

Moving to Work Annual Report

Vancouver Housing Authority



Fiscal Year 2010

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Moving to Work Annual Report

Vancouver Housing Authority

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SECTION I. MOVING TO WORK GOALS AND OBJECTIVES

The Vancouver Housing Authority

The Vancouver Housing Authority (VHA) is located in Clark County, Washington. The VHA is the only housing authority in the county and serves the unincorporated areas and small cities through intergovernmental cooperation agreements. Clark County has been one of the fastest growing counties in the nation during the past decade, but like the rest of the nation, we have been severely impacted by current economic hardships. The VHA is working harder than ever to ensure that available resources are employed prudently to provide meaningful opportunities to our clients and our community.

The Moving to Work Demonstration

The Moving to Work (MTW) demonstration offers Public Housing Authorities (PHA) the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies. The program has three statutory objectives and in order to meet these objectives allows certain exceptions from federal rules governing the Public Housing and Section 8 Voucher programs and in some cases offers flexibility in the funding of these programs. The VHA was among the original group selected to participate in MTW in 1999 and our program has been extended four times. Currently we have a ten-year agreement with the Department of Housing and Urban Development (HUD) that is scheduled to end in 2018.

VHA recognizes that the MTW demonstration is a valuable tool for meeting the housing needs of Vancouver and Clark County and that the statutory objectives align with VHA's goals of promoting resident empowerment and self-sufficiency, maximizing the use of federally subsidized housing and rent assistance, and providing opportunities to people who experience barriers to housing because of income, disability or special needs.

The Moving to Work Annual Plan and Report

Each year VHA adopts an Annual MTW Plan that describes the activities planned for the next fiscal year. The VHA's fiscal year is the same as the calendar year; January 1 through December 31. At the end of the year the VHA prepares an Annual MTW Report that compares the activities of the completed fiscal year with what was originally planned for that year. The VHA FY 2010 MTW Annual Plan and this MTW Annual Report are for the VHA's fiscal year 2010.

The Moving to Work Statutory Objectives:

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

SECTION II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Number of Public Housing Units at end of Plan Year

The VHA has an Annual Contributions Contract (ACC) with HUD for 575 Public Housing units. Throughout 2010 VHA was in the process of a phased disposition of a number of units so that by the end of the year we had 548 physical units.

Significant Capital Expenditures by Development

Table 1 shows both the planned and actual Capital Fund expenditures in 2010 and the 2009 American Recovery and Reinvestment Act (ARRA) 2010 expenditures.

The \$450,000 expense planned for Skyline Crest is the set aside to match funds from the ARRA grant for the green energy retrofit. Weatherization of 50 of the 150 total units was completed in 2010 and the remainder will be completed in 2011. The planned expense for development activities was to go toward replacement of disposed Public Housing units. Unfortunately no opportunity to develop new Public Housing units arose in 2010.

Unplanned capital expenses included a necessary foundation repair to a single-family unit, some relocation expense related to the phased disposition of single-family houses, and a physical needs assessment.

Single fund flexibility under MTW was utilized to fund community center salaries, management fees, maintenance salaries and miscellaneous planning expenses. The planned expense for these activities is due to inadvertent under-budgeting at the time the 2010 Annual Plan was drafted. The actual expense is similar to previous years.

Capital activity utilizing ARRA funding included the Skyline roof and gutter replacement that was completed with funds left over from the Van Vista roof and plumbing project which was completed in 2009, the Van Vista remodel of 15 units as handicap accessible which will be completed in 2011, and the Skyline Crest

TABLE 1
Planned vs. Actual Public Housing Capital Fund Expenditures FY 2010

Public Housing Capital Fund			
Community	Planned Activity	Planned Expense	Actual Expense
Skyline Crest	Moderate Rehabilitation (Green Energy Retrofit)	\$450,000	\$0
Scattered Site Multi-family	Weatherization and Interior Upgrades	\$200,000	\$71,270
	Foundation Repair	\$0	\$23,123
Public Housing	Development Activities	\$200,000	\$0
	Relocation	\$0	\$11,600
	Physical Needs Assessment	\$0	\$36,100
PHA Wide	Capital Program Administration and Community Center Program	\$160,000	\$324,107
2009 American Recovery and Reinvestment Act			
Community	Planned Activity	2009 Planned Expense	2010 Expense
Skyline Crest	Roof and Gutter Replacement	\$400,000	\$389,259
Van Vista	Upgrade 15 units to ADA	\$698,500	\$186,890
Skyline Crest	Moderate Rehabilitation (Green Energy Retrofit)	\$1,437,500	\$624,352

green energy retrofit. Additional funds for the Skyline project will come from the 2010 Capital Fund Grant and community partners. This project will be completed mid 2011.

New Public Housing Units Added

No new Public Housing units were added in 2010. VHA continues to look for opportunities to utilize the replacement units made available through disposition.

Public Housing Units Removed from Inventory

Eighteen scattered site single-family homes were disposed of in 2010. This was part of a phased disposition plan for 89 homes approved by HUD on March 25, 2009. Early in 2011 VHA received HUD approval to remove the remaining 62 homes and transfer them to Vancouver Affordable Housing. This change to the original disposition plan was done because market conditions were adverse for the continued sale of the houses. Through agreement with VHA, Vancouver Affordable Housing will continue the sale of the homes as market conditions improve with proceeds going to the VHA. This change will take place in 2011.

Number of MTW Vouchers Authorized

VHA had 1,987 Housing Choice Vouchers funded under the MTW ACC during 2010. In addition, had a large number of vouchers porting in from other Public Housing Authorities (PHA) during the year. As of December 2010 VHA had 419 families with these vouchers leased in addition to those leasing with vouchers issued by VHA. VHA applies MTW policies involving occupancy and housing assistance to the families with these vouchers.

Number of Non-MTW Vouchers Authorized

VHA had 195 non-MTW Vouchers authorized as of December 2010. These were made up of 75 Mainstream Vouchers, 70 Veteran's Affairs Supportive Housing (VASH) Vouchers, and 50 Family Unification Program (FUP) Vouchers.

Number of Project-Based Vouchers

VHA has 50 Project-Based Vouchers (PBV) under contract. These are part of a MTW activity involving collaboration with six community partners to provide housing tied to services. More information about this MTW activity can be found in the Leasing Information and Ongoing MTW Activities sections.

Overview of Other Housing Managed by the Agency

In addition to the Public Housing and Housing Choice Voucher programs, VHA owns and/or manages a large number of housing units in a variety of projects outside of the MTW demonstration. These projects include two Section 8 New Construction communities, Cougar Homes and Columbia House. Cougar Homes is comprised of 52 three- and four-bedroom single-family homes located in Vancouver and urban Clark County. Columbia House is a high rise building for the elderly, located in downtown Vancouver. The Columbia House property consists of 151 units (143 one-bedroom and 8 two-bedroom), built in 1976.

The VHA owns four shelters: two homeless shelters, one women's domestic violence shelter, and one youth shelter. All are operated by local nonprofit service providers.

The VHA partners with other agencies and service providers to address specific housing needs in our community. These properties include assisted living facilities, a single room occupancy program located on VA property, apartments for those with chronic mental disabilities, and other special needs housing.

The VHA manages 298 units of housing, in nine different properties, for Columbia Non-Profit Housing (CNPH). All of these properties are designated for elderly or disabled clients and most are federally subsidized under Section 202 or Section 811 funding.

The VHA owns 1,943 units of workforce housing. The Workforce Housing initiative is a long-term strategy to diversify the housing authority, provide a local source of funding for more deeply subsidized housing programs, and provide a future supply of quality affordable rental housing for our growing population. Workforce Housing is helping to revitalize communities and maintain a balance of affordable housing near jobs. These properties are located throughout the urban area and are financed with tax exempt mortgage revenue bonds, tax credits, and state and local grants and loans.

B. Leasing Information

Number of MTW Public Housing Units Leased

There were 527 Public Housing units leased at the end of the year. At that time there were eight Public Housing units offline for rehabilitation into handicap accessible units at one property and another ten single-family units vacant and pending disposition. When these offline units are not considered the occupancy percentage is 99.43%.

Number of Non-MTW Public Housing Units Leased

VHA has no non-MTW Public Housing units. All of VHA's Public Housing is included in the MTW demonstration.

Number of MTW Vouchers Leased

There were 1,725 MTW Vouchers leased as of the end of the year. The number is relatively low in comparison to the number under contract because most of the 89 vouchers awarded VHA under the planned disposition of Public Housing units are still being held for those families and an additional 100 vouchers are being kept available for a future PBV project.

Number of Non-MTW Vouchers Leased

There were 164 non-MTW Vouchers leased as of the end of the year. Seventy of the 75 mainstream were leased, 58 of the 70 VASH were leased, and 36 of the 50 FUP Vouchers were leased. Note that the VHA has little control over the utilization of these special purpose vouchers as we are dependent upon the partnering agencies for qualified tenant referrals.

Leasing Issues

Public Housing staff maintained a very high leasing rate in 2010. The two Asset Management Properties (AMPs) that comprise all of the Public Housing units aside from those scheduled for disposition achieved overall average monthly leasing rates for the year of 98.36% and 99.50%.

The HCV program had an average success rate for the year of 90.38%. Nine out of ten vouchers issued successfully located a units and leased up. The average time from voucher issuance to lease start was 34 days. These numbers, along with the fact that over 840 landlords were receiving HAP checks in December 2010, demonstrates that the HCV program is doing very well as far as leasing issues.

Number of Project Based Vouchers Committed or in Use

VHA ended 2010 with 50 Project Based Vouchers in use among the five properties described in Table2.

TABLE 2
Project-based Project Descriptions

Property	Vouchers	Description
Maple Knoll Apartments	25	A 148 unit property consisting of two-bedroom one-bath dwelling units located in 19 buildings.
Plum Meadows Apartments	8	The property consists of 17 buildings and includes 162 units consisting of 16 studio, 36 one-bedroom one-bath, 62 two-bedroom one-bath, 16 two-bedroom two-bath and 32 three-bedroom two-bath units.
Esther Short Apartments	7	The property is a one-building complex which includes four floors of 160 units consisting of 96 one-bedroom one-bath, 61 two-bedroom one-bath and 3 three-bedroom two-bath units, which are located over ground floor commercial/retail.
Anthem Park Apartments	3	The property consists of 58 units with 46 one-bedroom one-bath, 8 two-bedroom one-bath and 4 two-bedroom two-bath units, housed in one building.
Springbrook Apartments	7	The property consists of 24 buildings which include 290 units with 46 studio, 28 one-bedroom one-bath, 50 two-bedroom one-bath, 128 two-bedroom two bath townhome, 36 three-bedroom two-bath townhome and 8 four-bedroom one-bath townhome units.

C. Waiting List Information

Number and Characteristics of Households on VHA Waiting Lists

Table number 3 shows the characteristics of applicants on the VHA HCV program as of December 31, 2010. Table number 4 shows the numbers and characteristics of the VHA waiting lists for Public Housing; note the new site-based lists implemented since last year.

Description of Waiting Lists

Housing Choice Voucher Program

The waiting list for the Housing Choice Voucher program is based on the date and time of application, and has five local preferences:

- A preference for VHA Public Housing tenants eligible to participate in the HCV Homeownership program.
- Preference for graduates from an approved two-year transitional or housing-first supportive housing program.
- Preference for tenants displaced by VHA disposition or condemnation actions.
- Preference for elderly families, disabled families, and families with children or disabled dependents.
- Preference for families not already housed in income-based subsidized housing.

The HCV waiting list has been closed to new applicants since October 2006 and was purged in 2009; even so, there remains a high number of applicants still waiting for housing assistance.

Public Housing

The VHA added additional site-based lists in 2010 for the Skyline Crest Campus of Learners (MTW Activity 2010-02) and for two properties in the outlying communities of Ridgefield and Camas. After offering placement on these new lists to existing applicants it was necessary to open the site-based lists for two, three, and four-bedroom eligible applicants. For this opening VHA used a different process where applications were available in numerous locations for a period of 30 days, but were only

TABLE 3
Number and Characteristics of Households on HCV Waiting List as of 12/31/2010

Total Number of Households	2520
Distribution by Family Type	
Elderly	520
Disabled (Under age 62)	746
Other Family	1254
Distribution by Household Size	
1 Member	1008
2 Members	663
3 Members	370
4 Members	258
5 Members	106
6 Members	52
7 Members	33
8 Members	17
9 or More Members	13
Distribution by Income Range	
Below 30% of Area Median	2267
Between 30% and 50%	228
Between 50% and 80%	24
Above 80% of Area Median	1
Distribution by Race of HOH	
White	2059
Black / African American	274
American Indian / Alaska Native	53
Asian	79
Native Hawaiian / Pacific Islander	45
Unknown	10
Distribution by Ethnicity of HOH	
Hispanic or Latino	141
Not Hispanic or Latino	2379

accepted for a single day following the open period. A lottery system was used to limit the number selected to a manageable amount and to determine the order they would appear on the waiting list. Applicants were then notified of their selection and their position on the waiting list. This new process went very well and we will likely use it for future waiting list openings.

The general and site-based lists have the following local preferences:

- Preference for applicants selected for participation in the CHASE program (added for 2011).
- Preference for graduates from an approved two-year transitional or housing-first supportive housing program.
- Preference for tenants displaced by VHA disposition or condemnation actions.
- Preference for applicants who agree to participate in the SmartChoices self-sufficiency program.
- Preference for elderly families, disabled families, and families with children or disabled dependents.
- Preference for families not already housed in income based subsidized housing.

Non-MTW Waiting Lists

In addition to the waiting lists for housing within the MTW demonstration, VHA operates an additional ten separate waiting lists for the Section 8 New Construction, Section 202, and Section 811 properties it manages.

**TABLE 4
Number and Characteristics of Households on Public Housing
General and Site-based Waiting Lists as of 12/31/2010**

	General List	Van Vista	Assisted Living	Skyline Crest	Fruit Valley	Ridge field	Camas
Total Number of Households	1047	259	2	219	169	64	87
Distribution by Family Type							
Elderly	93	72	0	2	3	1	0
Disabled (Under age 62)	471	145	1	40	14	4	7
Other Family	483	42	1	177	152	59	80
Distribution by Bedroom Size							
1 Bedroom	738	259	2	26	0	0	0
2 Bedroom	137	0	0	85	40	0	0
3 Bedroom	133	0	0	87	94	64	87
4 Bedroom	31	0	0	21	34	0	0
5 Bedroom	1	0	0	0	0	0	0
6+ Bedroom	7	0	0	0	0	0	0
Distribution by Income Range							
Below 30% of Area Median	957	239	2	199	137	54	74
Between 30% and 50%	81	18	0	18	27	8	10
Between 50% and 80%	9	1	0	3	4	2	3
Above 80% of Area Median	0	0	0	0	0	0	0
Distribution by Race of HOH							
White	845	210	1	146	109	42	57
Black / African American	101	28	1	23	14	4	6
American Indian / Alaska Native	23	8	0	7	4	2	3
Asian	25	2	0	7	3	4	4
Native Hawaiian / Pacific Islander	45	5	0	36	38	12	16
Unknown	8	6	0	0	1	0	1
Distribution by Ethnicity of HOH							
Hispanic or Latino	61	10	1	18	13	6	8
Not Hispanic or Latino	986	244	1	201	155	58	78

SECTION III. NON-MTW RELATED HOUSING AUTHORITY INFORMATION

A. Planned vs. Actual Sources & Uses of other HUD or other Federal Funds

Table 5 details the sources and uses of other federal funds received in FY 2010. Other federally funded programs include 204 units under six contracts for Section 8 New Construction, FSS and ROSS (Resident Opportunities for Self-Sufficiency) grants, and Housing Choice Vouchers funded apart from MTW and targeted to special populations.

Additionally, we spent \$1,285,968 in ARRA funds as follows:

- Van Vista Roofing \$476,798
- Van Vista Accessibility \$174,125
- Skyline Energy Efficiency \$635,045

This funding had specific requirements with it and was not part of the MTW Block Grant.

Other HUD and other federal fund programs sources and uses remained close to budget.

B. Non-MTW Activities Implemented by the Housing Authority

Capital Improvements

The major capital improvements to the 358-unit Fishers Mill Apartments that were described in the 2010 Plan were completed in early summer. Fire damaged units at the 296-unit Springbrook apartments were refurbished in 2010 and refurbishment to additional units continues into 2011. Both of these properties are part of VHA's workforce housing.

Work began in 2010 on the Green Initiatives project at Skyline Crest. This improvement project will upgrade the property's HVAC and hot water systems to reduce water and energy consumption and was funded with a \$1.4 million stimulus grant. Stimulus funds were also used to begin work to make 15 units at Van Vista fully accessible.

TABLE 5
Planned vs. Actual HUD or other Federal Funds not in MTW

Sources	Actual	Budget	Variance
Rental Income	555,274	604,233	(48,959)
HUD and Other Grants	2,321,034	2,166,873	154,161
HUD Capital Grants	1,285,968	-	1,285,968
Other Revenue	223,896	513,748	(289,853)
Investment Income	37,697	36,131	1,566
Transfer from/to Reserves	418,155	277,700	140,455
Total	4,842,024	3,598,685	1,243,339
Uses			
Administrative Expenses	1,070,439	1,330,807	(260,369)
Maintenance	252,797	260,393	(7,596)
Utilities	150,294	149,360	934
Insurance and other Expenses	37,477	314,887	(277,410)
Housing Assistance Payments	774,518	744,900	29,618
Interest Expense	93,634	86,069	7,565
Principle Payment	100,524	100,524	-
Replacement Reserves	295,200	295,200	-
Capital Improvements	1,734,166	-	1,734,166
Total	4,509,050	3,282,140	1,226,909
Difference	332,975	316,545	16,429

Development Activity

Four proposed developments were described in the 2010 Plan. VHA was able to secure funding for two of those projects in 2010. In August, construction began on Camus Ridge Apartments located on Prune Hill in the city of Camas. The 51-unit development will be completed in the summer of 2011. Construction began in early 2011 on Vista Court, previously known as the Van Vista Addition. This is a 76-unit tax credit property designated for seniors located in downtown Vancouver.

Housing Stock Outside of MTW

The VHA has two Section 8 New Construction communities, Cougar Homes and Columbia House. Five projects, known collectively as Cougar Homes, comprise 52 three- and four-bedroom single-family homes located in Vancouver and urban Clark County; these units were built in 1979. Columbia House is a high rise building for the elderly, located in downtown Vancouver. The Columbia House property consists of 151 units (143 one-bedroom and 8 two-bedroom), built in 1976.

The VHA owns four shelters: two homeless shelters, one women's domestic violence shelter, and one youth shelter. All are operated by local nonprofit service providers.

The VHA partners with other agencies and service providers to address specific housing needs in our community. These properties include assisted living facilities, a single room occupancy program located on Veterans Administration property, apartments for those with chronic mental disabilities, and other special needs housing.

The VHA manages 260 units of housing, in eight different properties, for Columbia Non-Profit Housing (CNPH). All of these properties are for elderly or disabled clients.

The VHA owns 1,943 units of workforce housing. The Workforce Housing initiative is a long-term strategy to diversify the housing authority, provide a local source of funding for more deeply subsidized housing programs, and provide a future supply of quality affordable rental housing for our growing population. Workforce Housing is helping to revitalize communities and maintain a balance of affordable housing near jobs. These properties are located throughout the urban area and are financed with tax exempt mortgage revenue bonds, tax credits, and state and local grants and loans.

SECTION IV. LONG-TERM MOVING TO WORK PLAN

Our Mission

The mission of the Vancouver Housing Authority (VHA) is to provide opportunities to people who experience barriers to housing because of income, disability or special needs in an environment which preserves personal dignity and in a manner which maintains the public trust. In carrying out its mission, the Vancouver Housing Authority is committed to: Vital neighborhoods; Respect for VHA clients and employees; Excellence in management and operations; Cooperative and respectful working relationships with the public, neighborhood and community organizations, and other units of local government; and Dispersal of assisted housing throughout Clark County where warranted by need.

VHA's long-term MTW vision integrates the mission of the agency with the purposes of the MTW statute. The flexibility provided by the MTW Agreement will help the VHA realize its long-term vision and maximize the use of federally subsidized housing and rental assistance programs to meet the needs of the Vancouver/Clark County community.

Aligning With Other Community Housing and Service Plans

The VHA's vision includes aligning its MTW plan with other community housing and service plans to ensure that community resources are used effectively and efficiently—to leverage resources in the most effective and efficient manner.

High Performer Status

The VHA is committed to maintaining its High Performer status in its Public Housing and Section 8 Housing Choice Voucher programs. VHA intends to use its MTW flexibility to focus its resources and adopt policies that support a high quality of service to its residents and to the community at large.

Excellence in Management and Operations

VHA intends to maximize efficient and effective delivery of its programs and will maintain its properties at or above community standards and demonstrate good stewardship of its properties, preserving them for future generations.

The VHA is committed to simplifying and streamlining program operations, eliminating unnecessary paperwork, and focusing its resources on providing direct service to residents in property management and promoting successful tenancy.

Promoting Resident Empowerment and Self-Sufficiency

VHA will target resources and utilize MTW flexibility to address the statutory requirement of providing “incentives to families with children whose heads of households 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.”

Priority will be given to policies and procedures that will assist residents in achieving self-sufficiency, including developing asset building initiatives, expanding resources and programs that promote self-sufficiency, and maintaining a Resident Advisory Board that provides a vehicle for resident input.

VHA is committed to enhancing opportunities for its residents and using its MTW status to create pathways that lead to self-sufficiency through targeted employment programs and opportunities for homeownership.

VHA sees self-sufficiency as a goal for all its residents—promoting employment and training opportunities for Work-Able adults, creating and enhancing programs to allow elderly residents to remain in their homes and be self-sufficient in daily living activities, and assisting youth in breaking the cycle of poverty.

Promoting Home Ownership

Over 160 MTW program participants have purchased homes. Program participants seeking home ownership will receive one-on-one counseling, attend pre-purchase home ownership classes offered by a local nonprofit, and participate in post purchase follow-up. Program participants may receive financial assistance from their Section 8 Housing Choice Voucher or be referred to local programs for down payment assistance.

Maximize the Use of Federally Subsidized Housing and Rent Assistance

The Vancouver/Clark County community has grown rapidly in the past decade and the demand for decent, affordable housing far surpasses the supply. The VHA is working with community partners to maximize Public Housing and Housing Choice Voucher resources by targeting resources and combining project based vouchers with service-enriched housing.

The VHA's MTW status allows it to make the best use of its Section 8 Housing Choice Voucher program to establish programs and create partnerships that serve the most vulnerable and expand opportunities for those seeking to break the cycle of poverty.

Building Community

For more than sixty years, the VHA has been engaged in building a healthy Vancouver/Clark County community and ensuring that there is a place for everyone, including low income and vulnerable populations. We have learned that affordable housing, like roads, is part of the infrastructure of a healthy community. We have made some policy decisions that will impact all of our future developments.

- Future developments will include workforce as well as service-rich housing for special populations.
- Developments will serve to address one of the following: create affordable housing opportunities in high-cost areas, address a revitalization need of the community, provide housing for special needs populations near services, and provide affordable housing in growth areas and along transportation routes.
- Replacement of units disposed will be planned in individual projects or accounted for in the overall housing portfolio. The housing portfolio will be reviewed for diversification needs, in that special needs programs requiring financial support will be adequately offset by market/near-market rate developments.

- Future project and program planning will be inclusive of City and County comprehensive plans. Developments will respond to noted types of populations with housing needs and geographic areas in which affordable housing opportunities are inadequate.

Adopting Sustainable Practices

The VHA's vision includes being a good steward of the resources within its control. We will put into practice decision-making that will result in actions that, in the words of the World Commission on Environment and Development, "meet the needs of the present without compromising the ability of future generations to meet their own needs." The decisions we make today, in operations and in development, will achieve current objectives and also serve to sustain the agency and the community over time. We will practice energy conservation, reduce environmental impacts, increase the durability of building components, reduce solid waste, achieve operational savings, and use sustainable building practices in affordable housing design. We will use the Evergreen Sustainable Development Criteria, developed by the state of Washington, in our new housing development. We will support other governmental, nonprofit, and for-profit entities in building a more sustainable Vancouver/Clark County community.

Community Partnerships

For all of its 67 years, the VHA has actively partnered with other community agencies and governmental entities to meet the housing needs of the community. The VHA works in partnership with a variety of local agencies that provide services for residents, and throughout this plan there are references to these partnerships. MTW is a vehicle through which these partnerships can be enhanced.

Residents, program participants, and key community constituencies are at the root of VHA's long-term planning. The agency's rich history of partnerships has resulted in innovations that have served the specific needs of residents and the establishment of programs and services, such as the Learn and Play program for the very young and Assisted Living for the frail elderly. Creation of a Resident Advisory Board provides a vehicle for resident empowerment and a vehicle for dialog. Creation of a Moving to Work Advisory Committee allows for greater participation from community stakeholders.

SECTION V. PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

A. MTW Activities Approved by HUD but not Implemented

All MTW activities proposed and approved in the 2010 MTW Plan have been implemented. These include the Community Involvement and Educational Initiative, the Skyline Crest Campus of Learners, and the local waiting list preference for applicants who do not already receive a housing subsidy.

SECTION VI. ONGOING MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

Activity 2010-01: Community Involvement and Educational Initiative

Description of Activity

The Community Involvement and Education Program requires that HCV participants meeting program requirements be actively involved in their community through volunteer and/or educational activities. The VHA recognizes that by encouraging this involvement tenants may increase self-confidence and have opportunities to discover an interest that could lead to employment and eventual self-sufficiency. Adult participants must contribute eight hours per month of community service or participate in eight hours of training, counseling, classes or other activities that encourage self-sufficiency and economic independence. This requirement applies to all adult family members who are over 17 years old and under 62 years old, not disabled under the VHA’s disability definition, not caring for a disabled family member, not working 25 hours per week or more, not attending a state recognized school full-time or not participating in a welfare to work program.

Current Status

VHA staff enrolled 650 HCV participants as of December 2010. Participants had turned in 239 community involvement logs by the end of the year documenting a total of 3,994 community volunteer or educational hours performed.

Impact on Statutory Objective

VHA sees this requirement as providing a chance for residents to be exposed to new experiences, thereby providing the opportunity for personal growth and self-enrichment. Giving people the opportunity to become involved is empowering in and of itself. Our partner agencies have also demonstrated to us that volunteer experiences can lead to developing job skills, building a work history and feeling good about accomplishments. There is value in work, whether it is for pay or in a volunteer capacity. Actively giving back to the community is a source of accomplishment and feeling useful. Meaningful work has positive effects on a person’s belief about themselves and their ability to contribute productively to the world in which they live.

Plan Year Identified: FY 2010 Plan

Date Implemented: January 1, 2010

Primary Statutory Objective:

Provide incentive toward becoming economically self-sufficient

Authorization Cited:

Section E. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived:

Certain provisions of section 23 of the 1937 Act and 24 C.F.R. 984

Metrics:

Average earned income of Work-Able households
 Number of Work-Able households with earned income
 Number of enrolled participants, logs completed and hours performed

Baseline:

\$16,102 average amount of earned income and 46.52 % of Work-Able households have earned income as of 12/2009
 Zero

Benchmark:

Average earned income increase to \$17,712 after two years (10% higher)
 55.82% of households have earned income after two years (20% increase)
 500 participants, 375 completed logs, and 36,000 hours after two years

Outcome in 2010:

Average earned income \$16,891 as of 12/31/2010
 44.23% of work-able households have earned income as of 12/31/2010
 650 participants, 239 completed logs, and 3994 hours performed

Activity 2010-02: Skyline Crest Campus of Learners

Description of Activity

The Skyline Crest Campus of Learners is a partnership between the VHA and the residents of Skyline Crest to invest in the long-term success of every child and young adult living in the development. VHA will provide rich and varied activities to engage Skyline Crest children and young adults (ages 0-24) and their families in school and community, including homework help and tutoring, enrichment classes, clubs and activities, recreation, mentoring, and early childhood parent/child activities. VHA will also support parents and youth through family support and case management services and provide or link residents to volunteer opportunities for all ages. Each family develops a success plan centered on their children's school attendance and community involvement, and commits to helping make the community a positive, nurturing place for all youth. Elderly and disabled Skyline Crest tenants are not required to participate; however activities will be open for them as well.

Current Status

Implementation was extended after a number of residents expressed concerns about the first proposed lease addendum containing the proposed rules governing the program. A new lease was drafted and a new comment period was provided. The new lease has been fully implemented as of the end of the year, however residents have until February 2011 to opt out of the program.

Impact on Statutory Objective

The long-term goal of this program is to increase educational attainment of residents which is directly related to greater economic self-sufficiency and success. Additional metrics around school attendance, parent involvement in school, and graduation are being developed as success plans are being completed. The information provided through completion and updating of success plans by participants and staff will be the source of the data for these future metrics.

Plan Year Identified: FY 2010 Plan

Date Implemented: January 1, 2010

Primary Statutory Objective:

Provide incentive toward becoming economically self-sufficient

Authorization Cited:

Sections C. 5. and C. 10. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived:

Certain provisions of section 6(c) of the 1937 Act and 24 C.F.R. 960.201

Metric:

The initial metric is the number of completed success plans. New metrics will be developed from educational information captured in these plans

Baseline:

Zero

Benchmark:

90 households completing a family success plan after one year

Outcome:

27 families have completed their plans as of the end of the year. The delayed implementation affected the final number

Activity 2010-04: Waiting List Preference for Applicants without Subsidized Housing

Description of Activity

This initiative provides a local preference on the Public Housing and HCV waiting lists for applicants without subsidized housing. This assures that available units and vouchers go first to those most vulnerable and/or rent burdened. It requires authorization under MTW because HCV regulations do not allow a local preference that excludes a Public Housing resident.

Current Status

This local preference was implemented in 2010 and is currently in place.

Impact on Statutory Objective

Impact on the statutory objective of reducing cost will be through fewer unit turnovers that occur when a Public Housing resident receives a voucher and vacates their unit. Since the Public Housing waiting list is much shorter than the one for the HCV program, and because historically both lists were kept open, many applicants choose a Public Housing unit as transitional housing until their name reaches the top of the HCV list. This results in more unit turnovers which on average cost the VHA \$3,000.

For 2010 impact has been less than anticipated. This is likely due to a number of factors including a lower than expected turnover rate on the HCV program, the disposition of some Public Housing units, and the lower HCV utilization rate. If another 100 applicants had been selected from the HCV waiting list, then the benchmark of eight fewer turnovers would have been met.

Plan Year Identified: FY 2010 Plan

Date Implemented: January 1, 2010

Primary Statutory Objective:

Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited:

*Sections C. 2. and D. 4. of Attachment C of the
MTW Agreement*

Provision of Act or Regulation Waived:

*Certain provisions of sections 3 and 8(o)(6) of the
1937 Act and 24 C.F.R. 960.206 and 982
Subpart E*

Metric:

The number of applicants on waiting lists without this preference and the imputed reduction in unit turnovers

Baseline:

The estimated number of turnovers that would have occurred without the preference based on the number of PH residents on the list (125 in 12/2009)

Benchmark:

An estimated savings of eight fewer unit turnovers annually at an average cost of \$3,000 per turnover

Outcome:

Only two fewer unit turnovers attributed to this activity in 2010. An imputed cost savings of \$6,000

Activity 2009-02: Imputed TANF Income for Voluntary Grant Closures

Description of Activity

Current regulation (24 CFR 5.615) provides that if a TANF recipient's benefit has been reduced due to fraud or sanction, the housing authority will use an imputed TANF income amount in the calculation of tenant rent and housing assistance. This MTW activity extends this policy to include using the imputed TANF grant amount for income when a TANF recipient voluntarily closes their grant rather than participate in the economic self-sufficiency or work activities requirements of the TANF agency.

Current Status

This policy remains in place for both Public Housing residents and Housing Choice Voucher holders.

Impact on Statutory Objective

The number of cases remains far lower than was anticipated when the policy was drafted. Based on anecdotal information received from DSHS (the local State TANF agency) VHA anticipated a much higher number the first year the policy was in effect and a significant reduction after that due to residents choosing to stick with the work activities required by DSHS after the initial experience of having their income imputed.

Rent Reform Annual Evaluation and Report on Hardship Requests

No hardship requests were made by residents impacted by this activity. At this time the policy will be retained despite the low number of affected residents and the difficulty of determining a more meaningful metric. This policy was requested by a partnering agency with which we have a good working relationship and they believe it is effective in discouraging clients from dropping their participation in Work-First, a program that leads to self-sufficiency.

Plan Year Identified: FY 2009 Plan

Date Implemented: January 1, 2009

Primary Statutory Objective:

Provide incentive toward becoming economically self-sufficient

Authorization Cited:

Sections C. 11. and D. 2. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived:

Certain provisions of sections 3(a)(2) and 8(o)(2) of the 1937 Act and 24 C.F.R. 5.615

Metric:

Number of households with imputed TANF due to MTW policy

Baseline:

Zero

Benchmark:

Two Annually

Outcome:

A total of five instances of imputed TANF for a voluntary grant closure were reported in 2010

Activity 2009-03: No Verification of Assets Less Than \$5,000

Description of Activity

This MTW policy provides that the VHA will not obtain third party verification when a tenant’s declared assets are valued at less than \$5,000. The expense of preparing, mailing, following up, and receiving verifications for what are typically bank accounts with little or no balance and/or interest income made little sense. Assets valued at amounts greater than \$5,000 are still verified because they are anticipated to generate enough income to contribute more than a dollar or two to the rent determination.

Current Status

This policy continues to be in effect for both Public Housing and the Housing Choice Vouchers that are included in the MTW funding.

Impact on Statutory Objective

Data on resident assets (primarily checking and savings accounts) for the 2010 fiscal year showed 4,730 assets declared by residents but not verified under this MTW activity for all Form HUD-Form HUD-50058 actions that require income verification. The average balance in these accounts was \$571 which, at the current HUD established passbook rate, would result in about one dollar in annual income. VHA estimates at least a 430 hour savings in labor, which represents an annual cost savings of \$11,707, and a savings in postage costs greater than \$2,000 due to this activity.

Plan Year Identified: FY 2009 Plan

Date Implemented: January 1, 2009

Primary Statutory Objective:

Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited:

Sections C.4. and D.3.b. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived:

Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(2) of the 1937 Act and 24 C.F.R. 960.259 and 982.516

Metrics:

Number of tenant reported assets requiring verification

Percentage of assets above \$5,000

Baselines:

3,850 assets reported requiring verification in 2007

1.27% (49 of 3850)

Benchmarks:

385 reported assets requiring verification, a reduction of 90%

Remain above 1%

Outcomes:

82 reported assets required verification in 2010 because they were valued over \$5,000. 4,730 reported assets did not require verification resulting in a staffing savings of 430 hours (5.5 minutes per verification) equaling a cost savings of \$11,707. 1.7% of reported assets were above \$5,000 in value (82 of 4730).

Activity 2009-06: Alternate Required HQS Inspection Schedule

Description of Activity

This activity is designed to achieve cost savings through a reduction in the number of Housing Quality Standard (HQS) inspections required in the HCV program. When first proposed the plan was to develop a system that determined the frequency of inspections based on geographic and other factors such as age, state of repair, etc. The committee formed to develop the specifics of this policy eventually decided on a simpler system of every other year physical inspections by VHA staff and an owner/tenant certification on alternate years. This was determined to be more equitable and less controversial than the earlier proposal.

Current Status

Because the policy differed significantly from the first proposal and because it involves more participation of both owners and tenants, the new plan was proposed in an amendment to the FY 2009 Plan and approved at the end of August 2009. The activity was implemented on January 1, 2010 and was in effect throughout the year.

Impact on Statutory Objective

The activity is intended to reduce costs by significantly reducing staff time dedicated to annual HQS inspections. VHA presumes that the quality of the assisted rental units will not decline due to the required landlord and tenant certifications and through quality control activities. The vast majority of rental units assisted in the VHA voucher program have professional owners and responsible tenants that maintain their rental units.

The reduction in the number of required HQS inspections exceeded the benchmark and resulted in considerable savings allowing VHA to reduce staffing dedicated to inspections.

*Plan Year Identified: Initially in FY 2007
Plan and again in FY 2009 Amendment*

Date Implemented: January 1, 2010

*Primary Statutory Objective: Achieve
Programmatic Efficiency and Reduce Costs*

*Authorization Cited: Section D.5. of
Attachment C of the MTW Agreement*

*Provision of Act or Regulation Waived:
Certain provisions of section 8(o)(8) of the 1937 Act
and 24 C.F.R. 982. Subpart I.*

Metric:

The number of HQS inspections performed annually

Baseline:

3,398 HQS inspections in 2008

Benchmark:

A 30% reduction in inspections performed annually (less than 2,378)

Outcome:

2,084 HQS inspections performed in 2010, a 39% reduction and an imputed cost savings of \$59,727 annually

Activity 2009-07: Investing in State Permitted Instruments

Description of Activity

This activity waives certain federal restrictions on investment options as long as the investments comply with Washington State law. This should allow the VHA to receive a higher rate of return on investments.

Current Status

The VHA is investing in the Washington State approved Clark County Investment Pool. VHA has also invested some funds in CDARS (Certificate of Deposit Account Registry Service) to help returns. The CDARS program spreads investments in multiple banks to ensure full FDIC coverage.

Impact on Statutory Objective

An increase in investment income will result in greater efficiency and will provide additional revenue. By investing in State permitted investments, we increased interest income by approximately \$19,600 in 2010. Average investable MTW funds \$3.8 million – state investment pool rate was .7% vs. .2% at the bank. HUD limits investment of federal funds in State Pools to 30% of all investable funds. We ended up investing 57% of our funds in the State Pool by having the MTW authority.

Plan Year Identified: FY 2009 Plan

Date Implemented: January 1, 2009

Primary Statutory Objective: Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited: Section B.5. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156

Metric:	Baseline:	Benchmark:	Outcome:
Interest rate on funds invested	Rate at previously used institution - 0.2%	Increase by one point or more	0.7% - \$19,600
Actual gains	Zero		

Activity 2009-08: Simplified Utility Allowance Schedule

Description of Activity

This MTW initiative simplifies the utility allowance used in the Housing Choice Voucher program to a single schedule based on the number of bedrooms to be used when the tenant is responsible for at least the heating of the unit. The same rate is used for all units with the same number of bedrooms regardless of the type of unit. The simple schedule does away with the need to calculate a utility allowance in order for a new voucher holder to determine whether a prospective rental is below their maximum family share. The simplified utility allowance will also encourage voucher holders to select units where the utility consumption will match the allowance; i.e., newer and more energy efficient units.

Current Status

This simplified utility allowance was used throughout the reporting year.

Impact on Statutory Objective

VHA continues to receive positive feedback from movers in the HCV program who appreciate receiving more specific numbers for the utility allowance, housing assistance payment, and maximum family share at the beginning of their search for new housing that this activity allows. In addition it is our expectation that more voucher holders will choose newer and more energy efficient units. The benchmarks are anticipated to be reached after two years and this will be the first year of reporting outcome. The percentage of newer units being chosen by participants appears on track to meet the benchmark next year. However, participants are continuing to choose single family houses over more energy efficient apartments. At least to date the activity has not been enough to overcome the desirability of renting a house despite the typically increased expense to participants; however the usefulness of this activity in the housing search process and the increase in participants choosing newer more energy efficient units is worthwhile.

Rent Reform Annual Evaluation and Report on Hardship Requests

VHA received four hardship requests in 2010. One participant was granted a temporary hardship, two were found to not have a hardship, and the fourth did not respond to our request for additional financial information need to determine hardship.

*Plan Year Identified: FY 2009 Plan
Amendment*

Date Implemented: September 24, 2009

*Primary Statutory Objective: Provide
Incentive toward Economic Self-Sufficiency*

*Authorization Cited: Section D.2.a. of
Attachment C of the MTW Agreement*

*Provision of Act or Regulation Waived:
Certain provisions of section 8(o)(2) of the 1937 Act
and 24 C.F.R. 982.517*

Metrics:

The percentage of HCV assisted units built since 1980
The percentage of single-family units

Baselines:

59.60% of HCV units built since 1980 as of 12/31/2008
25.02% of HCV units are single-family

Benchmarks:

five point increase to 65% after two years
A 2 point decrease to 23% after 2 years

Outcomes:

62.38% of units post 1980 as of 12/31/2010
25.29% of units are single-family houses as of 12/31/2010

Activity 2009-09: Limited Utility Allowance Payments

Description of Activity

Families in the Public Housing and the HCV program whose rent calculation results in a negative rent or Utility Allowance Payment (UAP) are limited to receiving the UAP for a period of up to six (6) months. After this six month period, The UAP is not paid and the tenant rent goes to zero. Families will be able to retain their UAP if they agree to participate in an approved self-sufficiency program, or if they are granted a waiver through the VHA hardship policy.

Current Status

This activity was in effect throughout the reporting year.

Impact on Statutory Objective

This activity is expected to provide incentive toward economic self-sufficiency by allowing those to join a self-sufficiency program to retain their UAP. In addition, others may attain higher income due to no longer receiving a check along with a rental unit at no charge. The benchmarks have all been met with 15 participants motivated to join the FSS program.

Rent Reform Annual Evaluation and Report on Hardship Requests

VHA received four hardship requests in 2010 by participant impacted by this rent reform activity. One participant was granted a temporary hardship, two were found to not have a hardship, and the fourth was determined to have a long-term hardship. However the long term hardship exemption was retracted after four months for that participant after he repeatedly failed to follow through with applying for benefits his was likely eligible for through the local state welfare agency.

Plan Year Identified: FY 2009 Plan Amendment

Date Implemented: October 1, 2009

Primary Statutory Objective: Provide Incentive toward Economic Self-Sufficiency

Authorization Cited: Sections C. 11. and D. 2. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(2) of the 1937 Act and 24 C.F.R. 960.253 and 982.505

Metrics:	Baselines:	Benchmarks:	Outcomes:
Number Receiving a UAP	127	25% reduction to 95	49 as of 12/31/2010 a 61% reduction
Number with a stopped UAP	0	32	28 as of 12/31/2010
Number of UAP recipients in a self-sufficiency program	1	10	16 (4 PH and 12 HCV) as of 12/31/2010

Activity 2009-10: Replacement of Medical Expense Deduction

Description of Activity

For Public Housing and Housing Choice Vouchers included in the MTW demonstration, VHA has removed the deduction for medical expenses incurred by Elderly and Disabled families and replaced it with an increase in the standard deduction received by all Elderly and Disabled families from \$400 to \$700. This activity is estimated to be revenue neutral for the VHA as any decrease in subsidy due to no longer deducting medical will be offset by a corresponding increase due to the higher standard deduction.

Current Status

This activity was implemented in 2009 and was in effect throughout 2010.

Impact on Statutory Objective

Moving the VHA out of the business of verifying, approving, and subsidizing specific medical expenses is anticipated to result in a significant increase in efficiency and cost reduction. The vast majority of elderly and disabled participants in VHA's federally subsidized housing programs have their medical covered under Federal and State programs. Many verifications were performed in the past that resulted in little out-of-pocket expense for the participant and little or no effect on tenant rent. Verifications that were obtained in 2010 were for hardship exemptions and HCV participants outside of the MTW demonstration. The reduction in the number of verifications represents 200 hours in staff time and an estimated cost savings of \$6,314.

Rent Reform Annual Evaluation and Report on Hardship Requests

Fifteen hardship exemption requests were made in 2010. Four participants were approved for long-term exemptions and their medical expenses were verified and deducted. One participant was given a larger utility allowance as a reasonable accommodation instead as this was more appropriate for her situation. Another was discovered to have her rent calculated incorrectly as she was receiving income that should have been excluded because it was to reimburse participant for her medical expense. The remaining nine participants requesting a hardship exemption for medical were all determined to have no hardship because the loss of the deduction had little impact on their rent.

Plan Year Identified: *FY 2009 Plan Amendment*

Date Implemented: *November 5, 2009*

Primary Statutory Objective: *Achieve Programmatic Efficiency and Reduce Costs*

Authorization Cited: *Sections C. 11. and D. 2. of Attachment C of the MTW Agreement*

Provision of Act or Regulation Waived: *Certain provisions of section 3(b)(5) of the 1937 Act and 24 C.F.R. 5.611*

Metric:	Baseline:	Benchmark:	Outcome:
Number of verifications required for medical and imputed cost savings	1,183 in FY2007*	118 in 2010, a 90% reduction	100 (18 in PH, 82 in HCV) medical verifications completed in 2010. Imputed cost saving are \$6,314 in staff time and postage

* 2007 used for baseline as the number in 2008 was reduced due to the other MTW activity of biennial reexaminations

Activity 2009-11: 40% Maximum Family Share Expanded to Ongoing Tenancy

Description of Activity

The MTW activity expands the current 40% maximum family share at initial occupancy to ongoing tenancy in the HCV program. If, after moving into a unit, a subsequent reexamination results in the family share of the rent and utilities exceeding 40% of their adjusted monthly income they are notified that they must remedy the situation within 12 months. They must either increase their adjusted income enough to drop back below 40%, join a VHA approved self-sufficiency program, or relocate to a less expensive rental. After receiving numerous public comments during the planning process, the policy was modified to exempt families who were above the maximum family share prior to August 10, 2009 as long as they remain in the same rental unit.

Current Status

Although the policy was implemented immediately following HUD approval of the FY 2009 Plan Amendment, no families have been impacted yet as it was agreed with tenant advocates that we would “grandfather” in participants already above 40% as long as they remained in the same unit. New tenants and those choosing to move are not actually impact yet as well because they could only exceed 40% at a subsequent reexamination and then would still have up to 12 months before the requirements are imposed.

Impact on Statutory Objective

The activity will provide incentive for participants to join self-sufficiency programs, as well as incentive for others to increase or maintain income in order to retain a higher price rental unit.

Note that the number of participants paying more than 40% maximum family share is much lower than it was when the baseline was established. A number of factors besides this activity have contributed to this result, including the retraction of the MTW policies allowing new contracts where the tenant paid more than 40% and the simplified utility allowance. The true impact of this activity will be measurable for another year or two.

Rent Reform Annual Evaluation and Report on Hardship Requests

No hardship exemption requests have been received due to this activity.

Plan Year Identified: FY 2009 Plan Amendment

Date Implemented: September 1, 2009

Primary Statutory Objective: Provide Incentive toward Economic Self-Sufficiency

Authorization Cited: Section D.2.a. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 8(o)(3) of the 1937 Act and 24 C.F.R. 982.508

Metrics:	Baselines:	Benchmarks:	Outcomes:
Number of families choosing a self-sufficiency option	zero	five by 12/31/2010	Zero
Number paying more than 40% maximum family share	1047	5% reduction annually (995 after first year)	368 as of 12/31/2010

Activity 2009-13: Next Required Reexamination 12 Months after Interim

Description of Activity

This activity compliments the new schedule for required reexaminations described on the previous page. For those families who are not on the new three-year schedule for fixed income, the due date for their next required reexamination will be updated if they have an interim review. The effective date of their next required review will be 12 months after the effective date of the interim.

Current Status

This activity was in effect throughout the reporting year.

Impact on Statutory Objective

Providing for a 12 month period after a family requests an interim (typically due to reduction in their income) results in fewer overall reexaminations and gives the family a longer period before another change that might increase their rent. Reducing the number of reexaminations required to be completed each year results in greater efficiency and reduced costs. This activity helps mitigate any possible increase caused by the return to an annual schedule for some families. The benchmark for this activity was not met, but that was likely due to other factors. Additional families on the programs and the changes made to the Alternate Required Reexamination Schedule (Activity 2007-02) probably account for the increase in the number of reexaminations in 2010. VHA will development new metrics for this activity for 2011.

Plan Year Identified: FY 2009 Plan Amendment

Date Implemented: October 1, 2009

Primary Statutory Objective: Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited: Sections C. 4. and D. 1. c. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(5) of the 1937 Act and 24 C.F.R. 960.257 & 982.516

Metrics:

Number of required re-exams
Number of interim re-exams

Baselines:

1,268 required re-exams in 2009,
956 interim re-exams in 2009

Benchmark:

A reduction of 200 in the number of required and interim re-exams (for a total of 2,024)

Outcome:

2,080 required re-exams in 2010 and 458 interims for a total of 2538 reexaminations

Activity 2009-15: Owners Restricted to Annual Rent Increases

Description of Activity

In addition to the current regulatory restriction that requires the initial term of a HCV lease to be one-year and does not allow the owner to increase the rent during that year, this MTW policy will restrict subsequent rent increases to no more than one per year. This policy came about due to a small number of owners on the program requesting rent increases as frequently as every four or five months after the first year of tenancy.

Current Status

This MTW activity was in effect throughout 2010.

Impact on Statutory Objective

This activity increases efficiency and reduces costs by freeing up some of the staff time previously devoted to approving rent increases and the associated data entry and communication with owners and tenants. The amount of savings in staff time will be relatively modest, but this policy will provide relief to some participants where the rent increases impacted their share of the rent.

Metrics are the number of Form HUD-50058 actions completed solely for changes in the contract rent. It is possible, but unlikely, that some owners will choose to limit their participation in the HCV program due to this policy, so overall owner participation will also be monitored. The benchmark was exceeded dramatically. There are likely additional reasons for the decrease in owner rent increases such as the current economy. The number of active owners is down slightly over the number in 2008, but is probably not due to this policy as very few complaints or comments were made about this policy.

Plan Year Identified: FY 2009 Plan Amendment

Date Implemented: September 1, 2009

Primary Statutory Objective: Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited: Section D.2.a. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.308 and 982.451

Metrics:

Number of rent increase actions
Number of active owners

Baselines:

495 in 2008
864 active owners

Benchmarks:

A 10% reduction to 445
No change attributable to this activity

Outcomes:

237 rent increase actions in 2010
842 Active owners as of 12/2010

Activity 2009-16: Renter Education Required for Applicants

Description of Activity

Applicants are required to complete a six week course in tenant education prior to being housed in the Public Housing or HCV programs. The course, titled Excellent Renting, is offered by a local non-profit that VHA has contracted with to provide this service. The course covers topics including money management and credit, landlord/tenant rights and responsibilities, how to be a good renter, and how to find landlords that will rent to you. Applicants who complete the course receive a certificate of completion that is recognized by many landlords in the community and can substitute for good credit and references in tenant screening policies.

Current Status

The activity was implemented on September 1, 2009 and was in effect throughout the reporting year. Applicants on the waiting lists for both Public Housing and the HCV program are notified when the VHA estimates they are about six months away from being offered a unit or a voucher.

Impact on Statutory Objective

This activity will increase housing choice for HCV participants by increasing both their options and chances when locating a rental unit after being issued a voucher. The activity will also increase self-sufficiency for both HCV and Public Housing residents through the money management and budgeting components of the training. VHA continues to receive anecdotal accounts from participants stating how much the class helped them. More objective measurements will include the percentage of new voucher holders that lease a unit, the average time they take from voucher issuance to leasing the unit, and the number of negative program exits. Negative program exits in Public Housing include all evictions and skips, in the HCV program all terminations due to violations (including eviction by the owner) and movers unable to locate new housing.

Benchmarks for new participant success were exceeded in 2010. However, the number of evictions, terminations, and other negative program exits was up from previous years. It will likely be several more years before this benchmark is met.

*Plan Year Identified: FY 2009 Plan
Amendment*

Date Implemented: September 1, 2009

*Primary Statutory Objective: Increase Housing
Choice for Low-Income Households*

*Authorization Cited: Sections C. 2. and D. 4.
of Attachment C of the MTW Agreement*

*Provision of Act or Regulation Waived:
Certain provisions of sections 3 and 8(o)(6) of the
1937 Act and
24 C.F.R. 960.202 & 982.305*

Metrics:

HCV success rate
HCV days to lease
Negative program exits in PH & HCV

Baselines:

87% (average of 2006-2008)
45 days (average of 2006-2008)
23 PH, 63 HCV (average of 2006-2008)

Benchmarks:

2 point increase to 89%
10% reduction to 40 days
10% reduction to 21 & 57

Outcomes:

HCV success rate in 2010 was 90.38%
Days to lease averaged 34 in 2010
22 PH & 82 HCV Negative Exits

Activity 2009-19: Separate Waiting List for Assisted Living Facility

Description of Activity

In the Public Housing Program VHA maintains both a general community-wide waiting list and several site-based lists where appropriate. Additional, there is a waiting list specifically for units within the Van Vista Property that are designated for residents who require the offered assisted living services. Utilizing the flexibility authorized under MTW to design a waiting list system allows the VHA to provide access to Public Housing to a population that is not typically served.

Current Status

The waiting list for assisted living for implemented in August 2009 and was in effect throughout the reporting year.

Impact on Statutory Objective

This activity is an important part of the VHA's assisted living facility at Van Vista. It allows VHA to offer assisted living within Public Housing and in turn increases housing choice for low-income households who need assisted living services. The metrics for this activity are simply the number of applicants on the waiting list. This demonstrates the need for this housing option for this population that could not be served by Public Housing otherwise.

Although the number of applicants appears low (only 2 as of 12/31/2010) there are additional potential clients being screened for eligibility by the contractor who operates the facility at any given time. Applicants do not usually appear on the list until they have passed the eligibility requirements for assisted living and are ready to begin occupancy. In addition there is little turnover of the units.

Note that the project that incorporates the assisted living facility is scheduled for disposition in 2011. The current plan is to utilized project-based vouchers and continue operating the assisted living program at the project. The disposition will allow for VHA to secure financing for improvements to the facility specifically needed to serve the assisted living clients. When this transition is completed the waiting list will also transition to the project-based voucher program.

Plan Year Identified: FY 2009 Plan Amendment

Date Implemented: August 25, 2009

Primary Statutory Objective: Increase Housing Choice for Low-Income Households

Authorization Cited: Section C. 1. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 6(r) of the 1937 Act and 24 C.F.R. 903.7

Metric:	Baseline:	Benchmark:	Outcome:
Number of Applicants	Zero	Enough applicants to fill vacancies in the assisted living facility	2 applicants as of 12/31/2010

Activity 2008-01: Project-Based Vouchers Tied to Services

Description of Activity

VHA is using the ability to project-base Housing Choice Vouchers and the flexibility provided by MTW together with community partners to provide housing assistance tied to case management and other services. MTW allows the VHA to waive the bidding process for VHA owned units, and enables us to offer the rental units along with the needed subsidy to the partnering agency. Tenant selection may be done by the partner so that appropriate clients they have already identified can be readily served. The partnering agency may also place time limits on assistance and the availability of a tenant based voucher after one-year is also eliminated. The partnering agencies and the VHA enter into a Memorandum of Understanding (MOU) that details the responsibilities of both parties.

Current Status

By the end of 2009 VHA had entered into MOUs with six community partners to provide 50 project-based units of housing tied to services. This activity continued unchanged through 2010.

Impact on Statutory Objective

The program increases housing choice by making a housing subsidy quickly available to low-income families in crisis or otherwise identified for services by a partnering agency. In addition incentive toward financial self-sufficiency is provided through the case management services and the time limit on assistance. There were a total of 16 program graduates in 2010 meeting the benchmark. The metric of increased family income may be dropped because we are unable to obtain income at exit, particularly for those who move without any notification.

Plan Year Identified: FY 2008 Plan

Date Implemented: May 28, 2008

Primary Statutory Objective: Increase Housing Choice for Low-Income Households

Authorization Cited: Sections D. 2.d., D. 4. and D.7. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of sections 8(o)(13)(F)-(J) of the 1937 Act and 24 C.F.R. 983 subparts B, E and F.

Metrics:

Number of project-based units
Number of families meeting case management goals
Increase in family Income & rent

Baselines:

zero
zero
Family income at lease-up

Benchmarks:

50
At least 50% of families having met goals when they exit program
Family Income increased by 50% by the time they leave program

Outcomes:

Utilization slightly below 50 in 2010
16 of 29 exits met goal of renting without a subsidy (55%)
Information not available at exit

Activity 2008-02: Alternative HCV Homeownership Program

Description of Activity

VHA offers the monthly assistance homeownership option under the Housing Choice Voucher program. Partnering with Columbia Non-Profit's First Time Home Loan program and the Community Housing Resource Center, the option provides an incentive to families receiving Tenant-Based Voucher assistance to increase their earning potential and self-sufficiency as they move toward expanded housing choices through home ownership.

VHA uses MTW authority to reduce the maximum term of homeownership assistance to ten years if the initial mortgage is 20 years or longer and seven years in other cases.

Current Status

The homeownership option was approved in 2008. Throughout 2010 VHA has done outreach to families in the HCV and Public Housing programs who may be eligible and has provided counseling to a number of families. There are currently two families who closed on their home loans in 2010.

Impact on Statutory Objective

The MTW component of the VHA HCV homeownership program is the shorter term of assistance. The anticipated impact is that families in the program will be motivated to increase their income and be able to retain their home after the assistance ends. To that end the metrics have been revised somewhat since first described in the FY 2009 Annual Plan. Family income will be tracked and the benchmark will be that incomes increase annually by at least 5%. In addition, families will be expected to be able to retain their home at the end of the period of assistance. Due to the nature of this activity, outcomes under this metric will not be seen for many years.

Plan Year Identified: FY 2008 Plan

Date Implemented: May 28, 2008

Primary Statutory Objective: Provide Incentive toward Economic Self-Sufficiency

Authorization Cited: Section D. 8. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643

Metrics:

Family Income
Rate of home retention

Baselines:

Income at home purchase
Number reaching maximum term

Benchmarks:

5% annual increase in income
75% retaining home after maximum term

Outcomes:

To be determined

Activity 2007-02: Alternate Required Reexamination Schedule

Description of Activity

VHA is utilizing authority granted under the MTW agreement to waive the required annual reexamination for Public Housing and the Housing Choice Vouchers within the MTW ACC. Beginning with reexaminations effective January 1, 2008 and continuing through the 2009 reporting year, 50% of families received a full review each year, the remaining 50% were contacted and required to complete a simple statement, but no change was made to their rent calculation unless their household composition has changed. Beginning in 2010 elderly and disabled families on fixed income changed to a required reexamination every three years. During years where a reexamination is not required the VHA will revise rent and housing assistance by applying current payment standards or utility allowances, and by applying the COLA published by the Social Security Administration. For households not considered elderly or disabled, or those that contain a Work-Able member in addition to the elderly or disabled member/s, an annual reexamination will be required. The primary reason this change was adopted was to provide any benefit to families from annual revisions to payment standard and utility allowance schedules while still retaining the cost reductions

Current Status

The activity was in effect throughout the reporting year

Impact on Statutory Objective

This activity will result in considerable cost reductions through reduced staff time required for reexaminations. The metrics are unchanged from last year, but due to the changes in the policy implemented for 2010 the benchmarks should be probably be adjusted. Changes in program size also contributed to poorer than anticipated outcomes. However the 12% reduction in required reexaminations over 2007 numbers represents a staffing cost savings of 956 hours or \$28,514 in 2010 staffing costs. MTW Activity 2009-13 has apparently resulted in some reexaminations being coded as required annuals instead of interims. This can be seen in the significant reduction in the number of interim reexaminations in 2010 over the 2007 baseline. If we assume the “missing” interims are appearing as required reexaminations in 2010, then the cost savings is at least doubled and we would be close to the benchmark.

Plan Year Identified: FY 2007 Plan

Date Implemented: January 1, 2008

Primary Statutory Objective:

Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited:

Sections C. 4. and D. 1. c. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived:

Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(5) of the 1937 Act and 24 C.F.R. 960.257 & 982.516

Metrics:

Number of required re-exams

Number of interim re-exams

Baselines:

2,349 required re-exams in 2007, representing 7,963 hours of staff time

947 interim re-exams in 2007

Benchmarks:

50% reduction in required re-exams

Interims will stay below 1,184

Outcomes:

2,080 required re-exams in 2010, a reduction of 12% over 2007, a cost savings of \$28,514

458 interim re-exams in 2010

Activity 1999-08: No Flat Rent Option Offered in Public Housing

Description of Activity

VHA’s initial program utilizing the MTW demonstration was to implement time limits and a mandatory self-sufficiency program. This was intended in part to turnover badly needed subsidized housing units and create more opportunities for applicants on the waiting list. When the flat rent option was introduced under the Quality Housing and Work Responsibility Act (QHWRA) VHA determined that it would be counter to VHA’s goals and it was decided to not implement flat rents. Instead VHA continues to use ceiling rents and to limit occupancy for residents at ceiling rent to one-year. Retaining higher income residents in Public Housing projects makes sense for some communities, but in Clark County, with our long waiting lists and the stock of tax-credit housing, it makes more sense to require higher income residents to move on.

Current Status

This activity has been in effect since VHA entered the MTW demonstration in 1999.

Impact on Statutory Objective

This activity provides some administrative savings through the elimination of the need to offer the flat rent option to all residents each year and the associated notifications, communication and documentation. More importantly however, it encourages residents who have attained higher incomes to move to private housing and create vacancies for applicants.

We are seeing a major drop in the number of families reaching ceiling rent and exiting due to the ceiling rent policy compared to previous years under this policy. We believe this is primarily due to the slow economy and the high unemployment rate in Clark County in 2010.

Plan Year Identified: 1999 MTW Agreement

Date Implemented: April 1, 1999

Primary Statutory Objective: Increase Housing Choice for Low-Income Households

Authorization Cited: Section C. 11. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 3(a)(2) of the 1937 Act and 24 C.F.R. 960.253

Metrics:

Number of families at ceiling rent
Number of exits due to ceiling rent

Baseline:

zero
zero

Benchmark:

Ten
Five annually

Outcome:

One as of 12/31/2010
Zero reported

Activity 1999-09: No Earned Income Disallowance in Public Housing

Description of Activity

As in the case of the flat rent policy, this activity began when the VHA chose to use authorization under the MTW demonstration to not implement an element of the Quality Housing and Work Responsibility Act. In VHA's earlier MTW self-sufficiency program all families with new earned income were able to have that income apply toward an escrow account. If the newly earned income had been disallowed, then it would not have contributed to the escrow account. It was decided that building an asset was a more effective tool for eventual self-sufficiency than a temporary disallowance of income. The mandatory program no longer exists, but VHA still offers an escrow account through the Public Housing FSS program.

Current Status

This activity was also unintentionally left out of the description of ongoing MTW activities in the VHA FY 2009 MTW Annual Plan. In 2009 VHA reevaluated whether to continue this activity and decided that the cost savings achieved by not disallowing first time earned income outweighed any possible benefit of providing incentive toward self-sufficiency.

Impact on Statutory Objective

Measuring the impact of this activity will be challenging as VHA does not have any baseline data regarding the cost of providing an earned income disallowance. Beginning in 2010 VHA recorded all cases where an eligibility action would have resulted in disallowance under the conventional rule. We have also obtained information from another MTW Agency that estimates they spend 20 hours annually tracking each disallowance. Assuming 12 potential actions that would have required tracking if we did not have this MTW activity, that equals a savings of 240 hours of staff time. At our current staffing cost for Public Housing eligibility, that represents a cost savings of \$9,048.

Plan Year Identified: 1999 MTW Agreement

Date Implemented: April 1, 1999

Primary Statutory Objective: Achieve Programmatic Efficiency and Reduce Costs

Authorization Cited: Section C. 11. of Attachment C of the MTW Agreement

Provision of Act or Regulation Waived: Certain provisions of section 3(a)(2) of the 1937 Act and 24 C.F.R. 960.255

Metrics:

Number of actions that would have resulted in a disallowance

Baseline:

zero

Benchmark:

Five annually

Outcome:

Twelve potential actions in 2010, a cost savings of \$9048

Table Summarizing MTW Activity Metrics and Outcomes

TABLE 6
Summary of Ongoing MTW Activity

Activity Number	Activity Name	Statutory Objective	Anticipated Impact	Metric	Baseline	Benchmark	Outcome	Authorization Cited	Hardship Information
2010-01	Community Involvement and Educational Initiative	Incentive toward self-sufficiency	Provide experiences and opportunities for growth	Earned income of Work-Able households Work-Able households with earned income	\$16,102 average earned income 46.52 % with earned income as of 12/2009	10% increase in earned income 20% Increase in household with earned income after 2 years	Program implemented in 2010, first measurable outcomes in 2011 Report.	Section E. of Attachment C	Not applicable
2010-02	Skyline Crest Campus of Learners	Incentive toward self-sufficiency	Increase educational attainment	The initial metric is the number of completed success plans	Zero	90 households completing a family success plan after one year	27 families have completed their plans	Sections C. 5. & C. 10. of Attachment C	Not applicable
2010-04	Local Preference for Applicants without subsidy	Efficiency and cost reduction	Reduce costs through reduced Public Housing turnovers	The number of applicants on waiting lists without this preference	The estimated number of turnovers that would have occurred	A Eight fewer unit turnovers annually	Two fewer unit turnovers attributed to this activity in 2010	Sections C. 2. & D. 4. of Attachment C	Not applicable
2009-02	Imputed TANF for voluntary grant closures	Incentive toward self-sufficiency	Remove disincentive to comply with TANF	Number of households with imputed TANF	Zero	Two Annually	Five instances of imputed TANF	Sections C. 11. & D. 2. of Attachment C	No hardship requests received in 2010
2009-03	Assets less than \$5,000 not verified	Efficiency and cost reduction	Reduce staff time spent on verification	Number of assets requiring verification Percentage of assets above \$5,000	3,850 assets requiring verification in 2007 1.27% (49 of 3850)	385 reported assets requiring verification, a reduction of 90% Remain above 1%	82 reported assets required verification 4,730 reported assets did not require verification	Sections C. 4. & D. 3. B. of Attachment C	Not applicable
2009-06	Alternate HCV HQS inspection schedule	Efficiency and cost reduction	Reduce staff time spent on inspections	Number of HQS inspections performed	3,398 HQS inspections in 2008	A 30% reduction in inspections performed annually	2,084 HQS inspections performed in 2010	Section D. 5. of Attachment C	Not applicable
2009-07	Investing in State permitted instruments	Efficiency and cost reduction	Increased return on investments	Interest rate on funds invested Actual gains	Rate at previous institution - 0.2% Zero	Increase by one point or more	0..7% - \$19,600	Section B. 5. of Attachment C	Not applicable
2009-08	Simplified HCV utility allowance schedule	Incentive toward self-sufficiency	Participants will chose energy efficient units	The percent of units built since 1980. The percentage of single-family units	59.60% 25.02% of units are single-family	Increase to 65% after 2 years Decrease to 23% after 2 years	62.38% as of 12/31/2010 25.29% of units are single family houses	Section D. 2. a. of Attachment C	Four hardship requests received in 2010
2009-09	Limited utility allowance payments	Incentive toward self-sufficiency	Increased participation in self-sufficiency program	Number with a UAP Number with a stopped UAP Number in a self-sufficiency program	127 0 1	95 32 10	49 as of 12/31/2010 28 as of 12/31/2010 16	Sections C. 11. & D. 2. of Attachment C	Four hardship requests received in 2010
2009-10	Replacement of medical expense deduction	Efficiency and cost reduction	Reduce staff time spent on verification	Number of verifications required for medical and imputed cost savings	183 in FY2007	118 in 2010, a 90% reduction	100 in 2010. Imputed cost saving are \$6,314 in staff time and postage	Sections C. 11. & D. 2. of Attachment C	15 hardship requests received in 2010

TABLE 6 (continued from previous page)
Summary of Ongoing MTW Activity

Activity Number	Activity Name	Statutory Objective	Anticipated Impact	Metric	Baseline	Benchmark	Outcome	Authorization Cited	Hardship Information
2009-11	40% maximum family share for ongoing tenancy in HCV	Incentive toward self-sufficiency	Increased participation in self-sufficiency program	Number of families choosing a self-sufficiency program Number paying more than 40%	zero 1,047	Five by 12/31/2010 5% reduction annually (995 after first year)	Zero 368 as of 12/31/2010	Section D. 2. a. of Attachment C	No hardship requests received in 2010
2009-13	Next re-exam 12 months after interim	Efficiency and cost reduction	Reduce staff time spent on reexamination	Number of required re-exams Number of interim re-exams	1,268 required re-exams in 2009, 956 interim re-exams in 2009	A reduction of 200 in the number of required and interim re-exams (for a total of 2,024)	2,080 required re-exams in 2010 and 458 interims for a total of 2538 reexaminations	Sections C. 4. & D. 1. c. of Attachment C	Not applicable
2009-15	Owners in HCV restricted to annual increase	Efficiency and cost reduction	Reduce staff time spent on approvals	Number of rent increase actions Number of active owners	495 in 2008 864 active owners	A 10% reduction to 445 No change attributable to this activity	237 rent increase actions in 2010 842 Active owners as of 12/2010	Section D. 2. a. of Attachment C	Not applicable
2009-16	Renter education required for applicants	Increase housing choice	Improved leasing success and reduced evictions	HCV success rate HCV days to lease Negative program exits in PH & HCV	87% 45 days 23 PH, 63 HCV (2 point increase 10% reduction 10% reduction	90.38% success rate 34 days to lease 22 PH & 82 HCV Negative Exits	Sections C. 2. & D. 4. of Attachment C	Not applicable
2009-19	Separate waiting list for assisted living facility	Increase housing choice	Needed to house underserved population	Number of Applicants	Zero	Enough applicants to fill vacancies	Two applicants as of 12/31/2010	Section C. 1. of Attachment C	Not applicable
2008-01	Project based vouchers tied to services	Increase housing choice	Provide housing to an underserved population	Number of units Number meeting case management goals Increase in family Income & rent	zero zero Family income at lease-up	50 At least 50% of exits meeting goals Family Income increased by 50% at exit	Utilization slightly below 50 in 2010 16 of 29 exits met goals (55%) Information not available at exit	Sections D. 2. D., D. 4. & D. 7. of Attachment C	Not applicable
2008-02	Alternative HCV homeownership program	Incentive toward self-sufficiency	Increased family income and shorter term	Family Income Rate of home retention	Income at home purchase Number reaching maximum term	5% annual increase in income 75% retaining home after maximum term	To be determined	Section D. 8. of Attachment C	Not applicable
2007-02	Alternate required reexamination schedule	Efficiency and cost reduction	Reduce staff time spent on reexamination	Number of required re-exams Number of interim re-exams	1268 required re-exams in 2009, 956 interim re-exams in 2009	A reduction of 200 in the number of required and interim re-exams (for a total of 2024)	2,080 required re-exams in 2010 and 458 interims for a total of 2,538 reexaminations	Sections C. 4. & D. 1. c. of Attachment C	Not applicable
1999-08	No flat rent option in Public Housing	Increase housing choice	Increase turnover to provide housing to new families	Number at ceiling rent Number of exits due to ceiling rent	zero zero	10 Five annually	One as of 12/31/2010 Zero reported	Section C. 11. of Attachment C	Not applicable
1999-09	No earned income disallowance in Public Housing	Efficiency and cost reduction	Reduce staff time tracking disallowances	Number that would have required EID	Zero	Five annually	Not available until FY 2010 Report	Section C. 11. of Attachment C	Not applicable

SECTION VII. SOURCES AND USES OF FUNDING

A. Planned vs. Actual Sources and Uses of MTW Funds

Table 7 shows the planned vs. actual sources and uses of the three funding streams that together make up the MTW single fund. Administrative expenses in Public Housing, which include maintenance staff salaries, were over budget primarily due to higher staffing cost. Full implementation of Asset Management was more costly than the former centralized model. New property management teams had to be set up. As the area teams get used to the new decentralized system we anticipate cost reductions in the coming years.

Section 8 HAP spending was lower than budget for two reasons, 89 new vouchers provided for PH disposition units did not lease up as fast as we had anticipated, and lower overall voucher lease-up than anticipated. As the real estate market slowed we did not sell as many single-family homes. Excess HAP funds go into reserves and will be spent on future HAP payments and other planned MTW activity.

TABLE 7
Planned vs. Actual MTW Funds

Sources	Housing Choice Vouchers			Public Housing			Capital Fund			Total MTW		
	Actual	Planned	Variance	Actual	Planned	Variance	Actual	Planned	Variance	Actual	Planned	Variance
Rental Income	-	-	-	1,348,103	1,421,429	(73,326)	-	-	-	1,348,103	1,421,429	(73,326)
HUD and Other Grants	11,827,887	11,533,400	294,487	1,625,415	1,634,580	(9,165)	227,369	334,890	(107,521)	13,680,671	13,502,870	177,801
HUD Capital Grants	-	-	-	-	-	-	220,997	-	220,997	220,997	-	220,997
Other Revenue	1,625,385	1,555,198	70,187	21,321	44,314	(22,993)	78,799	91,928	(13,129)	1,725,506	1,691,440	34,066
Investment Income	27,935	50,000	(22,065)	18,596	14,030	4,566	-	-	-	46,531	64,030	(17,499)
Transfer from/to Reserves	(597,956)	420,000	(1,017,956)	-	65,004	65,004	-	-	-	(597,956)	485,004	(1,082,960)
Public Housing Sales Proceeds	-	-	-	2,018,650	-	2,018,650	-	-	-	2,018,650	-	2,018,650
Total	12,883,251	13,558,598	(675,347)	5,032,086	3,179,357	1,852,729	527,165	426,818	100,347	18,442,502	17,164,773	1,277,729
Uses												
Administrative Expenses	1,880,090	1,981,035	(100,945)	1,913,671	1,759,401	154,270	294,526	399,352	(104,826)	4,088,286	4,139,787	(51,501)
Maintenance	6,392	6,000	392	860,119	854,659	5,460	43	-	43	866,553	860,659	5,894
Utilities	-	-	-	379,123	349,360	29,763	-	-	-	379,123	349,360	29,763
Insurance and other Expenses	22,318	3,464	18,854	73,565	94,226	(20,661)	11,600	-	11,600	107,483	97,690	9,793
Housing Assistance Payments	10,769,680	11,533,400	(763,720)	-	-	-	-	-	-	10,769,680	11,533,400	(763,720)
Interest Expense	-	-	-	436	-	436	-	-	-	436	-	436
Principle Payment	-	-	-	1,033	1,033	-	-	-	-	1,033	1,033	-
Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Capital Improvements	90,136	-	90,136	60,090	-	60,090	220,997	-	220,997	371,223	-	371,223
Adjustments	-	-	-	2,017,704	-	2,017,704	-	-	-	2,017,704	-	2,017,704
Transfer to (from)	-	-	-	(270,000)	(270,000)	-	-	-	-	(270,000)	(270,000)	-
Total	12,768,615	13,523,899	(755,283)	5,035,741	2,788,679	2,247,063	527,165	399,352	127,813	18,331,522	16,711,929	1,619,592
Difference	114,635	34,699	79,936	(3,655)	390,678	(394,333)	-	27,466	(27,466)	110,981	452,844	(341,863)

B. Planned vs. Actual Sources and Uses of State or Local Funds

Table 8 details sources and uses of funds for State and local activities. This consists primarily of the 2,049 rental units of Workforce Housing owned by the VHA.

Major activities in 2010 included capital improvements at the Springbrook and Parklane properties. We also completed the agency's computer and phone system upgrade, which were partially paid from local funds.

C. Planned vs. Actual Sources and Uses of the COCC

Beginning in 2010, we rolled Public Housing COCC into State and Local Funds area as permitted under FDS rules.

D. Cost Allocation or Fee-for-Service

No deviations were made from the 1937 Act to allocate costs.

E. Planned vs. Actual Use of Single-Fund Flexibility

VHA used single-fund flexibility amongst all three Federal programs of Housing Choice Voucher (HCV), Capital Fund Program and Low Rent Public Housing in the following manner.

HCV

As a Section 8 Block Grant agency, we spent the annual funding allocation between HAP and Administrative fees in a manner to meet our program goals while serving approximately the same number of families. We did not use HCV funds towards the creation of additional affordable housing in 2010, but intend to do so in future years as permitted in the Agreement.

Capital Fund Program

We continued to use CFP to help fund adult and children education programs at the Rise and Stars Community Center. The majority of funds went towards physical rehabilitation of property.

Low Rent Public Housing

We utilized Public Housing operating funds to help pay for activities promoting resident empowerment and self sufficiency through tenant education and counseling.

TABLE 8
Planned vs. Actual State or Local Funds

Sources	Actual	Planned	Variance
Rental Income	17,178,725	17,445,466	(266,740)
HUD and Other Grants	1,010,394	487,716	522,678
HUD Capital Grants	-	-	-
Other Revenue	4,293,699	4,370,034	(76,335)
Investment Income	3,106,998	3,151,237	(44,239)
Transfer from/to Reserves	1,279,135	582,800	696,335
Total	26,868,951	26,037,253	831,698
Uses			
Administrative Expenses	8,820,702	9,115,791	(295,089)
Maintenance	1,995,654	1,755,487	240,166
Utilities	1,666,021	1,652,838	13,184
Insurance and other Expenses	2,048,327	1,638,059	410,268
Housing Assistance Payments	35,135	48,000	(12,865)
Interest Expense	8,305,094	8,340,845	(35,751)
Principle Payment	2,044,347	2,044,347	-
Replacement Reserves	685,728	685,728	-
Capital Improvements	1,141,053	-	1,141,053
Adjustments	71,654	332,844	(261,190)
Transfer to (from)	270,000	270,000	0
Total	27,083,716	25,883,939	1,199,777
Difference	(214,764)	153,314	(368,078)

F. Planned vs. Actual Reserve Balances

Table 9 is a comparison of reserve level between March 31, 2009 and December 31, 2010. HCV and Low Rent Public Housing reserves have remained stable for the past year. Other Federal programs also remained stable. Local Program reserves included a bond issue balance of \$9 million in 2009 which has now been spent on renovation of three locally developed market rate projects: Fishers Mill, Cougar Creek, and Willow Creek.

TABLE 9
Reserve Balances

Program	3/31/2009	12/31/2010
HCV	\$3,062,855	\$4,330,894
Low Rent	\$1,417,371	\$2,783,820
Other Federal Funds	\$790,050	\$702,876
Local Programs	\$20,107,073	\$10,950,962

G. Actual Sources and Uses by AMP

Table 10 shows all three Public Housing AMPs and a separate fund to track the disposition of 89 Public Housing single-family homes. The VHA requested and has received approval from HUD to rearrange its AMP structure effective January 1, 2011. The following financial information reflects this new unit combination.

Although AMP 1 shows a negative cash flow, from an operational standpoint, the project ended the year close to break even. All three AMP's contributed financially to the FSS efforts using single fund flexibility as described above.

TABLE 10
Sources and Uses by AMP

Sources	AMP 1		AMP 2		AMP 3		PH Disposition	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Rental Income	554,668	598,581	610,075	653,665	182,761	169,184	600	-
HUD and Other Grants	699,549	682,311	642,772	756,475	283,094	195,793	-	-
HUD Capital Grants	-	-	-	-	-	-	-	-
Other Revenue	8,581	16,034	10,470	23,678	2,271	4,602	-	-
Investment Income	4,613	5,856	4,532	6,493	1,592	1,681	7,859	-
Transfer from/to Reserves	-	65,004	-	-	-	-	-	-
Public Housing Sales Proceeds	-	-	-	-	-	-	2,018,650	-
Total	1,267,410	1,367,786	1,267,849	1,440,311	469,717	371,260	2,027,110	-
Uses								
Administrative Expenses	823,182	737,058	834,153	791,232	199,388	231,111	56,949	-
Maintenance	376,089	352,678	354,482	390,949	125,847	111,031	3,700	-
Utilities	162,106	147,404	200,251	159,567	16,498	42,389	268	-
Insurance and other Expenses	16,185	39,332	40,801	43,607	15,079	11,287	1,500	-
Housing Assistance Payments	-	-	-	-	-	-	-	-
Interest Expense	209	-	113	-	114	-	-	-
Principle Payment	-	1,033	1,033	-	-	-	-	-
Replacement Reserves	-	-	-	-	-	-	-	-
Capital Improvements	30,045	-	30,045	-	-	-	-	-
Adjustments	-	-	17,006	-	-	-	2,000,697	-
Transfer to (from)	-	-	(270,000)	(270,000)	-	-	-	-
Total	1,407,816	1,277,505	1,207,883	1,115,355	356,927	395,818	2,063,115	-
Difference	(140,406)	90,280	59,966	324,956	112,791	(24,558)	(36,005)	-

SECTION VIII. ADMINISTRATIVE

A. Correction or Elimination of Observed Deficiencies

VHA had no cited deficiencies requiring correction in FY 2010.

B. Agency Directed Evaluations

The VHA has no agency directed evaluations outside of the required elements in the Annual MTW Plan and Report.

C. Performance and Evaluation Report for Non-MTW Capital Fund Activities

Not applicable, the entire VHA Public Housing portfolio along with the capital fund is in the MTW block grant.

D. Agency Certification

The VHA certifies that it has met the three statutory requirements of:

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