
**Commonwealth of Massachusetts
Department of Housing & Community
Development**

**Moving To Work Program
Annual Plan for Fiscal Year 2015**

DRAFT FOR PUBLIC COMMENT

Table of Contents

| | |
|---|----|
| I. Introduction | 3 |
| A. Overview of Annual Goals and Objectives | 4 |
| II. General Housing Authority Operating Information | 7 |
| A. Housing Stock Information | 7 |
| B. Leasing Information | 8 |
| C. Wait List Information | 9 |
| III. Proposed MTW Activities | 10 |
| IV. Approved MTW Activities | 14 |
| A. Implemented Activities..... | 14 |
| B. Not Yet Implemented Activities..... | 43 |
| V. Sources and Uses of Funding..... | 46 |
| A. Estimates Sources of MTW Funding for the Fiscal Year..... | 46 |
| B. Estimated Uses of MTW Funding for the Fiscal Year | 47 |
| C. MTW Single Fund Flexibility | 47 |
| D. Local Asset Management Plan | 47 |
| VI. Administrative | 49 |
| A. Resolution..... | 49 |
| B. Public Review Process..... | 49 |
| C. Evaluations | 49 |
| D. Annual Statement/Performance and Evaluation Report..... | 49 |
| Appendix A: Resolution Adopting Certification of Compliance | 50 |
| Appendix B: Listing of Regional Administering Agencies..... | 51 |

I. Introduction

On June 19, 2008, the Massachusetts Department of Housing and Community Development (DHCD) entered into an Amended and Restated Moving To Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD). MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and HUD regulations in order to design and test approaches for providing housing assistance that:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The three objectives listed above are referred to as “MTW statutory objectives”.

The MTW Agreement is effective through 2018. Through an earlier agreement between HUD and DHCD, DHCD has been a participant in the MTW program since 1999. From 1999 to 2008, the scope of DHCD’s MTW participation was limited to a small program administered by two of DHCD’s Regional Administering Agencies (RAA)¹ that provided a financial assistance package of rent and stipends to participating low-income families.

The 2008 MTW Agreement replaces the earlier agreement between HUD and DHCD. It provides DHCD with the flexibility to test out new approaches consistent with the MTW statutory objectives and to expand the MTW demonstration to include all tenant-based Housing Choice Vouchers administered by DHCD with certain exceptions. Those exceptions are special purpose vouchers under the 2008 (and all subsequent) Veterans Affairs Supportive Housing (VASH), Five-Year Mainstream, Family Unification Program (FUP), Enhanced Vouchers/Tenant Protection Vouchers and Moderate Rehab programs. MTW operating flexibility may be applied to these special purpose vouchers in accordance with HUD’s published guidance; however, except for Enhanced/Tenant Protection Vouchers which are rolled into the MTW Block Grant upon renewal of funds, the other special purpose types are not eligible for MTW Block Grant fungibility.

Under the terms of the MTW Agreement, DHCD is required to prepare and submit to HUD an MTW Annual Plan and Annual Report. The required form and content of the Annual Plan and Report are defined by HUD in HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. HUD issued a new Form 50900 in May 2013. This Plan reflects the revised HUD reporting requirements including use of standard HUD metrics and benchmarks. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory

¹ DHCD subcontracts with eight regional administering agencies (RAA) and one local housing authority to administer its portfolio of vouchers, assuring that all 351 cities and towns in Massachusetts are served by its HCVP. A list of the RAAs is included in Appendix B. DHCD entered into new contracts with the RAAs in FY 2014.

requirements. This document is DHCD's MTW Annual Plan for Fiscal Year 2015, i.e. the period from July 1, 2014 through June 30, 2015.

Note that HUD provides voucher funding to DHCD on a calendar year basis; thus, this Plan covers parts of two different funding periods. As of the date of issuance of this document, DHCD has not received confirmation regarding its federal funding for either calendar year 2014 or 2015. The information presented in this Plan assumes continuation of funding at approximately current levels adjusted for inflation. If decreases in funding occur, DHCD may need to modify, delay or cancel the proposals herein and/or take other necessary measures, including deferring issuance of turnover vouchers.

Prior to submission to HUD, DHCD made the Annual Plan available for public review and comment. In addition, DHCD conducted public hearings during March 2014 to allow opportunities for the general public and program participants to provide comments on the proposed Annual Plan. DHCD reviewed and considered written and verbal comments received during the review period. Copies of public notices, sign-in sheets and written comments are included in section VI-B below.

A. Overview of Annual Goals and Objectives

Highlights of planned MTW activities during FY 2015 include:

- DHCD projects that it will provide MTW rental assistance and other services to 19,893 eligible households during the Plan year. This represents an overall utilization rate of 98% or greater. As part of this effort, a projected fifteen (15) additional developments will be placed under Project Based Voucher (PBV) long-term contracts.
- The MTW Expiring Use Preservation Initiative, which is designed to preserve the long-term affordability of at-risk housing developments, will continue. Four developments are currently participating in this program, three sites are anticipated to come online by the end of FY 2014, and two more sites are projected for FY 2015. DHCD will continue to work with HUD, developers, tenant groups and other stakeholders to identify additional appropriate sites, educate tenants about their choices, and enter into long-term project based contracts consistent with this HUD-approved MTW initiative.
- DHCD will continue to enroll participants in its new Youth Transition to Success (YTTS) program in partnership with the Massachusetts Department of Children and Families (DCF). This pilot program is designed to extend the current eighteen-month time limit for youth aging out of foster care who participates in the Family Unification Program. Participants in this three year program receive a flat rent subsidy based on regional housing costs, access to escrow and support accounts, and case management and other supportive services provided by DCF staff. In FY 2015, DHCD will work to identify new partners in an effort to identify and recruit participants who can enter the program when they are first eligible. It is anticipated that providing supportive services earlier and for a longer period of time, financial independence will be achieved by a greater number of program participants.

- DHCD will continue the statewide roll-out of its new biennial inspection policy initiative. Housing units that meet standards established by DHCD are now subject to a two year inspection cycle. The first two year cycle will be completed in April 2015. DHCD will review the outcomes of the initiative to determine if modifications are needed. DHCD may also consider training PB site managers on pre-HQS inspections to reduce the percentage of failed inspections and the related reinspection costs.
- DHCD will continue to implement MTW activities designed to enhance the Family Self Sufficiency (FSS) program and promote asset development and savings among HCV participants. In FY 2014, DHCD implemented several modifications to the FSS program design. It is anticipated that these program modifications will strengthen the program's impact and help attract additional participants while also placing a cap on total escrow disbursements.
- Implementation of the MTW Owner Incentive Fund will continue in Berkshire County. This pilot program provides incentives to landlords in support of DHCD and Commonwealth goals including: expanding housing opportunities in underserved areas; improving the quality of housing units under lease; and, increasing the number of units accessible to households with disabled members.
- Reasonable rent, biennial recertifications, asset self-certification, earned income disregard and other simplified rent procedures established under MTW will continue to be implemented statewide consistent with policy/program descriptions developed by DHCD and approved by HUD. These initiatives continue to support administrative efficiency while promoting family economic self-sufficiency.
- Use of the simplified utility allowance schedule and allowances, which began in April 2014, will continue. Households living in PBV developments which are in their initial contract year will phase into the new utility allowance schedule at the end of the first contract year. The simplified UA schedule is projected to result in greater accuracy in the application of utility allowances while also generating significant HAP savings, allowing DHCD to serve the same number of participants and avoid terminating and/or recalling vouchers.
- DHCD will continue to implement the Family Economic Stability Program (FESP), and will monitor the effectiveness of revised program guidelines which were implemented in January 2014. This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination are provided by designated MTW Advisors at each agency. New FESP participants for the program administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) will be recruited; however, the program administered in Worcester County by RCAP Solutions, Inc. (RCAP) will no longer accept new applicants. Current FESP participants

administered by RCAP will continue to receive FESP services through program graduation.

- DHCD will evaluate options to use MTW authority to streamline and simplify the rent determination processes while also promoting self-sufficiency for HCV participants.

A detailed discussion of all ongoing and proposed MTW activities is found in Chapters III and IV below. On an ongoing basis, DHCD will also continue to explore strategies to promote its long-term MTW objectives which include: 1) to demonstrate that housing stabilization can be the foundation for economic self-sufficiency for extremely and very low-income households²; and, 2) to demonstrate that administrative costs savings can be redirected to provide meaningful assistance and, potentially, subsidies to additional program participants and owners. DHCD has assembled a working group including DHCD and RAA staff that will continue to meet regularly throughout the year to review and discuss potential new or revised MTW initiatives.

Finally, DHCD will continue to work closely with its RAA contractors to implement enhanced quality control programs, to upgrade the skills and qualifications of program staff, and to improve customer service for applicants, program participants and property owners.

² Extremely low income households are those which have incomes of 30% or less of Area Median Income (AMI); Very low income households have incomes in the 30-50% of AMI range.

II. General Housing Authority Operating Information

A. Housing Stock Information

DHCD currently has Annual Contributions Contracts (ACC) from HUD for a total of 20,298 vouchers. DHCD does not administer a federal public housing program and, therefore, will not report on any public housing related tables in this section.

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

The table below provides a summary of new Project Based Voucher (PBV) developments for which DHCD anticipates entering into Housing Assistance Payments (HAP) Contracts during FY 2015. A total of 148 units in 15 PBV developments are expected to come under HAP contract in the Plan year. This listing is subject to change due to unanticipated changes in development schedules, project financing, newly identified preservation or development opportunities and/or other factors.

| Property Name | Anticipated Number of New Vouchers to be Project-Based* | Description of Project |
|---|---|------------------------|
| Breezy Acres Expansion | 8 | Family |
| Great Cove Community, Mashpee | | |
| Armory St Apartments, Worcester | 1 | Elderly/Disabled |
| Parcel 24 I & II | 8 | Elderly/Disabled |
| Kneeland & Hudson St., Boston | | |
| 108 Newbury Street, Lawrence | 4 | Family |
| Cottage Square | 8 | Family |
| 15 Cottage St, Easthampton | | |
| Olympia Oaks | 8 | Family |
| Olympia Drive, Amherst | | |
| Pilot Grove Apartments II | 7 | Family |
| Warren Rd, Stow | | |
| Coolidge at Sudbury | 8 | Family |
| 189 Boston Post Road, Sudbury | | |
| Counting House Lofts | 6 | Family |
| 109 Jackson Street, Lowell | | |
| Village Green Phase I | 6 | Family |
| 770 Independence Drive, Barnstable | | |
| Haydenville Village Center, Williamsburg & Chesterfield | 6 | Family |
| 525 Beach Street, Revere | 7 | Family |
| Bellingham Hill Family Hms., Chelsea | 7 | Supportive Housing |
| Prichard Academy | 2 | Family |
| Pritchard & Academy Sts., Fitchburg | | |
| Middlebury Arms, Middleborough | 62 | Family- Expiring Use |

Anticipated Total
New Vouchers to be
Project-Based

148

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

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

2,609 *

2,505 *

* Of the total 2,505PB vouchers anticipated to be leased by the end of FY 2015, 689 are Expiring Use, 359 are RAD and 32 are VASH.

B. Leasing Information

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

As required by HUD, the table below provides information only on MTW households that DHCD plans to serve during FY 2015.

MTW Households to be Served Through:

Federal MTW Public Housing Units to be Leased
 Federal MTW Voucher (HCV) Units to be Utilized
 Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs***
 Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs***

| Planned Number of Households to be Served* | Planned Number of Unit Months Occupied/Leased** |
|--|---|
| N/A | N/A |
| 19,770 | 237,240 |
| 123 | 1,476 |
| 19,893 | 238,716 |

Total Households Projected to be Served

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

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

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

In addition to serving MTW households, DHCD uses federal HCV funds to assist other households through the following Non-MTW voucher programs. Note that DHCD will apply MTW operating flexibility to FUP and Tenant Protection vouchers to the extent allowed pursuant to HUD’s published guidance. Tenant Protection vouchers will be transferred to the MTW category upon funding renewal as allowed by HUD:

| Non-MTW Special Purpose Vouchers | Number |
|----------------------------------|--------|
| FUP | 187 |
| VASH | 472 |
| Five Year Mainstream | 75 |
| Tenant Protection | 799 |
| Total Non-MTW | 1,533 |

Reporting Compliance with Statutory MTW Requirements

DHCD is in compliance with its MTW statutory requirements.

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

Housing Program

FES & YTTSP

Description of Anticipated Leasing Issues and Possible Solutions

Referrals to and enrollment in the FES and YTTSP programs occur throughout the year. As such, planned leasing for the program will not include a full twelve months for each voucher.

C. 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 |
|--------------------|----------------|-----------------------------------|--|--|
| All | Other | 90,275 | Open | N/A |

Description of Wait List

DHCD combines site-based and centrally managed wait list features. All of DHCD's programs (including MTW and Non-MTW vouchers) use a regional, centrally managed wait list with the exception of certain Project Based developments. There are nineteen (19) Project Based developments that have site-based wait lists that each development is responsible for managing. The remaining Project Based developments have centrally managed waitlists maintained by DHCD and each regional administering agency.

As was described in previous Annual Plans, DHCD continues to process requests for new PB development owners to operate site-based waiting lists. The revised policy will allow project owners to maintain site-based waiting lists with DHCD approval. DHCD has begun the process of establishing site based waiting lists for its newer PBV developments. As the process continues, some or all PBV waiting lists may be closed during the transition period. DHCD will issue public notices of waiting list openings and closings.

III. Proposed MTW Activities

Beginning in FY 2015, DHCD proposes to implement the new MTW activity described below. As required by HUD, the following information is provided:

- Activity description
- Activity Metrics Information
- Need/Justification for MTW Flexibility
- Additional Information (rent reform activities)

Activity 2015-1: Rent Reform

Description of MTW Activity: During FY 2015, DHCD will evaluate options to use MTW authority to streamline and simplify the rent determination processes while also promoting self-sufficiency for HCV participants. The elements outlined below are potential components of DHCD's MTW rent reform initiative. DHCD may test other rent reform strategies in addition to those listed below.

1. **Flat Subsidy or Tiered Rent Schedule:** DHCD may replace the standard rent calculation method, with a simplified, flat subsidy model which incorporates consideration for tenant paid utilities. DHCD may determine the subsidy paid to the owner on behalf of the family by using a flat subsidy amount based on household income and bedroom size.

Alternatively, DHCD may replace the standard rent calculation with a tiered rent schedule using income bands and applying an established percentage of the low, mid-point or high point of the income band.

2. **Minimum Rent:** DHCD may revise the application of minimum rent policies. DHCD may structure the minimum rent, which is currently \$50, into the flat subsidy tables or tiered rent schedule.
3. **40% Affordability Cap:** DHCD may eliminate the 40% affordability cap, as under certain models of rent reform affordability becomes the responsibility of the family.
4. **Streamlined Deductions and Exclusions:** As part of DHCD's revisions to the standard rent calculation method, DHCD may streamline deductions and exclusions as outlined below.
 - a. **Modification or Elimination of Earned Income Disregard (EID):** DHCD may phase out the MTW EID initiative. Participants who currently receive the EID will be exempt from this policy for the duration of their EID term; however, no additional EIDs will be granted.

- b. **Modification or Elimination of Childcare, Medical Expense and Dependent Deductions:** DHCD may eliminate childcare, medical expenses, and dependent deductions when calculating adjusted income.
- c. **Elderly/Disabled Deduction:** To offset the impact of removing medical expense deductions, DHCD may increase the standard elderly/disabled deduction.

5. **Mixed Families:** For families with mixed immigration status, DHCD may deduct 10% from the flat subsidy amount or using a higher percentage of the income band to determine rent for mixed families.

Statutory Objective: This initiative will support the MTW Statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures.

Anticipated Impact: DHCD anticipates that this activity will allow DHCD to continue to assist the same number of families given the deep funding cuts promulgated by the federal government. With the savings generated by this initiative, DHCD does not anticipate the need to withhold vouchers upon turnover.

Anticipated Timeline: DHCD anticipates completion of the rent reform impact analyses in the first half of FY 2015 with implementation at the end of FY 2015.

Metrics:

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|--|---|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | DHCD will establish baseline upon final implementation | DHCD will establish benchmark upon final implementation | | |
| <i>CE #2: Agency Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total amount of staff time dedicated to the task prior to implementation of the activity (in hours). | DHCD will establish baseline upon final implementation | DHCD will establish benchmark upon final implementation | | |

| <i>CE #5: Increase in Agency Rental Revenue</i> | | | | |
|---|--|---|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Rental revenue in dollars (increase). | DHCD will establish baseline upon final implementation | DHCD will establish benchmark upon final implementation | | |

Data Source: DHCD will use data collected from its software systems to determine the volume of transactions completed, staff time savings, decrease in error rate and increase in rental revenue.

Authorization: MTW Agreement, Attachment C, Paragraph D (2)a – The Agency is authorized to implement reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the current mandated program requirements in the 1937 Acts and its implementing regulations. This authorization waives certain provisions of Section 8 (o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 985.508, 982.503 and 982.518, as necessary to implement DHCD’s Annual MTW Plan.

Additional Information for Rent Reform Activities

Impact Analysis: Upon identification of the parameters to be tested for rent reform, DHCD will conduct an impact analysis to determine the best rent reform model to meet agency objectives while minimizing the impact on assisted households.

The results of the analysis will include statistics on increases and decreases in rent by household type and HAP savings. The results of the impact analysis will be also be used to identify households with the greatest impact to tenant rent so that DHCD can develop phase-in strategies for those most affected by rent reform as well as hardship criteria.

Once the final rent reform model is tested and approved, DHCD will prepare a detailed work plan to track and document the implementation of the rent reform initiative. The work plan will include, but not be limited to, development of policies and procedures, tenant and owner notification, software modifications, forms/letters and training.

Hardship Case Criteria: Upon review of the impact analyses and selection of the final rent reform model, DHCD will identify households and situations for which hardship allowances are needed. DHCD will develop criteria for application and approval of hardships due to rent reform.

Annual Reevaluation of Rent Reform: DHCD will conduct an annual impact analysis to determine the percent of adjusted income families are paying toward rent, changes in deductions and adjusted income, as well as changes in sources of income. Upon review of the analyses, DHCD may modify the rent reform initiative to further mitigate negative impacts.

Transition Period: DHCD will determine a transition to rent reform which will minimize negative impacts on assisted families. DHCD may establish a phase-in approach for families with rent increases of \$100 or more. Alternatively, DHCD will determine whether to transition to rent reform at the time of next regular or interim reexamination or all at once upon initial implementation. The transition approach will be developed to minimize negative impacts on assisted households.

IV. Approved MTW Activities

This section of the Annual Plan summarizes and provides a status update on MTW activities that have been previously approved by HUD and implemented by DHCD. As required, this section also includes summary information on MTW activities that have been not yet been implemented, closed out, or placed on hold by DHCD.

A. Implemented Activities

Activity 2000-1: Family Economic Stability Program (FESP)

Description/Update of MTW Activity: This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination is provided by designated MTW Advisors at each participating agency. Families may select any housing unit which they deem affordable and appropriate for their needs and which meets the occupancy requirements of the local Board of Health and Massachusetts Lead Laws where applicable. There is no HUD Housing Quality Standards inspection or rent-reasonableness test.

Eligibility is targeted to low-income working families who meet the following criteria:

- 1) Receive, or have received in the past 12 months, public assistance: TAFDC, EA, SNAP, and
- 2) Are committed to maintaining employment and agree to provide information to assess the effectiveness of the program, and
- 3) In the Boston component only, families who are working at least part-time, who are imminently employed, or who are enrolled in a full-time job training program.

Families participating in the south Worcester County component receive the following:

- Financial assistance package of \$5,500 per year, of which up to \$250/month can be applied toward the rent and, in some cases security/upfront costs, for the apartment (paid directly to owner), up to \$158/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training and homebuyer preparation workshops.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 2010, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Families participating in the Boston component receive the following:

- Financial assistance package of \$10,000 per year, of which up to \$700/month can be applied toward the rent and, in some cases, security/upfront costs for the apartment (paid directly to owner), up to \$83/month is available for work-related, utility, or emergency expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion. Higher assistance levels may be approved for larger families requiring a 3 bedroom unit or larger if they have a compelling reason for the increased subsidy.
- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account. Currently, there are no participants enrolled in the program for which the contract rent of the unit is less than the rent subsidy of \$700.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 2010, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD had available funds.

Participating families recertify once annually. The term of participation was increased from the original three-year maximum to an initial three-year term with up to two one-year extensions, for a total possible term of five years. The term of participation may be fewer than three years if a family exceeds the low-income limit for the Boston MSA (80% of area median income), fails to meet ongoing program requirements, or the demonstration is concluded by HUD.

In the third quarter of FY 2014, DHCD began implementation of the new FESP program budget, administrative plan and goals/outcomes. The new Family Economic Stability Program (FESP) provides deeper, more focused support to participants. Applicant review and processing will resume for the Boston component of FESP in FY 2015, which coincides with full implementation of the FESP program changes. DHCD reviews, on an ongoing basis, the amount of subsidy/stipend levels and the number of program participants. Although DHCD has not yet authorized additional RAAs to implement small scale programs using this program model, DHCD may, at its option, expand the program to other areas of the state in subsequent program years. Currently program statistics are tracked by program staff in Excel spreadsheets. DHCD is continues to work with its software provider to build a tracking module for the FESP program.

In FY 2015, DHCD will work to identify new supportive services partners to assist in providing case management, training and other supportive services. In FY 2015, after full implementation of the new FESP program policies, DHCD anticipates processing fifty new FESP participants.

Proposed Changes to Activity: The south Worcester County component of FESP will no longer accept applicants to FESP. South Worcester County will continue to serve existing FESP participants through program completion but will no longer administer the program once all existing participants have completed or exited the program.

Approval and Implementation: 2000 - Implementation activities began in FY 2001.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>SS #1: Increase in Household Income</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average earned income of households affected by this policy in dollars (increase). | \$18,937 | \$24,768 | | |
| <i>SS #2: Increase in Household Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average amount of escrow of households affected by this policy in dollars (increase). | \$0.00 | \$3,016 | | |
| Average amount of savings of households affected by this policy in dollars (increase). | \$0.00 | \$701 | | |
| <i>SS #3: Increase in Positive Outcomes in Employment Status</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Report the following information separately for each category: | | | | |
| Employed | 85 | 108 | | |
| Education/Job Training | 0 | 68 | | |
| Unemployed | 1 | 5 | | |
| <i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households receiving services aimed to increase self sufficiency (increase). | 0 | 125 | | |

SS #8: Households Transitioned to Self Sufficiency

| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
|---|-----------------|------------------|----------------|----------------------------|
| Number of households transitioned to self sufficiency (increase). The PHA may create one or more definitions for "self sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. | 0 | 11 | | |

Activity 2010-1: PBV Site Based Waiting Lists

Description/Update of MTW Activity: Under this initiative, DHCD authorizes owner/managers of PBV developments to be responsible for all PBV waiting list intake and management functions. Generally, DHCD intends to require PBV owners to assume and manage these functions; however, exceptions may be made at DHCD's option. Under the new system, applicants contact the owner/manager of a specific development in order to file an application. Application files and the waiting list itself are maintained at the development site. Owner/managers are responsible for contacting and screening applicants who come to the top of the waiting list, collecting all needed information from the applicant, and then forwarding the applicant to the RAA for eligibility determination and processing.

The transition to site-based waiting lists is occurring in stages, with new PBV projects being the first to assume waiting list management responsibilities, followed by projects managed by larger and/or more experienced management companies. For existing PBV developments, all current applicants will maintain their waiting list places; however, the waiting list will be updated prior to transitioning to the owner/managers. During the transition period, waiting lists may be temporarily closed. DHCD will either use existing staff or contract with a Fair Housing organization to conduct periodic reviews of the system to ensure compliance with DHCD's approved tenant selection plan for each respective project and conformance to fair housing guidelines.

All PBV developments utilizing the new waiting list management methods are required to modify their tenant selection plans and other documents as needed, and must administer the waiting list in conformance with DHCD's Affirmative Fair Housing Marketing Plan and all other applicable HUD Fair Housing regulations and guidance.

Starting in FY 2013, DHCD authorized seven new PBV developments to establish and manage their own site based waiting lists. In FY 2014, DHCD continued to authorize owners of new PBV developments to maintain their own site based waiting lists. In FY 2015, DHCD anticipates that eight (8) additional PBV owners will request permission to have owner managed site-based waiting lists. It is not likely that DHCD will convert any existing PBV developments to site based waiting lists in FY 2015.

Proposed Changes to Activity: No changes are proposed.

Approval and Implementation: 2010 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$5,142 | \$3,099 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 283 hours | 170 hours | | |

Activity 2010-2: Payment Standard Exceptions

Description/Update of MTW Activity: Under this MTW initiative, DHCD is authorized to approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval. This policy is utilized without regard to the percentage increase requested over the payment standard.

Additionally, DHCD may approve other documented and reasonable exceptions to payment standards without seeking HUD approval if such requests will support participants' ability to find suitable rental housing in "low poverty, high-opportunity" neighborhoods, and clearly achieves the statutory objectives of the MTW program.

Implementation began in July 2009. In FY 2015, DHCD will continue to utilize its MTW authority to approve payment standard exceptions without prior HUD approval. This initiative is fully implemented and is anticipated to continue in FY 2015.

Proposed Changes to Activity: No changes are proposed.

Approval and Implementation: 2010 – Implementation activities began in FY 2010.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>HC #5: Increase in Resident Mobility</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 3 | | |

Activity 2010-3: Owner Incentive Fund

Description/Update of MTW Activity: Beginning in January 2010, an Owner Incentive Fund pilot initiative was established to promote upgrades to the housing stock in areas of the state with a large percentage of older, deteriorated housing stock. DHCD's goals for this activity are: leasing higher quality units including incentivizing owners to upgrade existing housing at least one grade level, i.e. from a "C" to a "B" grade, or from a "B" to an "A" grade; increasing the number of units that are accessible to persons with disabilities; expanding the number of units leased in currently underserved neighborhoods; and encouraging new owner participation.

The program has been piloted by the Berkshire Housing Development Corporation (BHDC) since inception. Participating owners are eligible for a flat fee financial incentive (initially established at \$900 or \$1,200) payable in 4 quarterly installments over the first year of the HAP contract. At the end of the first year under HAP contract, owners are eligible for an additional one-time payment (initially established at \$500) if one or more of the following applied: the owner was not previously part of the HCV program; the unit was not previously under contract to an HCV participant; the unit was new construction or substantial rehabilitation; or, the unit was a foreclosed property prior to leasing and at least a "B" grade level. In the first year of the pilot, BHDC waived the requirement that the tenant remains in occupancy, or that the owner has agreed to lease to another HCVP referral from the RAA to receive the \$500 bonus payment in order to attract a higher level of interest. In the second year of the pilot, starting January 1, 2011, this requirement was implemented due to the strong response from owners in the first year.

In order to be eligible for incentive payments, the unit must be compliant with HQS at all times during the HAP term. An agreement is signed certifying that the incentive payments are not part of the monthly rent to owner. BHDC has established caps on the overall number of units and the number of units per owner.

In the first year of the program, BHDC established an initial cap of five units per owner per year, and a total program cap of seven percent of BHDC's voucher allocation (approximately thirty-eight units). The annual cap for year two of the demonstration was increased to ten units per owner and a total of forty units. The incentive was and remains capped at \$1,700 per unit.

Detailed policies and procedures for this initiative were developed for the initial year of the program and revised for the second year of the program. No further adjustments have been made to the program.

DHCD has the flexibility to adjust the program criteria and payment amounts as needed to respond to local market conditions, particularly when planning an expansion of this program to additional RAAs. DHCD may assess the feasibility of expanding the program to other regions using the same program parameters.

Proposed Changes to Activity: No changes are proposed.

Approval and Implementation: 2010 – Implementation activities began in FY 2010.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>HC #5: Increase in Resident Mobility</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 20 | | |

Activity 2010-4: Modifications to HUD Standard Forms

Description/Update of MTW Activity: Under this initiative, required standard HCV program forms published by HUD may be modified by DHCD as needed to streamline processing, utilize “plain language”, and address local housing market features. New forms are rolled out to RAA contractors as they are completed. As required under the MTW Agreement, any changes to the HAP form will include language noting that funding for the contract is subject to the availability of appropriations.

To date, DHCD has implemented modifications to the PBV standard HAP and AHAP forms as needed to incorporate relevant MTW provisions. The revised forms have been implemented at all new expiring use projects. In FY 2015, DHCD will continue to utilize this authority as needed.

Proposed Changes to Activity: No changes are proposed.

Approval and Implementation: 2010 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$545 | \$68 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 30 hours | 3.75 hours | | |

Activity 2011-3: Biennial Inspections

Description/Update of MTW Activity: Commencing midway through FY2013, DHCD began to phase in modifications to its HQS inspection policies and procedures to allow for biennial inspections under certain defined circumstances. Under the new policy, tenant-based units that pass an annual inspection on the first attempt are placed on a biennial inspection cycle. In subsequent years, units must continue to pass on the first inspection attempt to remain on a biennial inspection cycle. If deemed necessary, DHCD may consider other related factors, including but not limited to the severity of the repair. DHCD also reserves the right to change any units' inspection frequency based upon management discretion.

DHCD intends to put all project-based units on a biennial inspection cycle. At DHCD's management discretion, each project-based building will either have all of its units biennially on the same schedule or half the units will be inspected each year. DHCD will track the percentage of units that do not pass HQS inspection at each site and adjust inspection frequency accordingly. DHCD also reserves the right to change any units' inspection frequency based upon management discretion.

In tandem with this effort, DHCD intends to expand the use of inspectors to provide tenant and landlord training related to HQS standards, unit upkeep, and other related maintenance matters. A key driver is to more firmly establish DHCD's statewide inspection staff as a valuable and accessible resource to property owners in their respective regions that will result in new owner participation and a continued listing of quality housing for program participants.

In April 2014, DHCD completed the first year of biennial inspections. In FY 2015, DHCD will compile and analyze data on the inspection outcomes under the biennial inspection model. Based on the results of this analysis, DHCD may elect to further modify this initiative to meet the original goals: creating administrative efficiencies while continuing to ensure HQS compliance; expanding pro-active landlord and tenant training efforts; and, improving housing choice for tenants in good quality units. In FY 2015, DHCD may also look at a pre-HQS inspection requirement and/or financial disincentives for no-shows and multiple inspections.

Proposed Changes to Activity: No changes are proposed

Approval and Implementation: 2011 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$639,667 | \$439,978 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 31,761 | 21,846 | | |

Activity 2011-4: Biennial Recertification Process

Description/Update of MTW Activity: Under this initiative, the recertification process has been modified from an annual to a biennial process. DHCD initially planned to apply the biennial recertification policy to households on fixed income only; however, DHCD subsequently modified the initiative in the FY 2012 Annual Plan. The modified initiative includes the following recertification policies:

- Allow biennial recertifications for all MTW households;
- Limit the number of voluntary interim recertifications that a MTW family may complete between regular biennial recertifications to two. Required interim recertifications do not count against the limit, i.e., interims required for changes in family composition or otherwise required by DHCD. A hardship policy has been adopted to allow households whose loss of income is greater than 30% and beyond the household's control to request an exemption from the limit on interims. Elderly and disabled households, as well as households who live in an Expiring Use project on the conversion date and select a PBV, are exempt from this provision and are able to complete an interim recertification at any time;
- Allow household self-certification of assets valued up to \$50,000 and the exclusion of the income from these assets. When assets are valued at over \$50,000, verification will be required. For assets with market/face value in excess of \$50,000, DHCD will calculate asset income by taking the market/face value and multiplying that value by the established passbook savings rate. Less than .001% of DHCD's current participants report assets at greater than \$50,000.
- Any household that believes they would benefit by an annual recertification may request an annual income recertification.

DHCD continues to utilize the Enterprise Income Verification (EIV) system for screening of applicants and new household members and during the regular and interim recertification process. The EIV system's existing tenant search, prior debt and adverse termination reports are run for applicants and new household members. EIV Income reports are used to verify and calculate SS, SSI benefits and Medicare insurance premiums, but are not generally used to calculate earned income and unemployment benefits. EIV income reports are used to validate income from sources such as wages and unemployment benefits. EIV income reports are also used during the regular and interim reexamination process to identify any current and/or prior discrepancies between tenant-reported income and income shown in the EIV system. EIV is also used to verify that families claiming zero income are not receiving income from any of the EIV reported sources. DHCD utilizes the EIV Identity Verification Reports on a continuous basis for ID discrepancy matching errors with respect to PIC50058-MTW as a primary compliance tool after conversion from conventional PIC50058. The EIV Deceased Tenant Report is monitored by DHCD on a weekly basis.

This initiative is fully implemented. In FY 2015, DHCD plans to continue the biennial recertification process. DHCD continues to benefit from the reduction in staff time for processing recertifications.

Proposed Changes to Activity: No changes are proposed.

Approval and Implementation: 2011 – Implementation activities began in FY 2012.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$922,037 | \$322,713* | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 50,745 hours | 17,761 hours* | | |

*Benchmarks account for the cost savings and time savings of both Rent Simplification and Biennial Recertifications.

Activity 2011-5: Youth Transitions to Success

Description/Update of MTW Activity: DHCD has designed and implemented a time-limited pilot program to provide continued support to and build upon the successes of youth currently participating in its Family Unification Program Aging Out of Foster care program that are facing the current 18 month expiration date. Designed similarly to the current stipend program, DHCD currently administers in MBHPs region, this initiative will provide a shallow short-term and time-limited subsidy, supportive services funds for education, training and employment related expenses, an escrow account and case management. Up to 25 current participants facing the expiration date for the Family Unification Program Aging Out of Foster care program will be eligible to participate in the extension. Eligible participants for the extension must be in good standing and be making progress toward their education and employment goals.

DHCD and the Department of Children and Families (DCF) met regularly to plan the Youth Transition to Success Program (YTTSP). DHCD staff completed the administrative elements of the YTTSP Program: an Administrative Plan was written; a model lease and HAP Contract were drafted and approved by DHCD's legal department; and a Memorandum of Understanding between DHCD and DCF was drafted.

The three-year YTTSP Program will provide participants with:

- A flat rental subsidy that steps down annually by 15%;
- A matched savings account; and
- An annual support budget of \$500 for expenses related to sustaining employment and meeting educational goals.

DHCD launched the program and began assisting targeted youth in FY 2012. As of February 2014, seven (7) participants remain active in the program and three (3) participants have graduated. One participant terminated upon mutual consensus and two participants were terminated for non-compliance. The participants who graduated or who are currently enrolled in the program have all maintained employment, enhanced their education, and increased their asset base through savings. Together, DCF and DHCD will continue to work to ensure participants transition smoothly from the 18 month voucher to the new three year YTTSP Program.

In FY 2015, DHCD will work to identify new partners who can refer potential program participants who are at or just above the minimum age requirement for program participation. It is anticipated that by providing supportive services earlier and for a longer period of time, successful program completion and financial independence will be achieved by a greater number of program participants. DHCD is also interested in expanding the referral pool for YTTSP, finding new partners who can offer the case management and supportive services similar to the ones provided by DCF. This may allow DHCD to potentially serve more young adults, in similar circumstances who are receiving supportive services from other agencies.

Proposed Changes to Activity: No changes are proposed

Approval and Implementation: 2011 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report. The baseline for SS#3 is the current snapshot of participants as this information was not previously tracked.

| <i>SS #3: Increase in Positive Outcomes in Employment Status</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Report the following information separately for each category: | | | | |
| (1) Employed | 7 | 7 | | |
| (2) Enrolled in an Educational Program | 7 | 7 | | |
| (3) Unemployed | 0 | 0 | | |
| <i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households receiving services aimed to increase self sufficiency (increase). | 0 | 7 | | |
| <i>SS #8: Households Transitioned to Self Sufficiency</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self sufficiency (increase). Self sufficiency is defined as graduation from the YTTS program. | 0 | 2 | | |

Activity 2012-1: MTW Utility Allowances

Description/Update of MTW Activity: Under this initiative, DHCD has established a simplified Utility Allowance (UA) schedule and eliminated Utility Allowance Payments under \$25.

In FY 2014, DHCD designed a UA model that eliminated all utility allowances except for heat. DHCD completed impact analyses, developed hardship criteria, prepared software modifications and provided training to staff on the simplified UA model. DHCD utilizes a utility allowance schedule, regardless of fuel type, geographical area and building type, for tenant-paid heat only. The utility allowance schedule includes the utility allowance for heat by the smaller of the unit size or bedroom size. Utility allowances for any other tenant paid utilities, other than heat, will not be provided.

In developing the UA schedule for heat, in addition to basing the heat utility allowance on typical cost and consumption, DHCD used a weighted average of the two highest fuel types by bedroom size. Where applicable, DHCD will use the Department of Energy's (DOE) residential energy consumption survey data to determine the utility allowance for households with approved reasonable accommodations for electricity. DHCD will determine reasonable accommodations for other utilities on a case by case basis.

The goal of these revised schedules is twofold: in addition to simplifying the utility allowance designation and calculation process, the simplified UA schedule will also result in significant cost savings. These cost savings were needed to respond to the deep funding cuts experienced by DHCD in FY 2014. Additionally, the savings will allow DHCD to assist the same number of families without having to terminate or recall vouchers. Implementation of the simplified utility allowance schedule began in December 2013 and is scheduled to be fully implemented in February of 2015.

DHCD has found that clients receiving UAPs for very small amounts are less likely to deposit or cash the checks that they receive. This results in bookkeeping issues for the finance staff at the RAA and DHCD level which demand time and resources out of proportion to the relatively small amounts of money. By terminating the issuance of UAPs of \$25 or less, DHCD intends to reduce the incidence of outstanding checks, and alleviate the need for finance staff to spend time and resources reconciling these accounts. This policy was implemented in 2012 and is ongoing.

Proposed Changes: No changes are proposed.

Approval and Implementation: 2012 – Implementation of the policy applicable to UAPs of \$25 or less began in FY 2012. Implementation of the simplified UA schedule began in FY 2014.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the

revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$31,476,912 | \$17,707,416 | | |

Activity 2012-2: Rent Simplification

Description/Update of MTW Activity: In tandem with the biennial recertification policy initiative, DHCD established a series of related rent simplification policy changes. These policy changes include:

- Using the Payment Standard in effect at the effective date of the regular recertification regardless of any change in the Payment Standard.
- Using the Utility Allowance and Payment Standard in effect at the effective date of the last regular recertification to calculate rents at interim recertifications.
- Discontinuing the standard Earned Income Disregard and replacing it with a similar disallowance that is more straightforward for staff to administer.
- Excluding all Full-time student income for household members other than the Head, Spouse or Co-Head.

All rent simplification policies were implemented in FY 2012. In FY 2013, DHCD focused its efforts on assessing compliance with the new policies and providing support and training as needed. In FY 2013, DHCD exceeded its benchmark to reduce staff hours for processing recertifications by 30%. This change was as a result of a reduction in reexams and the reduction in hours per reexam. This initiative is fully implemented and is anticipated to continue through FY 2015.

Proposed Changes: No changes are proposed.

Approval and Implementation: 2012 – Implementation activities began in FY 2012.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$922,037 | \$322,713* | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 50,745 | 17,761* | | |

*Benchmarks account for the cost savings and time savings of both Rent Simplification and Biennial Recertifications.

Activity 2012-3: Project Based Voucher Discretionary Moves

Description/Update of MTW Activity: Beginning in FY 2012, DHCD modified its Project Based Voucher (PBV) program guidelines to establish reasonable limits on discretionary moves. DHCD believes that this policy will promote efficiency in the operation of the PBV program, while also ensuring that tenant-based vouchers continue to be available to eligible households on the waiting list. Except as noted below, PBV participant households in good standing are able to terminate the assisted lease and receive priority for an available tenant-based voucher only after the second year of occupancy. In addition, for each RAA, DHCD established an annual target number of vouchers available to PBV households who have requested a tenant-based voucher. The annual target number is equal to the total number of turnover vouchers from the prior year for each RAA multiplied by the percentage of PBV units managed by the RAA. If demand exceeds supply over the course of the year, those additional PBV participants who wish to move will remain at the top of the waiting list until the following year.

The new guidelines do not apply to PBV households who meet one or more of the following criteria:

- Households which are over or under-housed;
- Households which are victims of domestic violence pursuant to the VAWA policy;
- Households which require tenant-based voucher to address an approved reasonable accommodation request;
- Non-disabled households that occupy an accessible unit and that have been requested to move to allow a disabled household to move into the accessible unit;
- Households that can document the need to move in order to obtain or maintain employment; and
- Households that can document that a household member has been accepted into a higher education institution and can document the need to move in order to attend the institution.

PBV households who meet one or more of these criteria will continue to receive a priority for an available tenant-based voucher and these vouchers will not be counted towards the annual target limit.

In FY 2014, DHCD clarified that families living in Expiring Use Preservation Initiative projects on the conversion date who select a PBV, as well as families living in units converted to PBV through the RAD program, will be permitted to request a discretionary move after the first year of assisted tenancy following conversion. Therefore, the requirement that a PBV family wait until the end of the second year of assistance before requesting a transfer is revised in these instances. RAD and Expiring Use PBV participants who are deemed eligible to move will be added to the waiting list for a tenant-based voucher. DHCD anticipates that this initiative will continue without change in FY 2015.

Proposed Changes: No changes are proposed

Approval and Implementation: 2012 – Implementation activities began in FY 2012.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$1,799 | \$273 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 99 hours | 15 hours | | |

Activity 2012-4: Expiring Use Preservation Initiative

Description/Update of MTW Activity: This initiative was designed to preserve the long-term affordability of expiring use properties. This affordable housing preservation tool makes use of the resources provided by HUD in the form of Enhanced and Tenant Protection Vouchers to continue the affordability of the units in these projects by converting eligible units immediately to Project-Based Units with a 15 year affordability period.

DHCD may consider the following criteria when determining eligibility of projects for conversion:

- Located in neighborhoods which offer economic and educational opportunities and relatively low concentrations of poverty;
- The cost per unit will ensure long-term viability for both DHCD and the Project;
- The cost per unit will generally fall within DHCD's then current PBV MTW voucher per unit cost;
- There is substantial community and tenant support for units to be converted to Project-Based Units as documented by the Project developers;
- The Project Developer must request from HUD that DHCD be the Administrator of the Enhanced Vouchers resulting from the conversion action;
- Prior to HUD designation of DHCD as Administrator of the Enhanced Vouchers, an initial survey of residents of each development will be conducted to gauge interest in participating in the PBV program. Results will be forwarded to HUD. Based on the results, HUD will decide whether to assign the Administrator duties to DHCD or to the Local Housing Authority; and,
- The Project Developer agrees to participate in and support MTW-related self-sufficiency activities for the tenants of the project. The type and extent of support provided will be determined by site. For example, a project may provide case management services to its MTW residents.

DHCD may modify the selection criteria listed above at its discretion, and may place limitations on the number, types and/or characteristics of units to be supported under this initiative. In addition, tenants of the development who are eligible to receive vouchers are given the option to receive an Enhanced Voucher or to have their unit converted to a Project-Based voucher. DHCD requires that tenants of impacted projects be provided with detailed information so that they can make an informed choice.

Pursuant to HUD's 2012 updated guidance on the use of special purpose vouchers, DHCD may apply MTW operating flexibilities to Enhanced Vouchers upon issuance provided that these flexibilities do not infringe on the protections applied to Enhanced Voucher households pursuant to HUD regulations and notices. Operating flexibilities that may be applied to Enhanced Vouchers include, but are not limited to, biennial recertifications, biennial inspections, rent simplification (provided that it does not infringe on EV protections), and utility allowances. Until the Enhanced Voucher household either moves from the unit or is terminated from the program, they will continue to be subject to the Enhanced Voucher minimum rent policies,

including the applicable provisions related to income decreases. Enhanced Voucher income limits and payment standards will also continue to apply to these households. DHCD does not apply term limits to any of its Housing Choice Voucher participants.

For existing tenants on the conversion date who elect to receive a Project-Based Voucher and who are considered over-housed, DHCD may waive the subsidy standard policy, provided that there must be at least one household member for each bedroom in the apartment. In addition, tenants may request a reasonable accommodation if applicable. The only Enhanced Voucher provision which applies to tenants selecting the Project-Based option is the initial income eligibility requirement. DHCD's other MTW PBV policies apply upon the conversion action, except for the following:

- Tenants who live in the development at the time of the conversion action and who select a PBV will be permitted to move after the first year of assisted tenancy following the conversion action. They will be added to the waiting list for a tenant-based voucher in accordance with the Administrative Plan;
- Tenants who live in the development at the time of the conversion action and who select a PBV will not be subject to the limit on voluntary interim rent decreases; and,
- DHCD may waive the limitation on the number of units per project generally applied to PBV developments and allow up to 100% of units in all types of developments to be Project-Based.

In FY 2014, DHCD modified the components of its project-based voucher program in order to streamline administration of the Expiring Use Preservation Initiative and maximize the number of units benefitting from these efficiencies. These changes have been implemented and have resulted in streamlined efficiency of the conversion process.

- Consistent with PIH Notice 2012-32, DHCD may apply MTW flexibilities to units converted to PBV under the Rental Assistance Demonstration to the extent that said flexibilities are not in conflict with RAD provisions specified in HUD's Notice(s).
- DHCD may revise standards for acceptable income verification documents for clients at the time of conversion. Specifically, when completing initial certifications at the time of a RAD or Expiring Use conversion, DHCD may waive the HUD requirement regarding the age of documents at the time of effective date. Authorized in Attachment C Section D of DHCD's MTW Agreement.
- Notwithstanding proposed changes to PBV regulations, DHCD will continue to define "existing housing" as "Housing units that already exist on the proposal selection date and that substantially comply with the HQS on that date." Authorized in Attachment C Section D of DHCD's MTW Agreement.
- DHCD may institute other changes, on a case by case basis, as long as such changes are consistent with the MTW authorizations granted herein.

DHCD currently has four (4) expiring use contracts with five (5) new projects forecasted to be under HAP contract before the close of FY 2014. Additionally, DHCD has two (2) completed RAD conversion Rent Supplement projects and anticipates two (2) more RAD Rent Supplement projects will be completed in FY 2014. DHCD anticipates entering into one (1) additional expiring use contracts in FY 2015.

Proposed Changes: In FY 2015, DHCD will modify the income eligibility requirements for tenants who occupy units at the time of a Rental Assistance Demonstration (RAD) conversion to the PBV program. For only those existing tenants, annual income must not exceed the moderate income limit for the area which is 80% of AMI, except for elderly and disabled households whose incomes may not exceed 95% of AMI.

Approval and Implementation: 2012 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>HC #2: Units of Housing Preserved</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). | 0 | 689 | | |

Activity 2012-5: Family Self Sufficiency Program Enhancements

Description/Update of MTW Activity: DHCD uses MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. These new features will encourage participation and successful completion of the program:

- Provide escrow funds for clients who would otherwise be ineligible for the escrow component of the FSS due to their level of earned income at the time they join the program;
- Establish a discretionary fund to assist FSS participants with short term assistance in order to enable household members to participate in employment or educational activities (i.e., funding for car insurance or child care, etc.);
- Set aside funding to reward families who choose to delay full-time employment in order to pursue education and/or training which will better prepare them to attain long-term self-sufficiency than immediate entry into the work force;
- Establish goal-specific incentive payments to be awarded when a family attains an established goal (i.e., completion of a GED, successful completion of a semester of college courses, etc.).

DHCD and RAA senior staff and FSS Coordinators met and discussed potential changes to the FSS program and the most effective strategies for implementing those changes. In November of 2013, DHCD began utilizing some of the revised strategies to strengthen the FSS program by improving the retention rate, increasing participants ability to access employment and or educational opportunities by providing “gap” funding to address financial barriers to employment, and increasing participants’ long-term economic capacity by providing incentives to encourage participants to complete education and training programs before entering the workforce.

In January 2014, DHCD implemented the revisions to the enhanced FSS program including:

- Placement of an absolute cap on the amount of escrow regardless of prior FSS participation at any of DHCD’s RAAs statewide. The cap, which may be periodically reviewed and updated at DHCD’s discretion, will be set at \$25,000 per household;
- Modification to the requirement that an FSS applicant must have an interim or annual recertification within 120 days prior to FSS enrollment;
- Modification of the extension policy to allow for six month extensions for up to two years with revised extension eligibility requirements;
- Modification of the FSS re-enrollment eligibility criteria to require that re-applicants demonstrate consistent progress since prior FSS participation ended. DHCD will provide an exception when the participant loses a job due to no fault of their own;
- Modification to the escrow calculation methodology by calculating FSS credits using the same method for all participants regardless of income level. The method used for very low income households will apply to all participants; and,

- o Establishment of an incentive payment for FSS graduates that choose to withdraw from the HCV program within 2 years of completion of the FSS program and who apply and are approved for homeownership. The initial incentive payment amount, which may be periodically reviewed and updated at DHCD's discretion, will be set at \$5,000 per household.

In FY 2015, DHCD anticipates that one hundred and fifty (150) new participants will join the FSS program.

Proposed Changes: No changes are proposed.

Approval and Implementation: 2012 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD's revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>SS #1: Increase in Household Income</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average earned income of households affected by this policy in dollars (increase). | \$20,554 | \$23,022 | | |
| <i>SS #2: Increase in Household Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Average amount of escrow of households affected by this policy in dollars (increase). | \$0.00 | \$3,978 | | |
| <i>SS #3: Increase in Positive Outcomes in Employment Status</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Report the following information separately for each category: | | | | |
| Employed | 372 | 432* | | |
| Unemployed | 501 | 472* | | |

| <i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i> | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households receiving TANF assistance (decrease). | 162 | 136* | | |
| <i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households receiving services aimed to increase self-sufficiency (increase). | 0 | 904* | | |
| <i>SS #8: Households Transitioned to Self Sufficiency</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Number of households transitioned to self-sufficiency (increase). | 0 | 75 | | |

*Assumes a percentage of 150 new FSS households and a percentage of graduating households will impact these benchmarks

Activity 2013-1: Rent Reasonableness

Description of MTW Activity: In FY 2013, DHCD eliminated the requirement to re-determine the reasonable rent if there is a 5% decrease in the published Fair Market Rent (FMR) in effect 60 days before the contract anniversary date as compared to the FMR in effect 1 year before the contract anniversary.

Generally, a 5% or greater decrease in the published FMR compared to the FMR in effect one year before is not typical in Massachusetts. DHCD conducted an analysis of the year to year change in the published FMRs from 2006 to 2012 by FMR Area. Between 2006 and 2012, there was only one year where the majority of FMR areas experienced a 5% or greater decrease in FMR. Although infrequent, when this does occur, it places a significant administrative burden on RAA staff who must conduct reasonable rent determinations. Staff may also need to renegotiate rents and if negotiations are unsuccessful, tenants will be required to move, which will further increase the administrative burden on staff and place an onerous burden on tenants.

DHCD will continue to complete a reasonable rent determination when a unit is placed under HAP contract for the first time, when an owner requests a contract rent adjustment, and at any other time DHCD deems it necessary. As rent increases will continue to be allowed during the lease-prescribed time periods, DHCD assumes that owners will request a rent increase within market fluctuations as warranted. Therefore, DHCD believes that reasonable rent determinations will continue to be made with regular frequency. This initiative is fully implemented and is anticipated to continue through FY 2015.

Proposed Changes: No changes are proposed.

Approval and Implementation: 2013 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$364,345 | \$0.00 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 20,052 hours | 0 | | |

Activity 2013-2: PBV Rent Reasonableness

A. Description of MTW Activity: In FY 2013, DHCD modified the requirement for conducting rent reasonableness for re-determined rents under the Project Based Voucher (PBV) program. Note that no change is proposed to the existing policy for determining initial rents, i.e. initial PBV rents will continue to be determined in conformance with the provisions of 24 CFR 983.301 through 983.305 as applicable.

Under the new policy, re-determined rents to owners of PBV units, *except for certain tax credit units as defined in 983.501(c)*, shall not exceed the lowest of the reasonable rent or the rent requested by owner. This policy change eliminates consideration of the then current Fair Market Rent (FMR) limits when re-determining PBV rents. DHCD also eliminated the requirement at 983.303(b) to re-determine the reasonable rents for PBV units whenever there is a five percent or greater decrease in the published FMR in effect sixty days before the contract anniversary as compared with the FMR in effect one year before the contract anniversary.

Affordable housing developers use the PBV commitment to secure project funding and project lenders assume rent trending when underwriting projects; therefore, this policy change will help to ensure the long-term viability and affordability of PBV developments while also promoting housing choice. This initiative is fully implemented and is anticipated to continue through FY 2015.

Proposed Changes: No changes are proposed.

Approval and Implementation: 2013 – Implementation activities began in FY 2013.

Changes to metrics, baselines, and benchmarks: Under HUD’s revised MTW reporting requirements, DHCD is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. DHCD will report on outcomes in the MTW Annual Report.

| <i>CE #1: Agency Cost Savings</i> | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total cost of task in dollars (decrease). | \$34,014 | \$0.00 | | |
| <i>CE #2: Staff Time Savings</i> | | | | |
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| Total time to complete the task in staff hours (decrease). | 1,872 hours | 0 | | |

B. Not Yet Implemented Activities

Activity 2011-1: Value Vouchers

Description/Update of MTW Activity: DHCD plans to implement a new “MTW value voucher” targeted to the homeless and those with disabilities. This initiative will provide a lower cost subsidy than a conventional voucher. Participants will be offered units in privately assisted housing developments where the rental costs are lower (generally by 25% or more) than current HUD published FMRs but still not affordable to very-low and extremely low-income households. These would generally be units in LIHTC, 236, and certain state funded developments, for example, where rents are generally set at or below 60% of AMI.

For value voucher units, the rent reasonableness determination process will consist of verification of the regulated rent amount, which will always be at or below the Payment Standard. The value voucher will make up the difference between the rent and 30% of the tenant’s adjusted income.

Partner agencies will include MassHousing, a quasi- public agency that promotes housing opportunities for low and moderate income households, and various management companies that have a solid track record of providing assisted units to vulnerable populations. MassHousing will make units available to clients of the Massachusetts Departments of Mental Health (DMH) and Developmental Disabilities (DDS) under their 3% set-aside program for this target population in effect since 1978. DHCD may also identify and establish partnerships with agencies that provide services to homeless individuals, regardless of disability status, and may also make units available to clients of the identified agencies.

Clients of the Massachusetts Departments of Mental Health (DMH) and Developmental Disabilities Services (DDS) will be provided with continuing services and support from these two respective agencies. DHCD’s partnership with MassHousing and certain private management companies will make it possible for the participants to live in good quality housing. DHCD will work with its partner agencies to establish realistic time limits for these vouchers within the time permitted by its MTW Agreement with HUD, currently in effect until June 2018.

Due to the substantial level of activity associated with development and implementation of the MTW utility allowance initiative and ongoing implementation of the biennial inspection initiative described herein, implementation of this initiative has not begun. In FY 2015, DHCD may begin implementation of this activity pending the outcome of discussions among affordable housing advocates and other state agencies. DHCD is also considering working with a broader range of potential partners than those state agencies noted above.

Update on Implementation: To be determined.

Timeline for Implementation: To be determined.

Proposed Changes to Activity: As a clarification, DHCD may work with a broader range of potential partners than those state agencies noted above and in the approved Value Vouchers initiative.

Activity 2011-2: Opportunity Neighborhoods

Description/Update of MTW Activity: DHCD plans to establish an “Opportunity Neighborhoods” program in one or more selected neighborhoods in different regions throughout the Commonwealth. The majority of academic research and literature indicates that where a person lives determines (to various degrees), the opportunities afforded to them.

The purpose of DHCD’s “Opportunity Neighborhood” MTW initiative is to provide significant supports and encouragement to existing voucher participants and/or new voucher holders who wish to move to areas with empirically-documented improved educational systems, job opportunities, social services and other opportunities in the expectation that over time their need for housing and other subsidies will abate or diminish. Existing participants and/or voucher holders moving into these areas will be provided with case management support both before and after the move through the participating regional administering agencies. Other incentives may be provided based on family needs and budget availability such as transportation assistance, child care referrals, training stipends, etc. Families will be encouraged or required to develop a family plan to access opportunities in their new neighborhoods with a special focus on positive outcome educational programs for children and available jobs for adults. Where appropriate, participants will also be encouraged to participate in the Family Self Sufficiency Program.

DHCD has conducted research concerning educational outcomes of school age children. Using this research to identify Opportunity Neighborhoods, DHCD may implement a pilot mobility program to increase access to communities with high quality school districts in one or more of DHCD’s eight regions.

In prior fiscal years, DHCD worked with local graduate students to review data and develop the design of the “Opportunity Neighborhood” Program. In its current form, the program will offer revised payment standards, longer housing search periods, security deposit assistance, and move assistance to support moves to communities with high quality schools. In FY 2015, DHCD may again partner with local graduate students in an effort to finalize the program design and work on implementation strategies.

Update for Implementation: To be determined.

Timeline for Implementation: To be determined.

Proposed Changes to Activity: No changes are proposed.

V. Sources and Uses of Funding

DHCD's operates an MTW program that involves only Housing Choice Vouchers. The table below provides a projection of sources and uses for the MTW program for Fiscal Year 2015. Note that no state or local funds are utilized. Note also that HCV funding is allocated on a calendar year (CY) basis. As of the posting of this Plan, DHCD has not been notified of total renewal funding for CY 2015; thus, the amounts listed below may change based on actual funding levels. DHCD will provide information on actual source and use amounts as part of the MTW Annual Report.

In December 2011, HUD issued PIH Notice 2011-67, which describes new cash management requirements and procedures for the HCV program nationwide. HUD will now disburse HCV funding on a monthly basis, using adjusted Housing Assistance Payments and leasing data from the most recently completed quarter. DHCD continues to be concerned that this Notice is inconsistent with its MTW Agreement, which defines a funding formula that is not directly linked to actual costs or leasing levels. DHCD intends to work with HUD to ensure that its funding needs are fully met consistent with the MTW Agreement.

A. Estimates Sources of MTW Funding for the Fiscal Year

| Sources | | |
|---------------------------------------|--|----------------------|
| FDS Line Item | FDS Line Item Name | Dollar Amount |
| 70500 (70300+70400) | Total Tenant Revenue | |
| 70600 | HUD PHA Operating Grants | \$252,077,341 |
| 70610 | Capital Grants | |
| 70700 (70710+70720+70730+70740+70750) | Total Fee Revenue | |
| 71100+72000 | Interest Income | 15,000 |
| 71600 | Gain or Loss on Sale of Capital Assets | |
| 71200+71300+71310+71400+71500 | Other Income | |
| 70000 | Total Revenue | \$252,092,341 |

B. Estimated Uses of MTW Funding for the Fiscal Year

| Uses | | |
|--|---|----------------------|
| FDS Line Item | FDS Line Item Name | Dollar Amount |
| 91000 (91100+91200+91400+91500+91600+91700+ 91800+91900) | Total Operating – Administrative | \$2,839,694 |
| 91300+91310+92000 | Management Fee Expense | 16,149,587 |
| 91810 | Allocated Overhead | 275,000 |
| 92500(92100+92200+92300+92400) | Total Tenant Services | 1,436,278 |
| 93000 (93100+93600+93200+93300+93400+93800) | Total Utilities | |
| 93500+93700 | Labor | |
| 94000 (94100+94200+94300+94500) | Total Ordinary Maintenance | |
| 95000 (95100+95200+95300+95500) | Total Protective Services | |
| 96100 (96110+96120+96130+96140) | Total Insurance Premiums | |
| 96000 (96200+96210+96300+96400+96500+96600+96800) | Total Other General Expenses | |
| 96700 (96710+96720+96730) | Total Interest Expense and Amortization Cost | |
| 97100+97200 | Total Extraordinary Maintenance | |
| 97300+97350 | Housing Assistance Payments + HAP Portability-In | 231,391,782 |
| 97400 | Depreciation Expense | |
| 97500+97600+97700+97800 | All Other Expenses | |
| 90000 | Total Expenses | \$252,092,341 |

C. MTW Single Fund Flexibility

DHCD utilizes single fund flexibility in conjunction with MTW waivers to implement the activities detailed in Chapters III and IV.

D. Local Asset Management Plan

DHCD does not operate a Federal Public Housing Program; therefore, the asset management regulations do not apply.

Is the PHA allocating costs within statute?

N/A

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

N/A

VI. Administrative

A. Resolution

The required signed MTW Annual Plan Certifications of Compliance with Regulations is attached in Appendix A.

B. Public Review Process

DHCD provided public notice of the draft Annual Plan. The public comment period extended from March 11, 2014 through April 11, 2014. Open public hearings were conducted on March 24, 2014 and March 27, 2014 (___ in attendance).

C. Evaluations

DHCD, in collaboration with its network of Regional Administering Agencies, utilizes internal resources to track and monitor performance of proposed and ongoing MTW activities. At the present time, no third party evaluation is planned. DHCD has previously submitted information on an evaluation of the small-scale 183 unit pilot program completed by a graduate student as a thesis project. This information was also presented at HUD's April 2009 MTW conference. DHCD is presently working with a group of local graduate students to research options and finalize program design for the Opportunity Neighborhoods initiative.

D. Annual Statement/Performance and Evaluation Report

DHCD does not operate a Federal Public Housing Program; therefore, the Performance and Evaluation Report are not applicable.