

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

**Moving To Work Program  
Annual Plan for Fiscal Year 2018**

**DRAFT FOR PUBLIC COMMENT  
MARCH 2, 2017**



## Table of Contents

I. Introduction .....	1
A. Overview of Annual Goals and Objectives .....	2
B. Overview of Long Term Goals.....	4
II. General Housing Authority Operating Information .....	6
A. Housing Stock Information .....	6
B. Leasing Information .....	7
C. Wait List Information .....	8
III. Proposed MTW Activities .....	10
Activity 2018-1: Expanding Housing Opportunities: Relocation Assistance.....	10
Activity 2018-2: Residential Assistance for Families in Transition (RAFT) .....	12
Activity 2018-3: Support for the Secure Jobs Initiative .....	14
Activity 2018-4: A Better Life Program Model .....	17
Activity 2018-5: Health Starts at Home.....	20
Activity 2018-6: Enhanced Local Project-Based Voucher Program .....	23
Activity 2018-7: Equity Builder Program.....	26
Activity 2018-8: Affordable Housing Preservation and Development Fund .....	29
IV. Approved MTW Activities.....	32
A. Implemented Activities.....	32
Activity 2000-1: Family Economic Stability Program (FES).....	32
Activity 2010-1: PBV Site Based Waiting Lists.....	37
Activity 2010-2: Payment Standard Exceptions .....	38
Activity 2010-3: Owner Incentive Fund .....	40
Activity 2010-4: Development of Local Forms.....	42
Activity 2011-4: Biennial Recertification Process .....	44
Activity 2011-5: Youth Transition to Success.....	47
Activity 2012-1: MTW Utility Allowances .....	51
Activity 2012-4: Expiring Use Preservation Initiative .....	54
Activity 2012-5: Family Self Sufficiency Program Enhancements.....	57
Activity 2013-1: Rent Reasonableness .....	60

Activity 2013-2: PBV Rent Reasonableness .....	61
Activity 2015-1: Rent Simplification (Changes to Activity 2012-2).....	62
B.    Not Yet Implemented Activities.....	68
Activity 2011-1: Value Vouchers .....	68
Activity 2011-2: Your Choice Program (Formerly Opportunity Neighborhoods) .....	69
C.    Closed Out Activities.....	71
Activity 2011-3: Biennial Inspections .....	71
Activity 2012-3: Project Based Voucher Discretionary Moves .....	71
V. Sources and Uses of Funding.....	72
A.    Estimates Sources of MTW Funding for the Fiscal Year.....	72
B.    Estimated Uses of MTW Funding for the Fiscal Year .....	73
C.    MTW Single Fund Flexibility .....	74
D.    Local Asset Management Plan .....	75
VI. Administrative .....	76
A.    Resolution.....	76
B.    Public Review Process.....	76
C.    Evaluations .....	76
D.    Annual Statement/Performance and Evaluation Report.....	76
Appendix A: Utility Allowance Impact Analysis .....	77
Appendix B: Listing of Regional Administering Agencies.....	78
Appendix C: Certifications of Compliance.....	79
Appendix D: Public Notice, Comments/Responses & Public Hearing Sign-in Sheets ...	80

## I. Introduction

The Massachusetts Department of Housing and Community Development (DHCD) is a participant in the Moving To Work (MTW) Demonstration. MTW is a program authorized by Congress through which a limited number of Public Housing Authorities are provided with the flexibility to waive certain provisions of the US Housing Act of 1937 and related federal regulations, and to design and test approaches for providing housing assistance that address one or more of the following statutory objectives:

- 1) Reduce cost and achieve greater cost effectiveness in federal expenditures;
- 2) Provide 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 terms and conditions of DHCD's participation in the MTW program are defined in its MTW Agreement with the US Department of Housing and Urban Development (HUD), which as a result of recent Congressional action, has been extended until 2028.

DHCD administers HUD-funded Housing Choice Voucher (HCV) programs, along with other state-assisted rental assistance programs, through a statewide network of Regional Administering Agencies (RAA). See Appendix B for a listing of current RAAs. Subject to HUD approval in the MTW Annual Plan, MTW designation allows DHCD to test out new or modified programmatic approaches to administering HCV programs; to implement "local, non-traditional" housing and service activities for the benefit of low-income residents; and, to utilize HCV Housing Assistance Payments (HAP) funds in a more flexible manner.

MTW flexibility applies to the HCV programs administered by DHCD with certain exceptions. Those exceptions are "special purpose" vouchers including Veterans Affairs Supportive Housing (VASH), Five-Year Mainstream, Family Unification Program (FUP), Enhanced/Tenant Protection Vouchers and the Moderate Rehab programs. MTW operating flexibility may be applied to special purpose vouchers in accordance with HUD's published guidance; however, except for Enhanced/Tenant Protection Vouchers, which can be rolled into the MTW Block Grant upon renewal of funds, the other special purpose types are not part of the MTW Block Grant.

DHCD is required by HUD to prepare an MTW Annual Plan and Annual Report in a format defined in the MTW Agreement. This Annual Plan, which is subject to HUD approval, reflects the current reporting requirements including use of standard metrics and benchmarks. For purposes of the Annual Plan, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements. Conversely, a "non-MTW activity" is an activity that does not require MTW funding or programmatic flexibility to implement.

DHCD's FY 2018 MTW Annual Plan summarizes planned activities for the period from July 1, 2017 through June 30, 2018. HUD provides HAP funding on a calendar year basis; thus, the Annual Plan covers parts of two distinct funding periods. As of the date of this Annual Plan

publication, DHCD has not received confirmation of its 2017 HAP funding, and there is the potential for a significant decrease compared to 2016 funding. 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 makes the Annual Plan available for public review and comment including conducting public hearings. DHCD reviews and considers written and verbal comments that are received during the public review period. Appendix D provides information on the public comment period for this Annual Plan.

## **A. Overview of Annual Goals and Objectives**

Highlights of planned FY 2018 MTW activities include:

- DHCD projects that rental assistance and related services will be provided to 20,909 MTW households. Nine (9) new Project Based Voucher (PBV) contracts with 53 total units are projected to be placed under contract in FY 2018. An additional 616 households are projected to be served through the VASH and Mainstream programs.
- DHCD plans to implement the following new MTW initiatives in FY 2018:
  - Expanding Housing Opportunities: In support of a major state-funded initiative to redevelop and preserve state-aided public housing, MTW funds will be utilized for short-term relocation assistance for impacted low-income households.
  - Residential Assistance for Families in Transition (RAFT): Short term financial assistance will be provided to families with children who are homeless or at risk of homelessness.
  - Support for Secure Jobs: DHCD will fund targeted case management and employment supports, in tandem with voucher assistance for up to fifty (50) eligible program participants.
  - A Better Life (ABL): DHCD will fund an economic self-sufficiency program and limited capital improvements at designated state-assisted public housing developments. The program is based on an existing, successful program model that provides case management, education and training to residents.
  - Health Starts at Home: DHCD will support and enhance an existing program funded by The Boston Foundation (TBF) which focuses on improving health outcomes for low-income children. Up to fifty (50) vouchers will be provided to eligible participants in TBF's program.
  - Equity Builder Program: In partnership with community development financial institutions and developers, DHCD will establish a Lease-to-Own program to support the goal of providing pathways to homeownership for low-income families.

DHCD will provide an allocation of time-limited vouchers and service dollars to support homeownership preparation activities for Lease-to-Own program participants. A portion of the rent will go towards the purchase price.

- Affordable Housing Preservation & Development Fund: DHCD will utilize MTW funds to support the development and preservation of affordable rental housing units through implementation of a new Affordable Housing Preservation and Development Fund (AHPD). AHPD funds will provide loans to eligible projects to leverage private equity and state-aided public housing capital resources.
- DHCD will implement a series of modifications and enhancements to its existing Project-Based Voucher program in FY 2018.
- DHCD will continue to encourage participant self-sufficiency through the Family Economic Stability Program. The Boston-based program administered by Metropolitan Boston Housing plans to achieve its participation goal of 50 participants in FY 2018. Also in FY 2018, DHCD will review tenant rents as a percentage of income as a means to inform changes to the fixed subsidy.
- The ongoing Youth Transition to Success Program will expand to include referrals from a new youth program provider as well as additional referrals from the Department of Children and Families, including eligible youth who may not have previously participated in the FUP AOP program. DHCD will partner with a new organization to provide intensive training, skills development, corporate internships and wraparound support for participants. DHCD will increase the number of youth assisted under this activity from ten (10) to one hundred and thirty five (135).
- Use of the simplified MTW Utility Allowance schedule will continue. In FY 2018, DHCD will update its “other electric” utility allowance to support a model that utilizes usage and weighted electric rates throughout the state. This allowance is in addition to the allowance for households which pay for heat.
- DHCD will continue to operate its MTW FSS program in FY 2018 and will work to implement MTW activities designed to enhance the FSS Program and promote asset development and savings among HCV participants. DHCD anticipates that 70 new FSS participants will enroll in the FSS program in FY 2018.
- DHCD will continue to work with HUD, developers, tenant groups and other stakeholders to identify additional appropriate sites and enter into long-term project based contracts thereby preserving affordability.
- Previously approved MTW activities related to the owner incentive fund, reasonable rent, biennial recertifications and payment standard exceptions will continue to be implemented.

Over the course of the coming year, DHCD will continue to explore new initiatives that will further the MTW statutory objectives and DHCD’s long-term MTW goals. As part of these efforts,

DHCD intends to assess and propose modifications to its existing rent simplification initiatives. Ongoing collaborative efforts with the RAAs will continue to focus on enhancing quality control programs, upgrading the skills and qualifications of program staff, and improving customer service for applicants, program participants and property owners.

## **B. Overview of Long Term Goals**

DHCD's participation in the MTW program supports a wide range of positive housing and supportive service outcomes for thousands of participating low-income households, including families with children, seniors and people with disabilities. The programmatic flexibility afforded by MTW continues to be an important component of the Commonwealth's overall housing strategy. The extension of the MTW Agreement until 2028 will ensure continuity of this valuable set of program tools and resources.

DHCD's long-term MTW strategy is designed to demonstrate that: 1) Housing stabilization can provide low-income households with a foundation for achieving economic self-sufficiency; and, 2) Administrative costs savings can be redirected to provide meaningful assistance to additional program participants and owners. DHCD believes that affordable housing can provide the foundation that allows low-income households to enter the economic mainstream and access good jobs and education. Maximizing the value of limited federal program dollars to help families achieve important economic goals, enabling them to move on so that program dollars can help serve additional families is a key goal.

Additional principles that continue to guide DHCD's MTW strategy include:

- MTW activities must relate to one or more of the three statutory objectives, i.e. reducing cost and/or promoting administrative efficiency, increasing housing choice, and supporting families in achieving economic self-sufficiency.
- MTW flexibility will be utilized to promote tighter linkages and synergy between the HCV program and other related Commonwealth programs and policy goals such as preventing or reducing homelessness; supporting self-sufficiency and economic independence initiatives; preserving and expanding state-assisted public housing and project-based affordable housing; supporting those who have one or more disabilities; and stabilizing neighborhoods. DHCD will also consider the goals of the MTW Annual Plan in the context of the Consolidated Plan and as a resource and tool to Affirmatively Further Fair Housing Opportunities.
- By identifying and addressing administrative efficiency opportunities, MTW flexibility will be used wherever feasible to increase the number of extremely and very low-income households served and the overall quality of leased housing units.
- MTW program initiatives will respond to differences among regional and local housing markets.

DHCD is committed to continuing to provide opportunities for broad-based input from its RAA contractors, program participants, housing advocates and other stakeholders to inform the design of DHCD's MTW initiatives.

## II. General Housing Authority Operating Information

### A. Housing Stock Information

DHCD does not administer a federal public housing program.

**Table 1: Planned New Public Housing Units to be Added During the Fiscal Year**

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

\* Select Population type from: Elderly, disabled, General, Elderly/Disabled, Other

<b>If other, please describe:</b>	N/A
-----------------------------------	-----

**Table 2: Planned Public Housing Units to be Removed During the Fiscal Year**

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
N/A	0	N/A
N/A	0	N/A
N/A	0	N/A
<b>Total Number of Units to be Removed</b>	<b>0</b>	

**Table 3: New Housing Choice Vouchers to be Project-Based During the Fiscal Year**

Table 3 below provides a summary of new Project Based Voucher (PBV) developments for which DHCD anticipates entering into Housing Assistance Payments (HAP) Contracts during FY 2018. A total of 53 units in 9 PBV developments are expected to be placed 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
Parcel 25 Phase 1A, Boston	8	Family. New construction. Five story mixed use building
Ludlow Mill, Ludlow	8	Adaptive reuse of historic mill building 55 and older
Greater Four Corners Stabilization-Pilot, Boston	2	Family scattered site rehab of four buildings
Gateway Residences on Washington, Lynn	7	Family. New construction of 5 story, mixed use building
Coppersmith Village Apartments, Boston	8	Family. New construction of 5 story, mixed use building
250 Gull Pond Road, Wellfleet	2	Family. New construction of (3) two unit townhouses
Lenox Schoolhouse, Lenox	4	Existing project changing from Assisted Living to 55 and older
Kaszanek House, Malden	8	Rehab of 11 unit SRO facility with a homeless preference
Washington Street SRO, Malden	6	Rehab of SRO facility (3 story building) preference for disabled

Anticipated Total New Vouchers to be Project-Based	53
--	----

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	3,385
Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	3,216

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

\*\* Of the total 3,380 PB vouchers anticipated to be leased by the end of FY 2018, 546 are Expiring Use and 825 are RAD. Number reflects tenant PBV choices pre-2017. Actual leasing will be updated in the MTW report and will reflect tenant PBV choice for new PBVs in FY 2018.

\*\*\*Anticipated number of PBVs depends largely on the point during the year when the units are brought under contract, tenant choice and speed of leasing PBV units.

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

This section is required by HUD. DHCD has no federal public housing stock.

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

This section is required by HUD. DHCD has no federal public housing stock and therefore will have no federal capital fund expenditures during the plan year.

## B. Leasing Information

As required by HUD, Table 4 below provides information only on MTW households that DHCD plans to serve during FY 2018. In total, in FY 2018 DHCD expects to serve 20,909 MTW and Non-MTW households.

**Table 4: Planned Number of Households Served at the End of the Fiscal Year**

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/Leased**
Federal MTW Public Housing Units to be Leased	0	0
Federal MTW Voucher (HCV) Units to be Utilized	20,724	248,688

Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs***	0	0
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs***	185	2,220
<b>Total Households Projected to be Served</b>	20,909	250,908

\*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.

Table 5 provides information on Non-MTW vouchers projected to be leased during FY 2018. This table is not a requirement of Attachment B to the Standard MTW Agreement.

**Table 5: Non-MTW Voucher Households**

Non-MTW Households to be Served Through:	Planned Number of Households to be Served	Planned Number of Unit Months Occupied/Leased
VASH	545	6,540
Mainstream 5	71	852
<b>Total Non-MTW Households Projected to be Served</b>	616	7,392

**Reporting Compliance with Statutory MTW Requirements**

DHCD is in compliance with its MTW statutory requirements.
--

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

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Tenant-Based Local, Non-Traditional MTW Housing Assistance Program	Referrals to and enrollment in the FES and YTTPSP 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**

**Table 7: 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
Federal MTW Housing Choice Voucher Program, Federal Non-MTW Housing Choice Voucher Units	Other	107,324	Open	N/A

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
Tenant-Based Local Non-Traditional MTW Housing Assistance Program	Other	39	Open	N/A
N/A	N/A	0	N/A	N/A

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

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

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

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

The waitlist is open to all populations

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

The Family Economic Stability Program provides a fixed annual stipend to eligible families, regardless of future income or family composition changes. See MTW Activity 2000-1 FES.

If Other Wait List Type, please describe:

DHCD combines site-based and centrally managed wait list features. All of DHCD’s Section 8 programs (including MTW and Non-MTW vouchers) use a regional, centrally managed wait list with the exception of certain Project Based developments. There are currently eighty four (84) 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.
The Tenant-Based Local Non-Traditional MTW Housing Assistance Program is the Family Economic Stability Program. The waitlist for this program is managed by the Metropolitan Boston Housing Partnership. Applicants must meet certain requirements such as working at least part-time or participating in a full-time job training program.

### Organizational Structure of the Waitlist

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

DHCD does not anticipate any changes to the organizational structure of the waitlist or policy changes regarding the waitlist.
--

### III. Proposed MTW Activities

#### Activity 2018-1: Expanding Housing Opportunities: Relocation Assistance

**Description/Update of MTW Activity:** DHCD will use MTW funding flexibility to support a comprehensive redevelopment program that will preserve existing state-aided low-income housing. Construction and long term operating funding will be from state and private equity sources. MTW funds will primarily support relocation costs associated with short-term housing for low-income residents during construction. No MTW funds will be used to support construction. Relocation assistance under this activity will be provided to eligible families at or below 80% of AMI. In FY 2018 DHCD will support relocation costs for two redevelopment projects. One is in Chelsea and the other in Somerville.

**Statutory Objective:** This initiative will support the MTW Statutory objectives to increase housing choice for low-income families.

**Anticipated Time Line:** DHCD is prepared to implement this activity upon HUD approval.

**Anticipated Impact:** The anticipated impact of this initiative will be that additional affordable housing units will be preserved the state of Massachusetts, thereby increasing housing choices for low income families.

**Metrics:** Additional benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	\$47,475,000		
<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). If units reach a specific type of household, give that type in this box.	0	312		
<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	312		

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice.	0	312		

**Data Source:** DHCD will use data collected from its software system and the partner agencies to track the number of participants that move to the redeveloped properties as a result of this activity.

**Authorization Standard:** MTW Agreement Attachment D, Broader Uses of Funds.

### **Activity 2018-2: Residential Assistance for Families in Transition (RAFT)**

**Description/Update of MTW Activity:** MTW funds will be utilized to expand this critically important homelessness prevention program which targets families with children under the age of 21 who are homeless or at risk of homelessness. RAFT offers flexible financial assistance designed to meet each family's particular needs. Eligible uses include moving cost assistance, rent and utility arrears, rental stipends or utility bills. RAFT also helps families who must move but do not have enough money to pay a security deposit, utility startup costs, or first/last month's rent, and to buy furniture (no more than \$1000 of the family's RAFT benefit can be paid for furniture).

Applicants for RAFT benefits apply to a regional agency and can only be approved for RAFT benefits in the region where the RAFT assistance is to be used. Eligibility for RAFT includes the following criteria:

- A family must be homeless or at risk of becoming homeless.
- The household must be income eligible. Not less than 50 percent of the funding will be available for families with an income at or below 30% of Area Media Income (AMI), and a maximum of 50 percent for families between 30-50% AMI.
- A family must meet the basic criteria of an assessment targeting tool (RAFT Screen) developed by DHCD, which was developed using indicators for risk of homelessness.
- The RAFT eligibility process will consider the reasons for which someone is homeless or at risk of becoming homeless, including loss of income and increased expenses for those with incomes between 30 and 50 percent of AMI
- A family must show that RAFT assistance will stabilize the current housing situation. This means a household must have enough income after receiving RAFT to be able to stay in their current housing, obtain new housing, or otherwise avoid homelessness.

The average RAFT benefit provided to each eligible family is \$2,000 per household with a maximum benefit of \$4,000 per 12-month period. DHCD anticipates assisting approximately 375 households with MTW funding in FY 2018.

**Statutory Objective:** This initiative will support the MTW Statutory objectives to increase housing choice for low-income families.

**Anticipated Time Line:** DHCD is prepared to implement this activity upon HUD approval.

**Anticipated Impact:** The anticipated impact of this initiative is to avoid homelessness and provide housing stability for at-risk families.

**Metrics:** Additional benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	0	\$13,000,000*		
<i>*Subject to final legislative approval on July 1, 2017.</i>				
<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.	0	375	.	
<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice.	0	375		

**Data Source:** DHCD will use data collected from its software system, and the partner agencies to track the outcomes of the participants as a result of this activity.

**Authorization Standard:** MTW Agreement Attachment D, Broader Uses of Funds.

### **Activity 2018-3: Support for the Secure Jobs Initiative**

**Description of MTW Activity:** DHCD plans to utilize MTW vouchers and funding flexibility to support and expand on the Secure Jobs Initiative (SJI) which provides integrated case management, employment supports and housing assistance for homeless and low-income families. The goal of the SJI is to bridge the gap between housing and employment services, to offer a holistic set of services that supports families on their path to employment and addresses every barrier they face in moving forward. The SJI is administered across the Commonwealth by regional partnerships consisting of shelter providers, housing stabilization providers and employment placement and training providers.

Stabilization Workers identify and refer participants, who are most “ready, willing, and able” to work, to the SJI. Thereafter, intake and assessment are completed with the goal of development of an Individual Employment Plan (IEP) for each SJI participant. Finally, participants are enrolled in services identified as necessary, including job readiness training, skills training, job search assistance and, as applicable, Vocational English Language Training.

Leveraging other state and private dollars, DHCD will fund housing vouchers and a portion of the services component for the initiative. Service dollars will support recruitment and referral, intake and assessment, completion of IEPs, job readiness training, career counseling, job development and connecting participants to employers and post-employment placement services. Service dollars will also be used flexibly to pay for small expenses such as licensure tests, RMV fees, transportation passes, uniforms and other expenses that may act as barriers to successful employment. It is anticipated that service dollars will support up to 1,000 participants. The housing component will include an allocation of fifty (50) HCV vouchers targeted to participant households of the SJI. Referrals from SJI to DHCD will be made upon completion of training or job placement. DHCD will screen SJI referrals per its Admin Plan screening policies. The vouchers will be time-limited subsidies with a maximum term of five years, or seven years if the tenant is a participant in DHCD’s FSS program. Income, rent and subsidy will be calculated per DHCD’s MTW income and rent policies. Compliance with the voucher holder’s IEP and maintenance of employment is only required through completion of the SJI program. DHCD will establish hardship policies for participants who lose employment through no fault of their own.

**Statutory Objective:** This initiative will support the MTW statutory objective of increasing housing choice for low-income families and giving incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

**Anticipated Impact:** The Secure Jobs program will provide eligible families with a housing option and skills necessary for meaningful employment and effectively remove barriers to obtaining self-sufficiency.

This initiative will allow households with children to acquire the skills necessary for meaningful employment through job and vocational training. This will help them increase their economic self-sufficiency.

**Anticipated Time Line:** DHCD will develop MOUs with the referring agencies in the first part of FY 2018 and anticipates issuing the first of the allocated vouchers in the 3<sup>rd</sup> quarter of FY 2018.

**Metrics:** Baselines and benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase)	TBD	\$800,000		
<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).	TBD	TBD		
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Unemployed	TBD	TBD		
	TBD	TBD		
Other - Employed	TBD	TBD		
	TBD	TBD		
Other - Education/Job Training	TBD	TBD		
	TBD	TBD		
<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).	TBD	TBD		
<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 households	1,050 households		
<i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected	TBD	TBD		

by this policy in dollars (decrease).				
<b>SS #7: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	TBD	TBD		
<b>SS #8: Households Transitioned to Self Sufficiency*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0 households	0 households		
*Self-sufficiency is defined as graduation as completion of the IEP.				
<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	TBD	TBD		

**Data Source:** DHCD will use data collected from its software system, and the partner agencies to track the participant outcomes in this activity.

**Authorization Standard:** MTW Agreement Attachment D, Broader Uses of Funds; and

MTW Agreement Attachment C, (D) (4): The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan; and

MTW Agreement, Attachment C, Paragraph D (2) (d) – The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. This authorization waives certain provisions of Sections 8(o)(7) and 8(o) (13) (F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement DHCD’s Annual MTW Plan.

#### **Activity 2018-4: A Better Life Program Model**

**Description of MTW Activity:** DHCD will provide funding to a limited number of Local Housing Authorities (LHAs) to operate the “A Better Life Self-Sufficiency (ABL) Program” at state-aided public housing developments. Service dollars will be used to support initial program start-up, staffing, including Family Life Coaches (FLCs) and supportive services such as education and training. The sites selected for ABL participation will also be eligible for limited MTW funding to address capital needs to modernize existing housing units and/or develop or rehabilitate public meeting areas that will benefit participants of the ABL programs.

ABL uses an innovative approach to assist families residing in state-aided public housing to achieve economic self-sufficiency through employment training and education programs. The ABL program has been piloted at a state housing authority since 2012 and has experienced success in areas such as education, employment and increased earned income. Each ABL participant will be assigned an FLC who will be responsible for providing support in five areas: education, employment, finances, health and personal development. Together the FLC and ABL participant will prepare a service plan with short, medium and long term goals and objectives necessary to achieve economic self-sufficiency. Each LHA will collect participant data to examine changes in participants’ education, living, financial, and health status during participation in the program. Participation in the program may extend for up to five years. As a condition of continued eligibility in the ABL program, participants are required to work, attend school or provide community service.

DHCD will undertake a procurement and award contracts for service and capital funds to up to three LHAs who will be responsible for operation of the ABL program. Eligibility for the ABL program is limited to applicants and existing residents in the LHA’s state housing programs. DHCD may elect to extend the funding period based on program outcomes and availability of budget authority.

**Statutory Objective:** This initiative will support the MTW statutory objective of giving incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

**Anticipated Impact:** Through funding for the ABL program, LHAs will be able to provide necessary resources to address capital improvement needs and assist residents in becoming economically stable including support in five key areas: employment, education, finances and health and safety.

**Anticipated Time Line:** DHCD is prepared to begin funding for this activity upon HUD approval.

**Metrics:** Additional baselines and benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

***CE #4: Increase in Resources Leveraged***

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase)	0	\$1,000,000*		
<i>*This benchmark will be updated once DHCD identifies the LHAs.</i>				
<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	TBD	TBD		
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Unemployed	TBD	TBD		
	TBD	TBD		
Other - Employed	TBD	TBD		
	TBD	TBD		
Other - Education/Job Training	TBD	TBD		
	TBD	TBD		
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	TBD	TBD		
<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	TBD	TBD		
<b>SS #8: Households Transitioned to Self Sufficiency*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>

Number of households transitioned to self-sufficiency (increase).	0 households	0 households		
<i>*Self-sufficiency is defined as graduation on completion of the service plan.</i>				

**Data Source:** DHCD will use data collected from its software system, and the partner agencies to track the participant outcomes in this activity.

**Authorization Standard:** MTW Agreement Attachment D, Broader Uses of Funds.

### **Activity 2018-5: Health Starts at Home**

**Description of MTW Activity:** DHCD will collaborate with The Boston Foundation (TBF) to provide up to fifty (50) housing opportunities for eligible participants in TBF's Health Starts at Home (HSH) initiative. TBF is a community foundation that provides grants to nonprofit organizations and designs special funding initiatives to address critical challenges in the community. The HSH is one such initiative that brings together housing and health-care organizations to support work that demonstrates the positive benefits of stable, affordable housing on children's health outcomes.

Over the last 10 years, researchers have found that instability in housing, driven in large part by unaffordable rents, has a profoundly negative impact on a child's mental, behavioral, and physical health. The result is higher health-care costs and increased burdens on homeless systems and providers.

HSH is a three-year initiative – which began in May 2016 - supporting partnerships among housing and health care organizations with the goal of:

- Highlighting the importance of affordable housing in children's health outcomes;
- Identifying promising new and existing models that can be brought to scale to improve children's health outcomes;
- Decreasing health care costs; and
- Decreasing costs related to homelessness.

The partnerships being supported in TBF's HSH initiative are described in further detail below. This activity proposes collaboration specifically between DHCD and three of the four HSH partners: Building Bridges to Better Health, Chelsea Homes for Health, and Mortar Between the Bricks: Building a One Stop, Two-Generation Foundation for Health. DHCD may at a later date, collaborate with other HSH partners.

- Building Bridges to Better Health (BB2BH)
  - Focuses on homeless children and their families currently living in a 36-room family shelter in Dorchester.
  - Eligible families include families new to the shelter and those who have resided in the shelter for no greater than 6 months.
  - Health and housing providers will integrate on-site service delivery to improve access to health care, benefits screenings and housing search services.
  - Following a family's successful re-housing, coordinated stabilization services will connect families to routine health care and provide ongoing supports for up to a year, including home visits by clinical staff.
- Chelsea Homes for Health
  - Chelsea is a mid-size city just north of Boston with a largely immigrant population where 50% of residents cannot afford stable un-subsidized housing.
  - Massachusetts General Hospital (MGH) Chelsea is the healthcare provider serving the majority of households in the community.

- Roca is a Greater Boston organization supporting youth, including high-risk young mothers.
- MGH Chelsea and Roca will screen families for housing instability as a part of their regular course of care.
- This screening will provide Roca and MGH Chelsea with the knowledge and capacity to refer families to programs offering short-term rental assistance and long-term stabilization supports including benefits screening, financial coaching and services, workforce development resources, housing counseling and peer supports.
- Mortar Between the Bricks: Building a One Stop, Two-Generation Foundation for Health
  - Identify at-risk, housing insecure and homeless patients at Boston Children’s Primary Care at Martha Eliot Health Center and Longwood using a new universal housing screen.
  - Coordinate interventions to stabilize families including intensive legal services and housing workshops.
- Housing Prescriptions as Health Care
  - Will create a seamless system of services for children under the age of four whose families are high users of emergency health care services.
  - Builds on existing emergency room interview protocol, enabling trained interviewers to ask validated questions and link families to care coordination services.
  - Provides intensive case management to help families find, retain, and improve their housing by linking services of benefits maximization, legal services, problem solving education and priority access to public housing units.

Applicants for HSH vouchers will be referred to the applicable RAA from BB2BH, Chelsea Homes for Health and Mortar Between the Bricks and will be selected according to the date and time of referral. Applicants will be screened according to DHCD eligibility and screening requirements. Income, rent and subsidy will be calculated per DHCD’s MTW income and rent policies. All HSH vouchers will be administered by MBHP for the first year. Following the first year, the vouchers will be administered by the appropriate RAA.

HSH participants will be subject to all DHCD MTW policies unless superseded by HSH program policies. HSH vouchers are not time-limited; however, DHCD will not reissue HSH vouchers upon turnover.

**Statutory Objective:** This initiative will support the MTW Statutory objectives of giving incentives to families with children where the head of household is working, is seeing work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and increasing housing choices for low-income families.

**Anticipated Timeline:** DHCD will begin issuing vouchers in FY18 immediately upon HUD approval of this MTW activity.

**Anticipated Impact:** This activity will support the provision of safe and stable housing to currently homeless families, thus decreasing state and agency costs related to homelessness. Health care cost to families will also decrease as a result of stable housing, increased accessibility to health care and supportive services supported by this activity.

**Metrics:** As this is a program involving participants and healthcare providers certain data elements have privacy barriers. In addition to the HUD metrics below, DHCD is working with HSH staff to identify and develop local metrics with which to gauge program success. Baselines and benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase)	0	\$700,000		
<i>Local Metric: Decrease in Households Receiving Homelessness Assistance</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of Household Receiving Homelessness Assistance (decrease)	TBD	TBD		
<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	50		

**Data Source:** DHCD will use data collected from its software system, and the partner agencies to determine baselines, benchmarks and outcomes.

**Authorization Standard:**

MTW Agreement, Attachment C, Paragraph D (4) – The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency’s Annual MTW Plan.

### **Activity 2018-6: Enhanced Local Project-Based Voucher Program**

**Description of MTW Activity:** DHCD has operated a project-based component under its Housing Choice Voucher Program for over 25 years. Through its project-based voucher (PBV) program, DHCD partners with for-profit and non-profit housing providers to expand the supply of affordable housing to low-income families. To meet the evolving needs of the agency and the residents served, DHCD will enhance and expand its existing PBV program as follows:

- DHCD will remove the 20% cap on PB units in its portfolio. Removing this cap will allow DHCD to partner with a greater number of housing providers that enable low-income families to relocate to high opportunity areas.
- DHCD may project base up to 100% of the dwelling units in any PBV project or building. If the project has a supportive services requirement, participating households must adhere to the supportive service requirements.
- DHCD will use the following definition of rent to owner: Rent to owner will not exceed the lowest of the following amounts:
  - An amount determined by DHCD, not to exceed 110 percent of the applicable fair market rent (or any PHA exception payment standard) for the unit bedroom size minus any utility allowance;
  - The reasonable rent;
  - The rent requested by the owner; or
  - Such other amount determined by DHCD to be appropriate for the unit, based upon the nature of the unit and the RFP from which the owner was selected. For example, in certain cases, DHCD believes a shallower subsidy may be more appropriate.
- DHCD will waive the option that allows PBV participant families to move with a tenant-based voucher after one year of assistance in a project-based unit. Upon DHCD verification of one of the circumstances below, DHCD may provide a tenant based voucher as funding permits.
  - Extended HQS failures
  - PBV participants who have successfully completed the FSS program and been determined eligible for a homeownership voucher
  - Personal Safety or VAWA
  - Reasonable Accommodation

Additionally, DHCD will provide a project-based transfer preference for families who have verified educational opportunities or employment offers that are more than

twenty-five (25) miles from the family’s current project-based unit. The project-based transfer preference is subject to availability of another project-based unit within a twenty-five (25) mile radius of the educational opportunity or employment offer.

When a family is over- or under-housed and DHCD identifies an available project-based unit within the RAA’s jurisdiction, the family must transfer to the appropriately sized unit. DHCD will provide a project-based transfer preference for families who are over- or under-housed and who are willing to move to a project-based unit in another RAA’s jurisdiction. Unit offers will be made consistent with the family composition and DHCD occupancy standards.

PBV families who have requested tenant based vouchers and are on the opt-out waiting list will be grandfathered in and continue to be eligible for receipt of a tenant based voucher per the terms of the prior opt-out policy.

This policy will allow DHCD to select and serve new families from the waiting list on a more expeditious basis while continuing to provide housing choice to existing families.

- DHCD will waive the three-year time restriction on adding units to a PBV HAP Contract and allow for units to be added to a PBV HAP Contract at any time during the term of the HAP Contract. The anniversary and expiration dates of the HAP Contract term for the PBV units originally placed under contract and the new units added to the contract will remain consistent. DHCD will follow any applicable non-MTW provisions, i.e. subsidy layering. Waiving this restriction will reduce administrative costs and staff time spent administering PBV HAP contracts.
- DHCD, may, at its discretion, provide written authorization to owners of PBV developments to manage and maintain SBWL.

**Statutory Objective:** This initiative will support the MTW Statutory objective of increasing housing choices for low-income families.

**Anticipated Timeline:** DHCD will begin implementation of this activity upon HUD approval.

**Anticipated Impact:** This activity will allow DHCD to provide housing assistance to a greater number of households.

**Metrics:** Additional baselines and benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported in the MTW Annual Report.

<i>HC #1: Additional Units of Housing Made Available*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	3,332	3,380		
<i>*DHCD had an established PBV program prior to the development of this activity. To establish the baseline, DHCD is using a snapshot of PB units as of 01-2017.</i>				
<b>HC #4: Displacement Prevention</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% of AMI that would lose assistance or need to move (decrease)	0	TBD		
<i>*DHCD does not believe this metric is applicable to this activity. However, HUD has required its use. DHCD welcomes HUD's guidance on a specific methodology for measurement.</i>				
<b>HC #5: Increase in Resident Mobility</b>				
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	48		

**Data Source:** DHCD will use data collected from its software system to track the participant outcomes in this activity.

**Authorization Standard:** Standard MTW Agreement, Attachment C, Paragraph D (7) – The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance. This authorization supports expansion of the PBV program as described above by allowing HHA to waive the regulatory provisions related to percent of units in a building that can be project-based, issuance of tenant-based vouchers to PBV participants after one year of occupancy, increases to the number of units covered by a HAP contract and non-competitive selection of PHA-owned properties.

### **Activity 2018-7: Equity Builder Program**

**Description/Update of MTW Activity:** DHCD plans to implement a Lease-to-Own Program (LTO), called “Equity Builder” to support the goal of providing low-income families with an achievable pathway to homeownership. Participating families will be able to move to a better home and/or neighborhood which will enhance their quality of life, as well as their opportunities for financial independence.

In FY 2018, DHCD will issue a Request for Proposals (RFP) for for-profit and/or non-profit entities who have the ability to secure financial commitments for a LTO program for low-income families. DHCD will make available up to seventy-five (75) time-limited vouchers to assist households preparing to purchase a home. DHCD will conduct outreach to targeted HCV households including those with employment income, as well as FSS participants who have a goal of homeownership. DHCD will also conduct outreach to families assisted at Low Income Housing Tax Credit (LIHTC) properties who do not currently have a subsidy. Vouchers will be time-limited up to five years.

The price of the unit and the related subsidy will be determined at eligibility and remain fixed through program participation. DHCD will use 110% of the payment standard to determine contract rent while ensuring that the approved rent is reasonable. A down payment of 5% of the base cost will generally be required at the time of purchase. The owner will establish and maintain an escrow account and deposit a portion of the rent each month (which will consist of HAP and/or tenant rent) so that at the end of the five year period, the down payment will be complete. The monthly escrow amount will be determined by amortizing the down payment over a five year period. During the five year period of program participation, 50% of the appreciation of the value of the home will be credited towards the homebuyer’s purchase, thus increasing equity at the time of purchase.

If, at the end of program participation, the participant is not mortgage-qualified, DHCD will extend the subsidy for one additional year. If, at the end of this additional year, the participant is still not mortgage-qualified, DHCD will terminate assistance and the escrow will be forfeited by the participant and credited back to DHCD.

If, at the end of participation, the value of the home has depreciated below the base cost, the unit may not be sold. DHCD and the owner may extend the five year participation period by up to one year to allow the market to recover. In this instance, DHCD will redetermine rent and escrow will no longer accumulate. If at the end of the extension period the value of the home remains below the base cost, the unit will not be sold and escrow will be credited back to DHCD. The owner may continue to rent the unit to the participant, however, DHCD will no longer provide a subsidy.

DHCD may modify the program parameters described above (i.e. down payment percentage, lease-to-own initial and extension term, etc.) as needed to support the goal of stable, affordable homeownership for low-income households.

Eligibility for the program will be based on factors such as income, employment and a credit screening. During the participation period, households will be provided with supportive services such as financial literacy and home buyer education.

**Statutory Objective:** This initiative will support the MTW Statutory objectives of increasing housing choice for low-income families.

**Anticipated Time Line:** DHCD is prepared to issue a Request for Proposals in FY 2018 upon HUD approval.

**Anticipated Impact:** The anticipated impact of this initiative will be that additional homeownership opportunities in high-opportunity areas will be made available to low-income families. Participants will contribute to neighborhood stabilization by remaining invested homeowners.

**Metrics:** Benchmarks will be determined upon program implementation and identification of families. Outcomes will be reported 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)	0			
<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase)	0			
<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			
<i>*Defined as program completion ending in homeownership.</i>				
<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			
<i>HC #6: Increase in Homeownership Opportunities</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households that purchased a home as a result of the activity (increase)	0			

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice.	0			

**Data Source:** DHCD will use data collected from its software system and the partner agencies to track the progress of participants.

**Authorization Standard:** MTW Agreement, Attachment C, Paragraph D (2) (d) – The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. This authorization waives certain provisions of Sections 8(o)(7) and 8(o) (13) (F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement DHCD’s Annual MTW Plan; and

MTW Agreement, Attachment C, Paragraph (8)(a) - The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement DHCD’s Annual Plan; and

MTW Agreement, Attachment C, Paragraph D (4) – The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency’s Annual MTW Plan; and

MTW Agreement, Attachment C, Paragraph D (2) (d) – The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. This authorization waives certain provisions of Sections 8(o)(7) and 8(o) (13) (F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement DHCD’s Annual MTW Plan.

### **Activity 2018-8: Affordable Housing Preservation and Development Fund**

**Description/Update of MTW Activity:** DHCD will utilize MTW funds to support the development and preservation of affordable rental housing units through implementation of a new Affordable Housing Preservation and Development Fund (AHPD). AHPD funds will provide loans to eligible projects to leverage private equity and state-aided public housing capital resources.

AHPD funds will support rental units targeted for households earning less than 80% of Area Median Income, and will require deed restrictions or other legally binding covenants to ensure long-term affordability. Where AHPD provides grant funding, the minimum affordability term will be thirty years unless otherwise approved by HUD. Units must meet HQS standards throughout the term.

Rental units funded through AHPD may be owned by a DHCD instrumentality or other public or private entities. Examples of the types of rental projects eligible for AHPD funds include:

- Existing state-aided public housing developments slated for preservation/redevelopment
- Newly proposed affordable developments involving LIHTC
- At-risk affordable developments nearing the end of their compliance period

DHCD will report on all funded activities through the MTW Annual Report.

AHPD funds will not be utilized to support the development of federal public housing. In some cases, projects may be funded that involve the use of Housing Choice Vouchers, Project Based Voucher or Project Based Rental Assistance contracts. Any such projects will be subject to all applicable requirements established by HUD.

Development or preservation of projects that are not Section 8 or 9 will be considered local, non-traditional housing units. DHCD will adhere to the applicable HUD parameters and guidelines on local non-traditional activities as set forth in PIH 2011-45 (HA) including, but not limited to, Davis-Bacon wages, Fair Housing and Equal Opportunity statutes and regulations and Section 3.

Projects funded through a competitive process will be eligible for these funds with a priority for projects that serve public housing residents and/or include supportive services.

Competition applicants will be required to demonstrate experience in affordable housing development and meet other DHCD eligibility requirements. Only projects that demonstrate readiness to proceed will be eligible for funding. DHCD will evaluate the status of necessary zoning and permitting approvals, the status of architectural documents, and the status of other funding commitments as a way to determine project readiness. DHCD will also prioritize projects that produce or preserve a set number of total units for homeless families or individuals, and that incorporate mixed-uses.

DHCD projects that, in FY18, approximately 100 affordable housing units will be developed or preserved with AHPD funds. While no specific per unit funding cap has been established, DHCD anticipates that the per unit AHPD cost will not exceed \$100,000.

**Statutory Objective:** This initiative will support the MTW Statutory Objective of increasing housing choice for low-income families.

**Anticipated Time Line:** This activity will be implemented over multiple years beginning in FY 2018. DHCD is prepared to implement this activity upon HUD Approval.

**Anticipated Impact:** The anticipated impact of this initiative is the development or preservation of affordable housing units for low-income households.

**Metrics:** Benchmarks will be determined upon the implementation of this activity and identification of funding awardees. Outcomes will be reported in the MTW Annual Report.

<i>CE #4: Increase in Resources Leveraged</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase)	\$0	TBD		
<i>HC #1: Additional Units of Housing Made Available</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	100		
<i>HC #2: Units of Housing Preserved</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase)	0	100		

**Data Source:** DHCD will use data collected from its partner agencies to track leveraged resources and number of participants assisted as a result of this activity.

**Authorization Standard:** MTW Agreement Attachment D, Broader Uses of Funds.

## 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 (FES)*

**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. Within certain guidelines, participants exercise considerable decision-making in the utilization of the funds. Case management and program coordination is provided by designated MTW Advisors at each participating agency. Participants may select any housing unit which they deem affordable and appropriate for their needs and which pass a Housing Quality Standards inspection.

Eligibility for the FES program 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) Are working at least part-time, who are imminently employed, or who are enrolled in a full-time job training program.

FES provides participants with a “flat subsidy” that is not tied to household income. When a participant increases their earned income, as required by the program, their rent subsidy will not decrease. Conversely, if participants lose their jobs, their subsidy will not increase. FES staff and participants will work closely together to manage employment stability to avoid sudden loss of income. Participants will be supported in their housing search and selection to determine the most affordable unit based on family size and counseled to consider the challenges of a flat subsidy when selecting potential housing.

To date, two RAAs have implemented FES programs: RCAP Solutions in Worcester, MA and Metropolitan Boston Housing Partnership in Boston, MA. All South Worcester County participants will have graduated from the FES program before the start of FY 2018. As South Worcester County will no longer be admitting new FES program participants, the related program descriptions for this portion of the FES program have been removed.

Families participating in the Boston FES program currently receive the following:

#### **Rent Subsidy**

- Flat subsidy based on family size.

- Time limited – five (5) years, no extensions.
- Flexible amount based on family’s goals.
- Stability Rent Escrow savings program phased in during Years 4 and 5.

**Support Account**

- \$1800 a year to support completion of economic stability goals.

**Escrow Savings Account**

- Each participant is eligible to accrue up to \$800 per year in escrow funds.
- 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 has available funds.

**Case Management and Support: Service and Housing Stability Plans**

Service plans will address immediate and long term goals (5 year) and will be created through a partnership of the participant and FES staff. The plan must take into consideration all the goals of FES, including improved financial literacy skills and financial stability, and career and employment gains. The plan will focus solely on the person enrolled in FES rather than other household members, though goals may certainly include how the development of skills and assets available through participation in FES will benefit other household members directly or indirectly. During the course of the program, Service Plans may be revisited and changes made that reflect evolving interests, opportunities and resources available to the participant.

The development of the Housing Stability Plan is distinct from the Service Plan, and focuses on creating a road map for housing security when the program ends. Discussion of future housing stability begins at enrollment, and all FES participants will graduate from FES with a housing plan that provides them with the tools and resources necessary to remain stably housed in the future.

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. DHCD may also consider increasing the number of participants for the FES program and targeting assistance to homeless applicants. Currently program statistics are tracked by program staff and in DHCD’s housing software.

FES’s Hardship Policy is designed to off-set the impact of unanticipated, no-fault loss of employment. During participation in the FES program, participants may request a hardship waiver if he/she experiences an unanticipated loss of income that is anticipated to last longer than ninety (90) days. This request must be approved by MTW Program staff prior to submitting it to DHCD for review. If the request is granted, any unused support funds available that year will be available to pay the tenant share of rent. The Hardship Policy does not allow the support account to be used for rent or utility arrearages. If the hardship occurs in years four or five then the rent subsidy can be restored to the higher level as necessary and approved by DHCD.

Currently, the FES program has 47 active participants and approximately 3 new applicants are anticipated to lease up by the close of FY 2017. None of the Boston FES participants will have completed the five year term in FY 2018 and as such, no one is expected to graduate in FY 2018. DHCD will maintain enrollment with 50 households in the FES program. The FES program currently has a waitlist of 39 households.

**Proposed Changes to Activity:** In order to market the FES Program and provide subsidies which allow participants to lease units and maintain self-sufficiency goals, the subsidy provided must be in line with rental market trends. Over the course of the past five years, the Fair Market Rents (FMRs) in the Boston area for one, two and three bedroom units have increased. Between 2016 and 2017, the average increase was near 10%. In consideration of these increases, DHCD will review the percent of gross income paid by FES program participants toward rent after two (2) years of program participation to determine if the subsidy is such that a majority of families are rent burdened. If it is determined that the majority of families are rent burdened, DHCD may adjust the subsidy to address this concern.

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

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect anticipated program activities in FY 2018. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #4: Increase in Resources Leveraged*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0.00	\$0.00		
<i>*This metric has been required by HUD. DHCD does not leverage funds in connection with this activity and does not consider this metric applicable to this activity.</i>				
<i>SS #1: Increase in Household Income</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$18,937	\$27,957		
<i>SS #2: Increase in Household Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of escrow of households affected by this	\$0.00	\$1,914		

policy in dollars (increase).				
Average amount of <b>savings</b> of households affected by this policy in dollars (increase).	\$0.00	\$381		
<b><i>SS #3: Increase in Positive Outcomes in Employment Status</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Unemployed	1 participant	10 participants		
	1% of participants	20% of participants		
Other - Employed	85 participants	40 participants		
	99% of participants	80% of participants		
Other - Education/Job Training	0 participants	8 participants		
	0% of participants	16% of participants		
<b><i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	4 households in FY 2015	7 households		
<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0 households	50 households		
<b><i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	\$450 in FY 2015	\$1,133		
<b><i>SS #7: Increase in Agency Rental Revenue*</i></b>				

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	\$473 in FY 2015	\$674*		
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner</i>				
<b>SS #8: Households Transitioned to Self Sufficiency*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0 households	0 households*		
<i>*Self-sufficiency is defined as graduation from the FES program.</i>				
<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	5 households in FY 2018		
<b>HC #6: Increase in Homeownership Opportunities</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households that purchased a home as a result of the activity (increase).	0 households	0 households		

**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 for their development. 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. Applicant 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.

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. 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.

Starting in FY 2013, DHCD authorized new owners of PBV developments to establish and manage their own site based waiting lists. DHCD has continued to authorize owners of new PBV developments to maintain their own waiting lists. Currently, there are a total of 84 owner managed site based waiting lists. In FY 2018, DHCD anticipates that 9 additional PBV developments will have owner managed site-based waiting lists with a total of 93 across the portfolio by year end representing 1,924 PBV units.

**Proposed Changes to Activity:** No changes are proposed for this activity in FY 2018.

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect the volume of wait list activity in FY 2018. There are no other changes to the metrics. DHCD will report on outcomes in the MTW Annual Report.

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

**Metrics:**

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$5,142	\$3,096 58 units with SBWL turnover		
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	283 hours	160 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.

DHCD will continue to utilize its MTW authority to approve payment standard exceptions without prior HUD approval. DHCD anticipates receipt of under 10 requests for reasonable accommodation payment standard exceptions. Of these 10 requests, DHCD anticipates approving approximately 50% or 5 in FY 2018. This estimate is based on historical precedent.

**Proposed Changes to Activity:** No changes are proposed for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect anticipated payment standard exceptions in FY 2018. DHCD will report on outcomes in the MTW Annual Report. The metrics below include only requests that were granted as a reasonable accommodation.

**Metrics:**

<i>HC #5: Increase in Resident Mobility*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	5 households		
<i>CE #1: Agency Cost Savings*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Time to process request: 1.5 hours</b>  <b>FY 2011 Requests: 3</b>  <b>Staff hourly rate: \$18.17</b>	<b>Time to process request: .75 hours</b>  <b>FY 2018 Requests: 5</b>  <b>Staff hourly rate: \$19.35</b>		

	<b>Total cost of time prior to implementation:</b> \$82.00	<b>Total cost of time after implementation:</b> \$72.56		
<i>CE #2: Staff Time Savings*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Time to process request:</b> 1.5 hours  <b>FY 2011 Requests:</b> 3  <b>Total time prior to implementation:</b> 4.5 hours	<b>Time to process request:</b> .75 hours  <b>FY 2018 Requests:</b> 5  <b>Total time after implementation:</b> 3.75 hours		
<i>*The metric below includes only requests that were granted as a reasonable accommodation.</i>				

### **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 HCV 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 will continue to assess the feasibility of expanding the program to other regions using the same program parameters, with a focus on increasing the number of new landlords participating in the program, and increasing the number of units available in high opportunity communities.

**Proposed Changes to Activity:** No changes are proposed for this activity in FY 2018.

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect the anticipated number of households who will move to better units/neighborhoods in FY 2018. DHCD will report on outcomes in the MTW Annual Report.

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

**Metrics:**

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

**Activity 2010-4: Development of Local Forms**

**Description/Update of MTW Activity:** Under this initiative, DHCD will develop local versions of forms, as needed, to streamline processing, utilize “plain language”, address MTW policies 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.

In FY 2018, DHCD will prepare a local version of the Project Based Tenancy Addendum as well as update the MTW Authorization Exhibit to cover expiring use and regular PBV vouchers. DHCD will implement local versions of the FSS Contract of Participation (COP) and Individual Training and Service Plan (ITSP). DHCD will continue to utilize this authority as needed.

**Proposed Changes to Activity:** No changes are proposed for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect the leasing projections for FY 2018. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>HAP Contracts executed in FY 13:</b> 11</p> <p><b>Time to Prepare HAP contract prior to implementation:</b> 2 hours</p> <p><b>Average hourly wage:</b> \$18.17</p> <p><b>Total cost prior to implementation:</b>\$400</p>	<p><b>Expected HAP Contracts executed in FY 2018:</b> 9</p> <p><b>Time to Prepare HAP contract after implementation:</b> .25 hours</p> <p><b>Average hourly wage:</b> \$19.35</p> <p><b>Total cost after implementation:</b> \$43.54</p>		
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<p><b>HAP Contracts executed in FY 13:</b> 11</p>	<p><b>Expected HAP Contracts executed in FY 2018:</b> 9</p>		

	<p><b>Time to Prepare HAP contract prior to implementation: 2 hours</b></p> <p><b>Total staff time required prior to implementation: 22 hours</b></p>	<p><b>Time to Prepare HAP contract after implementation: .25 hours</b></p> <p><b>Total staff time required after implementation: 2.25 hours</b></p>		
--	---	---	--	--

#### **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 (2). 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;
- Any household that believes they would benefit by an annual recertification may request an annual income recertification. If a household has requested and is approved for an annual recertification frequency, DHCD will allow one voluntary interim recertification between annual recertifications.

DHCD continues to utilize the Enterprise Income Verification (EIV) system for screening of applicants and new household members 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 Social Security, 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 PIC 50058-MTW as a primary compliance tool after conversion from conventional PIC 50058. The EIV Deceased Tenant Report is monitored by DHCD on a regular basis.

This initiative is fully implemented. In FY 2018, 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 for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect FY 2018 projections for this activity. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #1: Agency Cost Savings*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>Number of vouchers:</b> 20,298</p> <p><b>Time per Recertification:</b> 2.5 hours</p> <p><b>Average Hourly Staff Rate:</b> \$18.17</p> <p><b>Total Cost of Activity Prior to Implementation:</b> \$922,037</p>	<p><b>Anticipated Number of Recertifications:</b> 10,417</p> <p><b>Time per Recertification:</b> 2.25 hours</p> <p><b>Average Hourly Staff Rate:</b> \$19.35</p> <p><b>Anticipated Total Cost of Activity in FY 2018:</b> \$ 453,530*</p>		
<i>*Accounts for cost savings from Biennial Recertifications and Rent Simplification</i>				
<i>CE #2: Staff Time Savings*</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<p><b>Number of vouchers:</b> 20,298</p> <p><b>Time per Recertification:</b> 2.5 hours</p> <p><b>Total Time Spent on Activity Prior to Implementation:</b> 50,745 hours</p>	<p><b>Anticipated Number of Recertifications:</b> 10,417</p> <p><b>Time per Recertification:</b> 2.25 hours</p> <p><b>Anticipated Total Time Spent on Activity in FY 2018:</b> 23,438 hours</p>		
<i>*Accounts for time savings from Biennial Recertifications and Rent Simplification</i>				
<i>SS #1: Increase in Household Income</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>

Average earned income of households affected by this policy in dollars (increase).	\$19,058*	\$21,871		
<i>*DHCD modified this baseline in FY 2016 based on revised calculation methods applied to FY 2012 figures.</i>				
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Employed	5,019 households in FY 2011	5,777 households		
	54% of work-able households	63% of work-able households		
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	2,920 households in FY 2011	2,008 households		
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	74 households**		
<i>**Households who were EOPd at zero HAP.</i>				

### **Activity 2011-5: Youth Transition 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 36 month expiration date. Designed similarly to the current stipend program DHCD currently administers in MBHP's 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. Selected 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) meet regularly to administer the Youth Transition to Success Program (YTTSP). DHCD staff completed the administrative elements of the YTTSP Program: an Administrative Plan was written and approved by DHCD's legal department; and a Memorandum of Understanding between DHCD and DCF was drafted.

The three-year YTTSP will provide participants with:

- A flat rental subsidy that steps down annually by 15%;
- A matched savings account up to \$800/year; and
- An annual support budget of \$500 for expenses related to sustaining employment and meeting educational goals.

In FY 2017, DHCD began accepting referrals from DCF who might not be able to obtain a FUP voucher but who met all other YTTSP eligibility requirements. Also in FY 2017 DHCD extended the program term to include two additional optional years to allow YTTSP participants time to complete their educational goals and to bring the YTTSP's timeframe into alignment with HUD's FUP AOP FSS program. YTTSP participants who were FUP AOP referrals will have a five year term which includes the 36 month FUP AOP term.

**Proposed Changes to Activity:** In FY 2018, DHCD will increase the number of DCF referred participants from 10 to 35. Additionally, DHCD will revise the DCF referral eligibility requirements as outlined below.

#### *FUP AOP Referrals:*

- Referred by DCF;
- Participated in FUP AOP for no less than 18 months;
- Employed for at least 12 hours per week;
- Enrolled in an education or training program at the time of referral;
- Participant in good standing under FUP AOP including no tenancy violations and current on rent;
- Income eligible for the HCV program; and
- Meet other DHCD eligibility screening requirements.

*College Referrals:*

- Referred by DCF;
- Enrolled in a full-time or part-time moving to full-time post-secondary degree program at the time of referral;
- Income eligible for the HCV program; and
- Meet other DHCD eligibility screening requirements.

For DCF “college referrals” who are employed or enrolled in an accredited post-secondary or vocational certificate program, DHCD will hold the subsidy at the initial level through the second year of program participation. Thereafter, the subsidy will decrease 15% per year for the remaining three years.

Also in FY 2018, DHCD will accept referrals from a DHCD-selected program provider who provides intensive training for low-income young adults, ages 18-24, with hands-on skills development, coursework eligible for college credits, corporate internships and wrap-around support. DHCD will accept referrals for program youth no older than 24 who lack stable housing. DHCD will provide up to 100 referrals with the YTTSP flat housing subsidy and matched savings for up to a five year period. DHCD may also provide participants with an annual support budget for up to a five year period. DHCD will hold the subsidy at the initial level for one year following program completion, provided that participants maintain employment or enrollment in an accredited post-secondary or vocational certificate program. Thereafter, the subsidy will decrease 15% per year for the remaining three years.

Continued eligibility for referred youth is based on ongoing participation and compliance with the program requirements. If a referred participant drops out of the program during their participation period, DHCD will terminate assistance.

DHCD will issue an RFP and enter into a Memorandum of Understanding with the selected program provider to identify the agreed upon administrative elements of the program.

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

**Changes to Baseline, Benchmarks & Metrics:** Benchmarks have been updated to reflect the DCF expansion portion of this initiative but do not reflect referrals from additional program providers. DHCD will update these metrics once a provider has been selected and participants have been identified and enrolled. Baselines will not be modified. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #4: Increase in Resources Leveraged</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0.00	\$965,000		

<i>SS #1: Increase in Household Income</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$9,492 for current YTTSP participants at time of enrollment	\$10,012		
<i>SS #2: Increase in Household Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$680 savings		
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Enrolled in an Educational Program	7 participants	21 participants		
	100% of participants	60% of participants		
Unemployed	0 participants	24 participants		
	0% of participants	70% of participants		
Other – Employed	7 participants	11 participants		
	100% of participants	30 % of participants		
<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	0 households	7 Households		
<i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase	0 households	35 households		

self-sufficiency (increase).				
<b><i>SS #8: Households Transitioned to Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase). Self-sufficiency is defined as graduation from the YTTS program.	0 households	3 households		
<b><i>HC #7: Households Assisted by Services that Increase Housing Choice</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase housing choice	0	35		

### **Activity 2012-1: MTW Utility Allowances**

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

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 voucher size or bedroom size. Utility allowances for any other tenant paid utilities, other than heat, will not be provided. During an interim recertification, DHCD will apply the utility allowance used at the last regular recertification.

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. Additionally, the savings 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 was fully implemented in May 2014.

In response to concerns about rising electricity costs, DHCD will revise the UA model to include a utility allowance for other electricity. The "other electric" UA schedule will be the same across DHCD jurisdictions and will not vary by geographical area and/or building type. The "other electric" UA schedule considers electricity consumption costs and customer charges across DHCD's jurisdiction. The utility allowance schedule will include the utility allowance for heat and other electricity by the smaller of the unit size or voucher size. Utility allowances for any other tenant paid utilities, other than heat and other electricity, will not be provided. For example, if a household is responsible for paying for electric heat, DHCD will provide a UA for heat only; however, if that same household is responsible for paying for electric heat and other electricity, DHCD will provide a UA for heat and a UA for other electricity.

DHCD completed an impact analysis to determine the financial impact to HAP as a result of adding the other electricity utility allowance. This change will have no adverse impacts on tenants, (see Appendix A Impact Analysis). During the time that DHCD did not provide a UA for other electricity, households may have applied and received a reasonable accommodation utility allowance for other electricity. For these households, at their next regular reexamination, DHCD will review and adjust the utility allowance for consistency with their approved accommodations and the new electricity UA schedule. DHCD will determine reasonable accommodations for other utilities on a case by case basis. DHCD will continue to monitor the cost of all utilities and may further modify this initiative for consistency with market and economic conditions.

**Proposed Changes:** No changes are proposed for this activity in FY 2018.

**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. Implementation of the additional other electricity UA is anticipated to take place before the close of FY 2017.

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect FY 2018 projections for this activity, including the addition of the Other Electric Utility Allowance. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$31,476,912	\$22,547,940		
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Time required to calculate UA: 8 minutes</b>  <b>Number of UA calculated in FY 13: 16,919</b>  <b>Total staff time prior to implementation: 2,256 hours</b>	<b>Time required to calculate UA: 5 minutes</b>  <b>Anticipated number of UA in FY 2018: 17,894</b>  <b>Anticipated total staff time after implementation: 1,491</b>		
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a	10%	4%		

task as a percentage (decrease).				
<b><i>CE #5: Increase in Agency Rental Revenue*</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average Tenant Rent Share (increase).	\$382 per household in FY 2014	\$326 per household		
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner.</i>				

#### **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 (except where prohibited for certain projects by PIH Notice 2012-32):

- 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;
- DHCD will make a determination on the level of resident interest prior to pursuing administration of the Enhanced and PB vouchers.
- 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. As part of the conversion process, DHCD will provide residents, who are eligible to receive a voucher, with the option to receive an Enhanced Voucher or to have their unit converted to Project Based assistance. As part of the determination process, DHCD will provide detailed information to residents so that an informed choice can be made.

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.

In FY 2015, DHCD modified the income eligibility requirements for tenants who occupy units at the time of a 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.

DHCD currently has 9 expiring use contracts with a total of 546 units forecasted to be under HAP contract by the close of FY 2018. Additionally, DHCD has completed 8 Rental Assistance Demonstration (RAD) conversion projects and currently provides a subsidy for 825 units under this program. As of 2014, there were approximately 34 developments remaining in the state with use restrictions expiring between 2015 and 2020 (CEDAC Report 8-14). As the pool of developments decreases it is difficult to forecast whether or not HUD will offer DHCD any additional Expiring Use or RAD contracts in 2018. As such, DHCD has not forecasted any new expiring use or RAD units in FY 2018.

**Proposed Changes:** No changes are proposed for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** There are no changes to the metrics for this activity. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>HC #2: Units of Housing Preserved</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0 housing units	1,371 housing units*		
*Previously DHCD has included only Expiring Use units when setting benchmarks and determining outcomes for this metric. This figure includes all RAD and Expiring Use units and DHCD will continue to use this methodology going forward and does not include any additional units for FY 2018.				

### **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 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 began utilizing some of the revised strategies to strengthen the FSS program by improving the retention rate, increasing participants' abilities 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. DHCD also uses MTW funds to support services aimed to empower families to build savings and financial capabilities as a pathway out of poverty.

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;
- Addition of a post-secondary education incentive up to \$1,450 and a job training incentive up \$750;
- 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,
- Establishment of an incentive payment for FSS graduates who purchase a home and choose to withdraw from the HCV program within 2 years of completion of the FSS program. The initial incentive payment amount, which may be periodically reviewed and updated at

DHCD’s discretion, will be set at \$5,000 per household. To qualify for the homebuyer purchase bonus, the FSS homebuyer must complete a CHAPA-approved Homebuyer Education course. The \$5,000 bonus may be used for a down payment or for post-purchase expenses.

To encourage the goal of homeownership for applicable households in the FSS program, DHCD obtained approval to modify its current FSS program to allow certain households to define a path to homeownership by utilizing individualized homeownership education, financial coaching and a modified savings/escrow component. To be eligible for the FSS Homeownership Track, households must be current HCV participants, have a goal of obtaining homeownership and have income above an established percentage of the Area Median Income. Participating FSS households will be required to save at least \$1,000 per year in a savings account. DHCD will match the participating household’s savings in a 4:1 ratio up to \$4,000 per year for a maximum of three years. Matched savings earned by these households will only be available for home purchases. Up to \$5,000 of the matched savings may be used for a reserve account for future home repairs and maintenance.

In FY 2017, DHCD developed a new local versions of the FSS Contract of Participation and Individual Training and Service Plan. In FY 2018, DHCD will continue to implement the previously approved goal-specific incentive payments as well as implement the matched savings homeownership incentive. DHCD anticipates that 70 new participants will join the FSS program in FY 2018.

**Proposed Changes:** No changes are proposed for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect changes anticipated for FY 2018. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>SS #1: Increase in Household Income</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$20,554	\$24,478		
<i>SS #2: Increase in Household Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of <b>escrow</b> of households	\$0.00	\$4,002		

affected by this policy in dollars (increase).				
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Unemployed	501 participants	278 participants		
	57% of participants	29% of participants		
Other - Employed	372 participants	669 participants		
	43% of participants	71% of participants		
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	162 households	75 households		
<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	\$931 in FY 2014	\$908		
<b>SS #7: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average Tenant Rent Share (increase).	\$388 FY 2014	\$570		
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0 households	75 households		

**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 five percent (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 one 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 2018.

**Proposed Changes:** No changes are proposed for this activity in FY 2018.

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

**Changes to Baseline, Benchmarks & Metrics:** There are no changes anticipated to the baselines or benchmarks. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

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

**Activity 2013-2: PBV Rent Reasonableness**

**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 (5%) 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 2017.

**Proposed Changes:** No changes are proposed for this activity in FY 2018.

**Changes to Baseline, Benchmarks & Metrics:** There are no changes anticipated to the baselines or benchmarks. DHCD will report on outcomes in the MTW Annual Report.

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

**Metrics:**

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

### Activity 2015-1: Rent Simplification (Changes to Activity 2012-2)

**Description of MTW Activity: Description/Update of MTW Activity:** In FY 2012 HUD approved DHCD's Rent Simplification activity. In FY 2016, DHCD received HUD approval on changes to the Rent Simplification activity. Under the revised Rent Simplification activity DHCD proposed the following:

- **Tiered Rent:** DHCD will replace the standard rent calculation method with a model in which families TTP will be equal to 30% of the low-end of \$3000 income bands.
- **Application of Payment Standards:** DHCD will apply Payment Standards based on the PD&R's Hypothetical Small Area FMRs (SAFMR). SAFMRs are neighborhood specific and are designed to be in line with localized rents in the area. Where the SAFMR exceeds the large area FMR (LAFMR), the payment standard will be equal to 100% of the SAFMR. Where the SAFMR is less than the LAFMR, DHCD will apply the payment standard equal to 110% of the SAFMR. If a local housing authority has been authorized to an apply Exception Payment Standard (EPS) by HUD within a particular geographic area, DHCD will apply the HUD approved EPS if a DHCD voucher holder leases a unit within that same geographic area. DHCD may adjust these percentages to support leasing in non-impacted areas and/or in response to market conditions. DHCD will not impose a limit, at the outset, on the number of exception payment standards; however, DHCD may impose a limit when and if budgetary issues arise. Generally, DHCD will cap payment standard exceptions at 125% of the applicable SAFMR; however, DHCD may review and revise this cap for consistency with budgetary limitations and/or housing choice. DHCD will apply the Payment Standard in effect on the effective date of the recertification, regardless of any change in the Payment Standard from year to year. During an interim recertification, DHCD will apply the Payment Standard used at the last regular recertification.
- **Minimum Rent:** DHCD will retain the minimum rent at \$50. This rent will be factored into the rent tables.
- **Streamlined Deductions and Exclusions:** As part of DHCD's revisions to the standard rent calculation method, DHCD will streamline deductions and exclusions as outlined below. DHCD may review and modify deductions and exclusions from time to time based on the results of impact analyses and economic conditions.
  - **Working Family Deduction:** DHCD will apply a \$750 working family deduction to families where at least one adult is working. Only one deduction will be applied per household. The deduction does not apply to families where the only working individual is a full-time student other than the head of household, co-head or spouse.
  - **Elimination of Earned Income Disregard (EID):** DHCD will phase out the MTW EID activity. 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.

- **Exclusion of Full-Time Student Income:** DHCD will exclude all full-time student income.
- **Streamlined Childcare Expense Deduction:** DHCD will apply unreimbursed childcare expense deductions based on the tiered deduction table below. Eligibility for the childcare expense deduction is limited to households where unreimbursed childcare expenses allow a household member to work or to further his/her education. The childcare expense deduction may not exceed the amount earned by the household member or the amount which is determined to be reasonable to get to and from school and attend classes.

Childcare Expense	Deduction
Up to \$2,499	No Deduction
\$2,500 & Over	Full deduction *

\*Subject to eligibility for the deduction, deduction limitations & verification

- **Streamlined Medical Expense Deduction:** DHCD will apply unreimbursed medical expense deductions based on the tiered deduction table below. DHCD will allow the full medical expense deduction when unreimbursed medical expenses total \$2,000 or more (3% of gross income will NOT be deducted). Elderly/disabled households are eligible for deduction of unreimbursed medical expenses.

Medical & Disability Expense	Deduction
Up to \$1,999	No Deduction
\$2,000 & Over	Full deduction *

\*Subject to eligibility for the deduction, deduction limitations and verification

- **Dependent/Elderly/Disabled Deductions:** DHCD will retain the \$480 dependent deduction and will increase the elderly/disabled household deduction to \$800 per family.
- **Mixed Families:** Under rent simplification, mixed families will pay an additional 10% of the table rent regardless of the number of family members without citizenship or eligible immigration status. For example, if the table rent for a family of 4 is \$250 dollars and the family has three members without citizenship or eligible immigration status, instead of paying \$250, the family will pay \$275.
- **Streamlined Asset Verification and Calculation:** As part of DHCD's revisions to asset income calculations, DHCD will streamline the verification and calculation of assets as outlined below:
  - Self-certification of asset value up to \$50,000. When the market/face value of assets is over \$50,000, regulatory HUD verification requirements will be required.
  - Exclusion of income from assets where the asset value is up to \$50,000.

- For assets with market/face value in excess of \$50,000, calculate asset income by taking the market/face value and multiplying that value by the established passbook savings rate.

**Proposed Changes to Activity:** In FY 2018, DHCD will add a provision to rent simplification whereby households with children who have completed a two or four year post-secondary degree or accredited technical school within six months of request for addition to the household, will be permitted to join the household. Additionally, DHCD will exclude 100% of the degreed student’s earned income for the consecutive forty-eight month period following addition to the household.

Also in FY 2018, DHCD will reevaluate its rent simplification activities but will continue to retain the following previously approved rent simplification activities:

- Minimum Rent of \$50
- Exclusion of all Full-Time Student Income
- Streamlined Earned Income Disregard
- Streamlined Asset Verification and Calculation

No other previously approved components of rent simplification will be implemented in FY 2018. At which time DHCD wishes to propose additional changes to rent simplification, DHCD will submit these changes and re-propose this activity.

**Approval and Implementation:** Approval of the modifications to rent simplification were approved in FY 2016. However, DHCD will not implement these changes in FY 2018.

**Changes to Baseline, Benchmarks & Metrics:** The benchmarks have been updated to reflect FY 2018 projections for this activity. DHCD will report on outcomes in the MTW Annual Report.

**Metrics:**

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline*</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Number of vouchers:</b> 20,298 <b>Time per Recertification:</b> 2.5 hours <b>Average Hourly Staff Rate:</b> \$18.17 <b>Total Cost of Activity Prior to Implementation:</b> \$922,037	<b>Anticipated Number of Recertifications:</b> 10,417 <b>Time per Recertification:</b> 2.25 hours <b>Average Hourly Staff Rate:</b> \$19.35 <b>Anticipated Total Cost of Activity in FY 2016:</b> \$453,530**		

*\*Baseline represents the metrics used when this activity was initially proposed.*

<i>**Accounts for cost savings from Biennial Recertifications and Rent Simplification.</i>				
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline*</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	<b>Number of vouchers:</b> 20,298  <b>Time per Recertification:</b> 2.5 hours  <b>Total Time Spent on Activity Prior to Implementation:</b> 50,745 hours	<b>Anticipated Number of Recertifications:</b> 10,417  <b>Time per Recertification:</b> 2.25 hours  <b>Anticipated Total Time Spent on Activity in FY 2016:</b> 23,438 hours**		
<i>*Baseline represents the metrics used when this activity was initially proposed.</i>				
<i>**Accounts for cost savings from Biennial Recertifications and Rent Simplification.</i>				
<b>CE #3: Decrease in Error Rate of Task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease)	21% Average error rate for income and rent errors	19%		
<b>CE #5: Increase in Agency Rental Revenue*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Increase in agency rental revenue in dollars (increase)	\$382	\$326		
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.</i>				
<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	50		
<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>

Average earned income of households affected by this policy in dollars (increase).	\$19,058	\$21,871*		
<i>*Represents MTW households with earned income.</i>				
<b>SS #3: Increase in Positive Outcomes in Employment Status *</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed	3,850 Households**	3,444 Households**		
	43% of Households	27% of Households		
(6) Other - Employed	5,164 Households**	5,777 Households**		
	57% of Households	63% of Households		
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
<i>**Represents work-able households</i>				
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)*</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	2,316 Households on TANF in FY 2015	2,008 Households		
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
<b>SS #5: Households Assisted by Services that Increase Self Sufficiency*</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	913 Households Total Number of FSS participants	1,017 Households		
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
<b>SS #6: Reducing Per Unit Subsidy Costs for Participating Households *</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected	\$870 FY 2015	\$922**		

by this policy in dollars (decrease).				
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity.</i>				
<i>**Includes application of the UA for electricity.</i>				
<b>SS #7: Increase in Agency Rental Revenue*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	\$382**	\$326		
<i>**Represents average tenant rent to owner.</i>				
<b>SS #8: Households Transitioned to Self Sufficiency *</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	57**	75**		
<i>*DHCD has indicated that DHCD does not believe the Self-Sufficiency metrics are applicable to this activity. However, HUD has required their use.</i>				
<i>**Households who were EOPd at zero HAP.</i>				

## **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.

**Update on Implementation:** In FY 2018, DHCD will prioritize the local, non-traditional and other MTW activities being proposed and postpone implementation of the Value Vouchers activity.

**Timeline for Implementation:** DHCD may consider implementation of this activity in FY 2019.

**Proposed Changes to Activity:** No changes are proposed for this activity in FY 2018.

## **Activity 2011-2: Your Choice Program (Formerly Opportunity Neighborhoods)**

**Description/Update of MTW Activity:** DHCD plans to establish the “Your Choice” 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. Nationally, nearly half of all families with children use vouchers in poorer neighborhoods that may diminish children’s economic prospects and future health. A quarter of million children in the voucher program are living in the most troubled neighborhoods, despite the better option that having a voucher should provide them.

The purpose of DHCD’s “Your Choice” MTW initiative is to provide significant supports and encouragement to existing voucher participants and/or new voucher holders who wish to move to high opportunity neighborhoods. 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 mobility coordination contractor and 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. DHCD may consider targeting groups of individuals to move to a single opportunity neighborhood to provide peer support for one another. Studies indicate that the peer support can improve the success of the mobility program.

The Your Choice activity will use Small Area Fair Market Rents (SAFMR) to assist with higher rents in opportunity neighborhoods. Additionally, DHCD may offer longer housing search periods and security deposit assistance to support moves to opportunity neighborhoods.

In FY 2018, DHCD will undertake a geospatial analysis to identify opportunity neighborhoods using indicators such as proximity to education institutions, public transit, medical facilities and places of employment. Additionally in FY 2018, DHCD will review the feasibility of using a third party provider to manage the activity. DHCD will develop a scope of work and targeted outcomes to guide the provider on the goals and objectives for the program.

**Proposed Changes to Activity:** DHCD will allocate 50 vouchers to families who have an existing connection to an opportunity neighborhood through work or education and who want to move to an opportunity neighborhood. DHCD may elect to increase the number of vouchers allocated to this program based on participation and success rates. Referrals will be accepted from programs that expand educational opportunities, increase diversity, and reduce racial isolation, by permitting students in certain cities to attend public schools in high opportunity communities. Referrals will also be accepted from work force development programs that facilitate career placement for families living in, or wishing to relocate in, high opportunity neighborhoods. Households with vouchers leased under the Your Choice activity will be eligible for the earned income disregard, whether or not the household is a disabled household.

**Approval and Implementation:** This activity was approved in 2011. DHCD will identify a third party provider to assist in the development and coordination of the finalized program design. Implementation will begin in FY 2018

**Changes to Baseline, Benchmarks & Metrics:** The baseline, benchmarks and metrics have not changed. DHCD will report on outcomes in the MTW Annual Report.

## C. Closed Out Activities

### Activity 2011-3: Biennial Inspections

**Description of MTW Activity:** DHCD had begun implementation of biennial inspections in FY 13.

**Reason for Closing Out Activity:** Biennial Inspections were approved by HUD as a DHCD MTW activity in FY 2011. In FY 15, DHCD closed out this activity as an MTW initiative due to the 2014 Appropriations Act which allows DHCD to transition to a biennial inspection schedule without MTW authority.

### Activity 2012-3: Project Based Voucher Discretionary Moves

**Description of MTW Activity:** DHCD had begun implementation of Project Based Discretionary Moves in FY 2012. In FY 2014, language was added to clarify 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, would be permitted to request a discretionary move after the first year of assisted tenancy following conversion.

**Reason for Closing Out Activity:** Project Based Voucher Discretionary Moves were approved by HUD as a DHCD MTW activity in FY 2012. In FY 2018, DHCD will close out this activity. DHCD is proposing a new Local Project-Based Voucher Program which includes revisions to PBV opt out policy.

## 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 FY 2018. 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 2017; 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.

### A. Estimates Sources of MTW Funding for the Fiscal Year

<b>Sources</b>		
<b>FDS Line Item</b>	<b>FDS Line Item Name</b>	<b>Dollar Amount</b>
70500 (70300+70400)	Total Tenant Revenue	0
70600	HUD PHA Operating Grants	\$258,100,000
70610	Capital Grants	0
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	0
71100+72000	Interest Income	\$6,500
71600	Gain or Loss on Sale of Capital Assets	0
71200+71300+71310+71400+71500	Other Income	\$3,333,486
<b>70000</b>	<b>Total Revenue</b>	<b>\$261,439,986</b>

**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	\$3,293,379
91300+91310+92000	Management Fee Expense	\$17,950,700
91810	Allocated Overhead	\$485,000
92500(92100+92200+92300+92400)	Total Tenant Services	\$925,300
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	0
93500+93700	Labor	0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	0
95000 (95100+95200+95300+95500)	Total Protective Services	0
96100 (96110+96120+96130+96140)	Total Insurance Premiums	0
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	0
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	0
97100+97200	Total Extraordinary Maintenance	0
97300+97350	Housing Assistance Payments + HAP Portability-In	\$238,785,607
97400	Depreciation Expense	0
97500+97600+97700+97800	All Other Expenses	0
<b>90000</b>	<b>Total Expenses</b>	<b>\$261,439,986</b>

### C. MTW Single Fund Flexibility

Under the MTW Program, DHCD is authorized to establish an MTW Block Grant budget. Activities that utilize Block Grant single fund flexibility are described below:

- **Economic Prosperity Coordinator:** DHCD plans to utilize approximately \$150,000 to fund an Economic Prosperity Coordinator (EPC). The EPC will be responsible for planning, implementation and oversight of all MTW programs which support economic prosperity. No additional MTW waivers are required to implement this activity.
- **Expanding Housing Opportunities:** DHCD intends to utilize approximately \$3 million dollars to support relocation costs for state-aided low-income housing residents during periods of redevelopment. (Expanding Housing Opportunities: Relocation Assistance activity)
- **Residential Assistance for Families in Transition:** DCHC plans to utilize up to \$1.5 million in MTW funds to expand the RAFT program which supports homeless families or families at risk of homelessness with short term financial assistance. (RAFT activity)
- **Supportive Services:**
  - **Support for Secure Jobs:** DHCD will utilize up to \$2 million in MTW funds to expand the Secure Jobs Initiative which focuses on the integration of case management, employment supports and housing assistance for homeless and low-income families.
  - **A Better Life Model:** DHCD will utilize up to \$2 million in MTW funds to support local housing authorizes who agree to operate the ABL program including funds for start-up, staffing, case management and supportive services. (A Better Life Program Model)
  - **Youth Transition to Success (YTTS):** DHCD will utilize up to \$2 million in MTW funds to support an intensive training program providing low-income young adults, ages 18-24, with hands-on skills development, coursework eligible for college credits, corporate internships and wrap-around support.
  - **Education Partnership:** DHCD will use up to \$500,000 in single fund flexibility on education activities which target elementary through high school members of DHCD voucher households. The education activities will offer afterschool programing for students that exposes participants, through hands on learning activities, to science, technology, engineering, and mathematics, music, arts and improved academic performance. The purpose of this education initiative is to provide participating students with the support needed to ensure positive education outcomes and an expanded opportunity to gain exposure to career and post-graduation education options. DHCD's RAAs will identify high quality education programs/activities in place in their regions and then look to establish partnerships

with these agencies. DHCD will address the barriers to access and may provide funding for an education program initiative for HCV youth in the impacted area. The education partnership activity includes a financial incentive for a college saving account contribution upon program completion.

- Other Supportive Services: DHCD will use approximately \$402,000 in MTW funds on activities to support a wide range of supportive services for DHCD program participants including: expansion of FSS programming, job training and placement; educational partnership initiatives; affordable homeownership programs and other economic development and self-sufficiency program activities.
- VASH Leasing: On average, DHCD intends to operate the VASH program within the approved VASH budget and authorized unit count. However, recognizing the overriding importance of providing affordable housing to VASH-eligible veterans, DHCD may, on a limited basis, utilize MTW Block Grant funds to temporarily support higher leasing and/or HAP expenditure levels. DHCD projects that approximately \$225,000 in MTW funds will be utilized in FY 2017 for this purpose. No additional MTW waivers are required.
- Supportive Housing Initiative: DHCD intends to use approximately \$300,000 per year in MTW Block Grant funds to partially fund intensive supportive services for income eligible households at DHCD-funded Project Based Voucher developments. Supportive service funding will be provided to eligible non-profit PBV owners, and generally shall not exceed \$2,000 per household per year. DHCD will establish a competitive process to award these funds. Eligible supportive services may include case management and other services designed to help participants increase household income and improve economic self-sufficiency. No additional MTW waivers are required to implement this activity.

**D. Local Asset Management Plan**

DHCD does not operate a federal Public Housing Program; therefore, the asset management regulations do not apply. HUD requires DHCD include the following table in the Plan:

Is the PHA allocating costs within statute?	<b>Yes</b>
Is the PHA implementing a local asset management plan (LAMP)?	<b>No</b>
Has the PHA provided a LAMP in the appendix?	<b>No</b>

## **VI. Administrative**

### **A. Resolution**

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

### **B. Public Review Process**

DHCD provided public notice of the draft Annual Plan. The public comment period extended from March xx, 2017 through April xx, 2017. Open public hearings were conducted on March xx, 2017 in Boston, MA (xx in attendance) and March xx, 2017 in Springfield, MA (x in attendance). Copies of public notices, written comments, and sign-in sheets are attached in Appendix D.

### **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. In 2012 graduate students from Harvard's Kennedy School completed research and program design on "Promoting Housing Choice in High Opportunity Neighborhoods." DHCD reviewed the outcomes of the research and will utilize many elements of the program design to launch its "Your Choice Program" 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.

## Appendix A: Utility Allowance Impact Analysis

Electric UA calculated using assumed electric cost based on kWh per bedroom size, generation charges and customer fee. Delivery charge is not included. Weighted by RAA.

	ALL	TBV	PBV	Non-Elderly/ Non-Disabled	Elderly/ Disabled	With Electric	RAA									
							1	2	4	5	6	7	8	9	10	
<b>Total Number of Households</b>	20,961	18,075	2,886	12,008	8,953	17,640	573	2,367	1,028	3,962	6,504	2,234	1,807	2,077	409	
<b>Number of Households with General Electric UA</b>	17,640	15,752	1,888	9,679	7,961	17,640	465	1,861	800	3,453	5,433	2,006	1,434	1,805	383	
<b>Number of Households with General Electric &amp; Heat UA</b>	17,894	16,004	1,890	9,828	8,066	17,894	0	0	0	0	0	0	0	0	0	
<b>Total UA with Standard Heat and General Electric</b>	\$1,878,995	\$1,766,893	\$112,102	\$888,308	\$990,687	\$1,849,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Current # of HH with a Gross Rent &gt; Payment Std</b>	4,247	4,247	0	2,546	1,701	3,773	114	385	102	872	1,414	423	314	620	3	
<b>Proposed # of HH with a Gross Rent &gt; Payment Std</b>	5,579	5,579	0	3,292	2,287	5,105	184	557	126	1,180	1,779	562	431	754	6	
<b>Total HAP</b>																
<b>Monthly Current Total HAP</b>	\$18,910,939	\$16,348,218	\$2,562,721	\$10,023,022	\$8,887,917	\$16,155,427	\$304,007	\$2,045,892	\$800,063	\$2,592,032	\$7,305,822	\$1,621,592	\$2,071,001	\$1,829,853	\$340,677	
<b>Monthly Proposed Total HAP</b>	\$19,315,808	\$16,695,026	\$2,620,782	\$10,239,650	\$9,076,158	\$16,560,296	\$314,540	\$2,089,786	\$821,580	\$2,669,797	\$7,427,990	\$1,669,898	\$2,103,902	\$1,865,874	\$352,441	
<b>Monthly Change in Total HAP</b>	\$404,869	\$346,808	\$58,061	\$216,628	\$188,241	\$404,869	\$10,533	\$43,894	\$21,517	\$77,765	\$122,168	\$48,306	\$32,901	\$36,021	\$11,764	
<b>Annual Change in Total HAP</b>	\$4,858,428	\$4,161,696	\$696,732	\$2,599,536	\$2,258,892	\$4,858,428	\$126,396	\$526,728	\$258,204	\$933,180	\$1,466,016	\$579,672	\$394,812	\$432,252	\$141,168	
<b>Average Tenant Rent</b>																
<b>Current Average Tenant Rent</b>	\$344	\$344	\$342	\$322	\$374	\$341	\$263	\$342	\$348	\$303	\$387	\$305	\$384	\$325	\$322	
<b>Proposed Average Tenant Rent</b>	\$326	\$327	\$323	\$304	\$356	\$320	\$247	\$325	\$328	\$285	\$369	\$285	\$367	\$309	\$296	
<b>Decrease in Average Tenant Rent</b>	\$18	\$18	\$19	\$18	\$18	\$21	\$16	\$17	\$20	\$18	\$17	\$20	\$17	\$16	\$26	
<b># of Households with a No Change in Tenant Rent</b>	8,322	7,255	1,067	4,715	3,607	5,001	239	985	348	1,506	2,722	751	756	947	68	
<b># of Households with an Increase in Tenant Rent</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b># of Households with a Decrease in Tenant Rent</b>	12,639	10,820	1,819	7,293	5,346	12,639	334	1,382	680	2,456	3,782	1,483	1,051	1,130	341	
<b>Decrease from \$1 to \$5</b>	218	215	3	130	88	218	3	20	7	70	51	20	19	28	0	
<b>Decrease from \$6 to \$10</b>	250	246	4	115	135	250	24	37	2	26	90	22	17	31	1	
<b>Decrease from \$11 to \$25</b>	540	519	21	288	252	540	35	61	18	135	128	60	42	57	4	
<b>Decrease from \$26 to \$50</b>	11,631	9,840	1,791	6,760	4,871	11,631	272	1,264	653	2,225	3,513	1,381	973	1,014	336	
<b>Decrease from \$51 to \$75</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Decrease from \$76 to \$100</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Decrease from \$101 to \$125</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

## **Appendix B: Listing of Regional Administering Agencies**

*Berkshire Housing Development Corp.*

One Fenn Street  
Pittsfield, MA 01201  
413.499.4887

*Community Teamwork, Inc.*

155 Merrimack Street  
Lowell, MA 01852  
978.459.0551

*Housing Assistance Corp*

460 West Main Street  
Hyannis, MA 02601  
508.771.5400

*HAP Inc.*

322 Main Street  
Springfield, MA 01105  
413.233.1500

*Lynn Housing Authority & Neighborhood Development*

10 Church Street  
Lynn, MA 01902  
781.592.1966

*Metropolitan Boston Housing Partnership*

125 Lincoln Street  
Boston, MA 02111  
617.859.0400

*RCAP Solutions*

12 E. Worcester Street  
Worcester, MA 01604  
978.630.6600

*South Middlesex Opportunity Council*

7 Bishop Street  
Framingham, MA 01702  
508.620.2336

*Housing Solutions for Southeastern Mass.(formerly South Shore Housing Development Corp.)*

169 Summer Street  
Kingston, MA 02364  
781.422.4200

## Appendix C: Certifications of Compliance

**Appendix D: Public Notice, Comments/Responses & Public Hearing Sign-in Sheets**