Bud Clark Commons	130	RAD <sup>2</sup>
OR002000064	Madrona Place	45	RAD <sup>2</sup>
OR002000066	Stephens Creek Crossing North	64	RAD <sup>1</sup>
OR002000065	Stephens Creek Crossing South	45	RAD <sup>1</sup>
OR002000108	Peaceful Villa	70	Section 18
OR002000111	Dekum Court	39	Section 18
OR002000113	Tamarack	118	Section 18
OR002000114	Dahlke Manor	114	Section 18
OR002000115	Holgate House	80	Section 18
OR002000117	Schrunck Riverview Tower	118	Section 18
OR002000118	Williams Plaza	101	Section 18
OR002000121	Fir Acres	32	RAD <sup>1</sup>
OR002000122	Townhouse Terrace	32	RAD <sup>1</sup>
OR002000123	Stark Manor	30	RAD <sup>1</sup>
OR002000124	Lexington Court	20	RAD <sup>1</sup>
OR002000125	Eastwood Court	32	RAD <sup>1</sup>
OR002000126	Carlton Court	24	RAD <sup>1</sup>
OR002000131	Slavin Court	24	RAD <sup>1</sup>
OR002000132	Demar Downs	18	RAD <sup>1</sup>

PIC Development No.	Development Name	ACC Units	Conversion Strategy
OR002000138	Eliot Square	30	RAD <sup>1</sup>
OR002000139	Medallion Apartments	89	Section 18
OR002000140	Ruth Haefner Apartments	73	Section 18
OR002000142	Celilo Square	28	RAD <sup>1</sup>
OR002000151	Tillicum South	12	RAD <sup>1</sup>
OR002000152	Harold Lee Village	10	RAD <sup>1</sup>
OR002000153	Floresta	20	RAD <sup>1</sup>
OR002000203	Maple Mallory	48	RAD <sup>1</sup>
OR002000232	Bel Park	10	RAD <sup>1</sup>
OR002000236	Winchell Court	10	RAD <sup>1</sup>
OR002000237	Powellhurst	34	RAD <sup>1</sup>
OR002000251	Tillicum North	18	RAD <sup>1</sup>
OR002000252	Hunters Run	10	RAD <sup>1</sup>
OR002000305	Haven Ltd Partnership (NC)	29	RAD <sup>1</sup>
OR002000310	Cecelia Ltd Partnership (NC)	72	RAD <sup>1</sup>
OR002000315	Trouton Ltd Partnership (NC)	125	RAD <sup>1</sup>
OR002000320	Fairview Oaks & Woods	40	RAD <sup>2</sup>
OR002000325	Woolsey Ltd Partnership (NC)	70	RAD <sup>1</sup>
OR002000332	Camelia Court	14	RAD <sup>1</sup>
OR002000336	Cora Park	10	RAD <sup>1</sup>
OR002000337	Alderwood	20	RAD <sup>1</sup>
OR002000436	Chateau Apartments	10	RAD <sup>1</sup>
OR002000705	Scattered East A	7	RAD <sup>1</sup>

<sup>1</sup>Home Forward submitted an application for 31 properties (1,008) units in July 2015. Those applications are awaiting HUD approval.

<sup>2</sup>Six properties (285 units) received approval for RAD in September 2015.

# General Housing Authority Operating Information

## Housing Stock Information

### MTW Public Housing Units

Public housing units at beginning FY2017	2,101
Planned public housing units added	0
Planned public housing units removed via RAD	<u>(285)</u>
<b>Public housing units projected at end of FY2017</b>	<b>1,816</b>

### MTW Housing Choice Vouchers (HCV) Units

MTW HCV authorized at beginning FY2017	8,418
Planned vouchers added via RAD	<u>285</u>
<b>MTW HCV projected at end of FY2017</b>	<b>8,703</b>

MTW HCV project-based at beginning of FY2017	2,001
Project-based units added (see following pages)	325
Project-based units removed	<u>0</u>
MTW HCV Project-based units projected at end of FY2017	2,326

### Non-MTW Housing Choice Vouchers units authorized

Voucher Type	Projected Units Authorized
SRO/MODS	512
Veterans Affairs Supportive Housing (VASH)	525
Family Unification Program	100
Opt-Out vouchers	0

**Planned New Public Housing Units to be Added During the Fiscal Year**

AMP Name and Number	Bedroom Size							Total Units	Population Type *	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible	Adaptable
-								-	-	-	-
<b>Total Public Housing Units to be Added</b>								<b>0</b>			

\* Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other (please describe: \_\_\_\_\_)

**Planned Public Housing Units to be Removed During the Fiscal Year**

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
OR002000060 Rockwood Station	25	Rental Assistance Demonstration – received HUD approval September 2015
OR002000061 The Jeffrey	20	
OR002000062 Martha Washington	25	
OR002000063 Bud Clark Commons	130	
OR002000064 Madrona Place	45	
OR002000320 Fairview	40	
<b>Total Number of Units to be Removed</b>	<b>285</b>	

New Housing Choice Vouchers to be Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project
Station 162	17	<p>This community for seniors and people with disabilities promotes self-reliance and self-sufficiency, including personal attendant care for all activities of daily living. The 17 units with project-based vouchers will offer preferences for 1) people with disabilities receiving services from QUAD Inc. who need ADA units, and 2) seniors or people with disabilities receiving services from Elders Place. There will also be a second tier preference for people who are extremely low income. Originally slated to for FY2016, it is now scheduled to be project-based in fall of FY2017.</p> <p>Urban Plaza includes studios and one-bedroom units for seniors and people with disabilities. The property is owned by PCRI and contracts for service providers are in development.</p> <p>In September 2015 HUD approved Home Forward's RAD application for these six properties. Through that process, these units will be converted from public housing to project-based vouchers.</p>
Urban Plaza	23	
Rockwood Station	25	
The Jeffrey	20	
Martha Washington	25	
Bud Clark Commons	130	
Madrona Place	45	
Fairview	40	

**Anticipated Total New Vouchers to be Project-Based**

325

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year

2,326

Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year

2,268

\*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

## Other Changes to the Housing Stock Anticipated During the Fiscal Year

In the face of rapidly rising rents and decreasing housing affordability in Multnomah County, Home Forward committed to help ensure that those we serve have access to all areas of our community. To aid these efforts, we will dedicate up to 500 Housing Choice Vouchers over the next several years to be used as project-based vouchers in developments that provide homes for families earning less than 30% of the area median income. As one of the first steps in this multi-year strategy, Home Forward will project-base up to 200 vouchers in FY2017.

As described previously in the non-MTW activities section, Home Forward is pursuing a transition from public housing subsidy to a type of Section 8 rent assistance for all of Home Forward's public housing communities. In addition to the 6 properties approved for RAD in September 2015, we submitted an additional application for 31 properties in July 2015 and are awaiting HUD approval. We are also submitting a Section 18 Disposition proposal for 9 properties. When properties are approved to change subsidy, we will amend the MTW Plan as necessary.

With the requirement to convert our RAD properties within one year of receiving the Commitment to Enter into a Housing Assistance Payments Contract (CHAP), we anticipate completing the project-based Section 8 conversion process no later than September 4, 2016 for 285 public housing units at six public housing and affordable housing properties. The remaining 1,003 public housing units at 31 properties will also convert in the coming fiscal year, after we receive the CHAP for that application.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

**General Description of All Planned Capital Fund Expenditures During the Plan Year**

<b>Community</b>	<b>Activity</b>	<b>Scattered Site Proceeds</b>	<b>Asset Repositioning Fee</b>	<b>Capital Fund</b>	<b>% Cap Fund</b>	<b>Total Expended</b>	<b>% of Total Expended</b>
85 Stories Project <sup>1</sup>	Major Systems Upgrades	\$ 3,000,000	\$ 4,500,000	\$ 5,000,000	51.62%	\$ 12,500,000	72.73%
Harold Lee	Comprehensive Rehab			500,000	5.16%	500,000	2.91%
Powellhurst	Comprehensive Rehab			500,000	5.16%	500,000	2.91%
Cello Court	Comprehensive Rehab			500,000	5.16%	500,000	2.91%
Madrona Place	Crawl Space & Waste Piping			250,000	2.58%	250,000	1.45%
Eliot Square	Exterior Brick Repairs & Flashing			174,912	1.81%	174,912	1.02%
Medallion	Water Intrusion			150,000	1.55%	150,000	0.87%
Maple Mallory	Exterior Brick Repairs & Flashing			125,000	1.29%	125,000	0.73%
Eastwood Court	Security Cameras			58,491	0.60%	58,491	0.34%
Tamarack	Emergency Repairs & Mold Remediation			55,000	0.58%	55,000	0.32%
Stark Manor	Security Cameras			50,000	0.52%	50,000	0.29%
Lexington Court	Security Cameras			50,000	0.52%	50,000	0.29%
Fir Acres	Security Cameras			50,000	0.52%	50,000	0.29%
Dekum Court	Sewer Line Repairs			47,396	0.49%	47,396	0.28%
PHA Wide	20% Administrative Allowance			734,264	7.58%	734,264	4.27%
Debt Service	Trouton Bond Payments OR002D001B			356,028	3.68%	356,028	2.07%
Various Properties	PH Portfolio Capital Needs Assessments			300,000	3.10%	300,000	1.75%
Various Properties	PH Portfolio Abatement			275,000	2.84%	275,000	1.60%
Various Properties	Painting			200,000	2.06%	200,000	1.16%
Various Properties <sup>2</sup>	RAD 1 Conversion			160,000	1.65%	160,000	0.93%
Various Properties	PH Discretionary Funds			150,000	1.55%	150,000	0.87%
<b>Total Capital Expenditures Budget</b>		<b>\$ 3,000,000</b>	<b>\$ 4,500,000</b>	<b>\$ 9,686,091</b>	<b>100%</b>	<b>\$ 17,186,091</b>	<b>100%</b>

<sup>1</sup> The Major Systems Upgrades title 85 Stories is planned for Home Forward's mid-rise towers. The work was bundled into two tax credit entities – Group 1 consists of Gallagher Plaza and Northwest Tower; and Group 2 consists of Sellwood Center and Hollywood East. Both groups have been approved for disposition and are in construction phase.

<sup>2</sup> Home Forward submitted RAD applications for six properties (285 units) in May 2015 and received approval in September 2015. See the Non-MTW Section for more information.

Leasing Information

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/ Leased***
Federal MTW Public Housing Units to be Leased	1,768	21,216
Federal MTW Voucher (HCV) Units to be Utilized	8,328	99,936
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	4	51
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	215	2,579
<b>Total Households Projected to be Served</b>	<b>10,315</b>	<b>123,782</b>

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

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

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

### Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(D) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

Not applicable. Home Forward is in compliance with statutory MTW requirements.

### Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Public Housing	There are no anticipated issues related to leasing public housing units.
MTW Housing Choice Voucher	We continue to experience a very tight rental market, making it difficult for voucher holders to find affordable housing. To support voucher holders in their search, we have been offering deposit assistance to participants that complete a tenant education class taught by a community organization.
Local, Non-Traditional Units	There are no anticipated issues related to leasing local, non-traditional units.

Wait List Information

Wait List Information Projected for the Beginning of the Fiscal Year				
Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
MTW Public Housing	Site-Based	7,913	Partially Open	Yes
MTW Housing Choice Voucher	Community-Wide	3,400	Partially Open	No
MTW Housing Choice Voucher	Site-Based	5,333	Partially Open	Yes
Tenant-Based Local, Non-Traditional MTW Program	Other	21	Partially Open	Yes
Project-Based Local, Non-Traditional MTW Program	Site-Based	0	Closed	Yes

*Rows for additional waiting lists may be added, if needed.*

\* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

\*\* *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

\*\*\* For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

Our MTW Public Housing waiting list is currently closed except for households needing an ADA accessible unit or applicants who have a documented terminal illness with a life expectancy of less than 12 months. In FY2017 we anticipate opening the waiting list at three of our buildings designated for seniors and people with disabilities, as well as the waiting lists at several family properties.

MTW Housing Choice Voucher – Community-Wide: Our MTW Housing Choice Voucher tenant-based waiting list is community-wide, and is closed except for applicants to the Family Unification Program and those who have a documented terminal illness with a life expectancy of less than 12 months. Additionally, we have two program set-asides that are open to referrals to the waiting list. The programs serve Multnomah County’s Homeless Family System of Care and veterans experiencing homelessness who are ineligible for VASH vouchers. We anticipate opening the waiting list to accept new applicants in FY2016.

MTW Housing Choice Voucher – Site-Based: Our MTW Housing Choice Voucher project-based voucher waiting lists are site-based and are partially open. There are 64 lists in the community, maintained by each building with its own preferences. Some of these lists are currently open, some are closed, and some are closed except to applicants who have a documented terminal illness with a life expectancy of less than 12 months.

If Local, Non-Traditional Housing Program, please describe:

Tenant-Based Local, Non-Traditional MTW Program: Our Program Based Assistance program contracts funds to 18 partner agencies, which then manage the participant selection process, sometimes in partnership with Home Forward. This is further described in Activity 14.

Project-Based Local, Non-Traditional MTW Program: Home Forward’s New Doors program is program-based assistance for former foster youth who are working or are in school. Rent assistance is contracted to a local non-profit that specializes in working with homeless youth. Because this program houses only five people, the waiting list opens only when a vacancy is projected, and remains open for two weeks.

If Other Wait List Type, please describe:

Our Tenant Based Local Non-Traditional program is our Program-Based Assistance program (described in detail in Activity 14) which contracts funds to partner agencies, who then manage the participant selection process, sometimes in partnership with Home Forward. The agencies use a total of four different methods for participant selection, but all programs target families who are homeless or at risk of homelessness. Some agencies use their rental assistance from Home Forward for more than one program and thus use more than one selection process within their agency in order to best target the resources to eligible households – these agencies are represented twice in the numbers below:

- 3 agencies utilize waitlists - one serving families with children at Alder School, one serving households engaged in employment training and the other serving clients of Native American Rehabilitation Association of the Northwest.
- 8 agencies offer rent assistance on a first-come-first-served basis to applicants who are already receiving services within their agencies. When funds become available, the next eligible household to inquire receives the resources.
- 10 agencies make funds available on a first-come-first-served basis to any eligible households that apply, regardless of whether they are currently receiving services within the agency.
- 1 agency conducts a monthly lottery from a list of all eligible households that requested assistance during that month.

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

We are planning to change the structure of our public housing wait list in FY2017. Currently, applicants are allowed to select up to three “traditional” public housing sites. (“Traditional” public housing sites do not include HOPE VI, third-party managed or Local Blended Subsidy sites.) We are instead planning to manage our lists similar to a private market model, which allows applicants to apply to any wait list when it is open. This change was originally anticipated in FY2015, but is now scheduled for FY2017.

Activity 15 Tenant-Based Voucher Set Aside Policies proposes a referral and selection procedure for limited preference set aside vouchers – instead of the regulation waiting list. There are otherwise no anticipated changes to the structure or policy of the Section 8 waiting list.

# Proposed MTW Activities

## 13 BROADEN RANGE OF APPROVED PAYMENT STANDARDS

This activity was originally approved and implemented in FY2015. We are now re-proposing this activity to make two modifications:

- When Home Forward received approval for this activity in 2014, it provided the ability to use our MTW flexibility to establish payment standards between 80% and 120% of the Fair Market Rents without prior HUD approval. Unfortunately, the rental market in Multnomah County has continued to constrict, with restrictively low vacancy rates and rents increasing – sometimes doubling – with every new lease. In October 2015, Portland’s Mayor Charlie Hales announced a State of Emergency for housing and homelessness in the city.

**MTW authorization:**

Attachment C, Section D(2)(a) –  
Rent Policies and Term Limits

**Statutory objective:**

Increase housing choice for low-income families

In response to a commissioned FMR study, on February 3rd, 2016 HUD adopted revised FMRs for the Portland-Vancouver-Hillsboro, OR-WA, HUD MSA. In March 2016, utilizing these new and substantially increased FMRs together with our existing authority, Home Forward’s Board of Commissioners adopted new payment standards to be effective April 1, 2016. These payment standards are set at up to 118% of FMR in some neighborhoods to reflect actual market costs in order to give participant families greater chance to lease up in lower-poverty, higher-opportunity neighborhoods.

With these new payment standards, approximately 3,200 families (42% of HCV participants) will be in units that will benefit from implementation of the payment standards set beyond the basic range of 90-110% of FMR. We anticipate maintaining existing utilization and households served levels even with adoption and implementation of these new payment standards.

Even with the increased FMRs, continuing rent hikes have proven payment standards up to 120% are insufficient in many of the neighborhoods we serve, effectively barring low-income families from accessing housing in these areas without paying high market rents in excess of the payment standards. Despite setting payment standards at 118% of FMR, our April 1<sup>st</sup>, 2016 payment standards for 1-bedroom apartments are below 90% of actual market in four of our nine payment standard areas, the payment standards for 2-bedroom apartments is below 90% of market in two of our nine payment standard areas. The following table illustrates the shortfall in studios, one-bedrooms and two-bedrooms throughout the county:

Submarket	STUDIOS		1 BEDROOM		2 BEDROOM	
	Avg shelter cost	Shelter cost as FMR%	Avg shelter cost	Shelter cost as FMR%	Avg shelter cost	Shelter cost as FMR%
Downtown	\$990	133%	\$1,291	151%	\$1,686	166%
Downtown/NW	\$1,357	182%	\$1,551	181%	\$1,291	127%
Gresham, Fairview, Troutdale	\$687	92%	\$849	99%	\$976	96%
Inner & Central NE	\$1,052	141%	\$1,130	132%	\$1,549	153%
Inner & Central SE	\$948	127%	\$1,139	133%	\$1,198	118%
N Portland & St. Johns	\$941	126%	\$1,421	166%	\$1,118	110%
Outer NE	\$657	88%	\$806	94%	\$1,024	101%
Outer SE	\$732	98%	\$889	104%	\$970	96%
SW Portland	\$1,087	146%	\$1,262	147%	\$1,153	114%

To address this and continue to support Housing Choice Voucher participants' reasonable choice in neighborhoods, Home Forward is re-proposing this activity with a range of payment standards between 80% and 160% of Fair Market Rents without prior HUD approval. We would also apply this range of up to 160% to the approval of Exception Payment Standards. As previously established, we will continue to use data from the Multifamily NW semi-annual market rate report to set the payment standards in nine neighborhoods as defined by ZIP codes.

We will always need to balance the opportunity created with higher payment standards with the increased per family costs associated with higher payment standards. Higher payment standards can put limits on our ability to respond to the overwhelming need in our community, but given the nature of the rental market in Multnomah County, the flexibility to set payment standards up to 160% of FMR may be necessary to create reasonable choice for participant families, particularly in lower-poverty, higher-opportunity areas.

- Home Forward participants are on biennial and triennial recertification schedules, per Activity 01 Rent Reform. Because of this, there is sometimes a delay of several months or even years before the increased payment standard is applied to a participant's rent calculation. In the meantime, those participants may be experiencing a larger shelter burden as their landlords increase rent without the accompanying increase in payment standards. To address this delay, we are modifying this activity to also apply updated payment standards at a participant's interim review.

These modifications are included in the following full description of the activity:

Regulations require that payment standards are set between 90% and 110% of Fair Market Rents, as defined by HUD for the geographic area in which the housing authority is operating. Multnomah County is a large geographic area with rents that differ throughout several submarkets. When rental market conditions tighten, it is not uncommon for 110% of Fair Market Rent to fall short of what is needed to rent a quality unit in large, and often higher opportunity, areas of Multnomah County. In addition, payment standards that are too high in particular neighborhoods can create concentrations of poverty.

In order to ensure that payment standards are sufficient to allow Housing Choice Voucher participants reasonable choice in neighborhoods, Home Forward will use MTW authority to broaden its “base range” for payment standards to between 80% and 160% of the Fair Market Rents without prior HUD approval. Home Forward has also been authorized to approve Exception Payment Standards up to 160% of Fair Market Rents in low poverty areas or as a reasonable accommodation for a family that includes a person with disabilities.

Home Forward uses the following parameters to establish payment standards:

- Payment standards are broken down by nine separate neighborhoods as defined by ZIP codes. Each of these neighborhood payment standards is broken down by bedroom size.
- Payment standards are set at the market rate.
- Because data shows that market rents are significantly different for three-bedroom apartments and for single-family three-bedroom duplexes or homes, Home Forward has established separate payment standards for the two.

**Impact on Statutory Objective(s)**

The flexibility to set payment standards up to 160% of Fair Market Rents will allow Home Forward to respond to a tightening rental market and rising rents. This help ensures that payment standards are sufficient to allow all families, including those seeking units in low poverty areas or those who need a reasonable accommodation in order to find a unit that suits their needs, the ability to choose housing in any of the nine defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this), and specifically in low-poverty areas. Upon approval from the Voucher Office, we will also apply this flexibility to VASH voucher holders, in an effort to also increase their housing choice throughout the county.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in resident mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2017: 2,000 households	At least 2,000 households (32%)

Agency cost savings (Standard Metric: CE#1)			
Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.			
Total cost of task	FY2014: \$48,597,556	FY2017: \$60,000,000	FY2020: \$63,000,000

**Additional Metrics**

Metric	Baseline	Benchmark	Final Projected Outcome
Average Housing Assistance Payment expense			
Average annual HAP expense by household	FY2014: \$6,690	FY2017: \$7,340	FY2020: \$7,800

Data will be collected from YARDI, Home Forward's database, which tracks the census tract and Payment Standard used for each household.

**MTW Flexibility:**

Home Forward currently uses our MTW authority to expand the range for which Home Forward may set payment standards across the various submarkets of Multnomah County to between 80% and 120% of HUD-established Fair Market Rents, and to allow for exception payment standards up to 120% of Fair Market Rents, without HUD approval. We are seeking approval to increase our range of payment standards up to 160% of Fair Market Rents without prior HUD approval. This ensures that payment standards are sufficient to allow all families, including those that need a reasonable accommodation, to choose to rent units in all nine of the defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this). Home Forward may also choose to reduce payment standards in areas with lower market rents.

## 15 TENANT-BASED VOUCHER SET ASIDE POLICIES

Home Forward operates or participates in a number of programs that have been designed to align housing with supportive services in order to ensure success for participating families. These include local non-traditional rent assistance programs, our local project based voucher programs, and the Veterans Affairs Supportive Housing (VASH) program. In all cases, jurisdictional or community partners provide supports for families who access the housing, with target populations including families exiting homelessness, former foster youth, seniors, and people with disabilities.

**MTW authorization:**  
Attachment C, Section D(4) –  
Waiting List Policies

**Statutory objective:**  
Reduce cost and achieve greater cost  
effectiveness in Federal expenditures

Home Forward has found that leveraging our housing resources with services from partners often results in better housing stability and success for families with barriers to succeeding with a voucher alone. In addition to the above programs, we have also established a series of limited preferences for tenant-based vouchers. Through these limited preferences, specific community partners refer target populations to Home Forward for housing as they provide services. We currently have two set aside programs under this umbrella:

- Home Forward sets aside up to 200 vouchers for families currently served by Multnomah County’s Homeless Family System of Care.
- We also set aside up to 50 vouchers for families that include a veteran experiencing homelessness, who are ineligible for HUD-VASH vouchers. These families are referred by and received services from Transition Projects, Inc.

HUD regulations for tenant-based vouchers require a housing authority to select all participants from a waiting list. In order to adhere to regulations, current families served by the two set aside programs are chosen and referred to Home Forward by the community partner, added to the tenant based voucher waiting list, then immediately pulled from the waiting list to be served with the vouchers that are dedicated to the program. This process is inefficient, time-consuming and cumbersome.

Home Forward is proposing to instead model the referral and selection procedures after the existing VASH program. As with VASH, Home Forward will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained in the tenant file by Home Forward, but Home Forward will not add these households to the waiting list to be immediately selected. This flexibility will increase efficiency and may reduce the number of days a family has to wait between referral and issuance of the voucher.

For each limited preference program, Home Forward will execute a Memorandum of Understanding with the partner specifying:

- Number of vouchers set aside for the preference;
- Eligibility criteria for the preference;
- Criteria for determining how families will be selected and referred to Home Forward by the partner(s);
- Type and duration of services the partner(s) will make available to the household; and

- Understanding that all referrals must be in writing and include a certification from the partner(s) that the family was selected and referred to Home Forward in accordance with the criteria outlined in the Memorandum of Understanding.

Home Forward will audit partner agencies to ensure that they adhere to selection criteria specified in the Memorandum of Understanding.

During FY2017, we plan to enter into Memorandums of Understanding with up to four community partners and set aside up to 250 tenant-based vouchers to serve selected target populations. Target populations will include those vulnerable to housing instability and/or those with an ongoing need for supportive services once housed. The two current set aside programs Home Forward is operating will be completed by the start of FY2017. However, should they be renewed, Home Forward would shift to the referral system (with no waiting list) for these set aside programs as well.

**Impact on Statutory Objective(s)**

Since households are referred for set aside vouchers by community partners, it is inefficient and duplicative for Home Forward to maintain a waiting list of the families that partners have selected, only to immediately pull those families off the list. Accepting referrals from the partners of the set aside program, who have selected families based on the criteria outlined in the Memorandum of Understanding, will create efficiencies.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2016: \$875	FY2017: \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2016: 29.5 hours	FY2017: 0 hours	0 hours
Decrease in wait list time (Standard Metric: HC#3) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Because households are immediately pulled from the waiting list, this will have no impact on this metric; but we have included it at HUD's request.			
Average applicant time on wait list in months	FY2016: 0 months	FY2017: 0 months	0 months

Metric	Baseline	Benchmark	Final Projected Outcome
Displacement prevention (Standard Metric: HC#4) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Households served by the set aside programs are not impacting displacement as the preference selection occurs before voucher issuance, but we have included it at HUD's request.			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2016: 0 Households	FY2017: 0 households	0 households

Home Forward will track this information through our YARDI database system.

**MTW Flexibility**

Home Forward is using our MTW flexibility to waive requirements that families served through set aside tenant-based vouchers be selected from a waitlist, only to be immediately pulled from the list. Instead families will be referred to Home Forward by the specified community partners, who will have selected households based on limited preferences and criteria of the Memorandum of Understanding.

# Approved MTW Activities

## Implemented Activities

### 01 RENT REFORM

Approved FY2012, Implemented FY2012

This activity was originally approved and implemented in FY2012. In FY2014, an amendment to the activity was approved and implemented. Our FY2015 MTW Plan included three modifications, which have also been implemented. All amendments and modifications are included in the following full description of our rent reform activity:

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Section 8 households, as well as VASH and FUP voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

In early 2013, the federal government imposed sequestration: across-the-board reductions in federal funding. In response to these funding cuts, Home Forward amended the activity in FY2014 to increase the percentage of income used to calculate rent. The amended percentages are reflected below.

For **seniors and people with disabilities**, rent is calculated based on 28.5% of gross income. All deductions are eliminated and this group has triennial income re-certifications. We define those aged 55 and older as “seniors”, and households fall into this population category if the head, co-head or spouse listed on the lease is 55 or older, or is disabled under the current HUD definition used by Home Forward. This group has a \$0 minimum rent and utility reimbursements are allowed.

All households that do not fall into the population category above are considered **work-focused households**. All deductions are eliminated and this group has biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent are as follows:

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.

#### **MTW authorization:**

Attachment C, Section B(3) – Definition of Elderly Family

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section B(2) – Rent Structure and Rent Reform

#### **Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures

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

- **Years 3 and 4:** rent is based on 29.5% of gross income or \$100 minimum rent, whichever is greater. Utility allowances are factored in the assistance, but utility reimbursements are not allowed.
- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances are factored in the assistance, but utility reimbursements are not allowed.

The following policies apply to all households:

- Zero-income households meet with their public housing site manager or Section 8 case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source.
- The proration of subsidy for mixed-families is simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing is set to match Section 8 payment standards. There is no flat-rent option.
- Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.
- When a Section 8 household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.
- When a Section 8 household reports a change in family size, if the household has resided in their unit for at least 12 months, Home Forward will require an interim review. Any changes to voucher size, payment standard and subsidy calculation will be effective 120 days after the interim review.
- The earned income disallowance is eliminated.
- All GOALS participants are included in the rent reform calculation.
- Home Forward uses actual past income to determine annual income for participant families.
- All income sources used to determine a household’s public housing rent or Section 8 assistance are the same as currently defined by HUD, with the following exceptions:
  - The value of any asset or the value of any income derived from that asset is not used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets is used to determine initial eligibility. Home Forward allows households to self-certify assets with a net value of \$5,000 or less.

- All earned income of full-time students age 18 and over is excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
- Student financial assistance is considered only for the purpose of determining eligibility. Student financial assistance is not used to determine annual income for rent and subsidy calculation.
- All adoption assistance payments are excluded from the rent calculation.
- Households have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.
- Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee has a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Section 8 households, as well as VASH and FUP voucher holders, are on the rent reform calculation. The earliest group of work-focused households transitioned to the second level of rent payment beginning in FY2015, and is now subject to the \$100 minimum rent payment. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

#### **Changes or Modifications:**

Home Forward is adding an additional metric to the measurements we use to track our rent reform activity. Moving forward, we will also look at the average income of work-focused households. For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 50% of the household's gross income. This modification still allows households an increased opportunity in choice of housing and are in a position to better withstand the financial impact of a rent increase or income change.

#### **Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	FY2011: \$140,228	FY2017: \$105,000	Less than \$105,040 annually
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2011: 5,340 hours	FY2017: 4,000 hours	Less than 4,000 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity. Through our quality control process, every error that is identified is corrected.			
Average error rate in completing task	FY2015: 7.5%	FY2017: 7.5%	Maintain 7.5% or less
Increase in tenant share of rent (Standard Metric: CE#5)			
Total annual tenant share of rent	FY2012: \$25,342,942	FY2017: \$29,872,993	\$29,872,993
Increase in household income (Standard Metric: SS#1)			
Average earned income of households	FY2011: \$3,324	FY2017: \$3,390	\$3,390
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.			
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	FY2017: 500 heads of households	At least 500 heads of households annually
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	FY2017: 16% of work-focused households	At least 16% of work-focused households
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)			
Number of households receiving TANF assistance	FY2012: 1,859 households receiving TANF (17.7%)	FY2017: 1,850 (17.5%)	Less than 1,850 (17.5%) households receiving TANF
Metric	Baseline	Benchmark	Final Projected Outcome

Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)			
Average amount of subsidy per household	FY2012: \$524 per household	FY2017: Less than \$525 per household	Less than \$525 per household
Households transitioned to self-sufficiency (Standard Metric: SS#8)			
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2014: 521 households	FY2017: 500 households	At least 500 households annually
Displacement prevention (Standard Metric: HC#4)			
Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	FY2017: 0 households	0 households are required to move due to choosing a unit where their share of rent is above 40%
Increase in resident mobility (Standard Metric: HC#5)			
Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not use rent reform to impact mobility, but we have included it at HUD's request.			
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 18.5%)	FY2013: 3,092 (28.4%) households lived in better neighborhoods	FY2017: 3,300 households (approximately 32%)	At least 3,300 households (approximately 32%)

**Additional Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Maintain stability for seniors and people with disabilities			
Shelter burden (rent <sup>1</sup> + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	FY2017: Shelter burden will remain below 29%	Seniors and people with disabilities will maintain stability, with a shelter burden below 29%
Metric	Baseline	Benchmark	Final Projected Outcome

Increased contribution to rent			
Total tenant payment (rent <sup>1</sup> + utility allowance) for work-focused households	Before implementation: Section 8 average - \$267 Public housing average - \$249	FY2017: Section 8 average - \$307 Public housing average - \$286	Maintain an average total tenant payment of at least \$307 for Section 8 and \$286 for Public Housing (15% above baseline)
Increased income in work-focused households			
Average income for work-focused households, as percentage of Median Family Income (MFI)	Before implementation, average income for work-focused households was 16.4% MFI	FY2017: 18% MFI	18.5% MFI

<sup>1</sup> For purposes of these metrics, Section 8 rents are calculated with gross rent capped at payment standard.

Home Forward's YARDI database continues to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

**MTW Flexibility:**

Home Forward has used our rent reform authorizations to eliminate deductions, simplify the rent calculation, change review schedules, and implement other policy adjustments that as a whole, make up our rent reform activity, as described above.

## 02 GOALS – HOME FORWARD’S FAMILY SELF-SUFFICIENCY PROGRAM

Approved FY2014, Implemented FY2014

In our FY2014 Plan, Home Forward proposed an activity to align existing self-sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program. This program is tailored to meet the needs of our community and be efficient for staff to administer. GOALS program requirements are the same regardless of funding source, program or property.

Originally, the GOALS program included mandatory participation for work-focused households at three of our properties. Mandatory participation was introduced in an effort to create a work-based culture with positive effects for all households in the community. However, we have seen a dramatic shift in the Portland housing market, and mandatory transfers for those households who did not comply with GOALS participation have had adverse impacts on both residents and operational practices. After careful consideration, we transitioned the program for residents at the sites to a voluntary economic opportunity program in August 2015. The program will continue to provide participants with ways to set and reach goals of economic improvement, with five years of dynamic supportive services. But program participation at these sites will now be by choice instead of mandate.

We have updated the elements of the GOALS program, described below, to remove reference to the site-based programs where GOALS participation is mandatory. The key elements of the GOALS program are as follows:

- The rent reform calculation (Activity 01) is used for all GOALS participants.
- Participants who are engaged in a designated program intended to increase the family’s economic independence (such as an employment or training program) will receive a preference on the GOALS waiting list. 100% of the GOALS slots may be filled with participants utilizing this preference.
- Home Forward will allow the GOALS contract to be in the name of any adult member of the household.
- The traditional escrow account used in HUD Family Self-Sufficiency (FSS) programs has been replaced with a managed savings account. Any rent paid by a participant household above \$350 (known as the “strike point”) will be placed into the managed savings account. The monthly amount placed into a family’s managed savings account is limited to the difference between the strike point and the family’s ceiling rent (for public housing families) or voucher payment standard (for Section 8 families).

### **MTW authorization:**

Attachment C, Section E – Family Self Sufficiency Programs

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

### **Statutory objective:**

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

- The length of time on the program will be five years, with the opportunity to extend for an additional two years. Eligibility for the two year extension follows current policy and HUD guidelines.
- Participants graduate and have access to the funds in their managed savings account when they have completed their training plan and fulfilled the obligations identified in their contract.
- Families who leave the program prior to graduation will forfeit any money accrued in their managed savings account.
- When funding is available, a safety net of \$1,500 (either in lump sum or \$250/month for six months) will be provided through MTW flexible funds for public housing families graduating from the site-based programs and moving to non-subsidized units. The same safety net will be provided for Section 8 participants who give up their voucher prior to reaching zero assistance. The safety net has not yet been implemented, and will be considered in FY2017 based upon funding availability.
- Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding and agency budgeting. FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs.
- For site-based GOALS programs, interested participants will be placed on the centralized GOALS waitlist, with a preference for participation at the housing community where they reside.
- When a public housing resident reaches ceiling rent, or a housing assistance payment for a voucher participant drops to zero, deposits into the family's managed savings account will cease. Families can continue to participate in the program for an additional six months, but no savings will accrue during this time. If the family is still at ceiling rent or zero assistance after six months, they will graduate from the program. If the family's income decreases to a level that housing assistance is reinstated during that six month period, they may begin to earn escrow again, and continue participation in the program as long as the contract determines they are still eligible.

The opening of Stephens Creek Crossing in January of 2014 provided an opportunity to pilot a blend of two roles: Resident Services and Economic Opportunity at the property. However, after eighteen months of operation and thoughtful consideration, we have determined that distinguishing the functions is a more effective means of service delivery for the participants and residents at Stephens Creek Crossing. The division of functions will result in a reduction in costs dedicated to site-based GOALS.

Housing Works, a three-year grant with the US Department of Labor that has provided long-term housing subsidies and intensive vocational case management, is scheduled to end in April 2016. The Housing Works program has been tightly wound into our GOALS program, and with the close of the grant, we anticipate a shift in projected outcomes going forward. We are continuing to refine our relationship with the local Workforce Investment Board office, in an effort to continue the best practices that have been established through our participation in the Housing Works grant.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.			
Total cost of task	FY2013: \$186,400	FY2017: \$294,000	At least \$290,000 in staff costs dedicated to site-based GOALS <sup>1</sup>
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.			
Total time to complete task	FY2013: 6,240	FY2017: 8,320	At least 8,000 staff hours dedicated to site-based GOALS <sup>1</sup>
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity.			
Average error rate in completing task	FY2015: 2%	FY2017: 2%	Maintain 2% or less
Increase in resources leveraged (Standard Metric: CE#4)			
Amount of funds leveraged	FY2013: \$0	FY2017: \$294,000	At least \$290,000 in internal funding leveraged to staff site-based GOALS <sup>1</sup>
Increase in household income (Standard Metric: SS#1)			
Average earned income of households	FY2013: \$9,277	FY2017: \$9,740	\$9,740
Increase in household savings (Standard Metric: SS#2)			
Average amount of escrow of households	FY2013: \$1,292	FY2017: \$1,357	\$1,357

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in positive outcomes in employment status (Standard Metric: SS#3) <sup>2</sup>			
Number of heads of households:	FY2013:	FY2017:	1) 185
1) Employed full-time	1) 283	1) 185	2) 150
2) Employed part-time <sup>3</sup>	2) N/A	2) 150	3) 125
3) Enrolled in an educational program	3) 113	3) 125	4) 75
4) Enrolled in a job-training program	4) 69	4) 75	5) 265
5) Unemployed	5) 281	5) 265	6) 40
6) Other (defined as having completed an education or job training program)	6) 38	6) 40	
Increase in positive outcomes in employment status (Standard Metric: SS#3) <sup>2</sup>			
Percentage of work-able households:	FY2013:	FY2017:	1) 33%
1) Employed full-time	1) 53%	1) 31%	2) 24%
2) Employed part-time <sup>3</sup>	2) N/A	2) 25%	3) 20%
3) Enrolled in an educational program	3) 20%	3) 20%	4) 15%
4) Enrolled in a job-training program	4) 12%	4) 15%	5) 43%
5) Unemployed	5) 47%	5) 44%	6) 8%
6) Other (defined as having completed an education or job training program)	6) 6%	6) 8%	
Households removed from TANF (Standard Metric: SS#4)			
Note: This metric is measured as a point in time count, which does not account for individual households who give up TANF assistance, graduate from the GOALS program, and are then replaced by income GOALS participants who have not yet given up TANF assistance.			
Number of households receiving TANF assistance	FY2013: 126 households	FY2017: 120 households	120 households
Households assisted by services that increase self-sufficiency (Standard Metric: SS#5)			
Number of households enrolled in GOALS	FY2013: 564 households enrolled	FY2017: 600 households enrolled	Maintain enrollment of at least 600 households

Metric	Baseline	Benchmark	Final Projected Outcome
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)			
Average amount of subsidy per household	FY2013: \$490.65 per household	FY2017: \$490 per household	Less than \$490 per household
Increase in tenant share of rent (Standard Metric: SS#7)			
Tenant share of rent	FY2013: \$986,971	FY2017: \$1,100,000	At least \$1,100,000 annually
Households transitioned to self-sufficiency (Standard Metric: SS#8)			
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2014: 30 households	FY2017: 30 households	At least 30 households annually
<b>Additional Metrics:</b>			
Metric	Baseline	Benchmark	Final Projected Outcome
Increase in average income for exiting participants			
Increase in average participant earned income between enrollment and exit	Average earned income at time of GOALS enrollment for all current GOALS participants = \$8,745	Average earned income for all participants exiting (for any reason) in FY2017 - \$10,550  Average earned income for all participants successfully <u>graduating</u> in FY2017 - \$27,000	20% increase in average earned income between enrollment and exit  60% increase in average earned income between enrollment and exit for participants who graduate
Increase in average savings for exiting participants			
Increase in average participant managed savings account balance at exit from GOALS	Average managed savings account balance at entry to GOALS = \$0	Average managed savings balance disbursed to graduating participants in FY2017 - \$6,500	Average managed savings disbursed to program graduates each year will be at or above \$6,500

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in positive outcomes for exiting participants			
Percentage of households:	For 81 households exited in	By FY2017:	1) 45%
1) Employed full-time	FY2013:	1) 35%	2) 20%
2) Employed part-time	1) 40%	2) 30%	3) 10%
3) Enrolled in educational program	2) N/A	3) 10%	4) 2%
4) Enrolled in job training program	3) 9%	4) 2%	5) 35%
5) Unemployed	4) 2%	5) 35%	6) 14%
6) Other (defined as having completed an educational or job training program)	5) 50%	6) 14%	
	6) 14%		
Exiting participants removed from TANF			
Percent of households giving up TANF at exit	FY2013: 24% of households who had TANF during participation had given up TANF at exit	FY2017: 30% of exiting households	At least 30% of families who had TANF during participation will have given up TANF at exit <sup>4</sup>

<sup>1</sup>Home Forward uses our MTW flexibility to include coordinators at our site-based programs in our overall GOALS FSS program. This is shown here as an increase in staffing costs and hours, since we're now able to include these costs under the combined program.

<sup>2</sup>Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

<sup>3</sup>Home Forward did not track full-time vs part-time employment prior to implementation. For the purposes of this baseline metrics, all employed households were counted as employed full-time. We have updated these metrics with the part-time employment statistics.

<sup>4</sup>Households are required to give up TANF benefits in order to graduate. The percentage of households is pulled down due to families exiting the program without graduating.

**MTW Flexibility:**

Home Forward has used our authority to develop a family self-sufficiency program that meets the needs of our local community. This program is specifically designed to meet the statutory objective of giving incentive to our families to obtain employment and work towards becoming economically self-sufficient.

### 03 LOCAL BLENDED SUBSIDY

Approved FY2012, Implemented FY2012

Home Forward has created a local blended subsidy (LBS) program to improve the financial viability of adding “banked” public housing units back into the portfolio. Public housing operating subsidy alone is often insufficient to support bringing these units back to properties. The LBS program uses a blend of MTW Section 8 and public housing operating funds to subsidize units reserved for families earning 80 percent or below of area median income. These units may be new construction, rehabilitated, or existing housing.

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are set by an internal process to determine the amount of subsidy that will meet property needs, and are subject to completion of rent reasonableness tests. Home Forward uses the payment standard as the maximum rent for LBS units, or up to 125% of Fair Market Rents in the case of service-enriched units. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

Home Forward has utilized the LBS program for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing. As part of our Public Housing Conversion Strategy, Bud Clark Commons and Madrona Place received RAD approval in September 2015. One of the first steps in the RAD conversion process is the “Commitment to enter into a Housing Assistance Payment (CHAP)”, which was completed in October 2015 for these two properties. Stephens Creek Crossing was included in the July 2015 RAD application, but as one of our newest developments and a HOPE VI site, it will be one of the last properties we plan to convert.

#### **Changes or modifications:**

We will be working with HUD to determine how best to continue the amount of LBS needed at the properties in order to maintain their financial viability. We anticipate using our single fund budget flexibility to supplement funding available via the RAD conversion.

#### **MTW authorization:**

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

Attachment D, Section B(3) – Local Unit Based Subsidy Program

#### **Statutory objective:**

Increase housing choice for low-income families

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Additional units of housing made available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2017: 239 units made available	239 units made available
Units of housing preserved (Standard Metric: HC#2)			
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2017: 45 units preserved after full implementation	45 units preserved
Increase in resident mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	Before implementation, 0 households	FY2017: 109 households	109 LBS households located in better neighborhoods
Increase in resources leveraged (Standard Metric: CE#4)			
Amount of funds leveraged	Before implementation, \$0	FY2017: \$11,145,307	\$11,145,307 in leveraged debt, equity and increased services

**MTW Flexibility:**

This activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. This increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. LBS has allowed Home Forward to leverage debt, equity and increased services at these three properties. Additionally, the ability to create local preferences, and admission and occupancy policies and procedures allows Home Forward to manage the units to provide similar protections as public housing and also adapt the rules for efficiency and local needs.

Home Forward understands and is committed to our obligation to continue to serve substantially the same number of families as if we had not participated in the MTW demonstration. We are aware of the pressure our LBS activity may place on the agency to continue to meet our baseline households served, and we carefully consider this information before moving forward with implementation strategies. We are continuing to explore and develop additional alternative options for local rent assistance programs that will serve a significant need in our community, and will also support our ability to meet our baseline households served when LBS is fully implemented.

## 06 ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Approved FY2012, Implemented FY2012

Home Forward aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements currently required by the US Department of Housing and Urban Development's Homelessness Prevention and Rapid Re-Housing Program. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units.

### MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

### Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

**Changes or modifications:** We are not anticipating any changes to this activity.

### Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$35,500	FY2017: \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Before implementation, 500 hours	FY2017: 0 hours	0 hours
Decrease in error rate of task execution (Standard Metric: CE#3)			
Note: Because this metric was established after implementation, Home Forward does not anticipate a change in the error rate.			
Average error rate in completing a task	FY2014: 4%	FY2017: Less than 5%	Less than 5%

### MTW Flexibility:

Home Forward uses MTW authority to allow alternative inspection requirements for units assisted with rent assistance that we have contracted to community partners. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

## 07 LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Approved FY2013, Implemented FY2013

In many cases, units may fail an initial or annual inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward has implemented a policy that in cases where there are no more than four minor deficiencies, we may accept an owner's certification that required repairs were made. This allowance is made at Home Forward's discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

This activity has continued to result in time- and cost-savings for Home Forward, with a reduced number of re-inspections from year to year. Inspectors continue to be thoughtful about when to allow self-certification, but are effectively increasing utilization of this option. From baseline year to current, the number of re-inspections has dropped from 2,210 to 1,671. In FY2015, 14% of re-inspections were completed through landlord self-certification.

**Changes or modifications:** We are not anticipating any changes to this activity.

### MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

### Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

### Activity Metrics:

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$140,344	FY2017: \$120,000	Less than \$120,000 to complete re-inspections
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	FY2012: 2,210 hours	FY2017: 2,000 hours	Less than 2,000 hours annually
Decrease in error rate of task execution (Standard Metric: CE#3)			
Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing a task	FY2015: 0%	FY2017: Less than 5%	Less than 3%

### MTW Flexibility:

This activity uses alternate criteria, in the form of an owner's written certification, to verify minor repairs in a unit that failed its initial or biennial HQS inspection as a result of four or fewer minor deficiencies. This policy increases efficiency, and saves the agency the cost of these re-inspections.

## 08 INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

Approved FY2013, Implemented FY2013

Home Forward owns over 4,000 units of affordable housing in Multnomah County. Many of these units have project-based Section 8 vouchers attached, and additional units are rented to families that are utilizing tenant-based Section 8 vouchers. In cases where a voucher holder is renting a unit we own, Home Forward utilizes our own staff to perform inspections and determine rent reasonableness.

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest. In FY2015, 100% of quality control inspections passed and no problems were identified with unit conditions or rent reasonableness.

**Changes or modifications:** We are not anticipating any changes to this activity.

**MTW authorization:**

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Attachment C, Section D(2)(c) – Rent Policies and Term Limits

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Prior to implementation, \$17,750	FY2017: \$0	\$0
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Prior to implementation, 370 hours	FY2017: 0 hours	0 hours
Decrease in error rate of task execution (Standard Metric: CE#3)			
Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing a task	FY2015: 0%	FY2017: Less than 5%	Less than 3%

**MTW Flexibility:**

Home Forward uses MTW authority to set rent reasonableness and inspect units we own, in place of contracting with a third party to do so. This results in cost savings for the agency.

## 09 MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP

Approved FY2010, Implemented FY2010

Since 2010, Home Forward has implemented a variety of measures to improve landlord acceptance of Housing Choice Vouchers in our community and the ability of voucher holders to successfully lease up. Based on much of Home Forward's work, the Oregon State Legislature passed HB2639 in July 2014. The legislation prohibits landlords from discriminating against renters who have vouchers and offers landlords access to a state-managed Landlord Guarantee Fund for financial damages when a voucher holder vacates a unit.

Home Forward has two additional initiatives focused on improving landlord participation and the leasing success of voucher holders:

- We provide vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or skip) and the owners have not received proper notice of the intent to vacate.
- The Landlord Incentive Payment targets new landlords. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years.

In the last few years, leasing success rates have fallen as a result of an extremely tight rental market, rapidly rising rents and an overall lack of affordable units. This is a statewide problem and Home Forward's Chief Operating Officer now sits on the state's Housing Choice Advisory Committee. Even with the above measures in place and the new legislation preventing discrimination against voucher holders, leasing success rates have fallen below our 2009 baseline. In an attempt to keep pace with the market and ensure neighborhood choice for voucher holders, Home Forward most recently increased payment standards at the end of FY2015 – the second increase this year.

We have worked collaboratively with local landlord associations to improve the situation, including partnering to deliver training on the voucher program to over 2,000 landlords. We have worked with the Fair Housing Council on educating landlords about the new laws, and we have implemented a variety of policy changes (which do not require MTW flexibility) to make the voucher program more appealing to landlords. These include:

- Allowing flexible lease terms based on an individual landlord's standard practice (including month-to-month)

### **MTW authorization:**

Attachment C, Section B(1) –  
Single Fund Budget with Full Flexibility

Attachment C, Section D(1)(d) –  
Operational Policies and Procedures

Attachment C, Section D(3)(b) –  
Eligibility of Participants

Attachment D, Section D(1) –  
Establishment of a Local Section 8 /  
Housing Choice Voucher Program

### **Statutory objective:**

Increase housing choice for low-income families

- Setting a goal of conducting initial inspections within 3-5 days of receiving the Request for Tenancy Approval (currently at three days)
- Accepting electronic Requests for Tenancy Approval from landlords to speed the process
- Posting tools for landlords on our website so landlords can assess whether their unit is likely to pass rent reasonable and affordability tests

Finally, we are working to provide more support for voucher holders themselves. We have improved our participant orientation, with an increased focus on housing search, tenant rights and responsibilities, and opportunity neighborhoods, in hopes of helping voucher holders be better prepared for their housing search.

**Changes or modifications:** We are not anticipating any changes to this activity.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Households assisted by services that increase housing choice (Standard Metric: HC#7)			
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	FY2017: 180 households	At least 180 households per year will benefit from the Landlord Incentive Fee

**Additional Metrics:**

Improve voucher success rate			
Issued voucher success rate	FY2009: 74%	FY2017: 85%	85%
Decrease in lease-up time			
Average number of days for a voucher holder to lease up	Before implementation, 51 days	FY2017: 50 days	Less than 50 days

**MTW Flexibility:**

Home Forward has made changes to operational policies and procedures and funds these activities through our single-fund budget flexibility. This activity works to increase landlord participation in the program, and therefore, increase housing choice for low-income households.

## 10 LOCAL PROJECT-BASED VOUCHER PROGRAM

Approved FY2012, Implemented FY2012, Amended FY2015

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 2,000 PBVs in the community via more than 60 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

In FY2015, Home Forward changed the operating subsidy at four of our high-rise buildings from public housing to project-based Section 8 funding, as part of our preservation strategy to renovate ten buildings. These four buildings accounted for 654 units, and serve seniors and persons with disabilities. The MTW flexibility to place project-based vouchers at these buildings, as well as through service providers and jurisdictional partners, has ensured that affordable housing remains available to some of the most vulnerable households in our community.

The objective of the project-based voucher program is to provide housing certainty for low-income, high-barrier households who would be unlikely to succeed with a tenant-based voucher. With that in mind, we are focusing project-based vouchers on buildings with on-site services, ideally in opportunity areas, offering tenants affordable rents and access to community resources. Many of the original project-based voucher contracts have expired over the past year, and Home Forward has made it our policy to offer renewals only to owners who have agreed to set waiting list preferences for one or more vulnerable populations, and to make services available to those households. This will result in all project-based voucher buildings offering affordable housing with services to those most in need as contracts are renewed.

This year, Home Forward is making modifications to two aspects of this activity. These modifications are described below, and the changes are reflected in the paragraphs describing “MTW Flexibility.”

Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

### **MTW authorization:**

Attachment C, Section D(7) –  
Establishment of an Agency MTW  
Section 8 Project-Based Program

Attachment C, Section D(4) – Waiting List  
Policies

Attachment C, Section D(2) – Rent  
Policies and Term Limits

Attachment C, Section D(1)(e) –  
Operational Policies and Procedures

### **Statutory objective:**

Increase housing choice for low-income  
families

Reduce cost and achieve greater cost  
effectiveness in Federal expenditures

The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD's requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Additional units of housing made available (Standard Metric: HC#1)			
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	FY2017: 1,370 units made available	Maintain at least 1,100 units that have been made available through this activity
Units of housing preserved (Standard Metric: HC#2)			
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	FY2017: 654 units preserved	654 units will be preserved through conversion from public housing to project-based vouchers
Decrease in wait list time (Standard Metric: HC#3)			
Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity			
Average applicant time on wait list in months	FY2014: 15 months	FY2017: 15 months	15 months
Displacement prevention (Standard Metric: HC#4)			
Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity			
Number of households at or below 80% AMI that would lose assistance or need to move	FY2015: 904	FY2017: 900	Over 800 additional project-based voucher units are available through our ability to exceed the 25% building cap
Increase in Resident Mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	FY2011: 93 households	FY2017: 400 households	400 households
Agency Cost Savings (Standard Metric: CE#1)			

Total cost of task in dollars	Prior to implementation: \$30,720	FY2017: \$5,025	Less than \$5,025
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Prior to implementation, 917 hours	FY2017: 150 hours	Less than 150 hours
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing task	FY2015: 2%	FY2017: Less than 5%	Less than 5%
Increase in tenant share of rent (Standard Metric: CE#5) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Total annual tenant share of rent	FY2014: \$3,570,859	FY2017: \$3,500,000	Annual tenant rent share of at least \$3,500,000

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in Resident Mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	FY2011: 93 households	FY2017: 400 households	400 households
Agency Cost Savings (Standard Metric: CE#1)			
Total cost of task in dollars	Prior to implementation: \$30,720	FY2017: \$5,025	Less than \$5,025
Staff time savings (Standard Metric: CE#2)			
Total time to complete the task	Prior to implementation, 917 hours	FY2017: 150 hours	Less than 150 hours
Decrease in error rate of task execution (Standard Metric: CE#3)			
Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Average error rate in completing task	FY2015: 2%	FY2017: Less than 5%	Less than 5%
Increase in tenant share of rent (Standard Metric: CE#5)			
Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.			
Total annual tenant share of rent	FY2014: \$3,570,859	FY2017: \$3,500,000	Annual tenant rent share of at least \$3,500,000

**MTW Flexibility:**

The PBV program increases housing choice and affirmatively furthers fair housing by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways Home Forward utilizes MTW authority for the local PBV program:

- Home Forward exceeds the traditional 25% limit of PBVs in a single building, and allows project-based vouchers to be awarded to more than 25% of units in a given complex.

- Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage so many separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.
- Home Forward does not provide a preference on the tenant-based waiting list for PBV residents, and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.
- Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward determines an applicant's eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property.
- Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.
- The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD's requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion."
- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
- Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
- Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:
  - The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy,

the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.

- Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.
- Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease. Home Forward also applies any changes to the utility allowances at the same time as the payment standard adjustments.
- Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% (up to a maximum of 150%) of Fair Market Rents for service-enriched buildings without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.
- Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.

## 11 ALIGN UTILITY ALLOWANCE ADJUSTMENT PROCEDURES

Approved FY2011, Implemented FY2011

In our FY2011 MTW Plan, Home Forward received approval to align the public housing process for calculating and implementing utility allowance adjustments with that of Section 8. Previously, the public housing utility allowance process required Home Forward to conduct engineering surveys to determine energy consumption, which was cumbersome and costly. Additionally, public housing protocol required that a re-certification be completed for each resident when there were adjustments to the utility allowance.

Aligning the utility allowance adjustment process with that of Section 8 allows public housing to adopt the methodology of using HUD's standard calculation, which is based on the type of utility and type of building. As in the Section 8 program, public housing staff will review the utility allowance adjustments annually, with the adjustment going into effect at the resident's next regular review.

**Changes or modifications:** We are not anticipating any changes to this activity.

**MTW authorization:**

Attachment C, Section C(11) –  
Rent Policies and Term Limits

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Agency cost savings (Standard Metric: CE#1)			
Total cost of task	Before implementation, \$8,000 per year	FY2017: \$0	\$0 to complete survey
Staff time savings (Standard Metric: CE#2)			
Total time to complete task	Before implementation, approximately 393 hours	FY2017: 0 hours	0 hours

**MTW Flexibility:**

The standard public housing utility allowance process requires engineering surveys to determine energy consumption, and that a re-certification be completed for each resident when there is a utility allowance adjustment. Our MTW flexibility allows us to align the public housing process with that of Section 8, resulting in agency cost and staff time savings.

## 12 ALTERNATIVE INITIAL HOUSING ASSISTANCE PAYMENT POLICY

Approved FY2015, Implemented FY2015

Multnomah County is experiencing a fiercely competitive rental market, with only a 3% vacancy rate and rapidly rising rents. Housing Choice Voucher (HCV) holders – with extra paperwork and inspection requirements that delay move-in and payment– often find it difficult to compete successfully with unsubsidized renters who can move into a unit and begin payment immediately.

In an effort to improve housing choice for voucher holders and to increase the number of landlords who participate in the program, particularly in low-poverty neighborhoods, Home Forward received approval for this activity to enter into a HAP contract with a landlord with an effective date prior to the initial inspection date. This enables landlords to lease to voucher holders without losing valuable rental income while waiting for an inspection.

Home Forward began piloting this activity in FY2016. We revised the HAP contract to allow for an effective date, prior to the initial inspection, and to include an addendum that informs the landlord of Housing Quality Standard (HQS) unit requirements. Once the unit has passed rent reasonableness and affordability tests, the landlord certifies that they believe the unit will pass an HQS inspection – and if it does not, that the tenant will not be obligated to the lease. At this point, the tenant can move in prior to the inspection. The initial HQS inspection takes place within 15 business days of the effective date of the HAP contract. If the unit does not pass initial inspection, landlords are provided an additional 15 business days to make their repairs. In the event of a life-threatening deficiency, the landlord is given 24 hours to make repairs. Once the unit has passed inspection, initial payments will be remitted and will be retroactive to the HAP contract date. No payments will be made until the unit passes inspection, and the contract will include a provision for Home Forward to back out at any point if the unit does not pass inspection. If a unit does not pass inspection, no payments will be made and tenants will be released of their obligation to the unit.

Home Forward also created a moving assistance fund to assist households in making deposit payments in the event that a landlord fails to make the necessary repairs and the family has to find a new unit. Because of the high quality of rental housing in Multnomah County, we anticipate a low rate of landlords failing re-inspection in this pilot program. In FY2015, 83% of all initial inspections passed on the first inspection and 99% passed re-inspection within 30 days.

Three landlords with large portfolios and strong histories participated in the pilot activity during the second half of FY2016. After full implementation, Home Forward intends to use this alternative policy at its discretion. The alternative policy will not be used:

- If a unit was built prior to 1978 and the family moving in includes a pregnant woman or children under the age of six; or
- If a landlord has a history of subpar units, a poor or non-compliant repair record, or an otherwise questionable history.

**MTW authorization:**

Attachment C, Section D(1)(a) –  
Operational Policies and Procedures

Attachment C, Section B(1) –  
Single Fund Budget with Full Flexibility

**Statutory objective:**

Increase housing choice for low-income families

**Changes or Modifications:**

We are not anticipating any changes to this activity.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
Increase in resident mobility (Standard Metric: HC#5)			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2017: 2,000 households	At least 2,000 households (32%)

**Additional Metrics:**

Improve voucher success rate			
Issued voucher success rate	FY2013: 81.5%	FY2017: 85%	85%
Decrease in lease-up time			
Average number of days for an MTW voucher holder to lease up	FY2013: 51.6 days	FY2017: less than 50 days	Less than 50 days

Home Forward will track this information through our YARDI database system.

**MTW Flexibility:**

This activity allows Home Forward to conduct initial inspections up to 15 days after the effective date of a HAP contract, and make payments effective as of that contract date.

## 14 PROGRAM BASED ASSISTANCE

Approved FY2015, Implemented FY2015

The need for rental assistance in Multnomah County far outstrips the supply. When Home Forward opened the Housing Choice Voucher waiting list in 2012 for the first time in 6 years, over 21,000 households applied for 3,000 waiting list slots.

In an attempt to increase the number of households served over a given period of time, Home Forward has designed Program Based Assistance. This local, non-traditional rent assistance program offers flexible rent assistance, paired with services, to help families access and/or retain stable housing. While the Housing Choice Voucher and public housing programs provide permanent subsidies in order to ensure long-term affordability for low-income families, the focus of Program Based Assistance is helping families achieve stability. These households will likely remain rent-burdened, but with services available to help families address other challenges in their lives, many will be able to avoid homelessness and remain permanently housed.

To administer Program Based Assistance, Home Forward sets aside a pool of flexible rent assistance funds to serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. Target populations for Program Based Assistance are families for whom: 1) success on the Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the voucher waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); or 3) the need for rental subsidy is short term while the client is receiving the support needed to stabilize in permanent housing. Examples of target populations include families who are homeless or at risk of homelessness, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth, survivors of domestic violence, and families with an adult who has recently been released from prison.

Program Based Assistance partners work with Home Forward to set program policies that are specific to the target population they are serving. Home Forward ensures that policies are clear, equitably managed, and in compliance with Fair Housing laws. All programs have common elements which include:

*Uses of Funds:* Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a public housing authority).

**MTW authorization:**

Attachment C, Section B(1) –  
Single Fund Budget with Full Flexibility

Attachment D –  
Use of MTW Funds

**Statutory objective:**

Increase housing choice for low-income families

*Eligibility.* Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

*Subsidy Determination Method.* Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined. These policies must be applied to all participants in that partner’s program.

*Service Requirements.* Home Forward makes these funds available to target populations in partnership with one or more partners who are experts in providing the supports families may need to remain stably housed and move towards a stable, permanent housing situation. Therefore, partner agencies are required to make services available to all families accessing Program Based Assistance. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

Program Based Assistance is a local, non-traditional rental subsidy program. Home Forward will comply with PIH Notice 2011-45 when administering this activity.

**Changes or Modifications:** We are not anticipating any changes to this activity.

**Activity Metrics:**

Metric	Baseline	Benchmark	Final Projected Outcome
<i>Additional Units of Housing Made Available (Standard Metric: HC#1)</i>			
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units	FY2017: 5 units	5 additional units made available through the New Doors project for former foster youth
<i>Increase in Resident Mobility (Standard Metric: HC#5)</i>			
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 18.5%)	Before implementation, 0 households	FY2017: 110 unduplicated households	At least 110 formerly homeless households receive placement services annually

Metric	Baseline	Benchmark	Final Projected Outcome
Households Assisted by Services that Increase Housing Choice (Standard Metric: HC #7)			
Number of households receiving services aimed to increase housing choice	Before implementation, 0 households	FY2017: 400 unduplicated households	300 households receive services annually through Program Based Assistance

Home Forward tracks this information through a combination of our YARDI database system, reporting by partner agencies, and the community's Homeless Management Information System (HMIS) software.

**MTW Flexibility:**

Home Forward uses MTW flexibility to blend program funds into a single budget used to fund Program Based Assistance. This allows Home Forward to administer a form of non-traditional rent assistance that can target households in crisis and help them reach or maintain housing stability.

## Closed Out Activities

Name of Activity	Year Approved	Year Implemented	Year Closed Out	Reason for Close Out
Alternate Rent Calculation for Public Housing Units at Rockwood Station, Martha Washington, and Jeffrey	FY2011	FY2011	FY2012	This activity was discontinued on April 1, 2012 when our current Rent Reform activity was implemented and the units at those buildings shifted to the Rent Reform calculation.
Limits for Zero-Subsidy Participants	FY2010	FY2010	FY2012	This activity was discontinued on April 1, 2012 with the implementation of Rent Reform.
Limiting Portability in Higher Cost Areas	FY2013	Never implemented	--	Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.
04 Bud Clark Commons	FY2010	FY2010	FY2014	Home Forward has determined that operations at Bud Clark Commons do not utilize MTW flexibility.
05 Biennial Inspections	FY2008	FY2008	FY2015	The FY2014 Appropriations Act allows all housing authorities to conduct inspections on a biennial basis. This activity no longer requires MTW flexibility.

# Sources and Uses of Funding

## Sources and Uses of MTW Funds

Due to the timing of Home Forward's annual budget cycle, the forecasts below are only preliminary. Home Forward's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in November and then adoption in December. Thus, these preliminary forecasts are projected months prior to adoption of the budget and often require changes during the budget process. Planned Sources and Uses of MTW funds are based on the prior fiscal year's actual activity with a 2% adjustment for inflation. Proration levels are assumed to be unchanged from the prior fiscal year.

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.		
Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 3,237,000
70600	HUD PHA Operating Grants	78,891,000
70610	Capital Grants	3,799,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	-
71100+72000	Interest Income	131,000
71600	Gain or Loss on Sale of Capital Assets	-
71200+71300+71310+71400+71500	Other Income	2,168,000
<b>70000</b>	<b>Total Revenue</b>	<b>\$ 88,226,000</b>

Estimated Uses of MTW Funding for the Fiscal Year

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 14,070,000
91300+91310+92000	Management Fee Expense	-
91810	Allocated Overhead	2,469,000
92500 (92100+92200+92300+92400)	Total Tenant Services	310,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	1,776,000
93500+93700	Labor	-
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	4,570,000
95000 (95100+95200+95300+95500)	Total Protective Services	59,000
96100 (96110+96120+96130+96140)	Total insurance Premiums	303,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	4,074,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	81,000
97100+97200	Total Extraordinary Maintenance	13,000
97300+97350	Housing Assistance Payments + HAP Portability-In	60,501,000
97400	Depreciation Expense	3,550,000
97500+97600+97700+97800	All Other Expenses	-
<b>90000</b>	<b>Total Expenses*</b>	<b>\$ 91,776,000</b>

\* Excluding Depreciation Expense (a non-cash category), MTW Sources equal MTW Uses.

## Describe the Activities that Will Use Only MTW Single Fund Flexibility

### Replacement Housing Factor Funds

Home Forward's efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward has utilized MTW authority to use these RHF funds within its single fund flexibility to create new public housing units in a mixed-finance project. In doing so, these RHF funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed-finance project, Home Forward will continue to use the RHF funds to repay construction financing. This would be done without formally pledging the future RHF funds to the lender as collateral.

### MTW Initiative Funds

Home Forward has created MTW Initiative Funds. This is a funding source to support initiatives that will advance the goals and objectives of MTW and Home Forward's Strategic Operations Plan, as well as to provide sufficient operating reserves for prudent financial management. Some of these initiatives are aspects of our MTW Activities, described earlier in this Plan.

Listed below are initiatives that only use single-fund flexibility:

- Action for Prosperity/Housing Works: Action for Prosperity is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Stability Initiative case management system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years. Home Forward contributes rent assistance, in the form of Program Based Assistance, which is contracted to agencies in the Stability Initiative case management system who use it to help stabilize families who may choose to participate in training or employment programming.

Additionally, in 2012, our local Workforce Investment Board (WIB) received a \$5.5 million Workforce Innovation Fund grant in partnership with Home Forward and the other local housing authorities and WIBs in the Portland Metro area to pilot a program called Housing Works. This demonstration grant expanded on an existing partnership between Home Forward and the local WIB. Home Forward received \$1.1 million to work with our Workforce Investment Board to serve 270 Home

Forward residents with intensive training and employment services through April of 2016. As part of this grant, Home Forward contributes to the cost of a staff position that is shared between the WIB and Home Forward. This “liaison” provides technical assistance to Home Forward staff as they support clients in navigating the WorkSource system and helps build the partnership between the two organizations.

- Families Forward: Families Forward is the umbrella name for our strategic initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able.
  - For adults, the current priority is to create a single framework for all of the agency’s Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; aligning existing self-sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitating the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Housing Works/Action for Prosperity (mentioned above) into Economic Opportunity work. Ultimately, the goals for this initiative include increases in resident/participant earned income, increases in residents’/participants’ contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.
  - Youth Initiatives: Home Forward’s focus on youth efforts has been twofold: 1) ensuring children enter kindergarten ready to learn and 2) ensuring older youth graduate from high school and enter college or training. Our early childhood efforts are being rolled out in alignment with a countywide initiative focused on kindergarten readiness and the Governor’s early childhood agenda. We conduct significant outreach to connect our families to programs that support the transition into kindergarten and to register for kindergarten in the spring. We have also opened an early childhood center at our newest HOPE VI development.

In December we successfully ended our three-year demonstration project, funded through the Urban Institute, to provide dual-generation programming at two of our HOPE VI sites, focused on achieving academic success for children. The model provided intensive supports to adults to increase economic opportunity and case management for youth via contractors who specialize in youth development. Through this work we saw parents get the support they need to engage more deeply and effectively with their children’s academic and emotional needs, and as a result, academic performance improved and behavioral issues declined. Because the dual-generation model proved to be successful for our families, we pursued and received 3 years of additional local grant funding to continue our work with the youth contractors. We are also pursuing two additional projects with Urban Institute to address unmet needs identified through this demonstration: an early childhood home visiting program focused on maternal mental health

and addressing issues of hunger and food-insecurity with teens.

- Aging at Home Strategies: Home Forward is developing and implementing initiatives to increase independence and a sense of community at our properties that serve seniors and people with disabilities. Priority strategies include:
  - Increased focus on strengthening and expanding the Congregate Housing Service Program in partnership with Impact Northwest, Multnomah County Aging, Disability and Veteran's Services, and Oregon State Department of Human Services
  - Participating in Housing with Services, a systems alignment approach to improving the health outcomes, reducing health care costs, and to promoting community inclusion and self-determination for seniors and people with disabilities living in subsidized housing, which includes Cedar Sinai Park, Care Oregon, Cascadia and other partners.
- Staff Training: To support the Families Forward and Aging at Home initiatives, which are part of Home Forward's Strategic Operations Plan goal to strengthen our relationship with the people we serve, Home Forward is developing a new training program for staff. Training includes understanding the crisis of poverty and provides staff with a basic overview of the components of motivational interviewing, strengths-based case management, and trauma-informed care. The goal is to provide staff with knowledge and tools to better support residents in achieving their goals.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values. Past resident-led projects have included exercise classes, afterschool tutoring, an accessible community garden and the creation of a soccer field and youth sports team.
- Security Deposit Assistance: Home Forward offers security deposit assistance to two populations: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.
- Tenant Education Class and Deposit Assistance: During FY2016, Home Forward entered into a contract with a community-based tenant advocate organization, the Community Alliance of Tenants (CAT), to teach new and transferring HCV voucher holders about their rights and responsibilities as tenants. Upon completing the class, voucher holders are

given one-time access to \$200 in deposit assistance for their housing search. This partnership grew out of concern that in the current competitive rental market, and with the recent changes in Oregon landlord/tenant law, voucher holders needed more education about how to be successful applicants and tenants. At the end of the contract, follow-up data on the class graduates will be analyzed to determine if the class had a positive impact on graduates' housing search and stability after leasing up.

- Inspection Related Moving Fund: As described in Activity 12, Home Forward has created a moving assistance fund to assist households in making deposit payments in the unlikely event that a landlord fails to make necessary repairs to their unit after the initial inspection.
- Inter-jurisdictional Transfer Program for Survivors of Domestic Violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near-lethal. A local domestic violence service provider has assigned two advocates to work on-site with participants in any of Home Forward's permanent subsidy programs. The advocates can recommend participants to this transfer program and provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household for moving costs, for up to five households each year. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies. To date, no funds have been utilized for this transfer program, but the program remains an option for households needing to transfer due to domestic violence.
- Section 8 Success Fund: Home Forward is working with jurisdictional and community partners to explore the creation of a fund that would assist Section 8 voucher holders in reducing barriers to successfully leasing up. Home Forward will use MTW Initiative Funds to contribute to this effort, creating funding for application fee or security deposit assistance, contracts with housing search assistance providers, or other supports that will help our voucher holders find safe and affordable housing in our community.

Expungement Partnership: Home Forward is collaborating with Metropolitan Public Defender (MPD), a non-profit legal firm, to provide clinics to assist Home Forward residents, participants, and waitlist households with criminal record expungements along with consultation on any outstanding obligations to the court system. By reducing a barrier to housing and employment that is associated with a criminal background, Home Forward will help residents gain greater housing choice options in our community and ability for increased opportunity for work focused households to obtain employment. \$52,500 of the MTW Initiative Funds will be dedicated to funding MPD staff at the expungement clinics,

which will be held at various Home Forward properties.

- Affordable Housing Opportunities: With incredibly low vacancy rates and a lack of affordable housing, Home Forward is dedicated to preserving and increasing the number of housing units in our community. Home Forward will use MTW Initiative Funds to leverage additional funding for the preservation of existing affordable housing and development of new affordable housing. By using methods such as site acquisition, predevelopment loans, and gap financing, Home Forward is able to invest in projects to expand the availability of housing that is affordable to families at different income levels in our community.
- Grant shortfalls: A large share of tenant/resident services are funded from grants and foundations. These funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by single-fund flexibility.
- Emergency fund: In the event of an emergency that affects a public housing family's ability to live safely in their unit, Home Forward has created a fund to help the family temporarily find safe housing in a hotel.
- Landlord portal: Home Forward has been defining requirements for a Landlord e-Center which will allow landlords to electronically process a Request for Tenancy Approval, view and schedule inspections, view payment information, and communicate with Home Forward. It is our objective that the time required to lease an apartment or home to a voucher holder will be reduced and the entire process will be more efficient. Home Forward issued a request for proposals this summer and received one proposal. Staff is refining the list of requirements and we are investigating additional potential vendors to help us provide this useful service to landlords.
- MTW Operating Reserve: Home Forward may set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient to fund four months of Operating Expenses plus one month of Housing Assistance Payments.

## Local Asset Management Plan

Is the PHA allocating costs within statute?

	or	No
Yes	or	

Is the PHA implementing a local asset management plan (LAMP)?

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

Has the PHA provided a LAMP in the appendix?

Yes	or	
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**Local Asset Management Plan has been updated to reflect Agency name change, reclassification of certain positions, and minor updates to direct/indirect cost allocations to reflect current practices.**

# Administrative

## Board Resolution



### MEMORANDUM

To: Board of Commissioners

Date: December 15, 2015

From: Melissa Sonsalla, MTW Program Analyst

Subject: FY2017 Moving to Work (MTW) Plan

The Board of Commissioners is requested to authorize staff to submit the 18<sup>th</sup> Year Moving to Work (MTW) Annual Plan to the Department of Housing and Urban Development. This plan corresponds to Home Forward's fiscal year 2017.

### ISSUE

Home Forward's designation as an MTW agency affords us regulatory relief in the administration of Section 8 and Public Housing operating subsidies and capital allocations, as well as the ability to waive certain HUD regulations in favor of locally developed policies and initiatives for the benefit of our residents, participants and the community. All activities that use MTW authority must support at least one of three MTW objectives: (1) reduce costs and increase efficiencies, (2) increase housing choice for low-income families and, (3) provide incentives to families to become economically self-sufficient. Home Forward's current ten year agreement with HUD preserves our MTW designation until 2018.

This year's MTW Plan has been presented to community stakeholders, the Resident Advisory Committee and the Board of Commissioners at a public hearing. All feedback and Home Forward responses are included in the MTW Plan and will be provided to HUD as part of our submission. Home Forward staff will continue to work closely with residents, participants and stakeholders as we refine and examine our existing activities, and as we consider any new activities to propose in future years.



RESOLUTION 15-12-04

RESOLUTION 15-12-04 AUTHORIZES HOME FORWARD STAFF TO SUBMIT THE 18th YEAR ANNUAL MOVING TO WORK PLAN (MTW) TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

WHEREAS, the MTW plan provides Home Forward with the authority to adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

WHEREAS, on November 16, 2015 Home Forward staff met with community partners to review the draft MTW plan; and

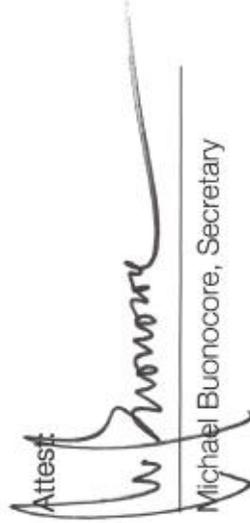
WHEREAS, on November 17, 2015 the Home Forward Board of Commissioners conducted a public hearing on the draft MTW plan; and

WHEREAS, on November 24, 2015 Home Forward staff met with members of the Resident Advisory Committee to review the draft plan; and

WHEREAS, HUD has requested that the Home Forward Board of Commissioners authorize the execution of its Eighteenth-Year MTW Annual Plan,

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of Home Forward that the Chair of the Board of Commissioners is authorized to enter into and execute the Eighteenth-Year Annual MTW Plan with the U.S. Department of Housing and Urban Development.

ADOPTED: DECEMBER 15, 2015

Attest:  
  
\_\_\_\_\_  
Michael Buonocore, Secretary

Home Forward:  
  
\_\_\_\_\_  
David M. Widmark, Chair

Certifications of Compliance

Annual Moving to Work Plan  
Certifications of Compliance

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 4/1/2016, 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 conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.

6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).

20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

21. All attachments to the Plan 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.

Home Forward (Housing Authority of Portland)

PHA Name

OR002

PHA Number/HA Code

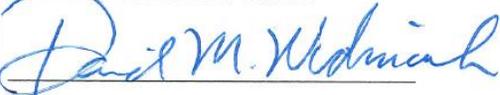
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729,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

David M. Widmark

Name of Authorized Official

Board Chair

Title



Signature

December 15, 2015

Date

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

## Public Review Process

Home Forward has taken the steps below to ensure a thorough public process in the development and adoption of the MTW plan.

November 2, 2015:	Draft MTW Plan posted on Home Forward's website for public comment and input; no comment or input submitted as a result of this posting
November 8 & 15, 2015:	Public notice published in the Oregonian announcing the public hearing on November 17, 2015; text and Affidavit of Publication included in the following pages
November 16, 2015:	Community stakeholder meeting held at Home Forward (135 SW Ash Street, Portland, OR 97204); twelve people in attendance; comments included below
November 17, 2015:	Public hearing / Board meeting held at Multnomah County Building (501 SE Hawthorne Blvd, Portland, OR); one comment submitted in writing and attached below
November 24, 2015:	Presentation to Home Forward's Resident Advisory Committee
December 15, 2015:	Approval by Board of Commissioners

## Public Comments

Question: In the face of rising rents across Multnomah County, what is the impact on individual voucher holders? How are rent increases affecting people?

*Response: Since the voucher program is a market-based program, there's not necessarily a lot that Home Forward can do to protect tenants against rising market rents. With increases in contract rents, we see higher shelter burdens. In the tenant-based voucher program, 15.8% of voucher holders (excluding those who are over housed or zero-income) are paying more than 50% of their income towards rent and utilities. In the project-based voucher program, that number is much lower – only 1.2% of voucher holders are paying more than 50% of their income towards rent and utilities. This is mostly due to our MTW activity that allows us to cap project-based voucher rents at the payment standard minus utilities.*

Question: Does the annual schedule for contract renewals in the project-based voucher program contribute to lower shelter burdens for those voucher holders?

*Response: Perhaps. Again, we believe the lower average shelter burden for project-based voucher holders is mostly due to our cap on the contract rents, which can be no higher than the payment standard minus utilities.*

Question: When a tenant receives an increase in their contract rent, are they automatically updated to the most current payment standard?

*Response: Currently, no. When a voucher holder receives an increase in their contract rent, we approve the increase through an interim review. Per standard HUD regulations, we only apply payment standard updates at regular recertifications, not reviews. This year's modification to Activity 13: Broaden Range of Payment Standards will give us the ability to also apply payment standard updates at interim reviews. Staff are currently analyzing which interim reviews would call for an automatic update to the payment standard, and the corresponding impacts on Home Forward's ability to serve more households.*

Comment: I would like to recommend that when a household receives an increase in their contract rent, they automatically are processed with an updated payment standard.

Comment: I would like to compliment Home Forward staff on their efforts to keep up with the rising market rents, and keep providing housing for vulnerable populations in the face of such barriers.

Letter received from Tom Cusack, Oregon Housing Blog

**Comments on MTW Draft Plan FY 2016  
Tom Cusack, Oregon Housing Blog**

I was fortunate to work for HUD for 34 years, with 27 of those years in Portland. After I retired I started the [Oregon Housing Blog](#) and do posts on a wide variety of housing related subjects.

I compliment the Board and the staff for all the fine work done over the years at Home Forward. I'm a big fan.

I was around when MTW started and am wonkish enough to have read several MTW plans and reports over the years. I want to thank the Board and staff for the multiple opportunities to review and comment on the MTW PLAN for this year.

We've had unprecedented increases in market rents in Portland in the last few years resulting in the recent declaration of a state of renter emergency.

The HUD voucher program is the largest program in Oregon and Multnomah County to address the needs of low income renters, and Home Forward is the largest voucher provider and a leader in adopting reforms under their MTW authority. It is not an overstatement to say that the voucher program is a lifeline for women heads of households, minorities, seniors, and persons with disabilities.

In reviewing the MTW plan this year I looked more closely at the impact that rent reform may be having on rental housing burdens, an often used measure of housing affordability that is included in the Portland Consolidated Plan that guides CDBG and HOME spending.

**Significant Differences in Rent Burdens for the Tenant Based and Project Based Voucher Programs**

County wide HUD [needs data](#) included in the current Portland HUD Consolidated Plan shows that among renters below 50% of Median Family Income **51% pay 50% or more** for rent and only **20% pay 30% or less**.

I took Home Forward data provided at the community partners meeting *[Table and graph attached has all the data used in my analysis]* and **after excluding** overhoused and zero income households, Home Forward has rent burden data for 5,306 households, 70% of them in the tenant based voucher program.

The data reveals **significant differences** in the rent burdens of tenant based voucher holders and those who are assisted via project based vouchers:

Share of Voucher Tenants with Rent Burdens Indicated		
Metric	Tenant Based Vouchers	Project Based Vouchers
Tenant Rent Paid is 30% or Less of Income	20.6%	83.7%
Tenant Rent Paid is 50% or More of Income	24.8%	1.4%

So, for Home Forward voucher holders:

- If you have a Project based voucher, it is 4 times more likely that you will pay **30% or LESS** for your rent vs a Tenant Based voucher.
- If you have a Tenant based voucher, it is 17.3 times more likely that you will pay **50% or more** for your rent vs a project based voucher.

### **Policy Questions and A Suggestion for MTW Placeholder.**

1. What policies are causing differences in rent burdens between the tenant based and project based voucher program?
2. Is there disparate impact for any protected group using tenant based vouchers and if so how can it be mitigated?
3. What are the costs and trade offs of adopting policies to reduce rent burdens in the tenant based voucher program? How many fewer families will be served if rent burdens are reduced?

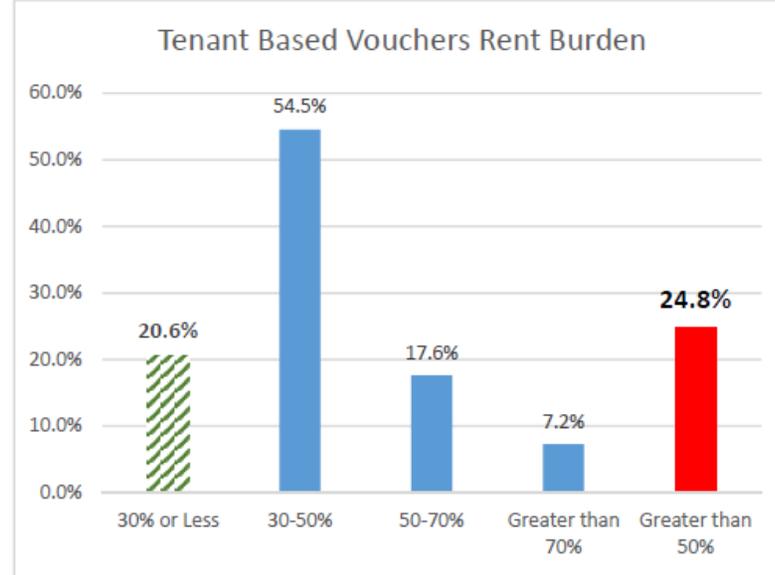
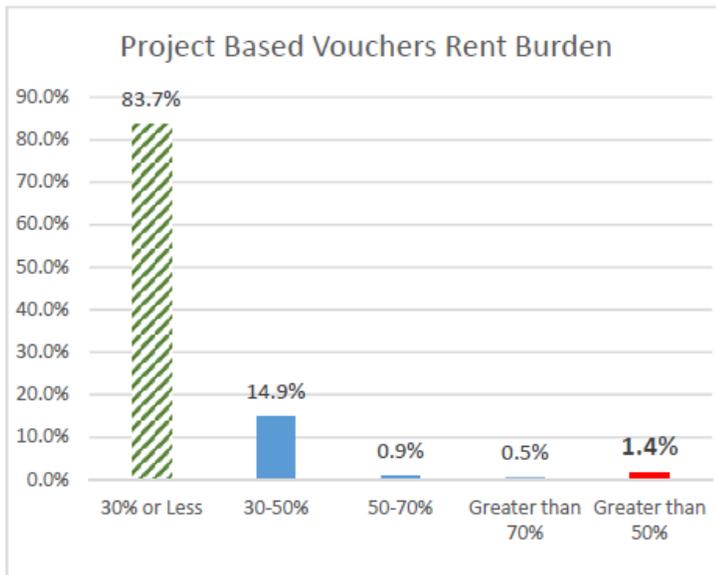
### **Placeholder Suggestion for MTW Plan**

To address these issues I would suggest a placeholder in the MTW document (most likely in the rent reform section) that reads something like.

***“During the year Home Forward will assess the rent burdens of voucher holders in both the tenant based and project based voucher programs***

- ***To increase transparency of rent burden data.***
- ***To determine if there are disparate impacts on protected classes in the higher rent burdens experienced by tenant based voucher holders.***
- ***To examine the policy tradeoffs that reduction in rent burdens might require, including reduction in the number of families served.***

Home Forward MTW Plan Voucher Rent Burden Data									
Rent Burdens	Project Based Vouchers			Tenant Based Vouchers			All Vouchers		
	Count	% of Total	% of Total SUBTRACTING Overhoused and Zero Income	Count	% of Total	% of Total SUBTRACTING Overhoused and Zero Income	Count	% of Total	% of Total SUBTRACTING Overhoused and Zero Income
Overhoused	51	2.7%		1,903	32.8%		1,954	25.3%	
Zero Income	261	13.6%		196	3.4%		457	5.9%	
30% or Less	1,343	70.1%	83.7%	764	13.2%	20.6%	2,107	27.3%	39.7%
30-50%	239	12.5%	14.9%	2,018	34.8%	54.5%	2,257	29.2%	42.5%
50-70%	15	0.8%	0.9%	651	11.2%	17.6%	666	8.6%	12.6%
Greater than 70%	8	0.4%	0.5%	268	4.6%	7.2%	276	3.6%	5.2%
Greater than 50%	23	1.2%	1.4%	919	15.8%	24.8%	942	12.2%	17.8%
Total	1,917			5,800			7,717		
Total LESS Overhoused and Zero Income	1,605			3,701			5,306		



Oregonian Public Notice

PUBLIC HEARING

Home Forward (formerly the Housing Authority of Portland) will hold a public hearing on Tuesday, November 17, 2015 @ 6:15 pm at the Multnomah County Building, 501 SE Hawthorne Blvd, Portland, OR. The purpose of this meeting is to inform and seek input from the public, including current and potential residents / participants, concerning initiatives that Home Forward is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). Home Forward's proposed initiatives are outlined in the "Draft FY2017 MTW Annual Plan." The draft plan is available for viewing on Home Forward's website:

<http://www.homeforward.org/home-forward/moving-to-work>

Federal regulations under MTW authority emphasize cost-efficiency, resident self-sufficiency and increased housing choices.

# OREGONIAN MEDIA GROUP

1515 SW 5th, Suite 1000, Portland, OR 97201-5615

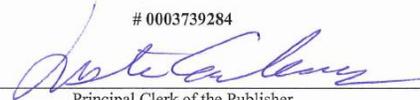
Affidavit of Publication

I, **Justin Eubanks**, being first duly sworn depose and say that I am the Principal Clerk of The Publisher of **The Oregonian**, a newspaper of general circulation, published at **Portland, in Multnomah County**, Oregon; that I know from my personal knowledge that the advertisement, a printed copy of which is hereto annexed, was published in the **entire** issue of the said newspaper in the following issues:

November 8, 2015

Home Forward

# 0003739284



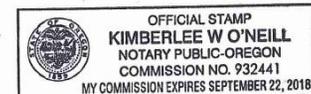
Principal Clerk of the Publisher

Subscribed and sworn to before me this date: **8th Day of December, 2015**



Notary Public for Oregon

My Commission expires 9-22-18



## Agency-Directed Evaluations

As mentioned in the section on Single-Fund Flexibility Activities, Home Forward is participating in Housing Works: A Regional Workforce-Housing Alliance, which was awarded a Workforce Innovation Fund grant in 2012 by the US Department of Labor. A full evaluation is a required element of the grant. Home Forward is contributing Moving to Work Initiative Funds to the program in the form of staff time, as well as co-funding the cost of the liaison position.

The partnership behind the program consists of a consortium of workforce investment boards and public housing authorities across Multnomah, Washington, and Clackamas counties in Oregon, and Clark County in Washington. The lessons learned from various prior regional workforce development efforts have been applied in building the model for this program. The current program brings to scale a pilot that Home Forward and Worksystems, Inc. tested several years ago with funds from the Paul G. Allen Family Foundation and expands the geographic span of activities, increasing the number of housing authority residents and industries served, and aligning the formula funding from the lead agencies.

Housing Works is designed to provide residents the opportunity to enhance their skills in order to gain and retain employment in high-demand industries and to increase their employment income. Participants access case management and supports across each stage of the program: career and resource planning; skill development and occupational skills training; job preparation and soft skills development; job attachment services; and employment retention services. This multi-faceted program is also crafted to create system changes in the workforce investment boards and housing authorities by aligning policies and encouraging the co-investment of resources. The approach to workforce development in this model is substantially altered to incorporate a role for housing authorities as case managers and coaches to assist participants in navigating the array of workforce services and supports. The essential components of this model that speak to systems change consist of growing organizational capacity to more fully align resources and policy; co-investment of resources; and unified service delivery that is seamless to participants.

The design and implementation of the Housing Works program evaluation is being led by Public Policy Associates, Inc. The evaluation design was crafted in partnership with the Housing Works leadership, and the implementation of the evaluation is being conducted in close collaboration with Housing Works staff and partners. The evaluation design is two-pronged, including both an implementation study and an impact study. The evaluation team is monitoring the progress being made toward the overarching goals of the program, offering feedback on the fidelity of program implementation, and assessing indications of systems change, the results of service delivery on participants, and the cost efficiency of the program approach. The evaluation is a rigorous quasi-experimental evaluation designed to assess the impacts to program participants. The purpose of the evaluation is to determine the extent to which the implementation study and the impact study achieved their goals, but also why and how those results were achieved and how they are valued by stakeholders.

The grant was extended through April of 2016, thus extending the evaluation period through the end of 2016. Two interim reports have been published to date, and the final evaluation will be completed in 2017.

Annual Statement/Performance and Evaluation Report

Annual Statement/Performance and Evaluation Report  
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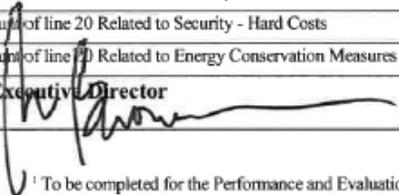
U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2014

<b>Part I: Summary</b>					
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250112 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2012 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,437,796.00			
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

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U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>						
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250112 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2012 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:        ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report						
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>		
		Original	Revised <sup>2</sup>	Obligated	Expended	
18a	1501 Collateralization or Debt Service paid by the PHA					
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1502 Contingency (may not exceed 8% of line 20)					
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,437,796.00				
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
Signature of Executive Director		Date		Signature of Public Housing Director		
						

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part II: Supporting Pages</b>								
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250112 CFFP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2012			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
OR 2 – PHA Wide	20% Allowance to support operations			687,559.20			687,559.20	FY16 Actuals
OR 2 – 064	Madrona Place		45					
	Plumbing Repairs	1492		0	100,000.00		100,000.00	FY16 Actuals
OR 2 – 064	Madrona Place		45					
	Crawlspace and Waste Piping	1492		0	250,000.00		168,738.49	FY16 Actuals
OR 2 – 111	Dekum Court		40					FY17 MTW Plan
	Comprehensive Rehab	1492		1,851.74	2,621.62		2,621.62	FY16 Actuals
OR 2 – 111	Dekum Court		40					
	Sewer Repair	1492		0	47,396.00		4,895.00	FY16 Actuals
OR 2 – 113	Tamarack		120					
	Carport Emergency Repair	1492		0	1,541.42		1,541.42	FY16 Actuals
OR 2 – 113	Tamarack		120					
	Staircase Repair	1492		489,714.00	30,176.13		30,176.13	FY16 Actuals
OR 2 – 113	Tamarack		120					
	Roof & Ventilation	1492		0	25,707.57		25,707.57	FY16 Actuals
OR 2 – 113	Tamarack		120					
	Mold Remediation	1492		1,848.52	15,000.00		1,848.52	FY16 Actuals
OR 2 – 114	Dahlke Manor		115					
	Entry System Replacement	1492		0	12,365.00		12,365.00	FY16 Actuals
OR 2 - 115	Holgate House		80					
	Door Entry System	1492		49,860.66	22,727.00		22,727.00	FY16 Actuals
OR 2 - 115	Holgate House		80					
	Exterior Sealing Project	1492		322,336.80	85,424.08		85,424.08	FY16 Actuals

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.

<b>Part II: Supporting Pages</b>								
PHA Name: PHA Name: Home Forward formerly known as Housing Authority of Portland			Grant Type and Number Capital Fund Program Grant No: OR 16P00250112 CFFP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2012		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
OR 2 - 117	Schrunk Tower		118					
	Fencing Replacement	1492		0	437.13		437.13	FY16 Actuals
OR 2 - 118	Williams Plaza		101					
	Exterior Sealing Repairs	1492		138,070.15	147,143.59		147,243.59	FY16 Actuals
OR 2 - 118	Williams Plaza		101					
	Water Leak	1492		92,500.00	26,007.59		26,007.59	FY16 Actuals
OR 2 - 124	Lexington Court		20					
	Security Cameras	1492		0	50,000.00		23,536.52	FY16 Actuals
OR 2 - 125	Eastwood Court		32					FY17 MTW Plan
	Security Cameras	1492		0	58,491.00		58,490.94	FY16 Actuals
OR 2 - 126	Carlton Court		24					
	Siding Repairs	1492		0	54.60		54.60	FY16 Actuals
OR 2 - 139	Medallion Apartments		90					
	Water Intrusion	1492		350,000.00	150,000.00		38,092.40	FY16 Actuals
OR 2 - 203	Maple Mallory		48					FY17 MTW Plan
	Sewer Repairs	1492		0	44.54		44.54	FY16 Actuals
OR 2 - PHA Wide	PH Portfolio							
	Waste Containers	1492		0	15,300.00		15,300.00	FY16 Actuals
Blended Component Unit	Gallagher Plaza - 85 Stories Group 1 Preservation Initiative / Rehab			687,559.25	339,816.40		339,816.40	FY16 Actuals
Blended Component Unit	Hollywood East - 85 Stories Group 2 Preservation Initiative / Rehab			687,559.25	313,110.58		313,110.58	FY16 Actuals
Blended Component Unit	Northwest Tower - 85 Stories Group 1 Preservation Initiative / Rehab			687,559.25	275,738.70		275,738.70	FY16 Actuals

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.





Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
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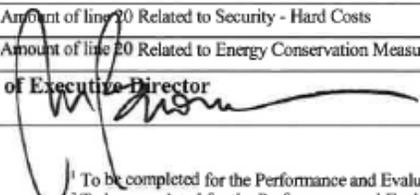
U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2014

<b>Part I: Summary</b>					
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250113 Replacement Housing Factor Grant No: Date of CFFP:			FFY of Grant: 2013 FFY of Grant Approval:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,305,451.25			
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

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U.S. Department of Housing and Urban Development  
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 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>					
<b>PHA Name:</b> Home Forward formerly known as Housing Authority of Portland		<b>Grant Type and Number</b> Capital Fund Program Grant No: OR 16P00250113 Replacement Housing Factor Grant No: Date of CFFP:		<b>FFY of Grant: 2013</b> <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:        ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	186,469.75			
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,491,921.00			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
<b>Signature of Executive Director</b>		<b>Date</b>		<b>Signature of Public Housing Director</b>	
					

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
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<b>Part II: Supporting Pages</b>								
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250113 CFFP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2013			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
OR 2 – PHA Wide	20% Allowance to support operations			698,384.00	523,788.00		523,788.00	FY16 MTW Plan
OR 2 – PHA Wide	PH Portfolio							
	Capital Needs Assessments	1492		0	200,986.05		0	FY17 MTW Plan
OR 2 – 138	Eliot Square		30					
	Exterior Brick Repair & Flashing	1492		0	174,912.00		0	FY17 MTW Plan
OR 2 – 203	Maple Mallory		48					
	Exterior Brick Repair & Flashing	1492		0	125,000.00		0	FY17 MTW Plan
OR 2 – 142	Celilo Court		28					
	Comprehensive Rehab	1492		0	500,000.00		0	FY17 MTW Plan
OR 2 – 152	Harold Lee Village		10					
	Comprehensive Rehab	1492		0	461,533.11		0	FY17 MTW Plan
OR 2 – PHA Wide	RAD Conversion	1492		0	160,000.00		0	FY17 MTW Plan
Blended Component Unit	Gallagher Plaza - 85 Stories Group 1 Preservation Initiative / Rehab			433,964.00	289,808.02		0	FY17 MTW Plan
Blended Component Unit	Hollywood East - 85 Stories Group 2 Preservation Initiative / Rehab			433,964.00	289,808.02		0	FY17 MTW Plan
Blended Component Unit	Northwest Tower - 85 Stories Group 1 Preservation Initiative / Rehab			433,964.00	289,808.02		0	FY17 MTW Plan
Blended Component Unit	Sellwood Center - 85 Stories Group 2 Preservation Initiative / Rehab			433,964.00	289,808.03		0	FY17 MTW Plan
OR 2 –	Debt Service – OR002D001B	9000		514,540.75	186,469.75		186,469.75	FY16 MTW Plan

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.



Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
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U.S. Department of Housing and Urban Development  
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 Expires 3/31/2014

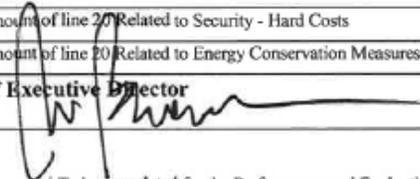
<b>Part I: Summary</b>					
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250114 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2014 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,128,365.75			
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
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U.S. Department of Housing and Urban Development  
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 OMB No. 2577-0226  
**Expires 4/30/2011**

<b>Part I: Summary</b>					
<b>PHA Name:</b> Home Forward formerly known as Housing Authority of Portland		<b>Grant Type and Number</b> Capital Fund Program Grant No: OR 16P00250114 Replacement Housing Factor Grant No: Date of CFFP:		<b>FFY of Grant:</b> 2014 <b>FFY of Grant Approval:</b>	
<b>Type of Grant</b> <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:     )					
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	360,894.25			
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,489,260.00			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director 		Date	Signature of Public Housing Director		Date

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part II: Supporting Pages</b>								
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250114 CFPP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2014			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
OR 2 – PHA Wide	20% Allowance to support operations			697,852.00			305,310.25	FY16 Actuals FY17 MTW Plan
OR 2 – 152	Harold Lee Village Comprehensive Rehab	1492	10	0	38,466.89		0	FY17 MTW Plan
OR 2 – 142	Powellhurst Woods Comprehensive Rehab	1492	34	0	500,000.00		0	FY17 MTW Plan
OR 2 - 113	Tamarack Emergency Repair	1492	120	0	40,000.00		0	FY17 MTW Plan
OR 2 - 121	Fir Acres Security Cameras	1492	32	0	50,000.00		0	FY17 MTW Plan
OR 2 - 123	Stark Manor Security Cameras	1492	30	0	37,241.73		0	FY17 MTW Plan
OR 2 – PHA Wide	Exterior Building Painting	1492		0	200,000.00		0	FY17 MTW Plan
OR 2 –	Debt Service – OR002D001B	9000		522,384.25	360,894.25		360,894.25	FY16 Actuals
Blended Component Unit	Gallagher Plaza - 85 Stories Group 1 Preservation Initiative / Rehab			0	224,103.57		0	FY17 MTW Plan
Blended Component Unit	Hollywood East - 85 Stories Group 2 Preservation Initiative / Rehab			0	412,332.04		0	FY17 MTW Plan
Blended Component Unit	Northwest Tower - 85 Stories Group 1 Preservation Initiative / Rehab			0	512,633.79		0	FY17 MTW Plan
Blended Component Unit	Sellwood Center - 85 Stories Group 2 Preservation Initiative / Rehab			0	415,735.73		0	FY17 MTW Plan

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.



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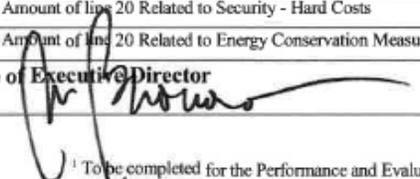
U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2014

<b>Part I: Summary</b>					
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250115 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2015 FFY of Grant Approval:	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no: ) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016 <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	3,310,117.00			
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

<b>Part I: Summary</b>				FFY of Grant: 2015	
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250115 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant Approval:	
Type of Grant					
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 3/2016		<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost <sup>1</sup>	
		Original	Revised <sup>2</sup>	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment	361,203.00			
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	3,671,320.00			
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date		Signature of Public Housing Director	
					

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

<b>Part II: Supporting Pages</b>								
PHA Name: Home Forward formerly known as Housing Authority of Portland		Grant Type and Number Capital Fund Program Grant No: OR 16P00250114 CFFP (Yes/ No): Replacement Housing Factor Grant No:			Federal FFY of Grant: 2015			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>	
OR 2 – PHA Wide	20% Allowance to support operations			734,264.00			0	FY17 MTW Plan
OR 2 - 123	Stark Manor		30					
	Security Cameras	1492		0	12,758.27		0	FY17 MTW Plan
OR 2 – PHA Wide	Discretionary Funds	1492			150,000.00		0	FY17 MTW Plan
OR 2 – PHA Wide	Unidentified Future Projects	1492			1,472,917.53		0	FY17 MTW Plan
OR 2 –	Debt Service – OR002D001B	9000		0	361,203.00		0	FY17 MTW Plan
Blended Component Unit	Gallagher Plaza - 85 Stories Group 1 Preservation Initiative / Rehab			0	235,044.30		0	FY17 MTW Plan
Blended Component Unit	Hollywood East - 85 Stories Group 2 Preservation Initiative / Rehab			0	235,044.30		0	FY17 MTW Plan
Blended Component Unit	Northwest Tower - 85 Stories Group 1 Preservation Initiative / Rehab			0	235,044.30		0	FY17 MTW Plan
Blended Component Unit	Sellwood Center - 85 Stories Group 2 Preservation Initiative / Rehab			0	235,044.30		0	FY17 MTW Plan

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.



# Appendix

## Local Asset Management Plan

### Home Forward Asset Management Program

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement allows Home Forward to develop a local asset management program for its Public Housing Program. The following describes Home Forward's asset management program and identifies where differences exist from HUD's asset management guidance.

#### Home Forward's Local Asset Management Program

Home Forward has operated a property/project-based management, budgeting, accounting, and reporting system for the past five years. Our project-based management systems include:

- Annual budgets are developed by on-site property managers. These budgets are reviewed and further consolidated into portfolio level budgets managed by housing program managers
- Budgets at the property level are provided an allocation of public housing operating subsidy based on factors which differentiate subsidy based on building age, type, size, and relative poverty of the population of the various public housing properties.
- Weekly monitoring of occupancy by property, including notices, vacancies, and applicants, is published to the Public Housing management and Executive management.
- Monthly property-based financial reports comparing month-to date and year-to-date actual to budget performance for the current year are provided to site managers, portfolio managers, and the Director of Property Management. These reports are available to other management staff as needed to monitor specific properties.
  - Monthly reviews are held at the property level with Site Managers and their portfolio management.
  - Quarterly reviews of the Public Housing portfolio in its entirety are held at the division level with Property Management Director and Assistant Directors, as well as the Deputy Director and Chief Financial Officer. This review covers each property Net Operating Income and Cash Flow.
- Home Forward applies the same project/program based budgeting system and financial performance review to its Housing Choice Voucher program, local MTW programs, and non-federal programs and properties.

### Home Forward's Cost Objectives

OMB Circular A-87 defines cost objective as follows: Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. The Cost Objectives for Home Forward's asset management program are the organizational subdivisions:

- Public Housing properties - includes resident services and management staff directly supporting this program
- Rent Assistance programs - includes management staff directly supporting this program and Family Self Sufficiency staff (including those supporting Public Housing residents)
- Moving to Work - includes activities related to our MTW agreement and local programs
- Affordable Housing
- Development

### Home Forward's Treatment of Certain Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Home Forward has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

- CORE Maintenance: Home Forward is committed to a cost effective approach to managing our public housing assets. As such, Home Forward has developed a balance of on-site capacity to perform property manager functions and basic maintenance/handyperson services, with more skilled services performed by a centralized group of trades and specialty staff (CORE maintenance). CORE maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.
- Procurement: Home Forward has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under \$5,000. Purchases greater than this limit require engaging central procurement. The Procurement staff is well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of Home Forward's indirect overhead allocation.
- Human Resources: Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward's Human Resources department serves the entire agency and certain human resource activities that HUD would consider a direct cost, such as recruitment and pre-employment drug testing and

screening, are centralized and are part of Home Forward's indirect overhead allocation. Home Forward has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.

- Information Technology: Hardware and software costs will be directly charged to the appropriate cost objective when such costs are available and specific to that cost objective. When a reasonable measurement of such IT costs can be obtained, an allocation based on the number of users (computers, software applications, etc.) will be utilized to directly charge the cost objective.
- Resident Services: A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by Home Forward's public housing properties and housing choice voucher program.
- Rent: Home Forward charges rent to each cost objective based on the space they occupy in our central office building. Rent is based on estimated costs and adjusted for actual costs at year-end.

#### **Home Forward's Treatment of Public Housing Operating Subsidy**

Home Forward's flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. Home Forward will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and preserve our low income housing assets and local programs.

#### **Home Forward's Indirect Cost Allocations**

Costs that can specifically and efficiently be identified to a cost objective are counted as direct costs to that objective. Costs that cannot be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. The *Home Forward Allocation Process – Process Flow Diagram* shown at the end of this policy is a graphic representation of Home Forward's allocation methodology. Home Forward has determined that some costs, defined as "direct costs" by HUD for asset management, require effort disproportionate to the results achieved and have included those costs as part of the indirect cost pool allocated to cost objectives as overhead.

#### ***Home Forward Indirect Costs***

OMB Circular A-87 defines indirect costs as those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Home Forward's indirect costs include, but are not limited to:

- Executive
- Policy & Planning
- Accounting & Finance
- Purchasing

- Human Resources, including job applicant screening, payroll, labor negotiations & organization wide training
- Information Technology: costs not specifically identified and charged as a direct expense to a cost objective

**Differences – HUD Asset Management vs. Home Forward Local Asset Management Program**

Home Forward is required to describe in the MTW Annual Plan differences between our asset management program and HUD’s asset management program as described in HUD’s Financial Management Guidebook. Below are several key differences:

- HUD’s asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD’s asset management system which includes all of Home Forward’s cost objectives listed above.
- Home Forward has defined the treatment of direct and indirect costs differently than HUD’s asset management program. From the agency perspective, we view the program operations management as direct costs of the program.
- These differences include, but are not limited to:
  - HUD Indirect/Home Forward Direct:
    - Portfolio and program (“regional”) management, including hiring, supervision and termination of frontline staff is considered a direct cost. These costs are pooled and then allocated to each property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.
    - Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.
    - Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
    - Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
  - HUD Direct/Home Forward Indirect:
    - Advertising for new hires will be considered indirect and allocated to the program and properties.
    - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
  - Other:
    - Using MTW authority to improve efficiencies across programs, all staff associated with the Family Self Sufficiency program, regardless of serving public housing or housing choice voucher residents, will be considered a direct cost of the housing choice voucher program and managed by the HCV management.

- Preparation and submission of HCV and public housing program budgets, financial reports, etc. to HUD and others will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
- Investment and reporting on HCV proceeds will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
- HUD's rules limit the transfer of cash flow between projects, programs, and business activities. Home Forward intends to fully use its MTW resources and flexibility to move project cash flow among projects as locally determined and use MTW funding flexibility to provide additional funding to public housing properties when appropriate and necessary to provide for and preserve our public housing assets.
- HUD's rules provide that maintenance staff be maintained at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation work.
- HUD's rules provide that purchasing is performed at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central purchasing, depending on the total cost of procurement and complexity of applicable procurement laws and reporting requirements.
- HUD intends certain property management activities to be at the property level. Home Forward has centralized selected property management functions, including but not limited to denial hearings, occupancy management, transfers, reasonable accommodations, auditing, training, compliance, and some waitlist management, and will allocate these costs as a direct expense to the properties based on a relevant metric such as units.
- Home Forward employs its own development staff. Any work on Public Housing Capital projects will be subject to a cost recovery fee paid from the capital fund to cover costs of development staff engaged in such capital projects.

### ***Balance sheet accounts***

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

- Cash
- Restricted Cash
- Petty Cash
- Investments
- Selected Prepaid Expenses and Deferred Charges
- Selected Accrued Liabilities

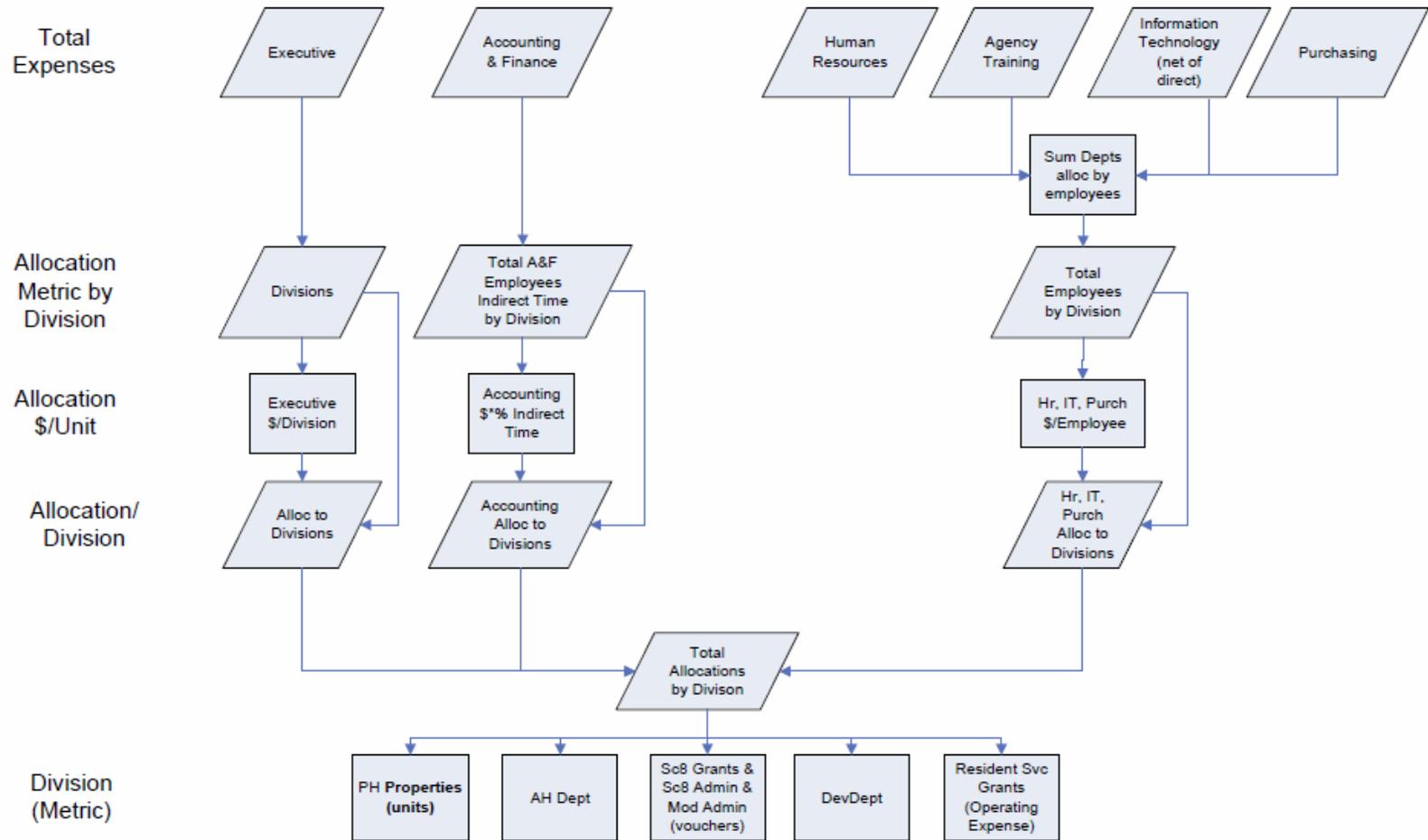
- Payroll Liabilities
- Compensated Absences
- Other Post Employment Benefits (OPEB) Liability
- Unrestricted and Restricted Net Assets

Home Forward's asset management program will maintain the above balance sheet accounts centrally. Maintaining these accounts centrally has proven to be the most cost effective and least labor intensive method ensuring efficient accounting operations and ultimately reducing costs charged to the programs. This deviates from HUD's asset management requirements as these accounts will not be reported at the AMP or program. Additionally, the centralization of cash and investments is in keeping with the single fund precept of our MTW authority. For those balance sheet accounts that are originated from expense entries, the related expenses will continue to be reported as an expense to the appropriate program, department and AMP-based income and expense statement through direct charges or allocations.

The agency is continually reviewing our asset management practices and will likely revise our approach over the coming years.

# Home Forward Allocation Process

## Process Flow Diagram



# Amendment 1 to FY2017 MTW Plan

Home Forward has added the following to the Overview of Non-MTW Activities (beginning on page12):

## RAD AMENDMENT

In May 2015 Home Forward submitted six Rental Assistance Demonstration (RAD) applications for six properties, with a total of 285 public housing units. We received six initial Commitments to enter into a Housing Assistance Payment (CHAPs) in September 2015, with amended CHAPS issued in March 2016. As a result, Home Forward will be converting these public housing units to project-based vouchers.

Home Forward is amending its FY2017 MTW Plan because it was a successful applicant in RAD. As a result, Home Forward will be converting to project-based vouchers under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices. Upon conversion to project-based vouchers, Home Forward will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-2; and Joint Housing PIH Notice H-2014-09/PHI-2014-17. These resident rights, participation, waiting list and grievance procedures are appended to this attachment. Additionally, Home Forward certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing Housing Authorities access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, Home Forward's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that Home Forward may also borrow funds to address their capital needs. Project-based voucher subsidy is sized to replace the reduction in Capital Funds and operating subsidy lost from the RAD conversions. Home Forward currently has debt under the Capital Fund Financing Program and will be working with Wells Fargo to address outstanding debt issues, which may result in additional reductions of capital funds. Regardless of any funding changes that may occur as a result of conversion under RAD, Home Forward certifies that it will maintain its continued service level.

Below please find specific information related to the public housing developments selected for RAD.

Public Housing Developments selected for RAD

Development #1

<b>Development Name</b>	Rockwood Station										
<b>PIC Development ID #</b>	OR002000060										
Conversion Type	Project-based vouchers										
Total Current Units	25	Total Post-RAD Units	25								
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family								
Capital Fund Allocation	\$20,000.00										
Pre-Conversion Bedroom Type	25 Two-bedroom units	Post-Conversion Bedroom Type	15 Two-bedroom units 6 Three-bedroom units 4 Four bedroom units								
Transfer of Assistance	<p>Units to be transferred to Sequoia Square and Schiller Way subject to HUD approval, otherwise units will be converted in place with post-conversion bedroom type remaining as 25 two-bedroom units. No change in unit count (25) or the type of units (family). The bedroom distribution of units in the new buildings is as follows if transfer of assistance is approved:</p> <table border="0"> <tr> <td><u>Sequoia Square</u></td> <td><u>Schiller Way</u></td> </tr> <tr> <td>9 Two-bedroom units</td> <td>6 Two-bedroom units</td> </tr> <tr> <td>2 Three-bedroom units</td> <td>4 Three-bedroom units</td> </tr> <tr> <td>2 Four-bedroom units</td> <td>2 Four-bedroom units</td> </tr> </table>			<u>Sequoia Square</u>	<u>Schiller Way</u>	9 Two-bedroom units	6 Two-bedroom units	2 Three-bedroom units	4 Three-bedroom units	2 Four-bedroom units	2 Four-bedroom units
<u>Sequoia Square</u>	<u>Schiller Way</u>										
9 Two-bedroom units	6 Two-bedroom units										
2 Three-bedroom units	4 Three-bedroom units										
2 Four-bedroom units	2 Four-bedroom units										
De Minimis Reduction	None										
Transfer of Waiting List	<p>Upon conversion to RAD, applicants on Home Forward’s public housing site-based waiting list for Rockwood Station will be moved onto a Home Forward project based voucher site-based waiting list for Rockwood Station. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Rockwood Station.</p>										
Other Information	CHAP awarded										

## Development #2

<b>Development Name</b>	<b>The Jeffrey</b>		
<b>PIC Development ID #</b>	<b>OR002000061</b>		
Conversion Type	Project-based vouchers		
Total Current Units	20	Total Post-RAD Units	20
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$20,000.00		
Pre-Conversion Bedroom Type	20 Studio units	Post-Conversion Bedroom Type	20 Studio Units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for The Jeffrey will be moved onto a Home Forward project based voucher site-based waiting list for The Jeffrey. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for The Jeffrey.		
Other Information	CHAP awarded		

## Development #3

<b>Development Name</b>	<b>Martha Washington</b>		
<b>PIC Development ID #</b>	<b>OR002000062</b>		
Conversion Type	Project-based vouchers		
Total Current Units	25	Total Post-RAD Units	25
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$20,000.00		
Pre-Conversion Bedroom Type	25 Studio units	Post-Conversion Bedroom Type	25 Studio units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for the Martha Washington will be moved onto a Home Forward project based voucher site-based waiting list for the Martha Washington.		

Washington. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for the Martha Washington.

Other Information CHAP awarded

#### Development #4

<b>Development Name</b>	<b>Bud Clark Commons</b>		
<b>PIC Development ID #</b>	<b>OR002000063</b>		
Conversion Type	Project-based vouchers		
Total Current Units	130	Total Post-RAD Units	130
Pre-RAD Unit Type	Formerly homeless	Post-RAD Unit Type	Formerly homeless
Capital Fund Allocation	\$20,000.00		
Pre-Conversion Bedroom Type	130 Studio units	Post-Conversion Bedroom Type	130 Studio units
Transfer of Assistance	None		
De Minimis Reduction	None		
Unit Reconfiguration	None		
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for the Bud Clark Commons will be moved onto a Home Forward project based voucher site-based waiting list for the Bud Clark Commons. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for the Bud Clark Commons.		
Other Information	CHAP awarded		

#### Development #5

<b>Development Name</b>	<b>Madrona Place Apartments</b>		
<b>PIC Development ID #</b>	<b>OR002000064</b>		
Conversion Type	Project-based vouchers		
Total Current Units	45	Total Post-RAD Units	45
Pre-RAD Unit Type	Family	Post-RAD Unit Type	Family
Capital Fund Allocation	\$20,000.00		
Pre-Conversion Bedroom Type	3 One-bedroom units 19 Two-bedroom units 23 Three-bedroom units	Post-Conversion Bedroom Type	3 One-bedroom units 19 Two-bedroom units 23 Three-bedroom units

Transfer of Assistance	None
De Minimis Reduction	None
Unit Reconfiguration	None
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Madrona Place will be moved onto a Home Forward project based voucher site-based waiting list for Madrona Place. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Madrona Place.
Other Information	CHAP awarded

**Development #6**

**Development Name** Fairview Oaks & Woods  
**PIC Development ID #** OR002000320  
 Conversion Type Project-based vouchers  
 Total Current Units 40  
 Pre-RAD Unit Type Family  
 Capital Fund Allocation \$20,000.00

Total Post-RAD Units 40  
 Post-RAD Unit Type Family

Pre-Conversion Bedroom Type 15 One-bedroom units  
 15 Two-bedroom units  
 10 Three-bedroom units

Post-Conversion Bedroom Type 15 One-bedroom units  
 15 Two-bedroom units  
 10 Three-bedroom units

Transfer of Assistance	None
De Minimis Reduction	None
Unit Reconfiguration	None
Transfer of Waiting List	Upon conversion to RAD, applicants on Home Forward's public housing site-based waiting list for Fairview Oaks & Woods will be moved onto a Home Forward project based voucher site-based waiting list for Fairview Oaks & Woods. The applicants will retain their original date and time of application, and will be subject to the preferences available under the PBV site-based waiting list for Fairview Oaks & Woods.
Other Information	CHAP awarded

**Changes in policies that govern eligibility, admission, selection, and occupancy of units at the project after conversion, including any waiting list preferences that will be adopted for the converted project:**

Home Forward presented to the Board of Commissioners requested changes to the Section 8 Administrative Plan to accommodate the RAD transition. This request was approved by the Board of Commissioners on April 19, 2016. The changes include adopting guidelines for choice mobility. At the time of this writing, Home Forward is continuing to review RAD requirements and may submit additional changes to the Section 8 Administrative Plan and the Admissions and Continued Occupancy Policy (ACOP) for public housing. All policy changes adhere to RAD requirements listed below under Appendix A , that informs resident rights, participation, waiting list and grievance procedures.

**Compliance agreements:** Home Forward is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

**Site selection:** This conversion complies with all applicable site selection and neighborhood reviews standards. All appropriate procedures have been followed.

**Substantial Deviation Definition:** As part of the Rental Assistance Demonstration (RAD), Home Forward is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD specific items:

1. The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
2. Changes to the Capital Fund Budget produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
3. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
4. Changes to the financing structure for each approved RAD conversion.

**Information regarding use of MTW Fungibility as defined in PIH Notice 2012-32, REV-2:**

**Impact on Capital Fund:**

1. **Estimate the amount of the current Capital Fund grant that is associated with the proposed projects and the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Action Plan:** The current impact associated with the six CHAPS in this application is \$160,000. \$20,000 has been set aside for each CHAP and another \$40,000 set aside for Sequoia Square and Schiller Way, the two properties that will receive units for transfer of assistance (upon approval from HUD) from Rockwood Station and Fairview Oaks & Woods.
2. **If the RAD conversion will impact an existing CFFP or EPC, or if it proposes to utilize RHF funds to facilitate conversion, the PHA should also indicate the estimated impact of those activities:** Home Forward has submitted 31 additional RAD applications that total 1,008 public housing units. These additional applications are on the RAD waitlist and if approved, will impact our formula Capital Fund Grant allocation by approximately 56% of our current public housing unit count. We will not utilize RHF funds to facilitate conversion.

**Special Provisions Affecting MTW Agencies:** MTW agencies will be able to apply activities impacting the PBV program that are approved in its MTW Plan to those properties as long as they do not conflict with RAD requirements. RAD requirements include statutory requirements or specifically identified special provisions affecting conversions to PBVs, or other conditions and requirements, as detailed in PIH Notice 2012-32 REV-1, including, but not limited to, RAD contract forms or Riders. With respect to any existing PBV regulations that are waived or modified below in Appendix A, except where explicitly noted below in Appendix A, MTW agencies may modify these or other requirements to the PBV program if the activity is approved in its MTW Plan. All other RAD Requirements listed below in Appendix A or elsewhere in PIH Notice 2012-32 REV-1 shall apply to MTW agencies.

## PUBLIC COMMENT PROCESS

Initial resident meetings were held in May 2015 introducing the RAD (Rental Assistance Demonstration) project.

May 6-8 & 11-15, 2015	Resident Meetings at Rockwood Station, Madrona Place, the Martha Washington, Bud Clark Commons, Fairview Oaks, and the Jeffrey
April 13, 2016	Draft Amendment posted on Home Forward's website for 30 days of public comment and input
April 17 & 24, 2016	Public Notice published in the Oregonian announcing the public hearing to be held May 17, 2016
May 17, 2016	Public hearing on the draft FY2017 MTW Plan Amendment I held at May Board of Commissioners meeting
June 8-22, 2016	Additional Resident Meetings at Bud Clark Commons, Madrona Place, the Martha Washington, Fairview Oaks, and the Jeffrey with the Rockwood to be scheduled upon notification if transfer of assistance is approved
June 21, 2016	Board of Commissioners approval to submit the FY2016 MTW Plan Amendment I to HUD

## PUBLIC COMMENTS

No public comments were received at the public hearing, or through letter or email as advertised via public notice.

## APPENDIX A: RESIDENT RIGHTS, PARTICIPATION, WAITING LIST AND GRIEVANCE PROCEDURES

### Section 1.6 – Special Provisions Affecting Conversions to Project-Based Vouchers from PIH Notice 2012-32, REV-1

#### C. PBV Resident Rights and Participation.

**1. No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households.<sup>2</sup> Once that remaining household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement.

**2. Right to Return.** See section 1.4.A.4(b) regarding a resident's right to return.

**3. Renewal of Lease.** Since publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR § 983.257(b)(3) have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement.

**4. Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase- in for smaller increases in rent and a five year phase-in for larger increases in rent.

This policy must be in place at conversion and may not be modified after conversion. The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

Three Year Phase-in:

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<sup>2</sup> These protections (as well as all protections in this Notice for current households) apply when in order to facilitate repairs a household is relocated following the conversion and subsequently returns to the property, even if they are considered a "new admission" upon return.

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

Five Year Phase in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the standard TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 40% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 60% of difference between most recently paid TTP and the standard TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 80% of difference between most recently paid TTP and the standard TTP
- Year 5 AR and all subsequent recertifications – Full standard TTP

*Please Note:* In either the three year phase-in or the five-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies may not alter this requirement.

**5. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100.<sup>3</sup> Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

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<sup>3</sup> The funding streams for the PH FSS Program and the HCV FSS Program were first merged pursuant to the FY 2014 appropriations act. As a result, PHAs can serve both PH residents and HCV participants, including PBV participants, with FSS funding awarded under the FY 2014 FSS Notice of Funding Availability (FSS NOFA) and any other NOFA under which the combination of funds remains in the applicable appropriations act. For PHAs that had managed both programs separately and now have a merged program, a conversion to PBV should not impact their FSS participants.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents.

**6. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

**7. Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

**i. Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- a. A reasonable period of time, but not to exceed 30 days:
  - i. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - ii. In the event of any drug-related or violent criminal activity or any felony conviction;
- b. 14 days in the case of nonpayment of rent; and
- c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

**ii. Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional procedural rights to comply with section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),<sup>4</sup> an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in

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<sup>4</sup> § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate has been repealed.

accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

- i. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
  - ii. For any additional hearings required under RAD, the Project Owner will perform the hearing.
- b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
- c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

**8. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion e.g., due to loss of employment; tenants that move into the property following conversion, etc.) is covered by this waiver.

**9. Jobs Plus.** Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project.

**10. When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR §983.258). Since the rent limitation under this Section of the Notice may often

result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds than the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by Section 1.6.B.5 of this Notice.<sup>5</sup> In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. The PHA is required to process these individuals through the Form- 50058 submodule in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of this Notice.

**11. Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under- occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR 983.259 is waived. MTW agencies may not modify this requirement.

#### **D. PBV: Other Miscellaneous Provisions**

**1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.

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<sup>5</sup> For example, a public housing family residing in a property converting under RAD has a TTP of \$600. The property has an initial Contract Rent of \$500, with a \$50 Utility Allowance. Following conversion, the residents is still responsible for paying \$600 in tenant rent and utilities.

**2. Additional Monitoring Requirement.** The PHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.<sup>6</sup>

**3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** This section has been moved to 1.4.A.13 and 1.4.A.14.

**4. Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:

- i. Transferring an existing site-based waiting list to a new site-based waiting list. If the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.
- ii. Informing applicants on the site-based waiting list on how to apply for a PBV program-wide or HCV program-wide waiting list.
- iii. Informing applicants on a public housing community-wide waiting list on how to apply for a voucher-wide, PBV program-wide, or site-based waiting list. If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established site-based waiting list must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the

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<sup>6</sup> For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).<sup>7</sup>

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

**5. Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.

**6. Agreement Waiver.** This section has been moved to 1.6.(B)(7).

**7. Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

**8. Administrative Fees for Public Housing Conversions during Transition Period.** For the remainder of the Calendar Year in which the HAP Contract is effective (i.e. "transition period"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing Annual Contributions Contract (ACC) between the PHA and HUD will be amended to reflect the number of units under HAP contract, but will be for zero dollars, and the RAD PBV contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

For fiscal years 2014 and 2015, PHAs operating HCV program received administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR § 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units.

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<sup>7</sup> For more information on serving persons with LEP, please see HUD's Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

After this transition period, the section 8 ACC will be amended to include section 8 funding that corresponds to the units covered by the section 8 ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

**9. Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.

The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) and 24 CFR part 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

**10. Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account covered under a General Depository Agreement (HUD-51999) or similar instrument, as approved by HUD, where funds will be held by the

## Attachment 1B: Resident Provisions in Conversions of Assistance from Public Housing to PBRA and PBV

This Attachment contains two sections, describing:

1B.1 Summary of Resident Provisions

1B.2 Resident Participation and Funding

### 1B.1 Summary of Resident Provisions

The following is a summary of special provisions and alternative requirements related to tenants of public housing projects converting under RAD:

- Conversion will be considered a significant amendment to a PHA Plan (see Section 1.5(E) of this Notice);
- Notification of proposed conversion, meetings during the conversion process, written response to residents comments on conversion, and notification of conversion approval and impact (see Section 1.8 of this Notice);
- No rescreening at conversion (see Section 1.6(C)(1) of this Notice for conversions to PBV and Section 1.7(B)(1) for conversions to PBRA);
- Right to return after temporary relocation to facilitate rehabilitation or construction (see Section 1.6(C)(2) of this Notice for conversions to PBV and Section 1.7(B)(2) for conversions to PBRA);
- Phase-in of tenant rent increases (see Section 1.6(C)(4) of this Notice for conversions to PBV and Section 1.7(B)(3) for conversions to PBRA);
- Continued participation in the ROSS-SC and FSS programs (see Section 1.6(C)(5) of this Notice, for conversions to PBV and Section 1.7(B)(4) for conversions to PBRA);
- Continued Earned Income Disregard (see Section 1.6(C)(8) of this Notice, for conversions to PBV and Section 1.7.(B)(7) for conversions to PBRA);
- Continued recognition of and funding for legitimate residents organizations (see Section 1.6(C)(6) of this Notice for conversions to PBV, Section 1.7(B)(5) of this Notice for conversions to PBRA, and below in Attachment 1B.2 for additional requirements for both programs);
- Procedural rights consistent with section 6 of the Act (see Section 1.6(C)(7) of this Notice for conversions to PBV and Section 1.7(B)(6) of this Notice for conversions to PBRA); and
- Choice-mobility option allowing a resident to move with a tenant-based voucher after tenancy in the Covered Project (see 24 CFR § 983.260 for conversions to PBV and Section 1.7(C)(5) of this Notice for conversions to PBRA).
- For additional information, refer to Notice H2014-09; PIH 2014-17 for additional information on relocation requirements under RAD.

### 1B.2 Resident Participation and Funding<sup>8</sup>

The following provisions contain the resident participation and funding requirements for public housing conversions to PBRA and PBV, respectively.

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<sup>8</sup> For the purposes of this Attachment, HUD uses the term “Project Owner” to refer to the owner of a converting or Covered Project. In some instances the owner of a project could be a public, non-profit, or for-profit, e.g., mixed finance projects).

#### **A. PBRA: Resident Participation and Funding**

Residents of Covered Projects converting assistance to PBRA will have the right to establish and operate a resident organization in accordance with 24 CFR Part 245 (Tenant Participation in Multifamily Housing Projects). In addition, a Project Owner must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate tenant organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities.

In the absence of a legitimate resident organization at a Covered Project:

1. HUD encourages the Project Owner and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and
2. Project Owners must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the Project Owner. These requests will be subject to approval by the Project Owner.

#### **B. PBV: Resident Participation and Funding**

To support resident participation following conversion of assistance, residents of Covered Projects converting assistance to the PBV program will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development.

1. **Legitimate Resident Organization.** A Project Owner must recognize legitimate resident organizations and give reasonable consideration to concerns raised by legitimate resident organizations. A resident organization is legitimate if it has been established by the residents of a Covered Project, meets regularly, operates democratically, is representative of all residents in the project, and is completely independent of the Project Owner, management, and their representatives.

In the absence of a legitimate resident organization at a Covered Project, HUD encourages the Project Owner and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owners are also encouraged to actively engage residents in the absence of a resident organization; and

2. **Protected Activities.** Project Owners must allow residents and resident organizers to conduct the following activities related to the establishment or operation of a resident organization:
  - a. Distributing leaflets in lobby areas;
  - b. Placing leaflets at or under residents' doors;
  - c. Distributing leaflets in common areas;

- d. Initiating contact with residents;
- e. Conducting door-to-door surveys of residents to ascertain interest in establishing a resident organization and to offer information about resident organizations;
- f. Posting information on bulletin boards;
- g. Assisting resident to participate in resident organization activities;
- h. Convening regularly scheduled resident organization meetings in a space on site and accessible to residents, in a manner that is fully independent of management representatives. In order to preserve the independence of resident organizations, management representatives may not attend such meetings unless invited by the resident organization to specific meetings to discuss a specific issue or issues; and
- i. Formulating responses to Project Owner's requests for:
  - i. Rent increases;
  - ii. Partial payment of claims;
  - iii. The conversion from project-based paid utilities to resident-paid utilities;
  - iv. A reduction in resident utility allowances;
  - v. Converting residential units to non-residential use, cooperative housing, or condominiums;
  - vi. Major capital additions; and
  - vii. Prepayment of loans.

In addition to these activities, Project Owners must allow residents and resident organizers to conduct other reasonable activities related to the establishment or operation of a resident organization.

Project Owners shall not require residents and resident organizers to obtain prior permission before engaging in the activities permitted in this section.

- 3. Meeting Space.** Project Owners must reasonably make available the use of any community room or other available space appropriate for meetings that is part of the multifamily housing project when requested by:
- a. Residents or a resident organization and used for activities related to the operation of the resident organization; or
  - b. Residents seeking to establish a resident organization or collectively address issues related to their living environment.

Resident and resident organization meetings must be accessible to persons with disabilities, unless this is impractical for reasons beyond the organization's control. If the project has an accessible common area or areas, it will not be impractical to make organizational meetings accessible to persons with disabilities.

Project Owners may charge a reasonable, customary and usual fee, approved by the Secretary as may normally be imposed for the use of such facilities in accordance with procedures prescribed by the Secretary, for the use of meeting space. A PHA may waive this fee.

- 4. Resident Organizers.** A resident organizer is a resident or non-resident who assists residents in establishing and operating a resident organization, and who is not an employee or representative of current or prospective Project Owners, managers, or their agents.

Project Owners must allow resident organizers to assist residents in establishing and operating resident organizations.

- 5. Canvassing.** If a Covered Project has a consistently enforced, written policy against canvassing, then a non-resident resident organizer must be accompanied by a resident while on the property of the project.

If a project has a written policy favoring canvassing, any non-resident resident organizer must be afforded the same privileges and rights of access as other uninvited outside parties in the normal course of operations. If the project does not have a consistently enforced, written policy against canvassing, the project shall be treated as if it has a policy favoring canvassing.

A resident has the right not to be re-canvassed against his or her wishes regarding participation in a resident organization.

- 6. Funding.** Project Owners must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied unit shall be provided to the legitimate resident organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities.

In the absence of a legitimate resident organization at a Covered Project:

- a. HUD encourages the Project Owner s and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the Project Owner directly with questions or concerns regarding issues related to their tenancy. Project Owner are also encouraged to actively engage residents in the absence of a resident organization; and
- b. Project Owner s must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the Project Owner. These requests will be subject to approval by the Project Owner.