

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

**Moving To Work Program  
Annual Report for Fiscal Year 2014**

**Submitted to US Department of Housing and Urban Development  
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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 2014.

MTW is a demonstration program authorized by Congress, through which participating agencies are provided flexibility to waive certain statutes and HUD 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." 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 2014, 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 21,314 eligible senior, disabled and other family households through its existing network of RAAs.
- DHCD fully implemented its streamlined utility allowance program in April 2014. Utility Allowances (UA) are provided for heat only and UAPs of less than \$25 are no longer provided. It is anticipated that there will be a reduction in UA errors along with cost savings generated as a result of this initiative.

- DHCD continued implementation of its MTW biennial recertification program in tandem with a series of related rent simplification initiatives.
- DHCD continued implementation of its MTW biennial inspection initiative; however, the number of annual inspections did not decrease to the extent originally projected. As this initiative has not been in effect for a full two year cycle, DHCD will conduct further analysis to determine if modifications to the initiative are needed.
- A small-scale MTW demonstration program for formerly homeless families, administered in the Boston area by Metropolitan Boston Housing Partnership and in Worcester County by RCAP Solutions, Inc., continued during FY 2014. In FY 2013, DHCD began planning changes to the FES program. New enrollments were temporarily deferred while changes were made to the program design. In FY 2014, MBHP graduated 20 individuals from the program. Program design changes, including a revised budget, policies and goals and objectives were completed in FY 14 and will be fully implemented in FY 15.
- The Owner Incentive Fund, which was first implemented in Berkshire Housing Development Corporation's area in FY 2010, continued during FY 2014. The program is designed to provide incentives to landlords in support of DHCD and Commonwealth goals including: attracting new owners to the program; expanding housing opportunities in underserved areas; improving the quality of housing units under lease; and, increasing the number of units accessible to households with disabled members. In FY 14 nine (9) new landlords leased units on the program. Additionally, three (3) A grade units and eleven (11) B grade units were added to the program. Thirty six percent (36%) of the units leased under this incentive program are leased in underserved areas outside of Pittsfield.
- DHCD's MTW pilot program to extend the current eighteen-month time limit for youth aging out of foster care participating in the Family Unification Program enrolled six participants in FY 2014, and had four graduates, all of whom continued their post-secondary education programs.
- DCHD revised the outcomes for its Youth Transitioning to Success Program to better reflect the supportive services provided to youth in the program. Program policies were also updated in FY 2014.
- In furtherance of DHCD's objective to preserve long-term affordability statewide, DHCD put five additional expiring use projects under Housing Assistance Payments contracts. Existing eligible residents were able to choose to keep the Enhanced Voucher or receive a Project Based Voucher. Of the 742 units in the five expiring use projects, 267 were project based.

DHCD continued to implement the MTW and Non-MTW initiatives proposed in the FY2014 Plan, and as appropriate, the changes have been incorporated into the revised HCV Administrative Plan.

## **Long Term Plan**

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. Extending the MTW Agreement beyond its current 2018 expiration date is a priority objective for DHCD.

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:

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 federal funding cutbacks, DHCD will continue to actively explore and analyze options in order to minimize negative impacts on current and future 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
Home Together - 26-28 Marsh Street, Gloucester	N/A	4	Family New construction Two duplex buildings 4 total units
Tri-Town Landing - Lunenburg	N/A	8	Family New construction Three story building 33 total units
Hope in Action - Lawrence and Methuen	N/A	49	Family Existing construction 7 scattered sites 49 total units: 25 supportive units and 24 family units.
McCarthy Village Whittlesey Village - Acton	N/A	12	Family New construction 6 duplexes on surplus housing authority land 12 total units
Austin Corridor II - Worcester	N/A	5	Family Substantial rehabilitation 6 separate buildings 20 total units
57 Main Street - Lee	N/A	4	Family Rehabilitation 3 story mixed use PHA owned building 16 total units
YWCA Market Street Apartments - Newburyport	N/A	4	Family Rehabilitation 5 unit building plus 5 more units for families 10 total units
Hadley Building- Worcester	N/A	6	Family Rehabilitation Former furniture store 45 total units
Edmands House	N/A	59	Family Expiring Use 59 of 68 families converted enhanced vouchers to project-based. 190 total units
Sally's Way - Truro	N/A	4	Family New construction 6 buildings on town owned land under a 99 year lease. 16 total units
Conifer Hill Commons - Phase 1 - Danvers	N/A	8	Family & disabled New construction Three story townhouse with 6 PBV units for disabled 48 total units
Ames Shovel Works - Easton	N/A	8	Family Substantial rehabilitation Historic factory complex. 119 total units

<b>Property Name</b>	<b>Anticipated Number of New Vouchers to be Project-Based</b>	<b>Actual Number of New Vouchers that were Project-Based</b>	<b>Description of Project</b>
Stage Coach Residences – Barnstable	N/A	6	Family & disabled New construction Surplus PHA property: 4 units for families and 2 units for disabled 12 total units
Westhampton Woods – Senior Housing Phase II	N/A	2	Elderly New construction 4 duplex buildings 8 total units
1323 Broadway Street – Veterans Supportive Housing – Somerville	N/A	7	Supportive service formerly homeless vets Rehabilitation Former nursing home 29 total units
St. Josephs Redevelopment – Salem	N/A	8	Family & disabled New construction Four story mixed-use building: 3 family units and 5 units for disabled 51 total units
Benfield Farms –Carlisle	N/A	5	Elderly New construction 26 total units
Paige Apartments – Lowell	N/A	8	18-22 year olds Supportive housing for with services Rehabilitation 3 story building 10 total units
Commonwealth Apartments- Boston	N/A	88	Family Expiring use project 88 of 106 families converted enhanced vouchers to PBV. 118 total units
Spring Hill – Springfield	N/A	37	Family Existing housing Two-story townhouse style converted to PBV through RAD 50 total units
Conifer Hill Commons II – Danvers	N/A	8	Family & disabled New construction Three-story townhouse. 6 units have disabled preference. 42 total units
Unquity House –Milton	N/A	139	Elderly Existing high rise building Converted to PBV through RAD. 140 total units
St. Polycarp – Phase III – Somerville	N/A	8	Family & disabled New construction Three-story building with 3 units reserved for disabled 31 total units
Middlebury Arms – Middleboro	N/A	49	Family Existing housing Expiring use project: 49 of 62 families chose to convert enhanced vouchers to PBV. 64 total units
Woods at Wareham – Wareham	N/A	19	Family Existing housing Expiring use project: 19 of 22 families chose to convert enhanced vouchers to PBV 100 total units



Property Name	Anticipated Number of New Vouchers to be Project-Based	Actual Number of New Vouchers that were Project-Based	Description of Project
Spring Meadow – Springfield	N/A	52	Family Existing housing Expiring use project: 52 of 98 families chose to convert enhanced vouchers to PBV. 270 total units
108 Newbury Street – Lawrence	N/A	4	Family New construction Four story building with 18 total units

Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	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
N/A	611	N/A	N/A
		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 **
		2,319	2,116

\*Includes all units under HAP contract as of 6/30/14

\*\*132 PB units came on line in the last two months of FY2014 which impacted utilization

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

This section is required by HUD. DHCD does not have any housing stock.

### General Description of Actual Capital Fund Expenditures During the Plan Year

This section is required by HUD. DHCD does not have any housing stock or a capital fund.

## 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
<b>Total Other Housing Owned or Managed</b>	0	
<b>If Other, please describe</b>	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 was not required to report on this data in the FY 14 Annual Plan; therefore, DHCD cannot provide this data for the FY 14 Annual Report. DHCD will track this data going forward.*

**Number of Households Served**

Planned*	Actual
N/A	0
N/A	83
N/A	234
N/A	317

**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

*\*DHCD was not required to report on this data in the FY 14 Annual Plan; therefore, DHCD cannot provide this data for the FY 14 Annual Report. DHCD will track this data going forward.*

**Unit Months Occupied/Leased**

Planned*	Actual
N/A	0
N/A	1001
N/A	2802
N/A	3803

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

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

<b>Fiscal Year:</b>	<b>2014 *</b>
<b>Total Number of Local, Non-Traditional MTW Households Assisted</b>	72
<b>Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income</b>	61
<b>Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income</b>	85%

\* Reflects data at the close of FY 2014

**Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix**

**Baseline for the Mix of Family Sizes Served**

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

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

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals
<b>Baseline Percentages of Household Sizes to be Maintained</b>	31%	24%	22%	14%	6%	3%	100%
<b>Number of Households Served by Family Size this Fiscal Year</b>	7533	5339	4057	2592	1173	620	21314*
<b>Percentages of Households Served by Household Size this Fiscal Year</b>	34%	25%	19%	12%	6%	3%	100%
<b>Percentage Change</b>	3%	1%	-3%	-2%	0	0	0

<b>Justification and Explanation for Family Size Variations over 5% from the Baseline Percentages</b>	N/A
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\*Figure includes all households served at any time during FY 2014 which includes households no longer receiving a subsidy.

### 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
N/A
N/A

#### Description of Leasing Issue and Solutions

The RCAP administered FES program will no longer accept new FES program participants; however, the MBHP administered FES program will continue to grow 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	Agency Definition of Self Sufficiency
Family Self Sufficiency/2012-5	89	Graduation from FSS Program
Family Economic Stability (FES) Program/2000-1	20	Graduation from the FES Program
Biennial Recertifications/2011-4	33	Households that received zero HAP in the month prior to EOP
Youth Transition To Success Program (YTTSP)/2011-5	4	Graduation from YTTSP

<b>Households Duplicated Across Activities/Definitions</b>	1 participant graduated from FSS and received zero HAP in the month prior to EOP.
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<b>Annual Total Number of Households Transitioned to Self Sufficiency</b>	145
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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
All	Other	99,936	Open*	Yes
Family Economic Stability (FES) Program	Other	125	Closed	No
N/A	N/A	N/A	N/A	N/A

\*Some PBV site-based waiting lists are closed.

The HCV wait list is open to all populations.
N/A
N/A

If local non-traditional, please describe:

FES Program – see activity description in Section IV – Approved Activities below.
N/A
N/A

If other wait list type, please describe:

<p>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 twenty-two (22) Project Based developments that have site-based wait lists that each development is responsible for managing. The remaining Project Based developments have centrally managed waitlists maintained by DHCD and each regional administering agency.</p> <p>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.</p>
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.
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### **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. In some instances, data for activity metrics were not tracked in FY 14 as HUD's Standard Metrics had not yet been published at the beginning of DHCD's 2014 fiscal year.

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

##### **A. Description and Update of Approved Activity**

DHCD's original MTW Agreement and Plan focused on implementation of a small-scale program administered in the Boston area by Metropolitan Boston Housing Partnership (MBHP) and in Worcester County by RCAP Solutions, Inc. (RCAP). The FES program now serves families in Greater Boston and is administered by Metropolitan Boston Housing Partnership (MBHP). This MTW activity tests an assistance model which provides a fixed annual stipend to eligible families. Families exercise considerable decision-making in the utilization of the funds, within some guidelines. Case management and program coordination is provided by designated MTW Advisors at each agency. Families may select any housing unit which they deem affordable and appropriate for their needs and which meets the occupancy requirements of the local Board of Health, Massachusetts Lead Laws where applicable and HQS standards. FES units are on a biennial HQS inspection schedule.

In FY 2013, DHCD initiated planning on revisions and updates to the program. The program name was changed to the Family Economic Stability Program (FESP). During the program revision and update process, which continued in FY 2014, existing participants received supports and services, but no new applications were accepted.

In FY 2014 program size was reduced to a current program complement of 63 participants in the Worcester area and 9 participants in the Greater Boston area. In FY 2014 there were 20 FES program graduates from the program administered by MBHP. There were no graduates from the RCAP administered program in FY 2014. Going forward, the RCAP administered FES program will no longer accept new FES program participants; however, the MBHP administered FES program will grow and provide FES program services to up to 50 participants.

In FY 2014, average earned income of FESP participants that had earned income increased to \$27,058 which represents a 12% increase over FESP participant's earned income in FY 2013. The average earned income for all DHCD households that had earned income during the first quarter of FY 14 was \$21,309.

FES program elements in effect during FY 14 are described below.

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 component receive the following:

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

In FY 2014 DHCD completed the FES program design changes including a revised budget, policies and program goals and objectives. The new program is change and outcome driven and participants are expected to work closely with program staff to set and meet life goals. There is greater flexibility in administering funds to match participant need and greater responsibility to develop partnerships and linkages to supportive services. In FY 2014, a determination was made to retain the current FES program design in the Worcester County area and roll out the new FES program in the Greater Boston area. RCAP Solutions, the agency that administers the program in Worcester County, will not accept new participants, but will allow current participants in good standing to complete their up to 5 years of assistance. Implementation of the new FESP program for the Boston area is slated to begin in the first quarter of FY 2015.



Features of the new FES program are outlined below:

- Eligibility is targeted to low-income working families who meet the following criteria:
  - 1) Employment
    - a. Working at least part time;
    - b. Imminently employed (offer has been made) and/or with recent work history (within the last six months); or
    - c. Enrolled in a full-time job training program with placement and on-going employment assistance
  - 2) Demonstrated commitment to the goals of the program
  - 3) Live in non-subsidized housing
  - 4) Income Eligible
    - a. 75% of participants must earn less than 30% of AMI
  - 5) Regional Priority
    - a. In Boston, priority is given to families living in homeless shelters
- Rent Subsidy: Flat, time-limited subsidy of five years, flexible subsidy amounts based on family's goals
- Support Account: Up to \$1,800 a year to support completion of an Economic Stability Plan
- Escrow Account: Up to \$800 per year leveraged by individual savings during the term of the program
- Five Year Time Limit: No extensions granted
- Case Management
- Work and Education Requirements: Needed to maintain eligibility
- Hardship Policy: Unused support funds for the year may be made available for approved hardships anticipated to last more than 90 days.

Although DHCD has not yet authorized additional RAAs to implement small scale programs using this program model, DHCD may, at its option, expand the program to other areas of the state in subsequent program years. Currently program statistics are tracked by program staff in Excel spreadsheets. DHCD continues to work with its software provider to build a tracking module for the FESP program.

#### **B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this

information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<b><i>CE #4: Increase in Resources Leveraged</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$0.00*  * 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.	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #1: Increase in Household Income</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$18,937	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$27,058	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #2: Increase in Household Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of <b>escrow</b> of households affected by this policy in dollars (increase).	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$2,047	See Section on <i>Revisions to Metrics or Benchmarks</i> above
Average amount of <b>savings</b> of households affected by this policy in dollars (increase).	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$906	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<b><i>SS #3: Increase in Positive Outcomes in Employment Status</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(5) Unemployed	1 participant	See Section on <i>Revisions to Metrics or Benchmarks</i> above	6 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	1% of participants		8% of participants	
(6) Other - Employed	85 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above	63 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	99% of participants		88% of participants	
(6) Other - Education/Job Training	0 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above	36 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	0% of participants		50% of participants	
<b><i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	91 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<b><i>SS #7: Increase in Agency Rental Revenue</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #8: Households Transitioned to Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	20 participants graduated from the FES program in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>HC #5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>HC #6: Increase in Homeownership Opportunities</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households that purchased a home as a result of the activity (increase).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2010-1: PBV Site Based Waiting Lists**

### **A. Description and Update of Approved Activity**

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

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

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

During FY 2014, DHCD approved owner-maintained PBV waiting lists for twenty-two (22) project representing 577 PBV units. In FY 2014 DHCD received inquiries from existing owners concerning conversion to owner management of the waiting list. DHCD is working with these owners to facilitate that transition. Where smaller projects are concerned, DHCD does not anticipate that owners will have the capability or resources to manage their owner waiting lists. As such DHCD will continue to manage the waiting lists for smaller PBV properties. DHCD continues to anticipate that most new PBV projects will have owner-maintained waiting lists.

### **B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD

has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.

<b><i>CE #1: Agency Cost Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$5,142*	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>CE #2: Staff Time Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	283 hours*	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above

*\*Assumes a 5% turnover rate for units with site-based waiting lists. Baseline may be recalculated based on actual figures.*

**Activity 2010-2: Payment Standard Exceptions**

**A. Description and Update of Approved Activity**

Under this MTW initiative, DHCD may approve any documented and reasonable exception to payment standards as a reasonable accommodation for HCV households with disabled household members without HUD approval.

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

Implementation began in July 2009 and is ongoing. In FY 2014, eleven (11) exception payment standard requests for reasonable accommodations were received and ten (10) of the requests were granted. Generally these requests are reviewed and processed within 5 business days from the date of receipt of the request.

**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>HC #5: Increase in Resident Mobility</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	10 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<b>CE #1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Time to process request:</b> 1.5 hours  <b>FY 2011 requests:</b> 3  <b>Staff hourly rate:</b> \$18.17  <b>Total cost prior to implementation:</b> \$82.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Time to process request:</b> .75 hours  <b>FY 2014 requests:</b> 11  <b>Staff hourly rate:</b> \$18.17  <b>Total cost after implementation:</b> \$150	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Time to process request:</b> 1.5 hours  <b>FY 2011 Requests:</b> 3  <b>Total time prior to implementation:</b> 4.5 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Time to process request:</b> .75 hours  <b>FY 2014 Requests:</b> 11  <b>Total time after implementation:</b> 8.25 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above



### **Activity 2010-3: Owner Incentive Fund**

#### **A. 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 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.

In FY 2014 nine (9) new landlords began participation in the HCV program. DHCD provided fifty (50) owner incentive payments in FY 2014. Additionally, two (2) units went from a B grade to an A grade, three (3) A grade units came on to the program and eleven (11) B grade units came on to the program. New landlords were motivated to participate in the HCV program

and brought substantially rehabbed units into the inventory of leased units. In support of this initiative's goal to increase the number of leased units in underserved areas, thirty six percent (36%) of units for which owners received incentive payments, were leased outside of Pittsfield. There were no new accessible units added to the program in FY 14.

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. Given the success of the program in Berkshire County, DHCD will assess the feasibility of expanding it to other regions using the same program parameters.

**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.

<i>HC #5: Increase in Resident Mobility</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	See Section on <i>Revisions to Metrics or Benchmarks</i> above	45 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2010-4: Modifications to HUD Standard Forms**

### **A. Description and Update of Approved Activity**

Under this initiative, required standard HCV program forms published by HUD may be modified by DHCD as needed to streamline processing, utilize “plain language”, and address local housing market features. New forms are rolled out to RAA contractors as they are completed. As required under the MTW Agreement, any changes to the HAP form will include language noting that funding for the contract is subject to the availability of appropriations. This initiative was approved in FY 2010. Implementation activities began in FY 2013.

This activity helps to support other DHCD MTW initiatives where DHCD needs to modify standard HUD forms in order to support the MTW activity. To date, DHCD has implemented modifications to the PBV standard HAP and AHAP forms as needed to incorporate relevant MTW provisions. The revised forms have been implemented at the expiring use projects. In FY 2014, DHCD will continue to utilize this authority as needed.

### **B. Revisions to Data Collection Methodology**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>HAP Contracts executed in FY 13:</b> 11 HAP Contracts</p> <p><b>Time to Prepare HAP contract prior to implementation:</b> 2 hours</p> <p><b>Average hourly wage:</b> \$18.17</p> <p><b>Total cost prior to implementation:</b> \$400</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<p><b>HAP Contracts executed in FY 14:</b> 27 HAP Contracts</p> <p><b>Time to Prepare HAP contract after implementation:</b> .25 hours</p> <p><b>Average hourly wage:</b> \$18.17</p> <p><b>Total cost after implementation:</b> \$123</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<p><b>HAP Contracts executed in FY 13:</b> 11 HAP Contracts</p> <p><b>Time to Prepare HAP contract prior to implementation:</b> 2 hours</p> <p><b>Total staff time required prior to implementation:</b> 22 hours</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<p><b>HAP Contracts executed in FY 13:</b> 27 HAP Contracts</p> <p><b>Time to Prepare HAP contract after implementation:</b> .25 hours</p> <p><b>Total staff time required after implementation:</b> 6.75 hours</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above

### **Activity 2011-3: Biennial Inspections**

#### **A. Description and Update of Approved Activity**

Implementation of this initiative began in FY 2013. DHCD began to phase in modifications to its HQS inspection policies and procedures to allow for biennial inspections under certain defined circumstances. Under the new policy, tenant-based units that pass an annual inspection on the first attempt are placed on a biennial inspection cycle. In subsequent years, units must continue to pass on the first inspection attempt to remain on a biennial inspection cycle. If deemed necessary, DHCD may consider other related factors, including but not limited to the severity of the repair. DHCD also reserves the right to change any units' inspection frequency based upon management discretion.

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

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

In FY 2014, DHCD continued to implement this initiative. Additional training and support was provided to inspectors to reinforce the policies and procedures for the biennial inspection initiative. The additional support needs caused some delays in implementing the biennial inspection schedule. DHCD intends to work with its contractors to review and, if needed, revise inspections policies based on field experience. In FY 2015 DHCD may implement a requirement for owners of PB projects to attend HQS training when and if more than 50% of the units at the project fail the biennial inspection. DHCD may elect to further modify this initiative to meet the original goals: creating administrative efficiencies while continuing to ensure HQS compliance; expanding pro-active landlord and tenant training efforts; and, improving housing choice for tenants in good quality units.

In FY 2014 DHCD has not yet completed a full cycle of biennial HQS inspections. Further and deeper time and cost savings are anticipated as inspectors and owners gain more experience with the biennial inspection policies and procedures. Cost and time savings outcomes will be included in the FY 2015 report.

#### **B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual

Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Approximate number of inspections in FY 13:</b> 21,174  <b>Time per inspection:</b> 1.5 hours  <b>Estimated hourly cost:</b> \$20.14  <b>Estimated cost prior to implementation:</b> \$639,667	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Number of inspections in FY 2014:</b> 19,939  <b>Time per inspection:</b> 1.5 hours  <b>Estimated hourly cost:</b> \$20.14  <b>Estimated cost after implementation:</b> \$602,357	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Approximate number of inspections in FY 2013:</b> 21,174  <b>Time per inspection:</b> 1.5 hours  <b>Total time prior to implementation:</b> 31,761 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Number of inspections in FY 2014:</b> 19,939  <b>Time per inspection:</b> 1.5 hour  <b>Estimated time after implementation:</b> 29,908 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<i>CE #3: Decrease in Error Rate of Task Execution</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	5% in FY 2014	See Section on <i>Revisions to Metrics or Benchmarks</i> above	5% in FY 2014	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2011-4: Biennial Recertifications**

### **A. Description and Update of Approved Activity**

This initiative was approved in the FY 2011 Plan and was subsequently modified in the FY 2012 Plan. 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 biennial recertifications to two. Required interim recertifications (i.e., for changes in family composition or otherwise required by the agency) will not count against the limit. Elderly and disabled households will be exempt from this provision and will be able to complete an interim recertification at any time; and
- Allow household self-certification of assets valued up to \$50,000 and the exclusion of the income from these assets. When assets are valued at over \$50,000, verification will be required. For assets with market/face value in excess of \$50,000, DHCD will calculate asset income by taking the market/face value and multiplying that value by the established passbook savings rate. At the present time, less than .001% of DHCD's current participants report assets at greater than \$50,000.
- Any household that believes they would benefit by an annual recertification may request an annual income recertification.

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

All rent simplification policies were implemented in FY 2012. In FY 2014, DHCD continued to focus its efforts on assessing compliance with the new policies and providing support and training as needed. DHCD conducted training on verification and calculation of common income and expense sources and provided staff with a resource guide that contained MTW policies and procedures on verification and calculation.

In FY 2014 DHCD continued to realize time and cost savings as a result of this initiative.



**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>Number of Vouchers:</b> 20,298</p> <p><b>Time per Recertification:</b> 2.5 hours</p> <p><b>Average Staff Hourly Rate:</b> \$18.17</p> <p><b>Total Cost of Activity Prior to Implementation:</b> \$922,037</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<p><b>Number of Recertifications in FY 14:</b> 11,821</p> <p><b>Time per Recertification:</b> 2.5 hours</p> <p><b>Average Staff Hourly Rate:</b> \$18.17</p> <p><b>Total Cost of Activity After Implementation:</b> \$536,969</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Number of Vouchers:</b> 20,298  <b>Time per Recertification:</b> 2.5 hours  <b>Total Time to Complete Prior to Implementation:</b> 50,745	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Number of Recertifications :</b> 11,821  <b>Time per Recertification:</b> 2.5 hours  <b>Total Time to Complete Activity after Implementation :</b> 29,553	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$20,638 in FY 2011	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$21,309	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(6) Other - Employed	5,019 of 9,301 work-able households had earned income in FY 11	See Section on <i>Revisions to Metrics or Benchmarks</i> above	4,839 of 8,760 workable households had earned income in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	54% of work-able households had earned income in FY 11		55% of work-able households had earned income in FY 14	
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	2,920 households received TANF in FY 2011	See Section on <i>Revisions to Metrics or Benchmarks</i> above	2,645 households received TANF in FY 2014	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<i>SS #8: Households Transitioned to Self Sufficiency</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	33 households transitioned to self-sufficiency in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2011-5: Youth Transition to Success**

### **A. Description and Update of Approved Activity**

Among the most often cited concerns for youth aging out of foster care is the lack of adequate and affordable housing. Youth who lack housing may have difficulty staying in school and/or maintaining employment. These youth are expected to succeed on their own long before a vast majority of their peers. By the time they receive their FUP voucher, they have already experienced more challenges than many people experience in a lifetime.

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.

The three-year YTTS Program will provide participants with:

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

DHCD launched the program and began assisting targeted youth in FY 2012. During FY 14, four young adults graduated from the YTTSP program, having either completed their post-secondary education program, or maintained their progress in their education. Together, DCF and DHCD will continue to work to ensure participants transition smoothly from the 18 month voucher to the new three year YTTS Program.

In FY 2014 DCHD revised the outcomes of the YTTSP program as well as the policies related to terminations and hearings for YTTSP participants. DHCD anticipates that 85% of participants enrolled in post-secondary education at the time of enrollment will continue or complete their education during the program. Similarly, it is anticipated that 80% of working participants will increase their earned income. The revised outcomes more realistically reflect the impact of the supportive services provided as well as the time most youth participate in the program.

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

**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i><b>CE #4: Increase in Resources Leveraged</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$270,000	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i><b>SS #1: Increase in Household Income</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	<b>Average income at time of participant enrollment in activity: \$11,867</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Average participant income in FY 2014: \$14,467</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i><b>SS #2: Increase in Household Savings</b></i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$1,425	See Section on <i>Revisions to Metrics or Benchmarks</i> above

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(2) Enrolled in an Educational Program	7 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above	8 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	100% of participants		100% of participants	
(3) Unemployed	0 participants		0 participants	
	0% of participants		0% of participants	
(6) Other - Employed	7 participants		8 participants	
	100% of participants		100% of participants	
<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	0 participants received TANF in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above	0 participants received TANF in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	13 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	4 participants graduated from the YTTSP in FY 14	See Section on <i>Revisions to Metrics or Benchmarks</i> above

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

### **A. Description/Update of Approved Activity**

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

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

The goal of these revised schedules is twofold: in addition to simplifying the utility allowance designation and calculation process, the simplified UA schedule will also result in significant cost savings. These cost savings were needed to respond to the deep funding cuts experienced by DHCD in FY 2014. Additionally, the savings will allow DHCD to assist the same number of families without having to terminate or recall vouchers. Implementation of the simplified utility allowance schedule began in December 2013 for new admissions and moves and in April 2014 for all other participating households. For households who experienced an increase in rent of \$100 or more as a result of the new UA schedule, implementation was delayed until July 2014. Additionally, families living in PB developments that were in their first HAP contract year did not have the new UA applied. Application of the new UA schedule for these households will take place at the start of the second HAP contract year.

As this initiative was not in effect for a full year, the savings will not be as great as the total forecasted savings. As on June 30, 2014 there were 10,960 households receiving utility allowances as compared to 16,919 households prior to implementation of this initiative. Total utility allowance expenditures prior to the UA initiative were \$31,476,912. Utility allowance expenditures for FY 2014 were \$28,181,160

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.

**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$31,476,912 in FY 13	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$28,181,160*  * This represents a partial year of agency cost savings as the policy was only in effect for the last three months of FY	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Time required to calculate UA:</b> 8 minutes  <b>Number of UA calculated in FY 13:</b> 16,919  <b>Total staff time prior to implementation:</b> 2,256 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Time required to calculate UA:</b> 8 minutes  <b>Number of UA calculated in FY 2014:</b> 10,960*  <b>Total staff time after implementation:</b> 1,461 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above



<b><i>CE #3: Decrease in Error Rate of Task Execution</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>CE #5: Increase in Agency Rental Revenue</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Rental revenue in dollars (increase).**	\$388 per household per month in FY 14**	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$388 per household per month in FY 14**	See Section on <i>Revisions to Metrics or Benchmarks</i> above
**DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.	**DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.		**DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.	

*\*This initiative went into effect for participating households in April 2014 and does not include a full cycle of experience with which to determine outcomes. The number of calculated UAs reflects all households who have a UA applied as of 6-30-14.*

## **Activity 2012-2: Rent Simplification**

### **A. Description and Update of Approved Activity**

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

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

All rent simplification policies were implemented in FY 2012. In FY 2014, DHCD continued to focus its efforts on assessing compliance with the new policies and providing support and training as needed. DHCD conducted training on verification and calculation of common income and expense sources and provided staff with a resource guide that contained MTW policies and procedures on verification and calculation. In FY 2014 continued to realize savings from its rent simplification initiative especially in light of the reduction in Payment Standards in certain DHCD jurisdictions.

### **B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.

<b>CE #1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Number of Vouchers:</b> 20,298  <b>Time per Recertification:</b> 2.5 hours  <b>Average Staff Hourly Rate:</b> \$18.17  <b>Total Cost of Activity Prior to Implementation:</b> \$922,037	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Number of Recertifications in FY 14:</b> 11,821  <b>Time per Recertification:</b> 2.5 hours  <b>Average Staff Hourly Rate:</b> \$18.17  <b>Total Cost of Activity After Implementation:</b> \$536,969	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>CE #2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Number of Vouchers:</b> 20,298  <b>Time per Recertification:</b> 2.5 hours  <b>Total Time to Complete Prior to Implementation:</b> 50,745 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Number of Recertifications :</b> 11,821  <b>Time per Recertification:</b> 2.5 hours  <b>Total Time to Complete Activity after Implementation :</b> 29,553 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b>CE #3: Decrease in Error Rate of Task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above	See Section on <i>Revisions to Metrics or Benchmarks</i> above

**CE #5: Increase in Agency Rental Revenue**

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<p>Rental revenue in dollars (increase).*</p> <p>*DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.</p>	<p>\$388 per household per month in FY 14*</p> <p>*DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.</p>	<p>See Section on Revisions to Metrics or Benchmarks above</p>	<p>\$388 per household per month in FY 14*</p> <p>*DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.</p>	<p>See Section on Revisions to Metrics or Benchmarks above</p>

### **Activity 2012-3: PBV Discretionary Moves**

#### **A. 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 will promote efficiency in the operation of the PBV program, while also ensuring that tenant-based vouchers continue to be available to eligible households on the waiting list. Except as noted below, PBV participant households in good standing are able to terminate the assisted lease and receive priority for an available tenant-based voucher only after the second year of occupancy. In addition, for each RAA, DHCD established an annual target number of vouchers available to PBV households who have requested a tenant-based voucher. The annual target number is equal to the total number of turnover vouchers from the prior year for each RAA multiplied by the percentage of PBV units managed by the RAA. If demand exceeds supply over the course of the year, those additional PBV participants who wish to move will remain at the top of the waiting list until the following year.

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

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

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

DHCD processes a large volume of applicants in order to fill one vacant PBV unit. Application of this policy assists DHCD in reducing costs associated with processing turnover units, including vacancy prep and applicant/participant processing. In summary, this policy will reduce the level of effort needed to process discretionary moves, while ensuring that essential moves take place expeditiously.

DHCD implemented this activity in January 2012. The first full year of implementation was FY 2013. As of June 30, 2014 there were 107 applicants on the PBV opt-out waiting list. Due to funding issues, DCHD was not issuing vouchers and as such the reduction in opt-out vouchers issued is due largely to the impact of cost containment and not to the provisions in this initiative.

**B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>Annual average number of PBV issued to TBV Participants:</b> 33</p> <p><b>Staff Time:</b> 3 hours</p> <p><b>Staff Cost:</b> \$18.17 per hour</p> <p><b>Total Cost in FY 14:</b> \$1,799</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<p><b>PBV participants issued TBV in FY 14:</b> 19</p> <p><b>Staff Time:</b> 3 hours</p> <p><b>Staff Cost:</b> \$18.17 per hour</p> <p><b>Total Cost in FY 14:</b> \$1,036</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above

*CE #2: Staff Time Savings*

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Annual average number of PBV issued to TBV Participants: 33</b>  <b>Staff Time: 3 hours</b>  <b>Total Time to Complete Activity Prior to Implementation: 99 hours</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>PBV participants issued TBV in FY 14: 19</b>  <b>Staff Time: 3 hours</b>  <b>Total Time Spent in FY 14: 57 hours</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2012-4 Expiring Use Preservation Initiative**

### **A. Description and Update of Approved Activity**

This initiative 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. In DHCD's FY 2014 Plan, DHCD proposed, and HUD approved, modifications to this initiative to streamline administration and maximize the number of units benefiting from these efficiencies.

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

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

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

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



Until the Enhanced Voucher household either moves from the unit or is terminated from the program, they will continue to be subject to the Enhanced Voucher minimum rent policies, including the applicable provisions related to income decreases. Enhanced Voucher income limits and payment standards will also continue to apply to these households.

For existing tenants on the conversion date who elect to receive a Project-Based Voucher and who are considered overhoused, 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 at that time if requested;
- 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.

Five (5) developments, representing 267 PBV units, were placed under contract in FY 2014. At the end of FY 2014 DHCD entered into discussions with developers and anticipates that additional developments will be placed under contract in FY 2015.

#### **B. Revisions to Metrics or Benchmarks**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.

<i>HC #2: Units of Housing Preserved</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0 units	See Section on <i>Revisions to Metrics or Benchmarks</i> above	516 units	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2012-5 FSS Enhancements**

### **A. Description and Update of Approved Activity:**

DHCD uses its budgetary flexibility to use MTW funds to enhance the existing Family Self-Sufficiency (FSS) Program. These new 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.).

In FY 2014, DHCD implemented additional features 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.

In FY 2014 there were eighty nine (89) FSS program graduates and one hundred thirty five (135) new participants who established escrow accounts. This represents an increase from the figures in 2013 which reflected forty (40) FSS program graduates and 90 new escrow accounts. In FY 2015, DHCD anticipates that one hundred and fifty (150) new participants will join the FSS program. Given the long-term nature of the FSS program, the impacts of these FSS program policy changes will not be measureable in a meaningful way until FY 2015 and beyond.

**B. Revisions to Metrics or Benchmarks:**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD’s FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD’s FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD’s new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD’s website dated September 17, 2013.

<b><i>SS #1: Increase in Household Income</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	\$20,554	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$22,896	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #2: Increase in Household Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of <b>escrow</b> of households affected by this policy in dollars (increase).	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$3,080	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #3: Increase in Positive Outcomes in Employment Status</i></b>				
<b>Unit of Measurement</b>	<b>Baseline*</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
(5) Unemployed	285 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above	285 participants	See Section on <i>Revisions to Metrics or Benchmarks</i> above
	38% of participants		38% of participants	
(6) Other – Employed	465 participants		465 participants	
	62% of participants		62% of participants	
* The baseline for this activity has been recalculated as of FY 14 to account for <u>work-able</u> households only.				

<b><i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	162 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	103 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #5: Households Assisted by Services that Increase Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	89 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #6: Reducing Per Unit Subsidy Costs for Participating Households</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 per household affected by this policy in dollars (decrease).	<b>Average Section 8 Subsidy per month per household in FY 14: \$858</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Average Section 8 Subsidy per month per FSS Household: \$931</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<b><i>SS #7: Increase in Agency Rental Revenue</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
PHA rental revenue in dollars (increase).*	<b>Average Tenant Rent Share of HCV household per month in FY 14: \$388</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	<b>Average Tenant Rent Share of FSS households per month in FY 14: \$452</b>	See Section on <i>Revisions to Metrics or Benchmarks</i> above
*DHCD has no agency rental revenue and has been instructed by HUD to track average tenant rent share for this metric.				
<b><i>SS #8: Households Transitioned to Self Sufficiency</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self-sufficiency (increase).	0 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above	89 households	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **Activity 2013-1: Rent Reasonableness**

### **A. Description and Update of Approved Activity:**

This initiative was approved and implemented 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 1 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.

In FY 2014 Fair Market Rents in DHCD's jurisdictions went up. As such, the need to conduct reasonable rent determinations outside of new units or rent increase requests was not applicable. The savings generated from this initiative are realized only when the FMRs decrease by 5% or more.

### **B. Revisions to Metrics or Benchmarks:**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.

<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<b>Total vouchers:</b> 18,566  <b>Approximate number of units needing FMR calculations:</b> 6,684 units (36% of total)  <b>Approximate Staff time for calculations:</b> 3 hours  <b>Staff average hourly rate:</b> \$18.17  <b>Total cost prior to implementation:</b> \$364,345	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<b>Total vouchers:</b> 18,566  <b>Approximate number of units requiring FMR calculations:</b> 6,684 units (36% of total)  <b>Approximate Staff time for calculations:</b> 3 hours  <b>Total staff time prior to implementation:</b> 20,052 hours	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above

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

### **A. 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.

In FY 2014 PBV reasonable rent re-determinations were completed upon request for a rent increase. Generally, FMRs went up in DHCD's jurisdiction and; as such, the MTW flexibility gained in this initiative regarding reasonable rent re-determinations when the FMR decreases 5% or more was not needed in FY 2014. All approved PBV rents represent the lower of the reasonable rent and the rent requested by the owner.

### **B. Revisions to Metrics or Benchmarks:**

HUD published revised MTW reporting requirements including new HUD standard metrics in May 2013, *after* DHCD had submitted its FY 2014 Annual Plan to HUD. Therefore, DHCD's FY 2014 Annual Plan did not incorporate the new standard metrics or their associated baselines and annual benchmarks. The metrics, baselines and multi-year benchmarks applicable to DHCD's FY 2014 Annual Plan were initially established by DHCD in its FY 2011 Annual Report. DHCD has incorporated HUD's new standard metrics, baselines and benchmarks into its FY 2015 Annual Plan submitted to HUD in April 2014. DHCD will report on the new standard metrics in future Annual Reports. Generally, DHCD has reported below on its FY 2014 progress in meeting those earlier HUD-approved metrics. For FY 2014, where feasible, DHCD has reported on progress using the new standard metrics; however, in many cases this information was not being tracked in FY 2014. This approach is consistent with information provided by HUD in the Frequently Asked Questions posted on HUD's website dated September 17, 2013.



<i>CE #1: Agency Cost Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	<p><b>Total units:</b> 1,732</p> <p><b>Approximate number of units needing FMR calculations:</b> 624 units (36% of total)</p> <p><b>Approximate Staff time for calculations:</b> 3 hours</p> <p><b>Staff average hourly rate:</b> \$18.17</p> <p><b>Total cost prior to implementation:</b> \$34,014</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above
<i>CE #2: Staff Time Savings</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	<p><b>Total units:</b> 1,732</p> <p><b>Approximate number of units requiring FMR calculations:</b> 624 units (36% of total)</p> <p><b>Approximate Staff time for calculations:</b> 3 hours</p> <p><b>Total staff time prior to implementation:</b> 1,872 hours</p>	See Section on <i>Revisions to Metrics or Benchmarks</i> above	\$0.00	See Section on <i>Revisions to Metrics or Benchmarks</i> above

## **B. Not Yet Implemented**

### **Activity 2011-1: Value Vouchers**

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

DHCD implemented the MTW UA initiative in FY 2014 which required a substantial level of effort. Funding constraints have also limited DHCD’s ability to implement MTW initiatives where additional subsidies are needed. As such, planning and implementation activities for Value Vouchers did not occur in FY 2014. Per the outcome of discussions among affordable housing advocates and other state agencies and approved funding, DHCD may implement this activity in FY 2015.

## **Activity 2011-2: Opportunity Neighborhoods**

### **A. 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.

DHCD has conducted research concerning educational outcomes of school age children. Using this research to identify Opportunity Neighborhoods, DHCD may implement a pilot mobility program to increase access to communities with high quality school districts in one or more of DHCD’s eight regions. DHCD has not implemented this activity yet.

## V. Sources and Uses of Funding

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

DHCD does not use Single fund flexibility for Broader Use purposes except for costs associated with the Family Economic Stability Program (FESP), which is an approved MTW activity.
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### b. Local Asset Management Plan

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

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

No
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Has the PHA provided a LAMP in the appendix?

No
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## 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.

DHCD has not been made aware of any HUD reviews, audits or physical inspection issues that require DHCD to take action to address the issue.

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

Not applicable.

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

See Appendix B.

## **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

*Housing Assistance Corp*

460 West Main Street  
Hyannis, MA 02601  
508.771.5400

*HAP Inc.*

322 Main Street  
Springfield, MA 01105  
413.233.1500

*Lynn Housing Authority & Neighborhood Development*

10 Church Street  
Lynn, MA 01902  
781.592.1966

*Metropolitan Boston Housing Partnership*

125 Lincoln Street  
Boston, MA 02111  
617.859.0400

*RCAP Solutions*

12 E. Worcester Street  
Worcester, MA 01604  
978.630.6600

*South Middlesex Opportunity Council*

7 Bishop Street  
Framingham, MA 01702  
508.620.2336

*South Shore Housing Development Corp.*

169 Summer Street  
Kingston, MA 02364  
781.422.4200

## **Appendix B: MTW Certification**