

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

**Moving To Work Program
Annual Report for Fiscal Year 2016**

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I. Introduction

This Annual Report describes the Moving to Work (MTW) Program activities and accomplishments of the Massachusetts Department of Housing and Community Development (DHCD) during Fiscal Year 2016, i.e. the period from July 1, 2015 through June 30, 2016.

MTW is a demonstration program authorized by Congress, through which participating agencies are provided flexibility to waive certain statutes and federal regulations in order to design and test approaches for providing housing assistance that address one or more of the following MTW statutory objectives:

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

DHCD has been a participant in the MTW Program since 1999. The original small-scale pilot MTW initiative undertaken by DHCD was expanded in 2008 to incorporate its entire statewide portfolio of tenant-based Housing Choice Vouchers excluding certain special purpose voucher allocations for which DHCD may apply MTW flexibilities pursuant to the US Department of Housing and Urban Development's (HUD) published guidance.

DHCD's participation in MTW is subject to the terms and conditions of its 2008 Amended and Restated MTW Agreement with HUD. The required form and content of the Annual Report are defined by HUD in HUD Form 50900 "Elements for the Annual MTW Plan and Annual MTW Report." DHCD anticipates that the requirements for HUD Form 50900 will change over the coming year. For purposes of this document and the required submission to HUD, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements. As required, the Annual Report focuses primarily on describing the outcomes of existing approved and implemented "MTW activities."

Overview

During Fiscal Year 2016, DHCD undertook a range of MTW related and other activities in the Housing Choice Voucher Program summarized as follows:

- DHCD provided rental assistance to a total of 22,125 eligible senior, disabled and other family households through its existing network of RAAs.
- While the rate of increase in the cost of electricity has slowed down DHCD continued to work on plans to add a utility allowance for "other electricity". Updated impact analyses were completed and a plan developed to provide this additional utility allowance during FY 2017.

- DHCD added eighteen (18) new Project-based developments to its inventory in FY 2016 representing an additional one hundred nineteen rental units (119). Fifty percent of these new developments were new construction as DHCD continues to improve the rental options and quantity of affordable units across its jurisdiction.
- The Family Economic Stability (FES) program continued to offer self-sufficiency services and subsidies to formerly homeless families in the Boston and Worcester County areas. In FY 2016 DHCD began an analysis to determine if the FES program subsidy was in line with the unassisted rents across its jurisdiction. DHCD's goal is to ensure FES clients have the ability to stay in homes in communities of choice while also evaluating potential subsidy savings if FMRs substantially decreased. In FY 2016 DHCD also examined the graduation rate of FES participants to inform the decision to increase the participation time from 5 to 7 years. DHCD will conduct a final review of these analyses and make determinations on subsidy levels and participation terms consistent with the approved FY 2017 Plan.
- DHCD worked on development of local forms in FY 2016 to reflect its MTW policies and activities. In FY 2016, DHCD prepared a draft PB Tenancy Addendum and began work on a local FSS Contract of Participation and Individual Training and Services Plan. Finalized versions of these local forms are slated for completion and implementation in FY 2017.
- DHCD's Family Self-Sufficiency (FSS) program participation continued to grow with two hundred twenty three (223) more families added in FY 2016. Additionally, in FY 2016, FSS graduations increased from one hundred three (103) to one hundred ten (110). DHCD continued to review supportive service needs and resources in an effort to ensure that the supportive services are adequate and responsive to the needs of each the participants in each of DHCD's jurisdictions.
- Identifying an additional partnership to increase program participation in DHCD's Youth Transition to Success Program (YTTSP) was of key importance in FY 2016 and DHCD was successful in this regard. DHCD also developed revised eligibility criteria for participant referral in order to remove barriers to assisting additional at risk youth.
- During FY 2016, DHCD continued to develop implementation strategies for the remaining portions of its rent simplification initiative. DHCD identified two Regional Administering Agencies in which DHCD will pilot the use of SAFMRs. For the implemented portions of rent simplification, in FY 2016 over six hundred (600) adult full time students benefitted from the full exclusion of wage income and over two thousand eight hundred (2,800) households were able to take advantage of the exclusion of asset income on the first \$50,000 of asset value.

Long-term Plan

Use of MTW flexibility continues to be a critical component in DHCD's statewide rental assistance strategy. MTW has been instrumental in: maximizing the number of low-income households assisted through DHCD's rental assistance programs; preserving affordability in expiring use projects; promoting housing stability and economic self-sufficiency; and, streamlining program administration.

DHCD has been an MTW agency since 1999. While the MTW Agreement between HUD and DHCD was scheduled to expire in 2018, DHCD is pleased to report that legislation was passed by the Congress and signed by the President during FY 2016 which will extend DHCD's and all existing MTW Agreements through 2028.

The following is a summary of DHCD's long-term plan for the MTW program as described in its MTW Annual Plans since inception of the program. With the recent extension of the MTW term through 2028, DHCD will continue to review and refine as needed its long-term MTW plans and strategies:

The MTW Agreement offers a unique and important opportunity to improve and enhance the HCV program. Building on lessons learned and successes of the existing small-scale MTW demonstration programs, DHCD intends to utilize MTW flexibility to test the efficacy of new approaches in support of MTW statutory objectives and the Commonwealth's housing goals.

DHCD intends to fully explore the potential benefits of MTW: 1) to demonstrate that housing stabilization can be the foundation for economic self-sufficiency for extremely and very low-income households; and, 2) to demonstrate that administrative costs savings can be redirected to provide meaningful assistance and, potentially, subsidies to additional program participants and owners. DHCD believes that affordable housing can provide the foundation that allows extremely and very 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 guide MTW planning for the long-term include:

- All MTW activities must relate to one or more of the three MTW 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; supporting project-based affordable housing for extremely low-income households; supporting those who have one or more disabilities; and stabilizing neighborhoods.

- 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.
- New 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 both from its regional administering agencies and other stakeholders to inform the design of DHCD's MTW initiatives.

In light of ongoing federal funding constraints and potential future reductions, DHCD will continue to actively explore and analyze options to utilize MTW programmatic flexibility in order to minimize negative impacts on rental assistance program participants.

II. General Operating Information

A. Housing Stock Information

New Housing Choice Vouchers That Were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based*	Actual Number of New Vouchers that were Project-Based	Description of Project
Flats at 22, Chelsea	5	0	New construction of 50 townhouse units with 5 project-based units for disabled; completed in FY15
Pritchard & Academy Street, Fitchburg	2	0	Rehabilitation of two four-story buildings with 14 units; 2 of which will receive PBV subsidy, moved to FY17
North Bellingham Veterans, Chelsea	8	0	Substantial rehabilitation of a legion post; 8 of 10 total units to receive a PBV subsidy with preference given to veterans in need of supportive housing; completed in FY15
770 Independence Drive, Barnstable	6	6	New construction of two three story buildings with a total of 60 units for families.
86 Dummer Street, Brookline	2	2	New construction of family rental housing in a three story building with a total of 32 units.
Worcester Loomworks, Worcester	8	8	New construction of 55 units at a former mill site.
Chestnut & Hampden Street, Holyoke	8	8	Adaptive reuse of a former church and school for family housing
One Wampanoag Drive, Mashpee	8	8	Rehabilitation 51 garden style units of existing affordable housing for families
Malden Mills Phase II, Lawrence	7	7	Adaptive reuse of historic mill building into 62 units
East Howard Street Veterans Housing, Quincy	8	8	New construction of one building with 8 units with a preference for veterans in need
Haydenville Village Center, Williamsburg & Chesterfield	6	6	Rehabilitation of seven scattered site buildings with a total of 24 units for families
Heywood Wakefield 4, Gardner	8	8	Substantial rehabilitation of a historic former mill building with 55 units for families
Route 134 Community Housing, Dennis	7	7	New construction of 8 farmhouse style buildings with 27 units for families
Bridgeview Center, Boston	8	0	New construction of a mixed use single building with units reserved for disabled; moved to FY17
165 Winter Street, Haverhill	3	3	Substantial rehab of historic former school with 12 units for families
RTH Riverway – 82 Fenwood Road, Boston	8	0	New construction of 10 story building with units reserved for disabled; moved to future FY due to complexity of project
189 Broadway Street, Revere	8	0	New construction of a 4 story building with an elevator with units reserved for elderly; moved to FY17

181 Washington Street, Somerville	8	0	New construction of a four story mixed use building with units for families; moved to FY17
66 Hudson on Greenway, Boston	0	8	Disabled-PBV units reserved for disabled, new construction of 10 story high-rise
40 April Lane - Dalton Apartments, Pittsfield	0	8	Family- substantial rehab of existing multi-family housing-11 separate buildings
7 tri-Town/37 Youngs Rd/Tri-Town III, Lunenburg	0	8	Family - New construction on site of former drive-in
10 Winter Street/Kendrigan Place, Quincy	0	8	Family- rehab of existing six story building
Stable Path Residences off Race Point Road, Provincetown	0	5	Family- new construction 10 buildings (2 & 3BR townhouses)
850 State Road/Village at Lincoln Park, Dartmouth	0	3	Family- new construction on former amusement park site
Cranberry Manor/Carpenters Glen, Taunton	0	8	Family- rehab of existing townhouse style development

		Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Year
Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	3,156	3,038
118	119	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year*	Actual Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year
		3,075	2,911

*8 units at Cottage Square were not included in the units under contract in FY15 but are included in the aggregate count for FY16

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

This section is required by HUD. DHCD does not have own or manage any federally funded housing stock.

General Description of Actual Capital Fund Expenditures During the Plan Year

This section is required by HUD. DHCD does not have any federally funded housing stock nor does it receive capital funds from HUD.

Overview of Other Housing Units Owned and/or Managed By PHA at Fiscal Year End

Housing Program	Total Units	Overview of the Program
N/A	0	N/A
N/A	0	N/A

N/A	0	N/A
Total Other Housing Owned or Managed	0	
If Other, please describe	N/A	

B. Leasing Information

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

Housing Program:

Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs
 Port-In Vouchers (not absorbed)

Total Projected and Actual Households Served

*DHCD is phasing out the local non-traditional programs at one of its regional administering agencies (RAA). As such, participation numbers reflect attrition at the RAA where the program is being phased out. Going forward, program participation statistics will reflect attrition at the phasing out RAA and new enrollment, up to fifty, at the RAA which will continue administering the local non-traditional program.

Number of Households Served

Planned	Actual*
0	0
110	90
N/A	291
110	381

Housing Program:

Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property Based Assistance Programs
 Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs
 Port-In Vouchers (not absorbed)

Total Projected and Annual Units Months Occupied/Leased

Unit Months Occupied/Leased

Planned	Actual
0	0
1,320	1,080
N/A	3,492
1,320	4,572

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

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

Fiscal Year:	2014 *	2015*	2016*
Total Number of Local, Non-Traditional MTW Households Assisted	72	77	90
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	61	63	85
Percentage of Local, Non-Traditional MTW Households with Incomes	85%	82%	94%

Below 50% of Area Median Income			
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* Reflects data at the close of each FY for FES and YTTSP

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	0	6170	0	6170	31%
2 People	0	4694	0	4694	24%
3 People	0	4323	0	4323	22%
4 People	0	2673	0	2673	14%
5 People	0	1223	0	1223	6%
6+ People	0	664	0	664	3%
Totals	0	19747	0	19747	100%

Explanation for Baseline Adjustments to the Distribution of Household sizes Utilized	N/A
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Mix of Family Sizes Served

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals*
Baseline Percentages of Household Sizes to be Maintained	31%	24%	22%	14%	6%	3%	100%
Number of Households Served by Family Size this Fiscal Year	7946	5584	4196	2513	1187	658	22,084
Percentages of Households Served by Household Size this Fiscal Year	36%	25.2%	19%	11.4%	5.4%	3%	100%
Percentage Change	+5%	+1.2%	-3%	-2.6%	-.6%	0%	

*Family size information for 41 households was not available

Justification and Explanation for Family Size Variations over 5% from the Baseline Percentages	N/A
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Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program

Family Economic Stability Program

Description of Leasing Issue and Solutions

RCAP-administered FES program no longer accepts new FES program participants; however, the MBHP-administered FES program continues to grow

N/A
N/A

and provide FES program services.
N/A
N/A

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

Activity Name/#	Number of Households Transitioned to Self-Sufficiency	Agency Definition of Self-Sufficiency
Family Self-sufficiency/2012-5	110	Graduation from FSS Program
Family Economic Stability (FES) Program/2000-1	20	Graduation from the FES Program
Biennial Recertifications/2011-4	75	Households that received zero HAP in the month prior to EOP
Youth Transition To Success Program (YTTSF)/2011-5	6	Graduation from YTTSF

Households Duplicated Across Activities/Definitions	0
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Annual Total Number of Households Transitioned to Self-sufficiency	208
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C. Wait List Information

Wait List Information At Fiscal Year End

Housing Program(s)*	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed ***	Was the Wait List Open During the Fiscal Year
Federal MTW Housing Choice Voucher Program, Federal Non-MTW Housing Choice Voucher Units	Other	112,456	Open	Yes
Tenant-based, Local, Non-Traditional MTW Housing Assistance Program	Other	22	Open	Yes
N/A	N/A	N/A	N/A	N/A

* *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.

N/A
N/A
N/A

If local non-traditional, please describe:

Family Economic Stability Program – see activity description in Section IV – Approved Activities
N/A
N/A

If other wait list type, please describe:

DHCD combines site-based and centrally managed wait list features. All of DHCD's programs (including MTW and Non-MTW vouchers) use a regional, centrally managed wait list with the exception of certain Project-based developments. There are sixty-four (64) Project-based developments that have owner managed site-based waiting lists. 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 waitlist for the FES program, a DHCD MTW initiative, is currently open to all populations.

N/A

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

DHCD did not implement any changes to the organizational structure of the wait list or policy changes related to the wait list.

III. Proposed MTW Activities

All proposed activities that have been granted approval by HUD are reported on in Section IV as 'Approved Activities'.

IV. Approved MTW Activities

A. Implemented Activities

This section of the MTW Annual Report provides information and updates on MTW activities that have been previously approved by HUD and implemented.

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

Description and Update of Approved 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 meets the occupancy requirements of the local Board of Health and Massachusetts Lead Laws.

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) In the Boston component only, families who are working at least part-time, who are imminently employed, or who are enrolled in a full-time job training program.

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.

Currently, two RAAs have implemented FES programs, RCAP Solutions in Worcester, MA and Metropolitan Boston Housing Partnership in Boston, MA. The south Worcester County component of FESP no longer accepts applicants to FESP. South Worcester County will continue to serve existing FESP participants through program completion, but will no longer administer the program once all existing participants have completed or exited the program.

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

- Financial assistance package of \$5,500 per year, of which up to \$250/month can be applied toward the rent and, in some cases security/upfront costs, for the apartment (paid directly to owner), up to \$158/month is available for work-related, utility, or emergency

expenses, and \$50/month is set aside in an escrow account that is receivable upon successful program completion.

- If the contract rent for the unit is less than the shallow rent subsidy provided, the participant must pay 30% of their adjusted income toward rent. The participant can opt to pay an increased amount for rent and transfer the remaining subsidy amount to their escrow account.
- Case management support to assist the family in addressing employment, housing, or other issues.
- Financial literacy training and homebuyer preparation workshops.
- Support and resources to assist in home-buying, where desired and appropriate. In FY 2010, the homeownership matching fund program was revised to fund a one-time \$500 first-time homebuyer grant for eligible participants provided DHCD has available funds.

Families participating in the Boston program receive the following:

Rent Subsidy

- Flat subsidy
- 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

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. DHCD continues to work with its software provider to build an individual tracking module for the FES program.

In FY 2016 DHCD completed an analysis of FMRs across its jurisdiction from 2011 through 2016. This analysis was done to evaluate the changes in FMRs and to assist DHCD in determining whether the FES program rental subsidy is in line with the marketplaces in which FES program clients lease units. DHCD’s goal is to ensure FES clients have the ability to stay in homes in communities of choice while also evaluating potential subsidy savings if FMRs

substantially decreased. DHCD also examined the graduation rate of FES participants to inform the decision to increase the participation time restriction from 5 to 7 years. DHCD will conduct a final review of these analyses and make determinations on subsidy levels and participation terms consistent with the approved FY 2017 Plan.

Currently, FES has 57 active participants (17 from RCAP and 40 from MBHP) of which 11 joined the program in FY 2016. Twenty participants graduated in FY 2016. The FES program currently has a waitlist of 22 households.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
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 to be applicable to this activity.</i>	\$0.00	N/A
<i>SS #1: Increase in Household Income*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$18,937	\$19,377	\$26,840 Includes all households including those that graduated during the fiscal year	Yes
<i>*This metric has been required by HUD. DHCD does not consider this metric to be applicable to this activity.</i>				

SS #2: Increase in Household Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$1,653	\$882	No. New participants, with smaller escrow accounts, impact the average escrow.
Average amount of savings of households affected by this policy in dollars (increase).	\$0.00	\$1,079	\$902	No. New participants with smaller savings impact the average savings.

SS #3: Increase in Positive Outcomes in Employment Status

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed	1 participant	4 participants	5 participants	No
	1% of participants	5% of participants	6% of participants including graduates during the FY	No
(6) Other - Employed	85 participants	84 participants	72 participants including graduates during the FY	No
	99% of participants	95% of participants	94% of participants including graduates during the FY	No
(6) Other - Education/Job Training	0 participants	25 participants	24 participants 12 at MBHP and 12 at RCAP	No
	0% of participants	28% of participants	31% of participants including graduates during the FY	Yes

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	4 households in FY 2015	12 households	5 households	Yes

<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	88 households	77 households Includes graduates	No MBPH continues to lease new participants & anticipates 50 by in the next FY.
<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 by this policy in dollars (decrease).	\$450 in FY 2015	\$600	\$711	No Increase in subsidy due to participants in Worcester program graduating and/or terminating. Those participants were replaced with participants in the Boston program who currently receive a higher subsidy.
<i>*DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as reduction in subsidy is not a goal or stated objective. Additionally, the subsidy reflects a fixed amount regardless of income.</i>				
<i>SS #7: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$473 in FY 2015	\$487.00	\$610	Yes
<i>*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner</i>				
<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 households	15 households	20 households	Yes
<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 households	5 households in FY 2016	8 households in FY 2016 5 from shelter to rental housing 3 to higher PS areas	Yes
<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 households	0 households	0 households	Yes
*This metric has been required by HUD .DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as homeownership is not a goal or stated objective.				

Activity 2010-1: PBV Site Based Waiting Lists

Description and Update of Approved 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 either uses existing staff or contracts 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 PBV developments to establish and manage their own site based waiting lists. Since FY 2013, sixty-four (64) developments have established owner maintained SBWLs, of which seventeen (17) came on line in FY 2016.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,142	\$2,648	\$2,767	No Due to an increase in hourly rate
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	283 hours	146 hours	143 hours	No Unit turnover drives the savings in this metric. Fewer than

				anticipated PB units at sites with owner managed SBWLs turned over.
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Activity 2010-2: Payment Standard Exceptions

Description and Update of Approved 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. Reasonable exceptions are defined as payment standards which exceed DHCD’s established payment standard limit, but which are reasonable based on DHCD’s reasonable rent determination. Specifically, DHCD will determine that the exception payment standard is consistent with the unit location, amenities and accessibility features. This policy is utilized without regard to the percentage increase requested over the payment standard; however, DHCD may later implement a cap on these exception payment standards for consistency with budgetary limitations. DHCD will not impose a limit on the number of exception payment standards; however, DHCD reserves the right to limit the number of payment standard exceptions when and if budgetary issues arise.

In FY 2016, DHCD continued to utilize its MTW authority to approve payment standard exceptions without prior HUD approval. DHCD approved three payment standard exceptions during the fiscal year. The streamlined approval process continues to give DHCD flexibility to expeditiously review and approve rents for individuals with disabilities.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<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 households	5 households	3 households	Yes Fewer than anticipated requests were made
<i>CE #1: Agency Cost Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Time to process request: 1.5 hours FY 2011 Requests: 3	Time to process request: .75 hours FY 2016 Requests: 5	Time to process request: .75 hours FY 2016 Requests: 5	Yes Fewer requests were received; however savings were generated

	Staff hourly rate: \$18.17	Staff hourly rate: \$18.17	Staff hourly rate: \$19.35	
	Total time cost to implementation: \$82.00	Total cost after implementation: \$68.14	Total cost after implementation: \$72.56	
CE #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Time to process request: 1.5 hours FY 2011 Requests: 3 Total time prior to implementation: 4.5 hours	Time to process request: .75 hours FY 2016 Requests: 5 Total time after implementation: 3.75 hours	Time to process request: .75 hours FY 2016 Requests: 5 Total time after implementation: 3.75 hours	Yes
*DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as time and cost savings are not a goal or stated objective.				

Activity 2010-3: Owner Incentive Fund

Description and Update of Approved Activity

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

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

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

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

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

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

During Fiscal Year 2016, one unit transitioned from a grade "C" to a grade "B," while four units transitioned from a grade "B" to a grade "A." No bonus payments were made during the fiscal

year. DHCD inspectors marketed the incentive program in an effort to increase the inventory of both A/B grade and accessible units. Landlords were hesitant to invest in their units or did not have the available capital to improve their units; however, they did indicate a willingness to consider this incentive program in the future. Additionally, RAA participation in the Berkshire County Rental Housing Association has also proven to be another potential marketing tool for the program.

Changes to Baseline, Benchmarks & Metrics

Prior reporting included cumulative benchmarks which captured all units for which incentive payments were made since inception for this activity. There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<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 households	22 households	5 households	No Owners had limited capital to improve units

Activity 2010-4: Development of Local Forms

Description and Update of Approved Activity

Under this initiative, DHCD develops 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.

To date, DHCD has developed local versions of the PBV HAP and AHAP forms to incorporate relevant MTW provisions. The revised forms have been implemented at all new expiring use projects. In FY 2016, DHCD prepared a draft PB Tenancy Addendum and began work on a local FSS COP. Finalized versions of these local forms will be completed in FY 2017. DHCD will continue to utilize this authority as needed.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #1: Agency Cost Savings*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	HAP Contracts executed in FY 13: 11	Expected HAP Contracts executed in FY 2016: 18	HAP Contracts executed in FY 2016: 18	Yes The difference between the benchmark and outcome resulted from the update to the average hourly rate. There remains a significant cost savings to the baseline. The actual volume of contracts was consistent with the benchmark.
	Time to Prepare HAP contract prior to implementation: 2 hours	Time to Prepare HAP contract after implementation: .25 hours	Time to Prepare HAP contract after implementation: .25 hours	
	Average hourly wage: \$18.17	Average hourly wage: \$18.17	Average hourly wage: \$19.35	
	Total cost prior to implementation: \$400	Total cost after implementation: \$82	Total cost after implementation: \$87	
*DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as it measures the time spent on the activity, not the time saved as a result of the activity.				
<i>CE #2: Staff Time Savings *</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

<p>Total time to complete the task in staff hours (decrease).</p>	<p>HAP Contracts executed in FY 13: 11</p> <p>Time to Prepare HAP contract prior to implementation: 2 hours</p> <p>Total staff time required prior to implementation: 22 hours</p>	<p>Expected HAP Contracts executed in FY 2016: 18</p> <p>Time to Prepare HAP contract after implementation: .25 hours</p> <p>Total staff time required after implementation: 4.5 hours</p>	<p>HAP Contracts executed in FY 2016: 18</p> <p>Time to Prepare HAP contract after implementation: .25 hours</p> <p>Total staff time required after implementation: 4.5 hours</p>	<p>Yes.</p>
<p>*DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity as it measures the time spent on the activity, not the time saved as a result of the activity.</p>				

Activity 2011-4: Biennial Recertification Process

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

This initiative is fully implemented. In FY 2016, the number of recertifications was higher than anticipated as a result of additional recertifications completed for moves. While the hourly rate increased and impacted the anticipated savings from this activity, DHCD continues to benefit from the reduction in staff time for processing recertifications.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	<p>Number of vouchers: 20,298</p> <p>Time per Recertification: 2.5 hours</p> <p>Average Hourly Staff Rate: \$18.17</p> <p>Total Cost of Activity Prior to Implementation: \$922,037</p>	<p>Anticipated Number of Recertifications: 9,966</p> <p>Time per Recertification: 2.25 hours</p> <p>Average Hourly Staff Rate: \$18.17</p> <p>Anticipated Total Cost of Activity in FY 2016: \$407,435*</p> <p>*Accounts for cost savings from Biennial Recertifications and Rent Simplification.</p>	<p>Number of Recertifications: 10,973</p> <p>Time per Recertification: 2.25 hours</p> <p>Average Hourly Staff Rate: \$19.35</p> <p>Total Cost of Activity in FY 2016: \$477,737*</p> <p>*Accounts for cost savings from Biennial Recertifications and Rent Simplification.</p>	<p>No Actual recertifications exceeded the benchmark due to the large number of recertifications which were completed for moves. Additionally, the average hourly rate was higher than planned. The total cost of this activity remains lower than the baseline cost.</p>
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	<p>Number of vouchers: 20,298</p> <p>Time per Recertification: 2.5 hours</p> <p>Total Time Spent on Activity Prior to Implementation: 50,745 hours</p>	<p>Anticipated Number of Recertifications: 9,966</p> <p>Time per Recertification: 2.25 hours</p> <p>Anticipated Total Time Spent on Activity in FY 2016: 22,424 hours*</p>	<p>Number of Recertifications: 10,973</p> <p>Time per Recertification: 2.25 hours</p> <p>Total Time Spent on Activity in FY 2016: 24,689 hours*</p> <p>*Accounts for time savings from Biennial Recertifications and</p>	<p>No Actual recertifications exceeded the benchmark due to the large number of recertifications which were completed for moves. Additionally, the average hourly rate was higher than planned. The total cost of this</p>

		*Accounts for time savings from Biennial Recertifications and Rent Simplification.	Rent Simplification.	activity remains lower than the baseline cost
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SS #1: Increase in Household Income

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase)	\$19,058* *DHCD modified this baseline in FY 2016 based on revised calculation methods applied to FY 2012 figures.	\$20,566	\$21,791 (Avg. Earned Income of households with earned income)	Yes

SS #3: Increase in Positive Outcomes in Employment Status

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(6) Other - Employed	5,019 households in FY 2011	5,164 work-able households	6,058 work-able households	Yes
	54% of work-able households	51% of work-able households	63% of work-able households	Yes

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	2,920 households in FY 2011	2,400 households	2,202 households	Yes

SS #8: Households Transitioned to Self-sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households* *This data was not previously tracked.	33 households	75 households \$0 HAP at EOP	Yes

Activity 2011-5: Youth Transition to Success (YTTS)

Description and Update of Approved Activity

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

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

The three-year YTTSP provides participants with:

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

YTTSP has been fully implemented for two years. As the program grows, DHCD anticipates that enrolling applicants at a younger age will allow DHCD to provide valuable supportive services earlier and for a longer period for each participant. This will result in more participants successfully completing the program and reaching financial independence. As of June 2016, eleven participants remain active in the program. During FY 2016, six participants graduated from the program. The participants who graduated or who are currently enrolled in the program have all maintained employment, enhanced their education, and increased their asset base through savings. Together, DCF and DHCD will continue to work to ensure participants transition smoothly from the 18 month voucher to the new three year YTTSP.

In FY 2016, DHCD conducted research and identified another potential agency to partner with for YTTS. DHCD also began identifying eligibility criteria for the participant referral and organization of case management in addition to other programmatic changes to be explored further in the coming Fiscal Year. DHCD anticipates the beginning of the collaboration process to begin in the first quarter of FY17. DHCD, as reported in the FY 17 plan has already begun work on establishing a relationship with other agencies to support referrals for the YTTSP program outside of the referrals from FUP AOP. DHCD also began planning revisions to the eligibility requirements for YTTSP to remove barriers to assisting additional youth at risk.

DHCD will remove the requirement to be enrolled in education or job training as an eligibility factor.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

Please note that due to the small number of participants in the YTTS program one participant leaving or joining the program can have a dramatic influence on the data reported below. Average household income and savings are two metrics that will be influenced significantly.

<i>CE #4: Increase in Resources Leveraged</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$308,000	\$317,000	Yes
<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).	\$9,492 for current YTTSP participants at time of enrollment	\$9,682	\$11,475 Avg. earned income of households with earned income	Yes
<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	\$2,499	\$3,920 Avg. escrow and savings for those who have escrow and savings	Yes
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(2) Enrolled in an Educational Program	7 participants	12 participants	6 participants Includes only active participants enrolled at the end of the FY	Yes Represents a snapshot at the close of the FY
	100% of participants	100 % of participants	100% of participants	

(3) Unemployed	0 participants	0 participants	0 participants	Yes Represents a snapshot at the close of the FY
	0% of participants	0 % of participants	0% of participants	
(6) Other - Employed	7 participants	12 participants	6 participants Includes only employed active participants at the end of the FY	Yes Represents a snapshot at the close of the FY
	100% of participants	100 % of participants	100% of participants	
<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).	0 households	0 households	1 household	No
*DHCD maintains this HUD standard metric is not a relevant measure of the impact of this activity. Many households enrolled in education activities must remain on TANF while completing education.				
<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	12 households	13 households Includes all households who received services during the fiscal year	Yes
<i>SS #8: Households Transitioned to Self-sufficiency</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Self-sufficiency is defined as graduation from the YTTS program.	0 households	6 households	6 households Graduation from YTTS	Yes

Activity 2012-1: MTW Utility Allowances

Description and Update of Approved Activity

Under this initiative, DHCD established a simplified Utility Allowance (UA) schedule and eliminated Utility Allowance Payments under \$25.

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

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 2016 DHCD continued to offer UAs for heat only and did not issue UAPs of \$25 or less. DHCD continued to review information on consumption data related to electricity in anticipation of providing an "other electric" UA in FY 2017.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$31,476,912	\$19,612,116	\$18,247,428	Yes
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Time required to calculate UA: 8 minutes Number of UA calculated in FY 13: 16,919 Total staff time prior to implementation: 2,256 hours	Time required to calculate UA: 4 minutes Anticipated number of UA in FY 2016: 11,465 Anticipated total staff time after implementation: 764 hours	Time required to calculate UA: 4 minutes Number of UA in FY 2016: 12,714 Total staff time after implementation: 848 hours	No There were more households paying for heat than anticipated
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	10%	4%	2.4%	Yes
<i>CE #5: Increase in Agency Rental Revenue*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$382 per household in FY 2014	\$369 per household	\$341 per household	No. Average Tenant Rent to Owner was lower due to additional households receiving UAs
*DHCD does not have any rental revenue and has been instructed by HUD to report on Average Tenant Rent to Owner				

Activity 2012-3: Project-based Voucher Discretionary Moves

Description and Update of Approved Activity

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

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

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

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

In FY 2014, DHCD clarified that families living in Expiring Use Preservation Initiative projects on the conversion date who select a PBV, as well as families living in units converted to PBV through the RAD program will be permitted to request a discretionary move after the first year of assisted tenancy following conversion. Additionally, families converting TBVs to PBVs through the RAD program may request discretionary moves prior to the end of the first year of assisted tenancy following conversion.

In FY 2016, DHCD lifted the limitations on PB discretionary moves, which were put into place as a result of sequestration. Fifty-seven (57) PB households received mobile vouchers and were able to exercise choice in housing. At the close of FY 2016 there were one hundred and twenty nine (129) households on the PB opt-out waiting list. DHCD anticipates that at least half of

these household will be given the opportunity to receive tenant-based vouchers within the upcoming fiscal year.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

CE #1: Agency Cost Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Number of TBV issued: 33 Staff time per transfer: 3 hours Staff cost per hour: \$18.17 Total cost before implementation: \$1,799	Anticipated number of TBV issued in FY 2016: 66 Staff time per transfer: 3 hours Staff cost per hour: \$18.17 Total cost after implementation: \$3,598	Number of TBV issued in FY 2016: 57 Staff time per transfer: 3 hours Staff cost per hour: \$19.35 Total cost after implementation: \$3,309	No DHCD was able to issue 57 vouchers to PB opt-outs while the benchmark was 66. Additionally the cost differential is impacted by the increase in hourly rate.
CE #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Number of TBV issued: 33 Staff time per transfer: 3 hours Total time spent before implementation: 99 hours	Anticipated number of TBV issued in FY 2016: 66 Staff time per transfer: 3 hours Total time spent after implementation: 198 hours	Number of TBV issued in FY 2016: 57 Staff time per transfer: 3 hours Total time spent after implementation: 171 hours	No DHCD was able to issue 57 vouchers to PB opt-outs while the benchmark was 66. Additionally the cost differential is impacted by the increase in hourly rate
*The above metrics are required by HUD. DHCD maintains that the above metrics do not accurately represent the impact of this initiative as the number of TBV issued to PBV tenants fluctuates each year depending on request and number of all HCVs issued.				

Activity 2012-4 Expiring Use Preservation Initiative

Description and Update of Approved 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;
- Prior to HUD designation of DHCD as Administrator of the Enhanced Vouchers, an initial survey of residents of each development will be conducted to gauge interest in participating in the PBV program. Results will be forwarded to HUD. Based on the results, HUD will decide whether to assign the Administrator duties to DHCD or to the Local Housing Authority; and,
- The Project Developer agrees to participate in and support MTW-related self-sufficiency activities for the tenants of the project. The type and extent of support provided will be determined by site. For example, a project may provide case management services to its MTW residents.

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

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

program, they will continue to be subject to the Enhanced Voucher minimum rent policies, including the applicable provisions related to income decreases. Enhanced Voucher income limits and payment standards will also continue to apply to these households. DHCD does not apply term limits to any of its Housing Choice Voucher participants.

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

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

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

- Consistent with PIH Notice 2012-32, DHCD may apply MTW flexibilities to units converted to PBV under the Rental Assistance Demonstration (RAD) 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.

At the close of FY 2016 DHCD had 9 expiring use contracts with a total of 546 under HAP contract at the close of FY 2016. Additionally, DHCD has completed 8 Rental Assistance Demonstration (RAD) conversion projects and currently provides a subsidy for 825 units under this program. In FY 2016 DHCD did not add any additional developments to its expiring use or RAD inventory. The determination on award of RAD and expiring use contracts is a HUD determination; and as such, DHCD does not control the ebb and flow of units in this activity. DHCD remains optimistic that HUD will continue to consider DHCD for future administration of RAD and expiring use contracts.

Changes to Baseline, Benchmarks & Metrics

The metrics for this initiative include all RAD and Expiring Use units as of the end FY 2016. There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>HC #2: Units of Housing Preserved*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0 housing units	1,340 housing units	1,371 Total RAD and Expiration Use Units	Yes
<i>*Previously DHCD has included only Expiring Use units when setting benchmarks and determining outcomes for this metric. These figures include all RAD and Expiring Use units and DHCD will continue to use this methodology going forward.</i>				

Activity 2012-5 Family Self-sufficiency Program Enhancements

Description and Update of Approved Activity

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

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

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

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

- Placement of an absolute cap on the amount of escrow regardless of prior FSS participation at any of DHCD’s RAAs statewide. The cap, which may be periodically reviewed and updated at DHCD’s discretion, will be set at \$25,000 per household;
- Modification to the requirement that an FSS applicant must have an interim or annual recertification within 120 days prior to FSS enrollment;
- Modification of the extension policy to allow for six month extensions for up to two years with revised extension eligibility requirements;
- Modification of the FSS re-enrollment eligibility criteria to require that re-applicants demonstrate consistent progress since prior FSS participation ended. DHCD will provide an exception when the participant loses a job due to no fault of their own;
- Modification to the escrow calculation methodology by calculating FSS credits using the same method for all participants regardless of income level. The method used for very low-income households will apply to all participants; and,
- Establishment of an incentive payment for FSS graduates that choose to withdraw from the HCV program within 2 years of completion of the FSS program and who apply and are approved for homeownership. The initial incentive payment amount, which may be

periodically reviewed and updated at DHCD’s discretion, will be set at \$5,000 per household.

FSS program participation continued to grow with 223 more families added in FY 2016. Additionally, in FY 2016, FSS graduations increased from one hundred three (103) to one hundred seven (107). DHCD continued to review supportive service needs and resources in an effort to ensure that the supportive services are adequate and responsive to the needs of each the participants in each of DHCD’s jurisdictions.

Changes to Baseline, Benchmarks & Metrics

The metric for SS #5 was mistakenly excluded from the FY 2016 Plan and has been added back to this report. Outcomes reflect FY 2016 activity.

Metrics

<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$20,554	\$21,318	\$26,797	Yes
<i>SS #2: Increase in Household Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of escrow of households affected by this policy in dollars (increase).	\$0.00	\$3,385	\$4,417 Avg. of those with escrow	Yes
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed	501 participants	694 participants	270 participants	Yes
	57% of participants	58% of participants	28% of participants	Yes
(6) Other - Employed	372 participants	482 participants	702 households	Yes
	43% of participants	42% of participants	72% of households	Yes

<i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	162 households	123 households	84 households	Yes
<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 household	904 households	972 households	Yes
<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 by this policy in dollars (decrease).	\$931 in FY 2014	\$905	\$891	Yes
<i>SS #7: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average Tenant Rent Share (increase).	\$388 FY 2014	\$405	\$463	Yes
<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 households	75 households	110 households Graduated from FSS	Yes

Activity 2013-1: Rent Reasonableness

Description and Update of Approved Activity

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

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

DHCD will continue to complete a reasonable rent determination when a unit is placed under HAP contract for the first time, when an owner requests a contract rent adjustment, and at any other time DHCD deems it necessary. As rent increases will continue to be allowed during the lease-prescribed time periods, DHCD assumes that owners will request a rent increase within market fluctuations as warranted. Therefore, DHCD believes that reasonable rent determinations will continue to be made with regular frequency. This initiative is fully implemented and continued in FY 2016.

A review of the changes in the FMRs between FY 2015 and FY 2016 revealed that three FMR areas within DHCD's jurisdiction had decreases in the FMR that were greater than 5%. The unit sizes affected in these FMR areas were the zero and four bedroom units and in one FMR area, the one bedroom units. Less than one percent (130 units) of the 22,000+ units in DHCD's jurisdiction were affected by this decrease. DHCD continues to monitor the rents in these areas to ensure that they are reasonable.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$364,345	\$0.00	\$7,547 130 x 3=390 hours Hourly Rate: \$19.35 19.35 x 390 hours	No DHCD did not anticipate 5% decreases in any FMRs. 130 units were impacted by

				a 5% decrease in FMR, thus savings were realized.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	20,052 hours	0 hours	390 hours 130 x 3 hrs./unit = 390 hours	No DHCD did not anticipate 5% decreases in any FMRs. 130 units were impacted by a 5% decrease in FMR, thus time savings were realized.

Activity 2013-2: PBV Rent Reasonableness

Description and Update of Approved Activity

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

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

Affordable housing developers use the PBV commitment to secure project funding and project lenders assume rent trending when underwriting projects; therefore, this policy change will help to ensure the long-term viability and affordability of PBV developments while also promoting housing choice. This initiative is fully implemented and continued through FY 2016.

A review of the changes in the FMRs between FY 2015 and FY 2016 revealed that three FMR areas within DHCD’s jurisdiction had decreases in the FMR that were greater than 5%. None of the FMRs with decreases of 5% or more had PB developments. DHCD continues to monitor the rents in these areas to ensure that they are reasonable.

Changes to Baseline, Benchmarks & Metrics

There are no changes to baselines, benchmarks or metrics. Outcomes reflect FY 2016 activity.

Metrics

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

Activity 2016-1: Rent Simplification (Changes to Activity 2012-2)

Description and Update of Approved Activity

In FY 2016, DHCD proposed changes to the Rent Simplification activity which represented fundamental changes to the nature and scope of the activity; and as such, DHCD re-proposed this activity. Also in FY 2016, DHCD moved the previously approved MTW asset verification and calculation activities that were part of the Biennial Recertification activity under the Rent Simplification activity. The asset policies more closely align with rent reform; and as such, are now part of DHCD's revised Rent Simplification activity.

The revised Rent Simplification activity DHCD includes 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). 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, the payment standard is equal to 110% of the SAFMR. If a housing authority has been authorized to apply Exception Payment Standards (EPS) by HUD, DHCD will apply the EPS if a DHCD voucher holder leases a unit within the area that has been approved for the EPS. 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 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 FT 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 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 the DHCD's revisions to asset income calculation, 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.

In FY 2016, DHCD continued to work on implementation of rent simplification. Specifically, DHCD updated the impact analyses regarding application of the SAFMRs and made a determination to apply the SAFMR to all households except as outlined below. DHCD included this information in its FY 17 Plan.

- Where a PHA has an approved exception payment standard (EPS) DHCD will apply the EPS;
- Where a family is currently assisted on the effective date of the change in payment standard policy and where the SAFMR is less than the current payment standard, DHCD will apply the current approved payment standard. New admissions and currently assisted families who move on or after the effective date of this policy will have the applicable SAFMR applied. In year two and in subsequent years, DHCD will review the SAFMR and approved payment standards to determine the impact of the policy for households who were current participants on the date of the policy change. DHCD will make determinations whether to apply the SAFMR or continue to apply the current approved payment standard consistent with funding levels and tenant impact.

Also in FY 2016, DHCD determined that it may pilot the SAFMR change in two of its jurisdictions before rolling it out to all regions. The components of rent simplification outlined below remained in force during FY 2016 and are anticipated to remain as DHCD continues to implement the remaining portions this rent simplification activity. DHCD did not implement any additional portions of this rent simplification activity in FY 2016.

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

In FY 2016 over 600 adult full time students benefitted from the full exclusion of wage income. Additionally, over 2,800 households were able to take advantage of the exclusion of asset income on the first \$50,000 of asset value. While fewer than 20 households had assets with values over \$50,000, administrative efficiencies were realized when calculating asset income using the face value and passbook savings rate method.

Changes to Baseline, Benchmarks, and Metrics

The baseline for SS #3 was updated to reflect workable households who do not have earned income as opposed to households collecting unemployment. The outcomes in this report take into account the implemented portions of rent simplification. Benchmarks for metrics on employment were not established in the FY 2016 plan; however outcomes have been reported. The baseline for households transitioned to self-sufficiency was established in the FY 2017 Plan and has been included in this report.

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	<p>Number of vouchers: 20,298</p> <p>Time per Recertification: 2.5 hours</p> <p>Average Hourly Staff Rate: \$18.17</p> <p>Total Cost of Activity Prior to Implementation: \$922,037</p> <p>Baseline represents the metrics used when this activity was initially proposed.</p>	<p>Anticipated Number of Recertifications: 9,966</p> <p>Time per Recertification: 2.25 hours</p> <p>Average Hourly Staff Rate: \$18.17</p> <p>Anticipated Total Cost of Activity in FY 2016: \$407,435*</p> <p>*Accounts for cost savings from Biennial Recertifications and Rent Simplification.</p>	<p>Number of Recertifications: 10,973</p> <p>Time per Recertification: 2.25 hours</p> <p>Average Hourly Staff Rate: \$19.35</p> <p>Total Cost of Activity in FY 2016: \$477,737*</p> <p>*Accounts for cost savings from Biennial Recertifications and Rent Simplification.</p>	<p>No Actual recertifications exceeded the benchmark due to the large number of recertifications which were completed for moves. Additionally, the average hourly rate was higher than planned. The total cost of this activity remains lower than the baseline cost.</p>
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	<p>Number of vouchers: 20,298</p> <p>Time per Recertification: 2.5 hours</p> <p>Total Time Spent on Activity Prior to</p>	<p>Anticipated Number of Recertifications: 9,966</p> <p>Time per Recertification: 2.25 hours</p> <p>Anticipated Total Time Spent on</p>	<p>Number of Recertifications: 10,973</p> <p>Time per Recertification: 2.25 hours</p> <p>Total Time Spent on Activity in FY 2016:</p>	<p>No Actual recertifications exceeded the benchmark due to the large number of recertifications which were completed for moves.</p>

	Implementation: 50,745 hours Baseline represents the metrics used when this activity was initially proposed	Activity in FY 2016: 22,424 hours* *Accounts for time savings from Biennial Recertifications and Rent Simplification.	24,689 hours* *Accounts for time savings from Biennial Recertifications and Rent Simplification.	Additionally, the average hourly rate was higher than planned. The total cost of this activity remains lower than the baseline cost
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)	21% Average error rate for income and rent errors	20%	23%	No Error rates decreased over the course of the year and continue to trend downward
<i>CE #5: Increase in Agency Rental Revenue*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in agency rental revenue in dollars (increase)	\$382	\$369 DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.	\$341 DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.	No More than half of DHCD's voucher holders are elderly/disabled households which impacts earned income statistics
<i>*This benchmark reflects the average tenant rent to owner upon implementation of rent simplification.</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	50	552	Yes
<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).	\$19,058	\$20,566	\$21,791	Yes
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in the context of this MTW activity.</i>				
SS #3: Increase in Positive Outcomes in Employment Status *				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
(5) Unemployed (work-able households NE/ND)	3,850 Work-Able Households	TBD	3621 Work-Able Households	N/A
	43% of Work-Able households	TBD	37% of Work-Able households	N/A
(6) Other - Employed (work-able households (NE/ND)	5,164 Work-Able Households	TBD	6058 Work-Able Households	N/A
	57% of Work-Able Households	TBD	63% of Work-Able Households	N/A
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in the context of this MTW activity. DHCD did not establish benchmarks for this activity in the FY 16 Plan. DHCD has established benchmarks for this metric in the FY 2017 Plan.</i>				
SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	2,316 Households on TANF in FY 2015	TBD	2,202 Households on TANF in FY 2016	N/A
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD established a benchmark for this metric in the FY 2017 Plan.</i>				
SS #5: Households Assisted by Services that Increase Self-sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	913 Households	TBD	972 Households	N/A
	Total Number of FSS participants		Total Number of FSS participants	
<i>*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD established a benchmark for this metric in the FY 2017 Plan.</i>				
SS #6: Reducing Per Unit Subsidy Costs for Participating Households *				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount	\$870	TBD	\$871	N/A

of Section 8 subsidy per household affected by this policy in dollars (decrease).	FY 2015		FY 2016	
*HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD established a benchmark for this metric in the FY 2017 Plan.				
SS #7: Increase in Agency Rental Revenue*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$382 Baseline represents average tenant rent to owner at the time this metric was initially required.	\$369 DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.	\$341 DHCD does not have any rental revenue and has been instructed by HUD to report on average tenant rent to owner.	No More than half of DHCD's voucher holders are elderly/disabled households which impacts earned income stats
*This benchmark reflects the average tenant rent to owner upon implementation of rent simplification. This benchmark does not reflect the addition of the other electricity utility allowance.				
SS #8: Households Transitioned to Self-sufficiency*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	57 Households who were EOPd at zero HAP	TBD	75 Households who were EOPd at zero HAP	N/A
* HUD is requiring the use of this metric; however, DHCD does not believe it is applicable in this context of this MTW activity. DHCD established a benchmark for this metric in the FY 2017 Plan.				

B. Not Yet Implemented

Activity 2011-1: Value Vouchers

Description and Update of Approved Activity

This activity was approved in the FY 2011 Plan. 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 DMH and 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.

This activity was approved by HUD in 2011; however, DHCD has not utilized this flexibility to date. At the end of FY 2016 DHCD conducted meetings to discuss self-sufficiency activities, including the Value Voucher program. DHCD plans to make final determinations on new self-sufficiency activities in the upcoming fiscal year.

C. Activities on Hold

Activity 2011-2: Opportunity Neighborhoods

Description and Update of Approved Activity

This activity was approved in the 2011 Plan. DHCD plans to establish an “Opportunity Neighborhoods” program in one or more selected neighborhoods in different regions throughout the Commonwealth. The majority of academic research and literature indicates that where a person lives determines (to various degrees), the opportunities afforded to them.

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

In prior fiscal years, DHCD worked with local graduate students to review data and develop the design of the “Opportunity Neighborhood” Program. In its current form, the program may offer revised payment standards, longer housing search periods, security deposit assistance, and more assistance to support moves to communities with high quality schools, low poverty rates and low violent crime rates.

In the FY 2016 MTW Annual Plan, DHCD modified this activity. During the course of FY 2016 DHCD continued discussions surrounding program design and implementation plans including preliminary visioning of criteria for eligibility as an Opportunity Neighborhood and eligibility for participation in the program. In the last quarter of the Fiscal Year, DHCD began to identify the partner agencies that may provide services for this initiative such as housing counseling, marketing and mapping and data analysis. Upon implementation of the program, DHCD anticipates identification of 300 eligible households with 50 of those households moving to Opportunity Neighborhoods. In FY 2016 DHCD began creation of job descriptions for Housing Counselors to support this initiative and began to establish a budget for financial supports and administrative costs. Implementation is on hold until the aforementioned programming components are in place and executed.

Changes to Baseline, Benchmarks & Metrics

The baselines and benchmarks reflect the first set of projections for this activity. No changes to the Baseline, Benchmarks and Metrics were made in Fiscal Year 2016.

Metrics

<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 households	50 households will move by the end of year one	N/A	N/A
<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 (increase).	0 households	50 households will receive services by the end of year one	N/A	N/A

D. Closed-Out Activities

Listed below is a summary of previously approved MTW activities that DHCD has completed, discontinued, or determined do not require MTW authority to implement:

Activity	Plan Year	Close Out Year	Reason for Close Out
Biennial Inspections	2011	FY 2015	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.

V. Sources and Uses of Funding

a. Describe the Activities that Used Only MTW Single Fund Flexibility

In the FY 2016 MTW Plan DHCD proposed to use Block Grant single fund flexibility on the activities outlined below. DHCD did not implement the educational partnerships or supportive housing initiatives in FY 2016; however DHCD continued to work on development of program design and policy for education partnerships and supportive housing initiatives. DHCD did not use single fund flexibility in FY 2016 to temporarily support higher leasing/HAP expenditures for the VASH program.

- **Education Partnership:** DHCD will use single fund flexibility on education activities which target elementary through high school members of DHCD voucher households. The education activities include afterschool programming for students that exposes participants, through hands on learning activities, to science, technology, engineering, and mathematics, music and the arts. 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.
- **Supportive Housing Initiative:** DHCD intends to use up to \$225,000 per year in MTW Block Grant funds to partially fund intensive supportive services for eligible formerly homeless 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 \$1500 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.
- **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 per fiscal year for this purpose. No additional MTW waivers are required.

b. Local Asset Management Plan

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

Yes

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

No

Has the PHA provided a LAMP in the appendix?

No

VI. Administrative Requirements

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

HUD conducted a Mod-Rehab monitoring review in August of 2015. There were two findings, both of which have been closed.

B. Results of latest Agency-directed evaluations of the demonstration, as applicable.

Not applicable.

C. Certification that agency has met the three MTW statutory requirements.

DHCD certifies that, in Fiscal Year 2016, it continued to meet the three statutory objectives of the MTW program. Appendix B includes the certification required by HUD.

Appendix A: 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

HAP Inc.

322 Main Street
Springfield, MA 01105
413.233.1500

Housing Assistance Corp

460 West Main Street
Hyannis, MA 02601
508.771.5400

Housing Solutions of Southeastern Mass.

169 Summer Street
Kingston, MA 02364
781-422-4200

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

Appendix B: MTW Certification

The Massachusetts Department of Housing and Community Development ("DHCD") hereby certifies that between the periods of July 1, 2015 and June 30, 2016, DHCD met the following three MTW statutory requirements of:

1. Assuring that at least seventy-five (75) percent of the families assisted by DHCD are very low-income;
2. Continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and
3. Maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

MA Department of Housing and
Community Development

MA901
PHA Number/HA Code

Thereby certify that all the information stated herein is true and accurate.

Chrystal Kornegay
Name of Authorized Official

Undersecretary
Title

Chrystal Kornegay
Signature

9/23/16
Date