



homeforward

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YEAR 20

Moving to Work

ANNUAL REPORT

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YEAR 20

FY2019 Moving to Work ANNUAL REPORT

January 1, 2019 – December 31, 2019

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Section I. Introduction

Moving to Work (MTW) is a demonstration program that offers public housing authorities (PHAs) the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low income families by allowing exemptions from existing public housing and tenant-based Housing Choice Voucher rules. The program also permits PHAs to combine operating, capital, and tenant-based assistance funds into a single agency-wide funding source, as approved by the U.S. Department of Housing and Urban Development (HUD). The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary goals:

- 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; and
- Increase housing choices for families earning low-incomes.

Home Forward has been designated an MTW agency since 1998. In 2016, we signed a new agreement with HUD that will ensure our participation in the program until 2028, providing a long horizon to implement, test, and assess new initiatives and approaches to our work in support of the MTW program's goals.

Our Fiscal Year 2019 Moving to Work Report details how Home Forward has used this Moving to Work flexibility to achieve these goals and allowing us to respond quickly and specifically to the needs of our community.

Overview of the Agency's Long-Term MTW Goals and Objectives

Home Forward's mission is to assure that the people of the community are sheltered. Home Forward continues to promote, operate, and develop affordable housing that engenders stability, self-sufficiency, self-respect and pride in its residents and represents a long-term community asset.

Our Moving to Work designation, permitting regulatory flexibility, is the foundation to providing efficient and collaborative means to successfully house people of our community.

Home Forward has adopted a strategic plan to guide our work through 2020. The development of the strategic plan included input from staff, the board of directors, our Resident Advisory Committee, and community partners. Our strategic plan works towards our mission while our MTW status helps us meet these long-term goals.

One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and the neighborhoods it serves.

One Resource: There are deeper connections and continuity between the types of housing assistance we provide that allow us to meet the evolving needs of the people we serve.

One Agency: We build our skills and work together in ways that help us constantly evolve and improve our ability to serve our community.

One Community: The people we serve, our partners and the public see us as open, supportive and responsive to their needs, even when our resources are constrained.

One System: We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.

While Home Forward works towards housing our community with MTW flexibility, we also strive to hold ourselves accountable to our community, partners, and funders. Our goals reflect the significance and importance of serving our community, currently and for generations to come.

Overview of the Agency's MTW Goals and Objectives for the Year

Of the fifteen ongoing activities included in Home Forward's 2019 MTW Report, fourteen have been implemented and are achieving their goals, and one has not been implemented.

Home Forward's ongoing MTW activities continue to increase housing choice in our challenging rental market. During the past fiscal year, Home Forward received HUD approval to further expand our Housing Choice Voucher payment standard activity (Activity 13: Broaden range of approved payment standards) up to 160% of HUD's established Fair Market Rents to ensure voucher holders have the opportunity to reside in all of the neighborhoods we serve. The vacancy rate in the Portland metro region is up around 3.7% after hovering between 1-2% for a number of years while private market rents increase, on average, by 10.5%^[1]. Our broader payment standard range allows us to tailor payment standards more closely to the reality of the market in different neighborhoods. The number of families in FY2019 living in high opportunity neighborhoods increased by over 1,400 households from FY2016.

^[1] Fall 2019 The Apartment Report published by MultiFamily NW, The Association Promoting Quality Rental Housing, reporting period Spring 2019-Fall 2019

Based in part on Home Forward's MTW status and the flexibility it provides, A Home For Everyone, a regional coalition of jurisdictional and community partners that we are a part of, received certification from the U.S. Interagency Council on Homelessness' of meeting the White House Mayors Challenge to End Veterans Homelessness^[2]. We were the first west coast community to receive this certification.

To help voucher holders find homes during our community's declared housing crisis, we committed funds through our Moving To Work single-fund flexibility that was matched by the City of Portland to help new voucher holders with housing search expenses. The Voucher Success Fund's two pilot programs, the Security & Success Loan and Housing Search Advocates, have decreased average lease-up time from 77 to 52 days and have increased lease up for participants to over 90%, compared to around 78% for general voucher holders.

Using single-fund flexibility, Home Forward continues to partner with a local non-profit, Metropolitan Public Defenders, to provide legal consulting to participants and residents. The Record Relief and Expungement program helps reduce barriers for communities that are historically and currently disproportionately affected by the criminal justice system. To date, 758 participants, residents, and people on our waitlists have benefitted from this innovative program. This Home Forward pilot project is now being replicated locally and recognized nationally.

The new Tenant-Based Voucher Set Aside Policies were not implemented in FY2019 because we are not currently distributing vouchers due to market pressures and prorated federal funding. Home Forward expects to resume allocating these vouchers in FY2020.

Our Alternative Initial Housing Assistance Payment (HAP) Policy was never implemented. The policy was designed to attract new landlords to the program by making the lease up process easier but once we began vetting the activity for implementation, it became clear that it would be too administratively burdensome and confusing for participants and landlords to administer. This activity is now considered closed.

^[2] The challenge asks communities to get to "functional zero" which means veterans experiencing homelessness are housed within 90 days of identification, no veterans are searching for housing in a 90-day period, and that the number of veterans entering housing exceeds the number becoming homeless.

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Overview of Non-MTW Activities

Home Forward's goals and objectives for FY2019 also included a number of activities that do not require MTW flexibility but are key to continuing to be innovative in the ways we serve our community.

Regional Efforts

Home Forward worked closely with our three neighboring housing authorities, as well as with the three local Workforce Investment Boards. The goal was to identify and pursue strategies that are regional in nature and increase residents' abilities to view the Portland Metro area as a single region with respect to housing, jobs, and education. We have several activities under this umbrella:

- **Sharing jurisdiction with Clackamas County** – In July 2012, Home Forward and the Housing Authority of Clackamas County (HACC) began testing the impact of sharing jurisdictions. Sharing jurisdictions has allowed families with vouchers from either housing authority the flexibility to use their voucher within Multnomah or Clackamas County without going through the portability process. While this effort did not require MTW authority, Home Forward pursued this activity with the hope of increasing administrative efficiency by reducing workload related to portability, as well as increasing housing choice for families. Effective July 31, 2015, 144 Home Forward families were living in Clackamas County with 56% of those living in low-poverty areas and 126 Housing Authority of Clackamas County participants had taken advantage of the shared jurisdiction and moved to Multnomah County. In October 2015, HUD determined the agreement was making HACC out of compliance with HUD regulations due to HACC not being an MTW agency; therefore, Home Forward's payments standards were outside HACC's allowable range and a higher threshold of gross income was used to determine affordability for the family share. Home Forward worked with HACC to dissolve the Memo of Understanding (MOU), which previously allowed participants to lease up in each other's jurisdiction without accessing portability. Beginning April 2016, Home Forward and HACC exchanged approximately 10 files each month and the household had to recertify their income and family composition, sign new leases, and have their unit inspected. The Housing Authority of each family's residing jurisdiction then absorbed the household. Home Forward households that choose to remain in Clackamas County are going through the portability process and vice versa.

All families were absorbed by their respective Housing Authority by June 2017. Home Forward continues to work with Clackamas County Housing Authority for cross-agency HQS inspections. A Memorandum of Understanding (MOU) was signed in April 2016 and renewed in 2018. The MOU allows either housing authority (the Issuing Housing Authority) to request initial, annual, re-inspections and landlord guarantee inspections from the other PHA (the Host Housing Authority). This mutually beneficial relationship is critical to the success of both PHA's Housing Choice Voucher program.

- **Mobility Counseling and Transportation Toolkit** – In 2013, Home Forward was awarded a grant from Metro, a regional governmental planning agency, to work collaboratively with the three metro-area housing authorities to develop tools to provide

mobility counseling to Housing Choice Voucher participants. The goal is to help reduce participants' combined housing and transportation costs and assist them in identifying housing locations with affordable transit options to further Fair Housing goals. Since April 2014, each housing authority introduced the transportation toolkit to participants as a part of transfer briefings or attend the initial program orientation.

- Expanding employment and training for housing authority residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards in our region, received a \$5.5 million, multi-year Workforce Innovation Fund grant from the Department of Labor in 2012 to provide training and employment opportunities to housing authority residents. This grant built upon a model that Home Forward and Worksystems, Inc. had been operating for several years. Home Forward received \$1.1 million to fund case management staff to support 270 residents as they accessed training and employment opportunities through the local WorkSource system in high demand occupations. Funds were also available to provide employment supports (such as assistance with transportation and childcare) for participating families. This grant funded project ended in April 2016.

We will continue to consider ways to partner and collaborate with our regional housing authorities and other community providers to maximize resources and efficiency in programs to help our residents and participants increase opportunity in housing, jobs, and education.

A Home for Every Veteran

In January 2015, the Executive Committee of a Home for Everyone adopted a plan (A Home for Every Veteran) that aimed to achieve the goal of functionally ending veteran homelessness. This plan was rooted in a belief that local initiative coupled with a meaningful increase in federal supports for affordable housing can result in a system that has the capacity to ensure that when veterans in our community experience homelessness it is rare, brief and one-time. On December 9th, 2016, the United States Interagency Council on Homelessness (USICH) together with the US Department of Housing and Urban Development and the Department of Veteran Affairs confirmed the City of Portland and Multnomah County were the first community on the west coast to meet the USICH criteria and benchmarks for functionally ending Veteran homelessness. While this certification does not mean there are no Veterans experiencing homelessness in our community, it does mean that we have a system with 1) the capacity to quickly identify and engage Veterans experiencing homelessness; 2) the ability to ensure that every newly discovered veteran living on the streets is offered immediate access to shelter and crisis services, while permanent stable housing and appropriate supports are being secured; and 3) the ongoing capacity to place Veterans into permanent housing at a faster pace than new Veterans are becoming homeless in our community.

Home Forward, across departments, committed to working with our jurisdictional and community partners to achieve the goal of A Home for Every Veteran:

- Increased supply and utilization of Veterans Affairs Supportive Housing Vouchers (VASH): Home Forward started with 70 VASH vouchers in 2009. This number has steadily increased over the last eight years. With the addition this year of 60

additional tenant-based VASH and 6 project-based VASH, we now have 591 authorized VASH vouchers, including 6 project-based VASH. Our average utilization for the year for VASH is 86%. Our utilization of VASH started the year at 91% but dropped with the addition of VASH vouchers in June. Our ability to aggressively utilize VASH vouchers in the face of increasingly challenging market conditions is the result of significant effort, investment and coordination amongst our jurisdictional and community partners. Home Forward continues to provide security deposit assistance, and Multnomah County funds additional flexible placement and retention assistance which can be used for any costs related to removing barriers related to lease-up, such as application fees, utility and housing debt, and transportation costs associated with housing search.

With the addition in FY2019 of 191 VASH vouchers, we now have 855 authorized VASH vouchers, including 30 project-based VASH. Our average utilization for the year for VASH is 75%. Our utilization of VASH started the year at 87% but dropped with the addition of VASH vouchers in April.

- Access to Units in our Affordable Housing Portfolio for Veterans with Tenant-Based Subsidies: The bulk of new housing resources in our community for Veterans have been in the form of tenant-based subsidies that require Veterans to find units where they can utilize the assistance. In response to A Home for Every Veteran, Home Forward committed to provide priority access to 50 units within our affordable housing portfolio, as they became vacant, for veterans with VASH vouchers or other veteran assistance, such as Supportive Services for Veteran Families. We surpassed our initial commitment, opening nearly 100 units to Veterans through this effort.
- Prioritized Access to Low-Barrier Permanent Supportive Housing: Home Forward created prioritized access for five units at the Apartments at Bud Clark Commons. These units provide a necessary resource for highly vulnerable Veterans experiencing homelessness who would be unlikely to find success in less supported housing environments.
- Permanent Housing Assistance for Veterans ineligible for VASH: Home Forward implemented a limited preference for our Housing Choice Voucher program for veteran households ineligible for VA health care. This preference for fifty households is matched with resources from the City of Portland to provide supportive services for the assisted Veterans.
- Increased Project-Based VASH: Home Forward awarded Project-based VASH vouchers to seven new developments (114 total units). These Project-Based VASH will use vouchers from our current allocation of 855, but the projects will create additional low-barrier units for Veterans. These units will begin coming online in FY 2018. Additionally, Home Forward successfully competed for six new Project-Based VASH for an existing Catholic Charities property. Four of these units are on-line, and the remainder are anticipated to lease up in calendar year 2020 (as turnover at the property makes units available.)

Home Forward awarded VASH vouchers to an additional three new developments, bringing the total number to 114 units awarded. Units began coming online in FY2018.

General Obligation (GO) Bonds – City of Portland and Metro Regional Government

City of Portland GO Bond: In November 2016, Portland voters passed the city's first housing bond, dedicating \$258.4 million to create 1,300 units of permanently affordable homes. In early 2017, the Portland Housing Bureau began acquiring properties to transform into affordable homes for Portlanders. 2019 saw the most progress under the Bond so far, with nine new projects announced, another moving into predevelopment, and two more that are already providing hundreds of homes for Portlanders.

Over the next several years the Portland Bond will meet the following goals: 1424 new units, 600 units for households at or below 30% of Area Median Income (AMI), 658 family sized units, 313 Permanent Supportive Housing units. Most of the 400 vouchers Home Forward has dedicated to Bond funded units have been allocated to projects.

Home Forward is participating in the Portland GO Bond in two ways:

- 1) Asset Management – Home Forward's asset management team is overseeing third-party property management on behalf of the City of Portland. As of December 2019, four properties have been included in Home Forward's asset management portfolio:
 - a) Ellington – 263 units
 - b) 105th & Burnside – 51 units
 - c) Westwind – 70 SRO units
 - d) Prescott – vacant house and land
- 2) Pre-Development Assistance – Home Forward's development and financing staff have contracted with a design firm to provide analysis of options for development of this site.
 - a) SE 30th and SE Powell – between 180 - 210 units of new construction anticipated.

Metro Regional GO Bond: Voters in the three-county area (including Multnomah County which is served by Home Forward) approved an affordable housing bond in November 2018. The Metro GO Bond plans to create 3,900 affordable units with 1,600 of these homes deeply affordable to households at or below 30% AMI. Half of the homes created will have two or more bedrooms to ensure access by families.

As of December 2018, it is anticipated that Home Forward will receive allocations in two areas:

1) Phase I project within the City of Portland – Recognizing Home Forward’s role as the Housing Authority representing Multnomah County, Metro requested Home Forward staff to prepare a proposal known as a “Phase I” project that would be ready to go early in the bond funding process. Home Forward selected Dekum Court as the site for major redevelopment which leverages the Section 18 disposition which HUD approved for the site. During Summer 2019, outreach updates to residents began and a design team was selected during Fall 2019. It is anticipated that construction of Phase 1 (the first forty replacement units) will occur during Summer 2022. After completion of Phase 1 construction, existing residents will move into their new units by Summer 2022. Demolition of the former Dekum Court will begin Fall 2022 and the construction of 160 units during Phase 2 will follow with an anticipated completion date of Spring 2024.

2) Eastern Multnomah County projects – Due to smaller population sizes, the three cities in eastern Multnomah County did not qualify for individual allocations of bond funding. Instead, Multnomah County and Metro have designated Home Forward as the jurisdictional partner to receive the bond allocation to cover approximately 111 units of affordable housing in this area. As of December 2018, Home Forward anticipates up to two properties will be developed - either new construction and/or acquisition of an existing property.) Initial community engagement to inform an implementation strategy was held during Spring 2019 and the Local Implementation Strategy was approved by the Metro Council during Fall 2019.

Block 45/NE Grand Development: The Louisa Flowers

Home Forward’s development team successfully competed in a City of Portland Notice of Funding Availability process to acquire property in NE Portland known as “Block 45”. 240 new apartments are now located in a transit-oriented location in the central city. A groundbreaking event in January 2017 marked the beginning of construction. A grand opening celebration was held in Fall 2019 with lease up underway. The name of the building (The Louisa Flowers) honors an early African American woman and her family who were Oregon Black Pioneers and lived approximately 10 blocks away from the new apartment building.

Rents are affordable in the following income ranges:

- 217 homes for households with incomes at or below 60% Median Family Income (MFI), and
- 23 homes for households with incomes at or below 50% MFI.

Of the 240 total, 20 homes have been assigned Section 8 project-based vouchers to assist with rental subsidy for those recovering from domestic violence. An enhanced outreach process during lease up has included an “equity navigator” position staffed by the third party property management company who has been assisting with the application process.

Public Housing Strategy

Home Forward operates 644 apartment homes as public housing, a specific subset of affordable housing that receives federal operating subsidy and capital funding. The buildings, and the deep rent subsidies they provide, are an important resource for Home Forward and the people we serve. Unfortunately, given waning federal support, mounting capital needs, and growing demand for affordable housing, the public housing program itself severely limits our ability to reinvest in these homes and meet the preservation challenges each apartment community faces. The reality is that the ongoing viability of this community resource is in jeopardy.

It is in the best interests of our residents, and the properties they call home, for Home Forward to pursue a transition from public housing subsidy to a type of Section 8 rent assistance for all of Home Forward's public housing communities. Section 8 provides more stable operating funding and allows Home Forward to use a conventional real estate model that leverages equity and debt to make vital and significant capital improvements. The process to convert public housing properties to Section 8 began with our **85 Stories** effort to preserve our ten high-rise public housing communities. The ten high-rises provide 1,232 housing units, which account for almost half of Home Forward's total public housing supply. They serve some of our most vulnerable community members: seniors and persons with disabilities. The buildings are well located and worthy of preservation. In May 2012, the critical needs in these ten high-rise buildings totaled \$80 million in capital improvements. If these properties were to continue to provide safe, decent and affordable homes, work needed to begin soon and to continue at an accelerated pace.

Several important policies continue to guide us as we undertake this complex and challenging initiative. We have developed these policies because of our work over the last 15 years, starting with our first HOPE VI redevelopment, to preserve this vital community resource.

Policy Guidelines for Subsidy Conversion

- 1) Continue to serve very low-income populations in these communities
- 2) Maintain ownership or control of the properties
- 3) Improve the physical and financial condition of the properties
- 4) Partner to optimize public and private resources on behalf of the properties and our residents

Home Forward has formulated a financing strategy for the improvements, grouping the work into multiple phases with the most critical needs addressed first.

Phase 1: HUD approved our proposal to change the operating subsidy at four of the buildings from public housing to project-based Section 8 funding. This subsidy change occurred in September 2013 and transfer to the LIHTC partnership (and the accompanying affordable housing lease up) was completed during FY2015. Construction completed in FY2016 at each of the first four properties: Northwest Tower & Annex, Gallagher Plaza, Hollywood East, and Sellwood Center.

On-going Phases: We are continuing our plans to make the change for the rest of our public housing portfolio. Home Forward is proposing two options to convert the public housing properties to Section 8 rent assistance: HUD's Section 18 demolition and disposition process or the Rental Assistance Demonstration (RAD), which could transition properties to project-based vouchers.

Home Forward submitted RAD applications for six properties (285 units) in May 2015 and received approval for RAD conversion in September 2015. An additional application for 31 properties (1,008 units) was submitted in July 2015 and HUD-issued CHAPs (Commitments to Enter into a Housing Assistance Payment) were received in August and October 2016.

Although the six remaining high-rise properties originally received RAD approval, Home Forward plans to include these properties with another three properties to submit Section 18 disposition proposals. The total unit count for the nine Section 18 properties equals 802 units. As of March 31, 2017, HUD and Home Forward remain in negotiations regarding the Section 18 disposition applications and anticipate resolution during summer 2017.

Two of the six properties that received RAD approval in September 2015 are Bud Clark Commons (130 units) and Madrona Place (45 units). We propose to project-base 100% of the units at these properties since the units serve Qualifying Families. Bud Clark Commons provides permanent supportive housing for highly vulnerable, formerly homeless individuals, as screened by four medical clinics using a vulnerability index tool. Services include advocacy and case management; medical, mental health and substance abuse treatment; and vocational, employment, money management and life skills training. Madrona Place is a family property with many Spanish-speaking households that include a large number of children as well as many single parent households. Home Forward provides a .5 FTE Resident and Community Service Coordinator with services focused on housing stability, increasing economic opportunity, and creating a sense of community for the entire family.

Remaining RAD Conversions Schedule

AMP (PH units)	Property Name	Total Public Housing Units in CHAPS	Converted 2018	Conversion FY19	Conversion Post FY19	85 Stories Group
OR002000237	Powellhurst	34		34		Group 6
OR002000121	Fir Acres	32			32	Group 7
OR002000337	Alderwood	20		20		Group 6
OR002000251	Tillicum North	18		18		Group 6
OR002000151	Tillicum South	12		12		Group 6
OR002000252	Hunters Run *	10		10		Group 6
OR002000122	Townhouse Terrace	32			32	Group 7
OR002000123	Stark Manor	30			30	Group 7
OR002000124	Lexington Court	20			20	Group 8
OR002000125	Eastwood Court	32			32	Group 7
OR002000126	Carlton Court	24			24	Group 7
OR002000131	Slavin Court	24			24	Group 8
OR002000132	Demar Downs	18			18	Group 7
OR002000138	Eliot Square	30	30			Group 5
OR002000142	Celilo Court	28			28	Group 7
OR002000152	Harold Lee Village	10		10		Group 6
OR002000153	Floresta	20		20		Group 6
OR002000203	Maple Mallory	48	48			Group 5
OR002000232	Bel Park	10	10			Group 5
OR002000236	Winchell Court	10	10			Group 5
OR002000332	Camelia Court	14	14			Group 5
OR002000336	Cora Park	10			10	Group 8
OR002000436	Chateau Apt.	10			10	Group 8
OR002000705	Scattered East A	7			7	Group 8
OR002000108	Peaceful Villa	70				Group 8

Remaining RAD Section 18 Conversions

AMP	Property Name	Total Public Housing ACC Units	Units in Section 18	85 Stories Group
OR002000111	Dekum Court	40	40	Group 9
#N/A	Dekum Addition		20	Group 9
OR002000114	Dahlke Manor	115	115	Group 7
OR002000113	Tamarack Apts.	120	120	Group 5
OR002000115	Holgate House	80	80	Group 8
OR002000117	Schrunk Rivertower	118	118	Group 5
OR002000118	Williams Plaza	101	101	Group 6
OR002000139	Medallion Apts.	90	90	Group 6
OR002000140	Ruth Haefner Plaza	73	73	Group 8

Section II. General Housing Authority Operating Information

A. Housing Stock Information

i. Actual New Project Based Vouchers

Tenant-based vouchers that the MTW PHA project-based for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) was in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS NEWLY PROJECT-BASED		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned *	Actual			
The Rose	57	57	Leased/Issued	Yes	
Biltmore Hotel	75	75	Leased/Issued	Yes	
Kenton Neighborhood	18	0	Leased/Issued	No	
NE 8th/Alberta Alive	25	0	Committed	No	
St. Mark's	20	0	Committed	No	
King Park Apts.	20	0	Committed	No	
N. Williams	40	0	Committed	No	
Butte Hotel	0	37	Leased/Issued	No	
Ankeny Square	0	100	Leased/Issued	Yes	
Sally McCracken	0	92	Leased/Issued	Yes	
Rosewood	0	21	Leased/Issued	Yes	
	255	382	Planned/Actual Total Vouchers Newly Project-Based		

* Figures in the "Planned" column should match the corresponding Annual MTW Plan. ** Select "Status at the End of Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:

Home Forward completed the RAD Phase II conversion of Single Room Occupancy Mod Rehab properties at four additional buildings: Butte Hotel, Ankeny Square, Sally McCracken, and Rosewood.

New construction is still in progress at the following properties: Argyle Gardens, King Park Apartments, and N. Williams. Home Forward expects these buildings to be Leased/Issued during calendar year 2020.

Subsidy layering reviews are taking place at NE 8th/Alberta Alive and Findley Commons. If approved, these buildings will become Leased/Issued during calendar year 2020.

ii. Actual Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Tamarack	120	120	Leased/Issued	Yes	Section 18 RAD Conversion
Schrunk Riverview Tower	118	118	Leased/Issued	Yes	
Camelia Court	14	14	Leased/Issued	Yes	
Eliot Square	30	30	Leased/Issued	Yes	
Maple Mallory	48	48	Leased/Issued	Yes	
Bel Park	10	10	Leased/Issued	Yes	
Winchell Court	10	10	Leased/Issued	Yes	
Beatrice Morrow	20	20	Leased/Issued	No	Portland Housing Bureau PBV NOFA of 2015, awarded 2016, Home Forward RFP award process
NW Raleigh	40	40	Leased/Issued	No	
Woody Guthrie	15	15	Leased/Issued	No	
The Jade	12	12	Leased/Issued	No	
RiverPlace	80	0	Committed	No	
72nd Foster	20	20	Leased/Issued	No	
NE Grand	20	20	Leased/Issued	No	
Garfield	28	0	Committed	No	New construction with Do Good Multnomah/NW Ventures. Will include 28 Project-Based VASH
585		477	Planned/Actual Total Existing Project-Based Vouchers		

* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

** Select "Status at the End of Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Existing Number of Vouchers Project-Based:

Garfield is new construction, still in progress

iii. Actual Other Changes to MTW Housing Stock in the Plan Year

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

ACTUAL OTHER CHANGES TO MTW HOUSING STOCK IN THE PLAN YEAR

N/A

iv. General Description of All Actual Capital Expenditures During the Plan Year

Narrative general description of all actual capital expenditures of MTW funds during the Plan Year.

GENERAL DESCRIPTION OF ALL ACTUAL CAPITAL EXPENDITURES DURING THE PLAN YEAR

<u>Community</u>	<u>Activity</u>	<u>Scattered Sites Sales Proceeds</u>	<u>Capital Fund</u>	<u>Asset Reposit ioning Fee</u>	<u>MTW Funds</u>	<u>% of Cap Fund</u>	<u>Total Expended</u>	<u>% of Total Expend ed</u>
PHA Wide	15% Administrative Allowance		\$973,529			10.04%	\$973,529	10.04%
Dekum Court	Sewer Line Repairs		\$24,501			0.25%	\$24,501	0.25%
Dekum Court	Abatement		\$10,427			0.11%	\$10,427	0.11%
Tamarack	Emergency Sewer Repairs		\$34,675			0.36%	\$34,675	0.36%
Tamarack	Flooring Abatement		\$20,278			0.21%	\$20,278	0.21%
Dahlke Manor	Appliances		\$20,256			0.21%	\$20,256	0.21%
Dahlke Manor	Asbestos Abatement		\$8,000			0.08%	\$8,000	0.08%
Holgate House	Appliances		\$5,507			0.06%	\$5,507	0.06%
Holgate House	Door Entry System		\$9,000			0.09%	\$9,000	0.09%
Schrunk Riverview Tower	Abatement		\$14,482			0.15%	\$14,482	0.15%
Schrunk Riverview Tower	Elevator Repair		\$50,000			0.52%	\$50,000	0.52%
Williams Plaza	Flooring Abatement		\$10,000			0.10%	\$10,000	0.10%
Williams Plaza	Appliances		\$16,703			0.17%	\$16,703	0.17%
Williams Plaza	Roofing Re-coat		\$4,000			0.04%	\$4,000	0.04%
Townhouse Terrace	New Fence		\$5,000			0.05%	\$5,000	0.05%
Lexington Court	New Fence		\$6,000			0.06%	\$6,000	0.06%
Demar Downs	Garbage Enclosure Repair		\$36,196			0.37%	\$36,196	0.37%
Medallion	Abatement		\$15,722			0.16%	\$15,722	0.16%
Medallion	Appliances		\$12,639			0.13%	\$12,639	0.13%
Ruth Haefner	Flooring and Abatement		\$24,000			0.25%	\$24,000	0.25%
Ruth Haefner	Roof Repair		\$5,000			0.05%	\$5,000	0.05%
Ruth Haefner	Door Entry System		\$20,000			0.21%	\$20,000	0.21%
Celilo Court	Sidewalk Repair		\$15,000			0.15%	\$15,000	0.15%

Celilo Court	Windows Replacement		\$10,280			0.11%	\$10,280	0.11%
Celilo Court	Parking Lot Restriping		\$5,100			0.05%	\$5,100	0.05%
Floresta	Office Furnace Replacement		\$6,000			0.06%	\$6,000	0.06%
Maple Mallory	Radon Mitigation		\$60,000			0.62%	\$60,000	0.62%
Maple Mallory	Boiler Replacement		\$9,000			0.09%	\$9,000	0.09%
Winchell Court	Radon Mitigation		\$30,000			0.31%	\$30,000	0.31%
Powellhurst	Sewer Line Repairs		\$5,000			0.05%	\$5,000	0.05%
Camelia Court	Radon Mitigation		\$30,000			0.31%	\$30,000	0.31%
Various Properties	PH Discretionary Project Funds		\$571,405			5.89%	\$571,405	5.89%
*Various Properties	Major Systems Upgrades - 85 Stories Projects		\$7,626,339			78.67%	\$7,626,339	78.67%
Total Capital Expenditures Budget			\$9,694,039			100%	\$9,694,039	100%

B. LEASING INFORMATION

i. Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

NUMBER OF HOUSEHOLDS SERVED THROUGH:	NUMBER OF UNIT MONTHS OCCUPIED/LEASED*		NUMBER OF HOUSEHOLDS SERVED**	
	Planned^^	Actual	Planned^^	Actual
MTW Public Housing Units Leased	11,172	9,25611,808	931	984
MTW Housing Choice Vouchers (HCV) Utilized	103,524	101,934109,128	8,627	9,094
Local, Non-Traditional: Tenant-Based	1,839	2,292	116	191
Local, Non-Traditional: Property-Based	60	60	5	5
Local, Non-Traditional: Homeownership	0	0	0	0
Planned/Actual Totals	116,145	113,542123,288	9,679	10,274

* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA planned to have leased/occupied in each category throughout the full Plan Year (as shown in the Annual MTW Plan).

** "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year (as shown in the Annual MTW Plan).

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

Please describe any differences between the planned and actual households served:

Higher than expected households served on MTW Public Housing Units Leased as a result of unit turnover. Higher than expected households served on MTW HCV is the result of additional SRO/MOD RAD Phase II conversions, Mainstream voucher award, and additional project-based voucher leasing.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	NUMBER OF UNIT MONTHS OCCUPIED/LEASED*		NUMBER OF HOUSEHOLDS TO BE SERVED*	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based	Assistance/14	1,389	1,7332,292	116	191
Property-Based	Assistance/14	60	60	5	5
Homeownership	N/A	N/A	N/A	N/A	N/A
Planned/Actual Totals		1,449	1,7932,352	121	196

* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

HOUSEHOLDS RECEIVING LOCAL, NON-TRADITIONAL SERVICES ONLY	AVERAGE NUMBER OF HOUSEHOLDS PER MONTH	TOTAL NUMBER OF HOUSEHOLDS IN THE PLAN YEAR
14 Program Based Assistance / Client Services	Less Than 1	2

ii. Discussion of Any Actual Issues/Solutions Related to Leasing

Discussion of any actual issues and solutions utilized in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ACTUAL LEASING ISSUES AND SOLUTIONS
MTW Public Housing	Due to the shortage of subsidized units throughout the county, we continue to have long waiting lists and subsequently have no issues leasing units. We consistently maintain a 98% occupancy rate.
MTW Housing Choice Voucher	Several years of a tight rental market have made it difficult for voucher holders to find affordable housing. To support voucher holders in their search, we have been offering deposit assistance to participants that complete a tenant education class taught by a community organization.

	<p>With the current rental market's low vacancy rates, participants continue to face barriers in utilizing their voucher; 84.2% of voucher holders were able to successfully utilize their voucher. Of those successfully able to utilize their voucher, 76.8% were able to do so in the initial 120 days provided by Home Forward. In 2019, HUD adopted new Fair Market Rents that allowed Home Forward to increase payment standards in an attempt to increase leasing success. Additionally, Home Forward continued two pilot programs to help participants pay for Security Deposits; one program is a tenant education class, which provided a one-time payment toward a security deposit, and the other is a loan program available to households making more than 30% AMI.</p> <p>Home Forward contracts with social service agencies who have an expertise in housing placement. The goal is to provide housing search and placement assistance for households who would otherwise have lost their voucher and to shorten the housing search time by overcoming potential barriers to lease up. Limited financial assistance is available for application fees or security deposit assistance.</p>
Local, Non-Traditional	There were no issues utilizing funds in our Local, Non-Traditional Programs. Due to escalating rent increases outpacing income gains, we are seeing households need longer periods of assistance in order to stabilize resulting in fewer unduplicated households being served.

C. WAITING LIST INFORMATION

i. Actual Waiting List Information

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The "Description" column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	WAS THE WAITING LIST OPENED DURING THE PLAN YEAR
MTW Public Housing	Site-based	13,799	Opened*	Yes
MTW Housing Choice Voucher	Community-Wide	2,498	Opened*	No
MTW Housing Choice Voucher	Site-Based	18,555	Opened*	Yes
Traditional MTW Program	Other	0	Closed	No
Traditional MTW Program	Site-Based	0	Closed	No

Please describe any duplication of applicants across waiting lists:

285 households are duplicated across the MTW Public Housing and MTW Housing Choice Voucher (Community-Wide) waitlists. The MTW Housing Choice Voucher (Site-Based) is a Project-Based voucher waitlist (see Activity 10), with waitlists kept by partner agencies administering the PBV contract. Additional households may be duplicated between MTW Public Housing, MTW Housing Choice Voucher (Community-Wide) and MTW Housing Choice Voucher (Site-Based).

ii. Actual Changes to Waiting List in the Plan Year

Please describe any actual changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF ACTUAL CHANGES TO WAITING LIST
MTW Public Housing	Both waiting lists were opened from October 24, 2019 through October 28, 2019. The MTW HCV Site-Based waitlist opening applied to those buildings which Home Forward owns and manages. A total of 9,048 households submitted applications during this waitlist opening.
MTW Housing Choice Voucher (site-based)	

D. INFORMATION ON STATUTORY OBJECTIVES AND REQUIREMENTS

i. 75% of Families Assisted Are Very Low Income

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual families housed upon admission during the PHA's Plan Year reported in the "Local, Non-Traditional: Tenant-Based"; "Local, Non-Traditional: Property-Based"; and "Local, Non-Traditional: Homeownership" categories. Do not include households reported in the "Local, Non-Traditional Services Only" category.

INCOME LEVEL	NUMBER OF LOCAL, NON-TRADITIONAL HOUSEHOLDS ADMITTED IN THE PLAN YEAR
80%-50% Area Median Income	0
49%-30% Area Median Income	196148
Below 30% Area Median Income	0
Total Local, Non-Traditional Households Admitted	196148

Note: Households are required to be at or below 50% area median income to be eligible to receive assistance through Home Forward's local, non-traditional program. Referrals are made through partner agencies who verify eligibility, but Home Forward doesn't track household income levels and our partner agencies don't provide income data when submitting data for the households they serve as part of these programs.

ii. Maintain Comparable Mix

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

BASELINE MIX OF FAMILY SIZES SERVED (upon entry to MTW)					
FAMILY SIZE	OCCUPIED PUBLIC HOUSING UNITS	UTILIZED HCVs	NON-MTW ADJUSTMENTS*	BASELINE MIX NUMBER	BASELINE MIX PERCENTAGE
1 Person	1,411	1,964	0	3,375	42.4%
2 Person	410	1,296	0	1,706	21.4%
3 Person	342	925	0	1,267	15.9%
4 Person	232	608	0	840	10.5%
5 Person	136	292	0	428	5.4%
6+ Person	97	254	0	351	4.4%
TOTAL	2,628	5,339	0	7,967	100.0%

* "Non-MTW Adjustments" are defined as factors that are outside the control of the MTW PHA. An example of an acceptable "Non-MTW Adjustment" would include demographic changes in the community's overall population. If the MTW PHA includes "Non-MTW Adjustments," a thorough justification, including information substantiating the numbers given, should be included below.

Please describe the justification for any "Non-MTW Adjustments" given above:

MIX OF FAMILY SIZES SERVED (in Plan Year)				
FAMILY SIZE	BASELINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	42.4%	5,703	55.5%	31.1%
2 Person	21.4%	1,845	18.0%	-16.1%
3 Person	15.9%	1,001	9.7%	-38.7%
4 Person	10.5%	758	7.4%	-30.0%
5 Person	5.4%	454	4.4%	-17.7%
6+ Person	4.4%	508	4.9%	12.3%
TOTAL	100%	10,269	100%	

** The "Baseline Mix Percentage" figures given in the "Mix of Family Sizes Served (in Plan Year)" table should match those in the column of the same name in the "Baseline Mix of Family Sizes Served (upon entry to MTW)" table.

^ The "Total" in the "Number of Households Served in Plan Year" column should match the "Actual Total" box in the "Actual Number of Households Served in the Plan Year" table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the "Total" number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:

A number of factors have created slight changes to the mixes of family sizes we serve. We increased our project-based vouchers, primarily in partnership with community agencies serving highly vulnerable people. We have also completed RAD conversions on the majority of our existing Single Room Occupancy/Mod Rehab program, which added over 350 1-person households in this plan year.

In addition, Home Forward's demographics relating to family size on the waitlist versus households leaving have changed, and as units turnover, smaller households sizes are selected from the waitlist as they make up a larger majority of waitlist households than in previous years. In 2019, 44% of households that left Home Forward were 1-person households, and 1-person households made up a combined 70% on all waitlists. There continues to be a large number of 6+ person households represented on Public Housing and HCV waitlists that account for the increase in larger family size from the established baseline.

iii. Number of Households Transitioned to Self-Sufficiency in the Plan Year

Number of households, across MTW activities, that were transitioned to the MTW PHA's local definition of self-sufficiency during the Plan Year.

MTW ACTIVITY NAME/NUMBER	NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY*	MTW PHA LOCAL DEFINITION OF SELF SUFFICIENCY
Rent Reform/01	590	Households that has earned or permanent income that results in area median income (AMI) above 50% and/or has voluntarily exited housing assistance
GOALS/02	30	
MOD Rehab RAD/17	11	
	30	(Households Duplicated Across MTW Activities)
	631	Total Households Transitioned to Self Sufficiency

* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

Section III. Proposed MTW Activities

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

Section IV. Approved MTW Activities

A. Implemented Activities

01 RENT REFORM

Approved FY2012, Implemented FY2012, Amended FY2014 & FY2015

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Housing Choice voucher households, as well as VASH voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

In early 2013, the federal government-imposed sequestration: across-the-board reductions in federal funding. In response to these funding cuts, Home Forward amended the activity in FY2014 to increase the percentage of income used to calculate rent. The amended percentages are reflected below.

For **seniors and people with disabilities**, rent is calculated based on 28.5% of gross income. All deductions are eliminated, and this group will have triennial income re-certifications. We define those aged 55 and older as “senior”, and households fall into this population category if the head, co-head or spouse listed on the lease is 55 or older or is disabled under the current HUD definition used by Home Forward. This group has a \$0 minimum rent and utility reimbursements are allowed.

All households that do not fall into the population category above are considered **work-focused households**. All deductions are eliminated, and this group will have biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent are as follows:

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.
- **Years 3 and 4:** rent is based on 29.5% of gross income or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.

MTW authorization:

Attachment C, Section B(3) – Definition of Elderly Family

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section B(2) – Rent Structure and Rent Reform

Statutory objective:

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

- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.

The following policies apply to all households:

- Zero-income households meet with their public housing site manager or Housing Choice voucher case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source
- The proration of subsidy for mixed-families is simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing is now automatically set to match Housing Choice voucher payment standards. There will be no flat-rent option.
- Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.
- For Housing Choice voucher households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 50 percent of the household’s gross income. (FY2017 Modification)
- When a Housing Choice voucher household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.
- When a Housing Choice *voucher household reports a change in family size, if the household has resided in their unit for at least 12 months, Home Forward will require an interim review. Any changes to voucher size, payment standard and subsidy calculation will be effective 120 days after the interim review.* (FY2015 Modification)
- The earned income disallowance is eliminated.
- All Family Self-Sufficiency (FSS) participants are included in the rent reform calculation.
- Home Forward will use actual past income to determine annual income for participant families. (FY2015 Modification)

- All income sources used to determine a household's public housing rent or Housing Choice voucher assistance will be the same as currently defined by HUD, with the following exceptions:
- The value of any asset or the value of any income derived from that asset will not be used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets will be used to determine initial eligibility. Home Forward will allow households to self-certify assets with a net value of \$5,000 or less. (FY2015 Modification)
- All earned income of full-time students age 18 and over will be excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
- Student financial assistance will be considered only for the purpose of determining eligibility. Student financial assistance will not be used to determine annual income for rent and subsidy calculation.
- All adoption assistance payments will be excluded from the rent calculation.
- Households will have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.
- Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Housing Choice voucher participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee will have a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Housing Choice voucher households, as well as VASH voucher holders, are on the rent reform calculation. The earliest group of work-focused households transitioned to the third level of rent payment beginning in FY2017 and are now subject to the \$200 minimum rent payment. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

Activity Metrics

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2011: \$140,228	FY2019: \$128,656	\$91,726	Outcome Achieved

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2011: 5,340 hours	FY2019: 3,740	3,493	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity. Through our quality control process, every error that is identified is corrected.				
Average error rate in completing task	FY2015: 7.5%	FY2019: 7.5%	5.5%	Outcome Achieved
Increase in tenant share of rent (Standard Metric: CE#5)				
Total annual tenant share of rent	FY2012: \$25,342,942	FY2019: \$31,669,284	\$37,550,246	Outcome Achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2011: \$3,324	FY2019: \$3,458	\$5,797	Outcome Achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.				
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	FY2019: 525 heads of households	882 heads of household	Outcome Achieved
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	FY2019: 16% of work-focused households	16% of work-focused households	Outcome Achieved
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2012: 1,859 households receiving TANF (17.7%)	FY2019: 1,780 households receiving TANF (16.5%)	1,335	Outcome Achieved
Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2012: \$524 per household	FY2019: \$776	\$721	Outcome Achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Number of households transitioned to self- sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2014: 521 households	FY2019: 550 households	590 households	Outcome Achieved
Displacement prevention (Standard Metric: HC#4) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	FY2019: 0 households	0 households	Outcome Achieved
Increase in resident mobility (Standard Metric: HC#5) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not use rent reform to impact mobility, but we have included it at HUD's request.				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 17.1%)	FY2013: 3,092 (28.4%) households lived in better neighborhoods	FY2019: 3,283 households	3,129 households	Outcome Not Acheived

Agency Specific Metrics

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Maintain stability for seniors and people with disabilities				
Shelter burden (rent ¹ + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	FY2019: Shelter burden will remain below 29%	28%	Outcome Achieved

¹ For purposes of these metrics, Housing Choice Voucher rents are calculated with gross rent capped at payment standard.

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Increased contribution to rent				
Total tenant payment (rent ² + utility allowance) for work-focused households	Before implementation: Section 8 average - \$267 Public housing average - \$249	FY2019: Section 8 average - \$346 Public housing average - \$301	Section 8 average - \$574 Public housing average - \$458	Outcome Achieved
Increased income in work-focused households				
Average income for work-focused households, as percentage of Median Family Income (MFI)	Before implementation, average income for work-focused households was 16.4% MFI	FY2019: 18% MFI	22.1% MFI	Outcome Achieved

Home Forward's YARDI database continues to serve as the source for household income and total tenant rent payment information. The baseline data for hours required to conduct rent calculation and income reviews was collected through staff interviews and workflow analysis. This process will be repeated in subsequent years to determine progress towards benchmarks and goals.

Hardship Requests

At the time of implementation, Home Forward offered a "phase-in" hardship for households who had high medical or childcare costs or had a large number of dependents. On an annual basis, those households have the opportunity to apply for an extension to the phase-in hardship, which if approved, reduces their rent portion in proportion to the amount of expenses or the number of dependents. From January 2019 through December 2019 (FY2019), 18 households requested an extension of the phase-in hardship, and 16 of those were approved. The annual cost to the agency of the phase-in hardship is approximately \$12,900.

Households may apply for a hardship review if their total monthly shelter burden costs exceeds 50% of the total monthly income used to determine their rent subsidy. In FY2019, 369 households applied for a hardship review and 251 requests were granted. The annual cost to the agency of these hardship requests is approximately \$164,916.

MTW Flexibility:

Home Forward has used our MTW flexibility to structure our rent reform calculation with a number of aspects that differ from the standard calculation (described above). This includes eliminating deductions, changing the percentage of income used to calculate rent, simplifying

the calculation and moving to triennial reviews save significant staff time. Additionally, Home Forward has exercised its authority to amend the definition of an elderly family to age 55. This supports the statutory objective of creating incentives for self-sufficiency by ensuring that households defined as work-focused can be reasonably expected to increase employment and earnings over time.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

The Portland metro area had an average increase of 8% in rents and a vacancy rate average of 4.4%, with some areas in the metro area experiencing vacancy rates below 3.5% during FY2019. In an effort to keep pace with the rental housing market and to ensure our voucher holders are able to find housing throughout our community, Home Forward raised payment standards twice during 2019. This has raised the average subsidy for our households and is necessary to continue to provide stable housing in this market. At this time, we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

02 GOALS – HOME FORWARD’S FAMILY SELF-SUFFICIENCY PROGRAM

Approved FY2014, Implemented FY2014

In our FY2014 Plan, Home Forward proposed an activity to align existing self-sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program. This program is tailored to meet the needs of our community and be efficient for staff to administer. GOALS program requirements are the same regardless of funding source, program or property, with a few minor exceptions for site-based programs.

The key elements of the GOALS program are as follows:

- The rent reform calculation (Activity 01) is used for all GOALS participants.
- Participants who are engaged in a designated program intended to increase the family’s economic independence (such as an employment or training program) will receive a preference on the GOALS waiting list. 100% of the GOALS slots may be filled with participants utilizing this preference.
- Home Forward will allow the GOALS contract to be in the name of any adult member of the household.
- The traditional escrow account used in HUD Family Self-Sufficiency (FSS) programs has been replaced with a managed savings account. Any rent paid by a participant household above \$350 (known as the “strike point”) will be placed into the managed savings account. The monthly amount placed into a family’s managed savings account is limited to the difference between the strike point and the family’s ceiling rent (for public housing families) or voucher payment standard (for Section 8 families).
- The length of time on the program will be five years, with the opportunity to extend for an additional two years. Eligibility for the two-year extension follows current policy and HUD guidelines.
- Participants graduate and have access to the funds in their managed savings account when they have completed their training plan and fulfilled the obligations identified in their contract.
- Families who leave the program prior to graduation will forfeit any money accrued in their managed savings account.

MTW authorization:

Attachment C, Section E – Family Self Sufficiency Programs

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Statutory objective:

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

- At properties where participation in GOALS was mandatory, the property will continue to utilize a site-based preference on the GOALS waitlist to encourage participation in the family self-sufficiency program at these sites.
- When funding is available, a safety net of \$1,500 (either in lump sum or \$250/month for six months) will be provided through MTW flexible funds for public housing families graduating from the site-based programs who move to non-subsidized units. The same safety net will be provided for Section 8 participants who give up their voucher prior to reaching zero assistance. Due to sequestration funding cuts, this safety net has not yet been announced or made available to families.
- When a public housing resident reaches ceiling rent, or a housing assistance payment for a voucher participant drops to zero, deposition into the family's managed savings account will cease. Families can continue to participate in the program for an additional six months, but no savings will accrue during this time. If the family is still at ceiling rent or zero assistance after six months, they will graduate from the program. If the family's income decreases to a level that housing assistance is reinstated during that six-month period, they may begin to earn escrow again, and continue participation in the program as long as the contract determines they are still eligible.
- Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding, and agency budgeting. FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs (Notice of Funding Availability).

Activity Metrics

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2017: \$512,070	FY2019: \$512,070	\$598,850 ¹	Outcome Not Acheived
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.				

¹ Home Forward uses our MTW flexibility to include coordinators at our site-based programs in our overall GOALS FSS program. This is shown here as an increase in staffing costs and hours, since we're now able to include these costs under the combined program. In addition to site-based coordinators, there are 8 traditional coordinators supported via HUD-funded FSS coordinator funds.

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Total time to complete task	FY2017: 18,509	FY2019: 18,509	17,235 ¹	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity.				
Average error rate in completing task	FY2017: 2%	FY2019: 2%	2%	Outcome Achieved
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	FY2017: \$190,507	FY2019: \$190,507	\$215,675 ¹	Outcome Achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2017: \$12,472	FY2019: \$12,472	\$19,903	Outcome Achieved
Increase in household savings (Standard Metric: SS#2)				
Average amount of escrow of households	FY2017: \$2,295	FY2019: \$2,295	\$4,529	Outcome Achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) ¹				
Number of heads of households:	FY2017:	FY2019:	FY2019:	
1) Employed full-time	187	187	164	Outcome Not Achieved
2) Employed part-time ²	120	120	91	Outcome Not Achieved
3) Enrolled in an educational program	129	129	56	Outcome Not Achieved
4) Enrolled in a job-training program	81	81	56	Outcome Not Achieved
5) Unemployed	155	155	154	Outcome Achieved
6) Other (defined as having completed an education or job training program)	54	54	57	Outcome Not Achieved

¹ Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

² Home Forward did not track full-time vs part-time employment prior to implementation. For the purposes of this baseline metrics, all employed households were counted as employed full-time. We have updated these metrics with the part-time employment statistics.

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Increase in positive outcomes in employment status (Standard Metric: SS#3) ¹				
Percentage of work-able households:	FY2017	FY19	FY19	
1) Employed full-time	40%	40%	40%	Outcome Achieved
2) Employed part-time ⁵	27%	27%	22%	Outcome Not Achieved
3) Enrolled in an educational program	28%	28%	14%	Outcome Not Achieved
4) Enrolled in a job-training program	18%	18%	15%	Outcome Not Achieved
5) Unemployed	33%	33%	38%	Outcome Not Achieved
6) Other (defined as having completed an education or job training program)	12%	12%	14%	Outcome Achieved
Households removed from TANF (Standard Metric: SS#4)				
Note: This metric is measured as a point in time count, which does not account for individual households who give up TANF assistance, graduate from the GOALS program, and are then replaced by income GOALS participants who have not yet given up TANF assistance.				
Number of households receiving TANF assistance	FY2017: 61 households	FY2019: 61 households	50 households	Outcome Achieved
Households assisted by services that increase self-sufficiency (Standard Metric: SS#5)				
Number of households enrolled in GOALS	FY2017: 462 households enrolled	FY2019: 462 households enrolled	526 households	Outcome Achieved
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2017: \$671 per household	FY2019: \$671 per household	\$733	Outcome Not Achieved
Increase in tenant share of rent (Standard Metric: SS#7)				
Tenant share of rent	FY2017: \$1,926,589	FY2019: \$1,926,589	\$2,672,125	Outcome Achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2017: 27 households	FY2019: 27 households	30 household	Outcome Achieved

ADDITIONAL METRICS

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Increase in average income for exiting participants				
Increase in average participant earned income between enrollment and exit	FY2017: \$19,441	FY2019: \$19,441	\$18,704	Outcome Not Achieved
Increase in average savings for exiting participants				
Increase in average participant managed savings account balance at exit from GOALS	FY2017: \$4,688	FY2019: \$4,688	\$5,862	Outcome Achieved
Increase in positive outcomes for exiting participants				
Percentage of households:	For FY2017:	FY2019:	By FY2019:	
1) Employed full-time	36%	36%	51%	Outcome Achieved
2) Employed part-time	31%	31%	23%	Outcome Not Achieved
3) Enrolled in educational program	29%	29%	10%	Outcome Not Achieved
4) Enrolled in job training program	16%	16%	10%	Outcome Not Achieved
5) Unemployed	33%	33%	26%	Outcome Achieved
6) Other (defined as having completed an educational or job training program)	18%	18%	15%	Outcome Not Achieved
Exiting participants removed from TANF				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Percent of households giving up TANF at exit	FY2017: 47% of exiting households	FY2019: 47% of exiting households	50% ¹	Outcome Achieved

MTW Flexibility:

Home Forward has used MTW flexibility to create an economic opportunity program that is tailored to serve our community. Aspects that use MTW flexibility are described above, and include use of a strike point escrow system, use of the rent reform calculation for participants, and modifications to the graduation process.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

Baselines were updated with the Amended FY2017 MTW Annual Report. These changes were not included in the FY2019 MTW Annual Plan as the Plan had already been submitted. The baselines here reflect those changes. Benchmarks have been set to the FY2017 baseline.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

The overall average enrollment earned income in FY2019 was higher than the previous years, making the difference between an enrollment and exit earned income smaller. Of all exited participants, 73% increased their earned income. Of all participants who entered the program at zero earned income, 53% of them increased their earned income. Even though the amount of earned income may seem less than an average compared to the benchmark, the overall percentage of participants with higher earnings increased.

In addition, Home Forward experienced a higher cost in staff wages. Previously, we leveraged staff wages with other funding sources; however, some of those funds are no longer available and the cost for the agency increased. In addition, the annual wage increases overall were higher than anticipated.

¹ Households are required to give up TANF benefits in order to graduate. The percentage of households is pulled down due to families exiting the program without graduating.

03 LOCAL BLENDED SUBSIDY

Approved FY2012, Implemented FY2012

Home Forward has created a local blended subsidy (LBS) program to improve the financial viability of adding “banked” public housing units back into the portfolio. Public housing operating subsidy alone is often insufficient to support bringing these units back to properties. The LBS program uses a blend of MTW Section 8 and public housing operating funds to subsidize units reserved for families earning 80 percent or below of area median income. These units may be new construction, rehabilitated, or existing housing.

The LBS program combines tenant paid rent, Section 8 funds, and public housing funds, resulting in a total per unit rent amount. Rents are set by an internal process to determine the amount of subsidy that will meet property needs and are subject to completion of rent reasonableness tests. Home Forward uses the payment standard as the maximum rent for LBS units, or up to 125% of Fair Market Rents in the case of service-enriched units. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

Home Forward has utilized the LBS program for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing. As part of our Public Housing Conversion Strategy, Bud Clark Commons and Madrona Place received RAD (Rental Assistance Demonstration) approval in September 2015. One of the first steps in the RAD conversion process is the Commitment to enter into a Housing Assistance Payment (CHAP), which was completed in October 2015 for these two properties. Stephens Creek Crossing was also included in the July 2015 RAD application and will convert only after HUD has confirmed a feasible conversion plan for Home Forward’s entire public housing portfolio.

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures

Attachment D, Section B(3) – Local Unit Based Subsidy Program

Statutory objective:

Increase housing choice for low-income families

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2019: 239 units made available	239 units made available	Outcome Achieved
Units of housing preserved (Standard Metric: HC#2)				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2019: 45 units preserved after full implementation	45 units preserved	Outcome Achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 17%)	Before implementation, 0 households	FY2019: 109 households	109 LBS households located in better neighborhoods	Outcome Achieved
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	Before implementation, \$0	FY2019: \$11,145,307	\$11,145,307 in leveraged debt, equity and increased services	Outcome Achieved

MTW Flexibility:

This activity uses single fund budget flexibility and authorization to develop a local unit-based subsidy program in order to create the administrative and funding structure for LBS. This increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. LBS has allowed Home Forward to leverage debt, equity and increased services at these three properties. Additionally, the ability to create local preferences, and admission and continued occupancy policies and procedures allows Home Forward to manage the units to provide similar protections as public housing and also adapt the rules for efficiency and local needs. This supports the objective to increase efficiencies in Federal expenditures.

Home Forward understands and is committed to our obligation to continue to serve substantially the same number of families as if we had not participated in the MTW demonstration. We are aware of the pressure our LBS activity may place on the agency to continue to meet our baseline households served, and we carefully consider this information before moving forward with implementation strategies. We are continuing to explore and develop alternative options for local rent assistance programs that will serve a significant need in our community and will also support our ability to meet our baseline households served once LBS is fully implemented.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

06 ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Approved FY2012, Implemented FY2012

Home Forward aligns our housing resources with the services of jurisdictional and community partners in order to maximize impact and effectiveness. In an effort to reduce costs and increase efficiencies, Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners. Rather than requiring full Housing Quality Standards (HQS) inspections, Home Forward requires that these units meet the habitability standards, unit inspection requirements, and lead-based paint visual assessment requirements required by the US Department of Housing and Urban Development's Homelessness Prevention and Rapid Re-Housing Program. Staff from jurisdictional and community providers are able to arrange for and conduct required inspections themselves, in conjunction with other required visits to the assisted units.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$35,500	FY2019: \$0	\$0	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 500 hours	FY2019: 0 hours	0 hours	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because this metric was established after implementation, Home Forward does not anticipate a change in the error rate.				
Average error rate in completing a task	FY2014: 4%	FY2019: Less than 5%	Less than 1%	Outcome Achieved

MTW Flexibility:

Home Forward uses MTW authority to allow alternative inspection requirements for units assisted with rent assistance that we have contracted to community partners. These alternate inspection requirements ensure housing standards while increasing efficiency and cost effectiveness.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

07 LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Approved FY2013, Implemented FY2013

In many cases, units may fail an initial or annual inspection due to minor items, such as cracked socket plates or closet doors that are off track. Requiring a Home Forward inspector to make a trip back to a unit to verify such minor repairs is inefficient and costly. Home Forward has implemented a policy that in cases where there are no more than four minor deficiencies, we may accept an owner's certification that required repairs were made. This allowance is made at Home Forward's discretion, and in cases where all deficiencies are minor items as determined by an approved list maintained by Home Forward.

In FY2019 inspectors continued to use the option for landlords to self-certify minor repairs rather than completing a reinspection. The option continued to be used at the inspector's discretion. Out of 1,637 reinspections, 16 were completed with a landlord self-certification for minor repairs.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$140,092	FY2019: \$112,790	Less than \$104,414 to complete re-inspections	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 1,326 hours	FY2019: 1,046 hours	821 hours	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.				
Average error rate in completing a task	FY2015: 0%	FY2019: Less than 3%	Less than 1%	Outcome Achieved

MTW Flexibility:

This activity uses alternate criteria – in the form of an owner's written certification – to verify the correction of deficiencies in a unit that failed its initial or annual Housing Quality Standards inspection as a result of four or fewer minor (as defined by Home Forward) deficiencies. This policy increases efficiencies and saves the agency the cost of these re-inspections.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

08 INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

Approved FY2013, Implemented FY2013

Home Forward owns over 4,000 units of affordable housing in Multnomah County. Many of these units have project-based Section 8 vouchers attached, and additional units are rented to families that are utilizing tenant-based Section 8 vouchers. In cases where a voucher holder is renting a unit we own, Home Forward utilizes our own staff to perform inspections and determine rent reasonableness.

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest.

MTW authorization:

Attachment C, Section D(5) – Ability to Certify Housing Quality Standards

Attachment C, Section D(2)(c) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Prior to implementation, \$17,750	FY2019: \$0	\$0	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 370 hours	FY2019: 0 hours	0 hours	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity.				
Average error rate in completing a task	FY2015: 0%	FY2019: Less than 5%	3.80%	Outcome Achieved

MTW Flexibility:

Home Forward uses MTW authority to set rent reasonableness and inspect units we own, in place of contracting with a third party to do so. This results in cost savings for the agency

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

09 MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP

Approved FY2010, Implemented FY2010

Since 2010, Home Forward has implemented a variety of measures to improve landlord acceptance of Housing Choice Vouchers in our community and the ability of voucher holders to successfully lease up. Based on much of Home Forward's work, the Oregon State Legislature passed HB2639 in July 2014. The legislation prohibits landlords from discriminating against renters who have vouchers and offers landlords access to a state-managed Landlord Guarantee Fund for financial damages when a voucher holder vacates a unit.

Home Forward has two additional initiatives focused on improving landlord participation and the leasing success of voucher holders:

- We provide vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or unannounced vacate) and the owners have not received proper notice of the intent to vacate. In FY2019, \$13,445 in vacancy loss payments were provided for 16 units. The average payment was \$509.
- The Landlord Incentive Payment targets new landlords. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. In FY2019, 134 new landlords received incentive payments, totaling \$26,800.

In the last few years, leasing success rates have fallen as a result of an extremely tight rental market, rapidly rising rents and an overall lack of affordable units. Even with the above measures in place and the new legislation preventing discrimination against voucher holders, leasing success rates have fallen below our 2009 baseline. In an attempt to keep pace with the market and ensure neighborhood choice for voucher holders, Home Forward most recently increased payment standards in December 2019 – the second increase this fiscal year.

We have implemented a variety of policy changes (which do not require MTW flexibility) to make the voucher program more appealing to landlords. These include:

- Allowing flexible lease terms based on an individual landlord's standard practice (including month-to-month)
- Accepting electronic Requests for Tenancy Approval from landlords to speed the process

MTW authorization:

Attachment C, Section B(1) –
Single Fund Budget with Full Flexibility

Attachment C, Section D(1)(d) –
Operational Policies and Procedures

Attachment C, Section D(3)(b) –
Eligibility of Participants

Attachment D, Section D(1) –
Establishment of a Local Section 8 /
Housing Choice Voucher Program

Statutory objective:

Increase housing choice for low-income families

- Posting tools for landlords on our website so landlords can assess whether their unit is likely to pass rent reasonable and affordability tests

Finally, we are working to provide more support for voucher holders themselves. Our participant orientation places an increased focus on housing search, tenant rights and responsibilities, and opportunity neighborhoods, in hopes of helping voucher holders be better prepared for their housing search.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Households assisted by services that increase housing choice (Standard Metric: HC#7)				
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	FY2019: 180 households	134 households	Outcome Not Achieved

Additional Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Improve voucher success rate				
Issued voucher success rate	FY2009: 74%	FY2019: 80%	84%	Outcome Achieved
Decrease in lease-up time				
Average number of days for a voucher holder to lease up	Before implementation, 51 days	FY2019: 50 days	61 days	Outcome Not Achieved

MTW Flexibility:

Home Forward has made changes to operational policies and procedures and funds these activities through our single-fund budget flexibility. This activity works to increase landlord participation in the program, and therefore, increase housing choice for low-income households.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

During FY2019 the rental market remained extremely competitive. According to The Apartment Report, Fall 2019 edition, the vacancy rate in our jurisdiction at that time was around 4.4% with an annualized 8% increase to rents in the Portland metro area from Fall 2018. Since Home Forward starting tracking metro area rent increases in 2011, rents have increased 68.2% (Spring 2011 – Fall 2019).

In an effort to improve the lease-up rate and give participants as much choice as possible in the rental market, the payment standards were increased in April and December 2019 after a previous payment standard increase in October 2018. Home Forward continues to issue vouchers with an initial 120 days to search, in recognition of the competitive market and the length of time it is taking to lease up.

10 LOCAL PROJECT-BASED VOUCHER PROGRAM

Approved FY2012, Implemented FY2012, Amended FY2015

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 2,000 PBVs in the community via 79 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

In FY2015, Home Forward changed the operating subsidy at four of our high-rise buildings from public housing to project-based Section 8 funding, as part of our preservation strategy to renovate ten buildings. These four buildings accounted for 654 units and serve seniors and persons with disabilities. The MTW flexibility to place project-based vouchers at these buildings, as well as through service providers and jurisdictional partners, has ensured that affordable housing remains available to some of the most vulnerable households in our community.

The objective of the project-based voucher program is to provide housing certainty for low-income, high-barrier households who would be unlikely to succeed with a tenant-based voucher. With that in mind, we are focusing project-based vouchers on buildings with on-site services, ideally in opportunity areas, offering tenants affordable rents and access to community resources. Some of the original project-based voucher contracts expired in the past few years, and Home Forward has made it our policy to offer renewals only to owners who have agreed to set waiting list preferences for one or more vulnerable populations, and to make services available to those households. This will result in all project-based voucher buildings offering affordable housing with services to those most in need as contracts are renewed.

MTW authorization:

Attachment C, Section D(7) –
Establishment of an Agency MTW
Section 8 Project-Based Program

Attachment C, Section D(4) – Waiting
List Policies

Attachment C, Section D(2) – Rent
Policies and Term Limits

Attachment C, Section D(1)(e) –
Operational Policies and Procedures

Statutory objective:

Increase housing choice for low-
income families

Reduce cost and achieve greater cost
effectiveness in Federal expenditures

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	FY2019: 1,500 units made available	1,592 units	Outcome Achieved

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Units of housing preserved (Standard Metric: HC#2)				
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	FY2019: 654 units preserved	654 units preserved	Outcome Achieved
Decrease in wait list time (Standard Metric: HC#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Average applicant time on wait list in months	FY2014: 15 months	FY2019: 28 months	23.5 months	Outcome Achieved
Displacement prevention (Standard Metric: HC#4) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2015: 904 households	FY2019: 900 households	1,063 households	Outcome Not Achieved
Increase in Resident Mobility (Standard Metric: HC#5)				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 17%)	FY2011: 93 households	FY2019: 400 households	234 households	Outcome Not Achieved
Agency Cost Savings (Standard Metric: CE#1)				
Total cost of task in dollars	Prior to implementation: \$30,720	FY2019: \$19,656	\$19,492	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 917 hours	FY2019: 500 hours	476 hours	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Average error rate in completing task	FY2015: 2%	FY2019: Less than 5%	3.80%	Outcome Achieved
Increase in tenant share of rent (Standard Metric: CE#5) Note: Because Home Forward does not have a pre-implementation baseline, we are not able to show the historical impact of this activity				
Total annual tenant share of rent	FY2014: \$3,570,859	FY2019: \$5,404,344	\$6,082,391	Outcome Achieved

MTW Flexibility:

The PBV program increases housing choice and affirmatively furthers fair housing by preserving existing affordable housing and focusing on the needs of populations that tend to be less successful in the tenant-based program, including participants with disabilities, extremely low incomes, or backgrounds that may create high barriers to housing. Most of the PBV buildings offer services for specific populations, which help households not only to obtain suitable housing, but also to access additional services that give the household stability in the community. Below is a list of the ways Home Forward utilizes MTW authority for the local PBV program:

- Home Forward exceeds the traditional 25% limit of PBVs in a single building and allows project-based vouchers to be awarded to more than 25% of units in a given complex.
- Home Forward has modified waitlist policies to allow each PBV building to maintain its own site-based waiting list with its own preferences. It would not be practical or cost effective for Home Forward to manage so many separate PBV waiting lists with separate preferences. Multiple waitlists also ensure that there are almost always open waitlists at any point in time.
- Home Forward does not provide a preference on the tenant-based waiting list for PBV residents and requires PBV residents to apply for and remain on the tenant-based waitlist in order to transfer to a tenant-based voucher unit.
- Home Forward modifies screening and eligibility requirements to differ from the traditional criteria at certain PBV properties which offer supportive services, therefore increasing housing choice for participants who might otherwise be ineligible for Section 8 housing. Home Forward determines an applicant's eligibility for a specific PBV property based on the capacity of the service provider who owns or contracts to manage the property.
- Home Forward has modified owner proposal selection procedures for PBV units in order to increase Permanent Supportive Housing in our community by awarding PBV units via a local competitive process in collaboration with the City of Portland and Multnomah County. This local process includes issuing a Notice of Funding Availability and accepting proposals from housing

developers and owners across the County. This effort ensures that PBVs are aligned with capital and services funding made available from our jurisdictional partners.

- The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward's Board of Commissioners when the property is owned directly or indirectly by Home Forward, subject to HUD's requirements regarding subsidy layering. The owned units would not be subject to any required assessments for voluntary conversion.
- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners regarding site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
- Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
- Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:
- The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero-subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.
- Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.
- Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease. Home Forward also applies any changes to the utility allowance at the same time as the payment standard adjustments.

- Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% (up to a maximum of 160%) of Fair Market Rents for service-enriched buildings entering into new project-based voucher contracts, without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.
- Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.
- Home Forward has eliminated the cap limiting project-basing to up to 20% of the amount of budget authority allocated to the agency by HUD in the voucher program.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

The decrease in resident mobility to low-poverty census tracts reflects the overall affordability trends that have impacted the Portland metro area for the past several years. Since the baseline year of FY2013 to FY2019, Multnomah County low-poverty census tracts has decreased from 98 to 96. With the latest ACS data, 9 census tracts went from being categorized as high-poverty to low-poverty, while 13 went from low-poverty to high-poverty. While low-poverty census tracts increased, this coupled with an average 10% increase in rents and the low vacancy rate of an average 4% in the Portland metro area, has contributed to decreasing housing choice and resident mobility to access low-poverty census tract neighborhoods in FY2019. At this time, we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

11 ALIGN UTILITY ALLOWANCE ADJUSTMENT PROCEDURES

Approved FY2011, Implemented FY2011

In our FY2011 MTW Plan, Home Forward received approval to align the public housing process for calculating and implementing utility allowance adjustments with that of Section 8. Previously, the public housing utility allowance process required Home Forward to conduct engineering surveys to determine energy consumption, which was cumbersome and costly. Additionally, public housing protocol required that a re-certification be completed for each resident when there were adjustments to the utility allowance.

Aligning the utility allowance adjustment process with that of Section 8 allows public housing to adopt the methodology of using HUD's standard calculation, which is based on the type of utility and type of building. As in the Section 8 program, public housing staff will review the utility allowance adjustments annually, with the adjustment going into effect at the resident's next regular review.

MTW authorization:

Attachment C, Section C(11) – Rent Policies and Term Limits

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$8,000 per year	FY2019: \$0	\$0	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete task	Before implementation, approximately 393 hours	FY2019: 0 hours	0 hours	Outcome Achieved

MTW Flexibility:

The standard public housing utility allowance process requires engineering surveys to determine energy consumption, and that a re-certification be completed for each resident when there is a utility allowance adjustment. Our MTW flexibility allows us to align the public housing process with that of Section 8, resulting in agency cost and staff time savings.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

13 BROADEN RANGE OF APPROVED PAYMENT STANDARDS

Approved FY2015, Implemented FY2015, Amended FY2017

Regulations require that payment standards are set between 90% and 110% of Fair Market Rents, as defined by HUD for the geographic area in which the housing authority is operating. Multnomah County is a large geographic area with rents that differ throughout several submarkets. When rental market conditions tighten, it is not uncommon for 110% of Fair Market Rent to fall short of what is needed to rent a quality unit in large, and often higher opportunity, areas of Multnomah County. In addition, payment standards that are too high in particular neighborhoods can create concentrations of poverty. We will always need to balance the opportunity created with higher payment standards with the increased per family costs associated with higher payment standards. Higher payment standards can put limits on our ability to respond to the overwhelming need in our community but given the nature of the rental market in Multnomah County, the flexibility to set payment standards up to 160% of FMR may be necessary to create reasonable choice for participant families, particularly in lower-poverty, higher-opportunity areas. Home Forward received HUD approval to amend our activity in FY2017 to set payment standards between 80%-160% of Fair Market Rents (FMR) without prior HUD approval; an increase in previous MTW flexibility of FMR range of 80%-120%.

MTW authorization:

Attachment C, Section D(2)(a) – Rent Policies and Term Limits

Statutory objective:

Increase housing choice for low-income families

Home Forward participants are on biennial and triennial recertification schedules, per Activity 01 Rent Reform. Because of this, there is sometimes a delay of several months or even years before the increased payment standard is applied to a participant's rent calculation. In the meantime, those participants may be experiencing a larger shelter burden as their landlords increase rent without the accompanying increase in payment standards. To address this delay, we also modified this activity in FY 2017 to allow us to apply updated payment standards at a participant's interim review.

In order to ensure that payment standards are sufficient to allow Housing Choice Voucher participants reasonable choice in neighborhoods, Home Forward has used MTW authority to broaden its "base range" for payment standards to between 80% and 160% of the Fair Market Rents without prior HUD approval. (In FY2015, Home Forward received authorization to set payment standards between 80% and 120% of Fair Market Rents. In FY2017, Home Forward received authorization to broaden that range between 80% and 160% of Fair Market Rents.)

Home Forward uses the following parameters to establish payment standards:

- Payment standards are broken down by nine separate neighborhoods as defined by ZIP codes. Each of these neighborhood payment standards is broken down by bedroom size.
- Payment standards are set at the market rate.
- Because data shows that market rents are significantly different for three-bedroom apartments and three-bedroom single-family homes and duplexes, Home Forward has established separate payment standards for the two housing types with three bedrooms.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 17%) ¹	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2019: 2,600 (30%) households	2,391 households	Outcome Not Achieved
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request				
Total cost of task	FY2014: \$48,597,556	FY2019: \$66,300,000	\$69,860,000	Outcome Not Achieved

Additional Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Average Housing Assistance Payment Expense				
Average annual HAP expense by household	FY2014: \$6,690	FY2019: \$8,134	\$9,648	Outcome Not Achieved

MTW Flexibility:

Home Forward used our MTW authority to expand the range for which Home Forward may set payment standards across the various submarkets of Multnomah County to between 80% and 160% of HUD-established Fair Market Rents, and to establish exception payment standards up to 160% of Fair Market Rents, without HUD approval. This ensures that payment standards are sufficient to allow all families, including those that need a reasonable accommodation, to choose to rent units in all nine of the defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this). During FY2019, 19 exception payment standards were approved. Home Forward may also choose to reduce payment standards in areas with lower market rents.

Actual Non-Significant Changes

¹ Data will be collected from YARDI, Home Forward's database, which tracks the census tract and Payment Standard used for each household.

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

The metric of total cost was not met, due to payment standard increases in April and December 2019, which is reflected in the metric of total Housing Assistance Payments spent. Increasing the payments standards has been necessary to allow participants flexibility in the current rental market in Multnomah County. At this time, we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible. According to the Apartment Report, there are indications that housing supply has increased enough that rent increases may slow down and possibly stabilize. According to market indicators, Portland continues to see a slow-down of rent increases and a stabilization of housing supply, both of which will help the overall agency cost savings.

14 PROGRAM BASED ASSISTANCE

Approved FY2015, Implemented FY2015

The need for rental assistance in Multnomah County far outstrips the supply. When Home Forward opened the Housing Choice Voucher waiting list in fall 2016, over 16,000 households applied for 3,000 waiting list slots.

In an attempt to increase the number of households served over a given period of time, Home Forward has designed Program Based Assistance. This local, non-traditional rent assistance program merges two past single-fund MTW activities: Short Term Rent Assistance and Agency Based Assistance. This program offers time-limited rent assistance, paired with services, to help families access and/or retain stable housing. While the Housing Choice Voucher and public housing programs provide permanent subsidies in order to ensure long-term affordability for low-income families, the focus of Program Based Assistance is helping families achieve stability. These households will likely remain rent-burdened, but with services available to help families address other challenges in their lives, many will be able to avoid homelessness and remain permanently housed.

To administer Program Based Assistance, Home Forward sets aside a pool of flexible rent assistance funds, that are administered by the Rent Assistance Department but do not operate like traditional vouchers. The funds serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. Funds may be contracted to partner agencies to administer or may be administered by Home Forward on behalf of partner agencies. In both cases, partner agencies are responsible for identifying participating families and determining the amount and duration of the rental assistance, with some guidance from Home Forward.

Target populations for Program Based Assistance are families for whom: 1) success on the Section 8 Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); or 3) the need for rental subsidy is short term while the client is receiving the support needed to stabilize in permanent housing. Examples of target populations include families who are homeless or at risk of homelessness, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth as part of the New Doors program, survivors of domestic violence, and families with an adult who has recently been released from prison.

MTW authorization:

Attachment C, Section B(1) – Single Fund Budget with Full Flexibility

Attachment D – Use of MTW Funds

Statutory objective:

Increase housing choice for low-income families

Program Based Assistance partners work with Home Forward to set program policies that are specific to the target population they are serving. Home Forward ensures that policies are clear, equitably managed, and in compliance with Fair Housing laws. All programs have common elements which include:

Uses of Funds: Rental Assistance funds may be used for rent assistance, rent arrears with a current landlord, move-in fees and deposits, utility assistance and arrears, motel vouchers if housing is identified but not immediately available, and documented debt to a past landlord (other than a public housing authority).

Eligibility: Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

Subsidy Determination Method: Each partner is required to write clear policies and procedures for how subsidy amount and duration will be determined. These policies must be applied to all participants in that partner's program.

Service Requirements: Home Forward makes these funds available to target populations in partnership with one or more partners who are experts in providing the supports families may need to remain stably housed and move towards a stable, permanent housing situation. Therefore, partner agencies are required to make services available to all families accessing Program Based Assistance. Partner agencies will also have the discretion to discontinue rental assistance to households who violate their program policies or fail to engage in services after repeated attempts at engagement.

Program Based Assistance is a local, non-traditional rental subsidy program. Home Forward will comply with PIH Notice 2011-45 when administering this activity.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Additional Units of Housing Made Available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units	FY2019: 5 units	5 units	Outcome Achieved
Increase in Resident Mobility (Standard Metric: HC #5)				

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity	Before implementation, 0 households	FY2019: 27 unduplicated households	42 households	Outcome Achieved
Households Assisted by Services that Increase Housing Choice (Standard Metric: HC #7)				
Number of households receiving services aimed to increase housing choice	Before implementation, 0 households	FY2019: 76 unduplicated households	120 households	Outcome Achieved

MTW Flexibility:

Home Forward uses MTW flexibility to blend program funds into a single budget used to fund Program Based Assistance. This allows Home Forward to administer a form of non-traditional rent assistance that can target households in crisis and help them reach or maintain housing stability.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

15 TENANT-BASED VOUCHER SET ASIDE POLICIES

Approved FY2017, Not Yet Implemented FY2017

Home Forward has not yet implemented this activity. During this past fiscal year we focused on opening the waitlists for our Housing Choice Vouchers and fully utilizing the existing set-asides, administered through the Housing Choice Voucher waitlist. Vouchers available under the existing set-asides have all been issued. Escalating costs and funding uncertainty in the Housing Choice Voucher program led us delay continuing those set asides under this activity or initiating new partnerships and MOUs. We anticipate implementing this activity in the future.

Home Forward operates or participates in a number of programs that have been designed to align housing with supportive services in order to ensure success for participating families. These include local non-traditional rent assistance programs, our local project-based voucher programs, and the Veterans Affairs Supportive Housing (VASH) program. In all cases, jurisdictional or community partners provide supports for families who access the housing, with target populations including families exiting homelessness, former foster youth, seniors, and people with disabilities.

Home Forward has found that leveraging our housing resources with services from partners often results in better housing stability and success for families with barriers to succeeding with a voucher alone. In addition to the above programs, we have also established a series of limited preferences for tenant-based vouchers. Through these limited preferences, specific community partners refer target populations to Home Forward for housing as they provide services. We currently have two set aside programs under this umbrella:

- Home Forward sets aside up to 200 vouchers for families currently served by Multnomah County's Homeless Family System of Care.
- We also set aside up to 50 vouchers for families that include a veteran experiencing homelessness, who are ineligible for HUD-VASH vouchers. These families are referred by and received services from Transition Projects, Inc.

HUD regulations for tenant-based vouchers require a housing authority to select all participants from a waiting list. In order to adhere to regulations, current families served by the two set aside programs are chosen and referred to Home Forward by the community partner, added to the tenant-based voucher waiting list, then immediately pulled from the waiting list to be served with the vouchers that are dedicated to the program. This process is inefficient, time-consuming and cumbersome.

Home Forward will model the referral and selection procedures after the existing VASH program. As with VASH, Home Forward will accept referrals from the specified partners and award those households the dedicated vouchers. Written documentation of the referral will be maintained in the tenant file by Home Forward, but Home Forward will not add these households to the waiting list to be immediately

MTW authorization:

Attachment C, Section D(4) –
Waiting List Policies

Statutory objective:

Reduce cost and achieve greater
cost effectiveness in Federal
expenditures

selected. This flexibility will increase efficiency and may reduce the number of days a family has to wait between referral and issuance of the voucher

For each limited preference program, Home Forward will execute a Memorandum of Understanding with the partner specifying:

- Number of vouchers set aside for the preference;
- Eligibility criteria for the preference;
- Criteria for determining how families will be selected and referred to Home Forward by the partner(s);
- Type and duration of services the partner(s) will make available to the household; and
- Understanding that all referrals must be in writing and include a certification from the partner(s) that the family was selected and referred to Home Forward in accordance with the criteria outlined in the Memorandum of Understanding.

Home Forward will audit partner agencies to ensure that they adhere to selection criteria specified in the Memorandum of Understanding.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2016: \$875	FY2019: \$0	\$0	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2016: 29.5 hours	FY2019: 0 hours	0 hours	Outcome Achieved
Decrease in wait list time (Standard Metric: HC#3) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Because households are immediately pulled from the waiting list, this will have no impact on this metric; but we have included it at HUD's request				
Average applicant time on wait list in months	FY2016: 0 months	FY2019: 0 months	0 months	Outcome Achieved

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

16 - AFFORDABLE HOUSING GENERAL OBLIGATION BOND PROJECT BASED VOUCHER ALLOCATION

Approved FY2018, Implemented FY2018

Home Forward received approval to allocate up to 400 project-based vouchers to support the goals of a \$258.4 million Portland Housing General Obligation Bond that was approved by voters in November of 2016. From time to time, local jurisdictions may issue general obligation bonds to acquire, develop and rehabilitate land and/or properties for affordable housing. Home Forward, as a Moving to Work agency, is granted the ability to support such local housing programs. This includes collaborating with local jurisdictions to provide affordable housing and services for low income and/or disabled households in our community.

Given that local jurisdictions may be the only owner of such housing when using general obligation bonds, for this specific financing situation, Home Forward is defining the ballot initiative as a competitive process. Ultimately, the local jurisdiction is competing for the use of vouchers and is seeking authorization from voters. If the voters elect to pass such a ballot measure, it is done so with the public's knowledge that the sole owner of these properties must be the jurisdiction issuing the bonds. Home Forward will have permission to allocate project-based vouchers to such general obligation bond funded properties to ensure housing opportunities for very-low and extremely low-income families. Home Forward will measure the number of units made available to members of the community through utilization of this designation.

The Portland Housing Bond was designed to increase the affordable housing stock in a community with rapidly rising rents that limit choice for families living with low incomes. One of the location priorities of the Portland Housing Bond's framework is to prioritize acquiring land for new housing in high opportunity areas with access to education and economic opportunities, among other amenities. The Portland Housing Bond's framework includes recommendations for services related to "workforce skill development/employment resources and parenting resources, youth engagement and academic assistance" among other resident services' priorities.

The Portland Housing Bond will create approximately 1,300 permanently affordable units throughout the City of Portland, with 600 designated for households earning 0-30% of the area median incomes. According to the City of Portland, the allocation of up to 400 vouchers to the affordable housing general obligation bond will leverage an additional 200 units of housing for families earning between 0-30% of the area median income, netting a total of 600 units of deeply affordable, permanent housing added to the City of Portland. These permanent units will increase choice across the city for families living with low and extremely low incomes. The vouchers will be allocated over five to seven years as properties are acquired and built. On average, Home Forward anticipates that 57-70 vouchers will be deployed each year.

MTW authorization:

Attachment C, Section D(7)(b) – Local Competitive Process

Statutory objective:

Additional Units of Housing Made Available

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Additional units of housing made available (Standard Metric: HC#1)				
The Portland Housing Bond anticipates adding 1,300 units of affordable housing over a seven year period. The 400 vouchers will be used to leverage an additional 200 units being available for households earning between 0 and 30% median family income.	FY2018: 0	FY2019: 400 units	68 units	Outcome Not Achieved

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

City of Portland continues to work through building acquisition and construction for projects under the General Obligation bond. As projects are identified, Home Forward works with the City to determine appropriate allocation of project-based vouchers. Home Forward still projects 57-70 new project-based vouchers to be deployed each year.

17 MOD REHAB AND MOD REHAB SRO RENT ASSISTANCE DEMONSTRATION RENT REFORM

Home Forward implemented its comprehensive Rent Reform activity in FY2012. The Rent Reform activity eliminates deductions from the subsidy calculation, utilizes an alternative percentage calculation for total tenant payment, and implements a tiered subsidy structure for non-elderly, non-disabled (“work-focused”) households.

Home Forward administers project-based rent assistance for 517 units of housing assisted through the U.S. Department of Housing and Urban Development’s Section 8 Moderate Rehabilitation and McKinney Moderate Rehabilitation Single Room Occupancy programs. This housing is a critical component of our community’s housing stock available to people leaving homelessness. Owners of these properties have the opportunity to participate in the U.S. Department of Housing and Urban Development’s Rent Assistance Demonstration (RAD) in order to preserve and improve their properties. Participation in RAD can involve the conversion of a properties existing subsidy contract into a Project Based Voucher contract that may operate under the program requirements of Home Forward’s Local Project Based Voucher MTW activity (page 38). Participants in Home Forward’s Local Project Based Voucher program are subject to Home Forward’s Rent Reform Activity.

While the Rent Reform activity has been successful in meeting its cost savings and self-sufficiency objectives, Home Forward recognizes that the tiered rent structure for work-focused households does not adequately meet the needs of certain households or programs. Specifically, analysis shows that implementing the full Rent Reform activity at our Section 8 Mod Rehab and Mod Rehab SRO properties, which serve significant numbers of households moving out of homelessness, may result in household displacement over time and have a significant effect on these properties’ ability to continue to serve these households. Home Forward instead proposes implementing an alternative rent reform initiative for these properties post-RAD to allow owners to take advantage of the Rent Assistance Demonstration while continuing to serve the same tenant population profile.

The SRO Mod Rehab Rent Reform initiative mirrors our existing previously approved Rent Reform activity but eliminates certain aspects of that activity, such as the tiered rent structure for work-focused households. Specifically the SRO Mod Rehab Rent Reform Activity implements the following policies:

- Eliminates all deductions in rent calculations. To offset the loss in deduction, rent will instead be calculated based on 28.5% of gross income. There is no minimum rent and utility reimbursements are allowed.

MTW authorization:

Attachment C, Section D(3)(b) – Eligibility of Participants

Attachment D, Section B(2) – Rent Structure and Rent Reform

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Increase housing choices for low-income families

- Implements a triennial income re-certification schedule. For our existing Rent Reform activity, Home Forward created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle which will be utilized in this activity.
- Simplifies the proration of subsidy for mixed-families to a flat \$100 monthly reduction in assistance, regardless of the number of ineligible members.
- Requires an interim review for a household that reports a change in family size and has resided in their unit for at least 12 months. Any changes to voucher size, payment standard, and subsidy calculation will be effective 120 days after the interim review.
- Eliminates the earned income disallowance.
- Makes use of actual past income to determine annual income for participant families.
- Uses all income sources as currently defined by HUD to determine a household’s assistance, with the following exceptions:
 - The value of any asset or the value of any income derived from that asset is not used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of any income derived from assets is used to determine initial eligibility. Home Forward allows households to self-certify assets with a net value of \$5,000 or less.
 - All earned income of full-time students age 18 and over is excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
 - Student financial assistance is considered only for the purpose of determining eligibility. Student financial assistance is not used to determine annual income for rent and subsidy calculation.
 - All adoption assistance payments are excluded from the rent calculation.
 - Households have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 50% of their gross income.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2018: \$1,660	FY2019: Less than \$1,660	\$978	Outcome Achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2018: 80 hours	FY2019: Less than 80 hours	47	Outcome Achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2018: 7.5%	FY2019: 7.5% or less	0%	Outcome Achieved
Increase in tenant share of rent (Standard Metric: CE#5)				
Total annual tenant share of rent	FY2018: \$17,344	FY2019: \$17,344	\$13,162	Outcome Not Achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2018: \$1,228	FY2019: \$1,228	\$2,102	Outcome Achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Home Forward does not collect detailed employment data from SRO participants. The number provided reflects the total number of work-focused households.				
Number of heads of households who: (6) Other	FY2018: 32 households	FY2019: 32 households	56 households	Outcome Achieved
Percent of work-focused households who: (6) Other	FY2018: 32 households 16% of households	FY2019: 32 households 17% of households	56 households 17% of households	Outcome Achieved
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2018: 1 households	FY2019: 0 households	0 households	Outcome Achieved

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Households transitioned to self-sufficiency (Standard Metric: SS#8) Note: Home Forward's SRO properties assist households transitioning from homelessness to permanent, stable housing. Rather than moving to self-sufficiency, Home Forward anticipates participant households will move from an SRO property into a long-term Home Forward subsidy program.				
Number of households transitioned to self-sufficiency (Defined as households that have earned or permanent income that results in area median income (AMI) above 50% and/or that have voluntarily exited housing assistance)	FY2018: 0 households	FY2019: 0 households	11 households	Outcome Achieved

MTW Flexibility:

Home Forward is using our rent reform authorizations to eliminate deductions, simplify the rent calculation, change review schedules, and implement other policy adjustments that, as a whole, make up our rent reform activity, as described above. The requested waiver authority will result in cost and time savings for the agency while ensuring the effected properties can continue to their mission of assisting households moving out of homelessness.

Hardship Policy:

As with our standard Rent Reform activity, households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee has a menu of remedies to reduce a qualifying household's burden.

There were 0 hardship requests for this activity during FY2019.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

18 TRANSFER OF PROJECT-BASED VOUCHER CONTRACT TO SUPPORT LOCAL PRESERVATION OR DEVELOPMENT OF AFFORDABLE HOUSING

Home Forward works closely with local affordable housing owners and developers to preserve and increase the affordable housing stock in the community. For many property owners participating in our Project-Based Voucher (PBV) program, the ability to transfer an existing PBV contract to a new location before its expiration would greatly increase the owner's ability to expand the number of affordable units in the region. Currently, only a project owner that has completed a RAD conversion may request a contract transfer. Non-RAD PBV Project Owners have no such recourse.

Home Forward believes this situation discourages some property owners from entering a HAP Contract as it limits the property owner's ability to engage in short- and long-term development and planning. In addition, Home Forward is concerned that with the extreme pressures on Portland's housing stock, property owners may opt to not renew a HAP Contract, as witnessed in similar tight housing markets. Such a situation would create a significant increase in the number of existing households switching to tenant-based assistance. This increase would tie up valuable staff resources and reduce our ability to help new households off the waiting list. Fiscally, an unanticipated increase in tenant-based vouchers reduces our ability to predict costs and may require us to redirect resources currently allocated to opportunity neighborhoods.

Home Forward proposes to create a local Project-Based Contract Transfer activity for all non-RAD PBV property owners. This activity balances the needs to provide a streamlined process for PBV Project Owners with the need to ensure existing households retain their subsidy without impacting our ability to serve new households.

With Home Forward approval, a Project Owner may request a transfer of assistance after 5 years from the effective date of the initial HAP Contract. Home Forward may waive the 5-year requirement for properties for the following reasons:

- The agency or an affiliate holds ownership interest or manages the property;
- A transfer is needed sooner as a result of events such as eminent domain proceedings, natural disasters or unforeseen events; or
- HUD provides approval of a transfer for any other reason.

Home Forward may consider a partial or complete transfer of assistance to a new location if the new location complies with applicable site selection standards. If applicable, any lender and/or investor of the Covered Project must approve the transfer of the assistance. In the event of such transfer, the Project Owner may request, subject to Home Forward consent, that the original Project-Based Voucher Contract be modified or released to reflect such transfer of assistance.

Home Forward will only approve such a request where the following policy goals and technical requirements are met:

MTW authorization:

Attachment C, Section B(2) – Partnerships with For-Profit and Non-Profit Entities

Attachment C, Section D(7) – Establishment of an Agency MTW Section 8 Project Based Program

Attachment D, Section B(3) – Local Unit Based Subsidy Program

Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Increase housing choices for low-income families

- The proposed new development must add or preserve affordable housing in the community;
- The proposed new development must otherwise comply with environmental review and subsidy layering review;
- Home Forward does not require a competitive process for the proposed new development as the initial PBV allocation removes the need for a subsequent competition. However, the proposed new development must meet all Home Forward's Site Selection Standards as well as any appropriate laws and regulations.
- Tenants residing in subsidized units within the assisted development must be offered the option of retaining a project-based voucher subsidy pursuant to the following guidelines:
 - Tenants within the assisted development must be offered the option of moving to a comparable subsidized unit in the new or preserved development upon completion of purchase, rehabilitation, or construction, or to another comparable subsidized unit offered by the Project Owner;
 - Comparable units must adhere to all required rules and regulations regarding relocations and tenant moves. Home Forward will prioritize preventing moves to distant geographic areas and/or lower opportunity neighborhoods but believes this ultimate choice should be left to the tenant, as we recognize that they may have circumstances that make some areas more desirable.
 - If tenants decline to move, they may remain in the assisted development and the subsidy will remain in place until the subsidized tenant vacates the assisted unit, at which point the project-based voucher subsidy will be converted to the new development and added to the new Project-Based Voucher Contract;
 - Because the above requirements protect the ability of tenants to remain in their choice of Project-Based Voucher subsidized units, Choice-Mobility vouchers will not be available for tenants under this proposal as a result of the contract transfer.
- Rents and bedroom sizes must remain comparable between the assisted development and the new development to maintain stability in Housing Assistance Payment costs.

In addition to the criteria above, Home Forward retains full discretion to deny a transfer of project-based voucher assistance. The activity applies to all current and future properties under a Project Based Voucher HAP Contract.

Activity Metrics:

Metric	Baseline	Benchmark	Final Outcome	Outcome Achieved?
Agency cost savings (Standard Metric: CE#1) Note: Home Forward is unable to calculate anticipated costs absent the activity.				
Total cost of task	FY2018: \$0	FY2019: \$0	\$0	Outcome Achieved
Staff time savings (Standard Metric: CE#2) Note: Home Forward is unable to calculate anticipated costs absent the activity.				
Total time to complete the task	FY2018: 0 hours	FY2019: 0 hours	0 hours	Outcome Achieved
Displacement prevention (Standard Metric: HC#4) Note: Number of households in a unit that has completed, or will complete, RAD conversion by December 31, 2018 used as a proxy for potential displacement absent the proposed activity.				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2018: 903 households	FY2019: 0 households	0 households	Outcome Achieved

MTW Flexibility:

Home Forward is utilizing our MTW flexibilities to give the agency authority to provide a contract transfer option to non-RAD property owners under a PBV contract and require Project Owners requesting a contract transfer to provide the same or better unit upon completion, as described above. The requested waiver authority will increase or preserve the number of affordable housing units in the community and decrease the number of households forced to move due to the contract transfer.

Actual Non-Significant Changes

Home Forward made no planned or unplanned non-significant changes to this activity in FY2019.

Actual Changes to Metrics/Data Collection

No changes have been made to benchmarks, metrics or data collection methodology.

Actual Significant Changes

Home Forward made no planned or unplanned significant changes to this activity in FY2019.

Challenges in Achieving Benchmarks and Possible Strategies

Home Forward had no challenges in achieving our benchmarks for this activity in FY2019.

Not Yet Implemented Activities

All Home Forward MTW activities have been implemented.

Closed Out Activities

No Home Forward MTW activities were closed out in FY2019.

Activities Closed in Previous Years

Name of Activity	Year Approved	Year Implemented	Year Closed Out	Reason for Close Out
Alternate Rent Calculation for Public Housing Units at Rockwood Station, Martha Washington, and Jeffrey	FY2011	FY2011	FY2012	This activity was discontinued on April 1, 2012 when our current Rent Reform activity was implemented and the units at those buildings shifted to the Rent Reform calculation.
Limits for Zero-Subsidy Participants	FY2010	FY2010	FY2012	This activity was discontinued on April 1, 2012 with the implementation of Rent Reform.
Limiting Portability in Higher Cost Areas	FY2013	Never implemented	--	Home Forward determined that the administrative costs to manage this activity would offset the proposed savings.
04 Bud Clark Commons	FY2010	FY2010	FY2014	Home Forward has determined that operations at Bud Clark Commons do not utilize MTW flexibility.
05 Biennial Inspections	FY2008	FY2008	FY2015	The FY2014 Appropriations Act allows all housing authorities to conduct inspections on a biennial basis. This activity no longer requires MTW flexibility.

Name of Activity	Year Approved	Year Implemented	Year Closed Out	Reason for Close Out
12 Alternative Initial Housing Assistance Payment Policy	FY2015	--	FY2017	Home Forward determined that the policy may be an administrative burden and may cause unintentional delays in household lease-ups.

Section V. Sources and Uses of Funding

Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year

Home Forward submits its unaudited and audited information in the prescribed FDS format through the Financial Assessment System – PHA (FASPHA), or its successor system.

Describe the Activities that Used Only MTW Single Fund Flexibility

Replacement Housing Factor Funds /Demolition or Disposition Transitional Funding

Home Forward's efforts to reposition its public housing portfolio can result in a formal disposition approval from HUD and then the sale of the asset. In these instances, Replacement Housing Factor (RHF) or Demolition or Disposition Transitional Funding (DDTF) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilized MTW authority to use these RHF or DDTF funds within its single fund flexibility to create new public housing units in a mixed-finance project. In doing so, these funds provide a portion of the total development capital needed for a particular project. Given the development cash flow needs of any particular mixed-finance project, Home Forward may also use the RHF or DDTF funds to repay construction financing. This would be done without formally pledging the future RHF or DDTF funds to the lender as collateral.

In September 2013, Home Forward proceeded with the disposition of four high-rise properties as part of our High Rise Preservation Initiative. The properties are Hollywood East, Sellwood Center, Northwest Tower and Gallagher Plaza, consisting of 654 public housing units. Home Forward anticipated receiving RHF or DDTF funds for these units, and may utilize its MTW authority to determine the future use of these funds based upon the amount of the award and timing in which funds are received.

As of FY 2019, Home Forward received two (2) years of DDTF funds in the Capital Fund Program Grant and anticipates receiving three more years of DDTF funds for these public housing units. Home Forward may utilize its MTW authority to

determine the future use of these funds based upon the amount of the award and timing in which funds are received. To date, none of the DDTF funds have been expended.

MTW Initiative Funds

Home Forward has created MTW Initiative Funds, comprised of MTW reserve funds in their entirety. This is a funding source to support initiatives that will advance the goals and objectives of MTW and Home Forward's Strategic Operations Plan, as well as provide sufficient operating reserves for prudent financial management. Some of these initiatives are aspects of our MTW Activities, described earlier in this Plan.

Listed below are initiatives that only use single-fund flexibility:

- Aligned Partner Network/Housing Works: Aligned Partner Network is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Services. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports. With access to stable housing, the appropriate level of case management, and priority access to workforce services, we believe that a significant number of households will be able to develop the skills they need to gain employment within two years. Home Forward contributes rent assistance, in the form of PBA, which is contracted to agencies in the Anti-Poverty system who use it to help stabilize families who are engaged in training or employment programming.

In 2012, our local Workforce Investment Board (WIB) received a 3-year, \$5.5 million Workforce Innovation Fund grant in partnership with Home Forward and the other local housing authorities and WIBs in the Portland Metro area to pilot a program called Housing Works. This demonstration grant expanded on an existing partnership between Home Forward and the local WIB. Over the last three years, Home Forward received \$1.1 million to work with our Workforce Investment Board to serve 270 Home Forward residents with intensive training and employment services. As part of this grant, Home Forward contributed to the cost of a staff position that is shared between the WIB and Home Forward. This "liaison" provides technical assistance to Home Forward staff as they support clients in navigating the WorkSource system and helps build the partnership between the two organizations.

The Housing Works program ended on April 30, 2016, one month past the fiscal year end for this report. The program offered unified, seamless service delivery to participant where training and employment services were delivered using a coaching approach tailored to the needs of individual participants. Service components included access to coaching; career and resource planning; ongoing access to career pathways; trainings linked to high-growth industries; job preparation; job-attachment services; and employment retention services.

The program served 314 individuals, of whom 145 earned industry-recognized credentials; 62 completed internships; 70 obtained employment that were not employed prior to entering the program; 48% of participants remained

employed for at least 9 months. All participants had access to support service funds, which provided financial support to participants to reduce and/or remove identified barriers to successful job training completion, job search and retention. The Housing Works team created and strengthened partnerships with local community colleges, the local WorkSource system, and other local job-training providers in the region. This regional alliance, also involving three other local housing authorities, created new opportunities and will continue to collaborate in meaningful ways that benefit the organizations and our mutual participants.

*Aligned Partner Network is Worksystems, Inc. new name for what was previously called Action for Prosperity

- Families Forward: Families Forward is the umbrella name for our initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able. This initiative ties to our strategic plan under One System. We leverage our role as the largest provider of affordable housing in Oregon to improve collaboration and efficacy between systems impacting people in poverty.
 - For adults, the current priority is to create a single framework for all of the agency's Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; aligning existing self-sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitating the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Housing Works/Aligned Partner Network (mentioned above) into Economic Opportunity work. Ultimately, the goals for this initiative include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.
 - Education Initiatives: Last year Home Forward deepened connections with systems partners focused on early education and chronic absence. After utilizing data sharing agreements with the six school districts in the county to obtain and analyze school attendance data, we learned that Home Forward students are struggling with chronic school absence significantly more than the general population of students in Multnomah County. Home Forward continues to work with a cross sector group of partners (county human services, school districts, DHS, non-profits) to amplify the community-wide attendance campaign and develop universal and site-based strategies for improving attendance.

Focus groups were conducted summer of 2016 across the county to get the insights of parents and caregivers on the challenges they face raising young children to be ready for kindergarten and getting kids to school every day, along with their ideas for what would help (from Home Forward and our partners). This input guides how we engage our partners in the work and how we adapt as a system to better support parents and their children to thrive. As a result, we are piloting alignment with our community schools system (called Schools Uniting Neighborhoods), with a specific focus on attendance and early childhood (Pre-school – 3rd grade), and the county library system, with a specific focus on early literacy.

- Aging at Home Strategies: Home Forward continues to develop and implement initiatives to increase independence and community at our properties that serve seniors and people with disabilities. Priority strategies include:
 - Focus on maintaining (through RAD conversion), strengthening and expanding the Congregate Housing Service Program in partnership with Impact Northwest, Multnomah County Aging, Disability and Veteran's Services, and Oregon State Department of Human Services.
 - Participating in Housing with Services, a systems alignment approach to improving the health outcomes, reducing health care costs, and to promoting community inclusion and self-determination for seniors and people with disabilities living in subsidized housing, which includes Cedar Sinai Park, Care Oregon, Cascadia and other partners.
 - Partnering with housing and healthcare partners to create cross-sector training modules to establish safe and secure discharge planning and ease transition back into independent housing. This initiative also strengthens communication and collaboration between housing and healthcare agencies.
 - Working with community clinics and coordinated care organizations to conduct on-site outreach and navigation events to ensure seniors are connected to healthcare and maximize available benefits and resources.
 - Partnerships with local nursing programs to bring triage and assessment services to Home Forward properties. Community health nursing students develop and launch health programming tailored to specific population health issues and social determinants of health within them.
- Staff Trainings: To support Home Forward's Strategic Plan to strengthen our relationship with the people we serve, Home Forward developed new trainings for staff. Several trainings were offered during FY2019 that focused on safety in the workplace, managing stress, neurology-based trainings on leadership and resiliency, service focused (including de-escalation, trauma-informed approach) and supervisor specific trainings.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a pilot grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability, build resident leadership, and reinforce community values. Past resident-led projects have

included exercise classes, afterschool tutoring, social events, community gardens and the creation of a soccer field and youth sports team.

- Security Deposit Assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are to be used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.

Tenant Education Class and Deposit Assistance: Since May 2016, Home Forward has contracted with the Community Alliance of Tenants (CAT) to teach a tenant education class to voucher holders. Class graduates have access to up to \$200 to help with a security deposit in their housing search. This partnership grew out of concern that in the current, competitive rental market, and with recent changes in Oregon landlord/tenant law, voucher holders needed more education about how to be successful applicants and tenants. In FY 2019, 54 participants took the class and received the deposit assistance.

- Landlord Incentive Fund: Home Forward has implemented a landlord incentive program to attract new landlords to the Housing Choice Voucher (HCV) program and increase the number of units available to voucher holders. In the first year, Home Forward issued 460 payments of \$100 each, 35% of which went to landlords who were new to the HCV program. Starting in FY2017, we focused the fund more specifically to landlords new to the program. Home Forward makes a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. This past fiscal year 134 landlords received the fund. This aligns with Oregon State Housing Bill 2639, which prohibits discrimination against renters and recruits new landlords to the Housing Choice Voucher program.
- Inter-jurisdictional Transfer Program for Survivors of Domestic Violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near lethal. A local domestic violence service provider has assigned

two full-time advocates to work on-site with Home Forward residents. The advocates can recommend residents to this transfer program and provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household, for up to five households each year. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies. To date, no funds have been utilized for this transfer program, but the program remains an option for households needing to transfer due to domestic violence.

- Voucher Success Fund: Home Forward successfully launched two pilot programs in an effort to increase utilization rates and decrease the number of days to lease up for Housing Choice Voucher (HCV) households. The Voucher Success Fund is jointly funded by the City of Portland and Home Forward MTW Initiative Funds.
 - Security and Success Loan: HCV households of 30% AMI or more are offered low-interest loans with affordable re-payment terms in order to assist with moving related costs, such as security deposits. Home Forward has partnered with Local Community Development Financial Institution; Innovative Changes is serve as the lender. The loan is also an opportunity for credit building and financial education.
 - Housing Search Advocates: Home Forward contracts with three Housing Search Advocates to provide housing search and placement assistance to HCV households. The Advocates are employed by two non-profits who specialize in housing, Transition Projects Inc. and Human Solutions. Along with case management supports, the Advocates can also provide a limited amount of financial assistance to help reduce barriers to housing such as security deposits, application fees, and transportation for the housing search.
- Record Relief & Criminal Expungement: Home Forward collaborates with Metropolitan Public Defender (MPD), a non-profit legal firm, to provide legal services to assist Home Forward residents, participants, and waitlist households with criminal record expungements along with consultation on any outstanding obligations to the court system. By reducing a barrier to housing and employment that is associated with a criminal background, Home Forward will help residents gain greater housing choice options in our community and ability for increased opportunity for work focused households to obtain employment. Home Forward also plans to see a decrease in administrative costs related to screening denials as an outcome of this project. Home Forward is using MTW Initiative Funds to support this program.
- Affordable Housing Opportunities: With incredibly low vacancy rates and a lack of affordable housing, Home Forward is dedicated to preserving and increasing the number of housing units in our community. Home Forward used MTW Initiative Funds to leverage additional funding for the preservation of existing affordable housing and development of new affordable housing. By using methods such as site acquisition, predevelopment loans, and gap financing, Home

Forward is able to invest in projects to expand the availability of housing that is affordable to families at different income levels in our community.

- Grant shortfalls: A large share of tenant/resident services are funded from grants and foundations. These funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by single-fund flexibility.
- Emergency fund: In the event of an emergency that affects a public housing family's ability to live safely in their unit, Home Forward has created a fund to help the family temporarily find safe housing in a hotel.
- Landlord Portal: Home Forward has completed the requirements for a Landlord e-Center or Housing Provider Portal which will allow landlords and participants to electronically communicate with Home Forward. Home Forward will deploy the first module in early June (FY2018), providing landlords the ability to view their current units as well as financial and rental histories. Our overall objective is to improve processes and reduce the time required to lease an apartment or home to a voucher holder.
- MTW Operating Reserve: The U.S. Department of Housing and Urban Development (HUD) is required to control disbursement of funds to Public Housing Authorities (PHAs) in such a way as to ensure that PHAs do not receive federal funds before funds are needed. Currently, any Home Forward excess subsidy reserves are held by HUD and are distributed upon request to cover eligible MTW expenditures. Should the Federal cash management requirements change, Home Forward will set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient to fund four months of Operating Expenses plus one month of Housing Assistance Payments.

Local Asset Management Plan

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

☐

No

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

Yes

or

☐

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes

or

☐

In the body of the Report, PHAs should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.

Home Forward's Local Asset Management Plan has been implemented with two exceptions. Help Desk services are not billed as fees to programs but are allocated based on program FTE. Work by Home Forward Development staff for Public Housing Capital projects are charged directly to the project on a cost reimbursement basis rather than via a cost recovery fee.

Section VI. Administrative

A. Reviews, Audits and Inspections

Public Housing – The chart below lists the Public Housing properties that had REAC inspections in FY2019.

Property	Score
Lexington Court	91
Cora Park	96
Celilo Court	93
Dekum Court	88
Fir Acres	86

Annual Program/Financial A-133 Audit – Home Forward’s Board of Commissioners accepted and approved the independent audit findings for FY2018 (covering the period of April 1, 2018 to December 31, 2019) in June 2019. There were no financial statement findings, questioned costs, or compliance findings.

B. Evaluation Results

As mentioned in the section on Single-Fund Flexibility Activities, Home Forward participated in Housing Works: A Regional Workforce-Housing Alliance, which was awarded a Workforce Innovation Fund grant in 2012 by the US Department of Labor. A full evaluation is a required element of the grant. Home Forward contributed Moving to Work Initiative Funds to the program in the form of staff time, as well as co-funding the cost of the liaison position from 2013-2016.

The partnership behind the program consisted of a consortium of workforce investment boards (WIBs) and public housing authorities across Multnomah, Washington, and Clackamas counties in Oregon, and Clark County in Washington. The lessons learned from various prior regional workforce development efforts have been applied in building the model for this program. The program brought to scale a pilot that Home Forward and Worksystems, Inc. tested several years ago with funds from the Paul G. Allen Family Foundation and expands the geographic span of activities, increasing the number of housing authority residents and industries served, and aligning the formula funding from the lead agencies.

The Housing Works program was designed to provide residents the opportunity to enhance their skills to gain and retain employment in high-demand industries and to increase their employment income. Participants accessed case management and supports across each stage of the program: career and resource planning; skill development and occupational skills training; job preparation and soft skills development; job attachment services; and employment retention services. This multi-faceted program was also crafted to create system

changes in the WIBs and housing authorities by aligning policies and encouraging the co-investment of resources. The approach to workforce development in this model was substantially altered to incorporate a role for housing authorities as case managers and coaches to assist participants in navigating the array of workforce services and supports. The essential components of this model that speak to systems change consist of growing organizational capacity to more fully align resources and policy; co-investment of resources; and unified service delivery that is seamless to participants.

The final program evaluation by Public Policy Associates, Inc. will be published in May of 2017.

C. MTW Statutory Requirement Certification

{Signed Board Resolution here}

D. MTW Energy Performance (EPC) Flexibility Data

Not applicable

Appendix

Local Asset Management Plan

Home Forward Asset Management Program

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement allows Home Forward to develop a local asset management program for its Public Housing Program. The following describes Home Forward's asset management program and identifies where differences exist from HUD's asset management guidance.

Home Forward's Local Asset Management Program

Home Forward has operated a property/project-based management, budgeting, accounting, and reporting system for the past five years. Our project-based management systems include:

- Annual budgets are developed by on-site property managers. These budgets are reviewed and further consolidated into portfolio level budgets managed by housing program managers
- Budgets at the property level are provided an allocation of public housing operating subsidy based on factors which differentiate subsidy based on building age, type, size, and relative poverty of the population of the various public housing properties.
- Weekly monitoring of occupancy by property, including notices, vacancies, and applicants, is published to the Public Housing management and Executive management.
- Monthly property-based financial reports comparing month-to date and year-to-date actual to budget performance for the current year are provided to site managers, portfolio managers, and the Director of Property Management. These reports are available to other management staff as needed to monitor specific properties.
 - Monthly reviews are held at the property level with Site Managers and their portfolio management.
 - Quarterly reviews of the Public Housing portfolio in its entirety are held at the division level with Property Management Director and Assistant Directors, as well as the Deputy Director and Chief Financial Officer. This review covers each property Net Operating Income and Cash Flow.
- Home Forward applies the same project/program based budgeting system and financial performance review to its Housing Choice Voucher program, local MTW programs, and non-federal programs and properties.

Home Forward's Cost Objectives

OMB Circular A-87 defines cost objective as follows: Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. The Cost Objectives for Home Forward's asset management program are the organizational subdivisions:

- Public Housing properties - includes resident services and management staff directly supporting this program
- Rent Assistance programs - includes management staff directly supporting this program and Family Self Sufficiency staff (including those supporting Public Housing residents)
- Moving to Work - includes activities related to our MTW agreement and local programs
- Integrated Facilities Services – includes maintenance staff for specialized maintenance services including those supporting maintenance for Public Housing units
- Resident Services – Family Self Sufficiency staff including those supporting Public Housing residents
- Affordable Housing
- Development

Home Forward's Treatment of Certain Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Home Forward has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

- Integrated Facilities Services: Integrated Facilities Services is the operating group for Home Forward's specialized maintenance services. IFS Maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.
- Procurement: Home Forward has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under \$5,000. Purchases greater than this limit require engaging central procurement. The Procurement staff is well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of Home Forward's indirect overhead allocation.
- Human Resources: Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward's Human Resources department serves the entire agency and certain human resource activities that HUD would consider a direct cost, such as

recruitment and pre-employment drug testing and screening, are centralized and are part of Home Forward's indirect overhead allocation. Home Forward has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.

- Information Technology: Hardware and software costs will be directly charged to the appropriate cost objective when such costs are available and specific to that cost objective. When a reasonable measurement of such IT costs can be obtained, an allocation based on the number of users (computers, software applications, etc.) will be utilized to directly charge the cost objective.
- Resident Services: A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, any costs not eligible for state and local grants will be funded by Home Forward's public housing properties and housing choice voucher program.
- Rent: Home Forward charges rent to each cost objective based on the space they occupy in our central office building. Rent is based on estimated costs and adjusted for actual costs at year-end.

Home Forward's Treatment of Public Housing Operating Subsidy

Home Forward's flexibility to use MTW funding resources to support its low-income housing programs is central to our Asset Management Program. Home Forward will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and preserve our low income housing assets and local programs.

Home Forward's Indirect Cost Allocations

Costs that can specifically and efficiently be identified to a cost objective are counted as direct costs to that objective. Costs that cannot be readily or efficiently identified as specifically benefiting a cost objective will be considered indirect and allocated. The *Home Forward Allocation Process – Process Flow Diagram* shown at the end of this policy is a graphic representation of Home Forward's allocation methodology. Home Forward has determined that some costs, defined as "direct costs" by HUD for asset management, require effort disproportionate to the results achieved and have included those costs as part of the indirect cost pool allocated to cost objectives as overhead.

Home Forward Indirect Costs

OMB Circular A-87 defines indirect costs as those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Home Forward's indirect costs include, but are not limited to:

- Executive
- Policy & Planning
- Accounting & Finance

- Purchasing
- Human Resources, including job applicant screening, payroll, labor negotiations & organization wide training
- Information Technology: costs not specifically identified and charged as a direct expense to a cost objective

Differences – HUD Asset Management vs. Home Forward Local Asset Management Program

Home Forward is required to describe in the MTW Annual Plan differences between our asset management program and HUD's asset management program as described in HUD's Financial Management Guidebook. Below are several key differences:

- HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD's asset management system which includes all of Home Forward's cost objectives listed above.
- Home Forward has defined the treatment of direct and indirect costs differently than HUD's asset management program. From the agency perspective, we view the program operations management as direct costs of the program.
- These differences include, but are not limited to:
 - HUD Indirect/Home Forward Direct:
 - Portfolio and program ("regional") management, including hiring, supervision and termination of frontline staff is considered a direct cost. These costs are pooled and then allocated to each property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.
 - Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.
 - Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
 - Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
 - HUD Direct/Home Forward Indirect:
 - Advertising for new hires will be considered indirect and allocated to the program and properties.
 - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
 - Other:
 - Using MTW authority to improve efficiencies across programs, all staff associated with the Family Self Sufficiency program, regardless of serving public housing or housing choice voucher residents, will be considered a direct cost of the housing choice voucher program.
 - Preparation and submission of HCV and public housing program budgets, financial reports, etc. to HUD and others will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.

- Investment and reporting on HCV proceeds will be either direct or indirect, depending on the department from which the reports are prepared. If prepared by program staff, costs will be considered direct. If prepared by administrative department staff, costs will be considered indirect and allocated to the program and properties.
- HUD's rules limit the transfer of cash flow between projects, programs, and business activities. Home Forward intends to fully use its MTW resources and flexibility to move project cash flow among projects as locally determined and use MTW funding flexibility to provide additional funding to public housing properties when appropriate and necessary to provide for and preserve our public housing assets.
- HUD's rules provide that maintenance staff be maintained at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation work.
- HUD's rules provide that purchasing is performed at the property level. Home Forward's asset management program reflects a cost-effective balance of on-site and central purchasing, depending on the total cost of procurement and complexity of applicable procurement laws and reporting requirements.
- HUD intends certain property management activities to be at the property level. Home Forward has centralized selected property management functions, including but not limited to denial hearings, occupancy management, transfers, reasonable accommodations, auditing, training, compliance, and some waitlist management, and will allocate these costs as a direct expense to the properties based on a relevant metric such as units.
- Home Forward employs its own development staff. Any work on Public Housing Capital projects will be subject to a cost recovery fee paid from the capital fund to cover costs of development staff engaged in such capital projects.

Balance sheet accounts

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

- Cash
- Restricted Cash
- Petty Cash
- Investments
- Selected Prepaid Expenses and Deferred Charges
- Selected Accrued Liabilities
- Payroll Liabilities
- Compensated Absences
- Other Post Employment Benefits (OPEB) Liability
- Pension Liability (GASB 68)
- Deferred Inflows of Resources – Pension (GASB 68)

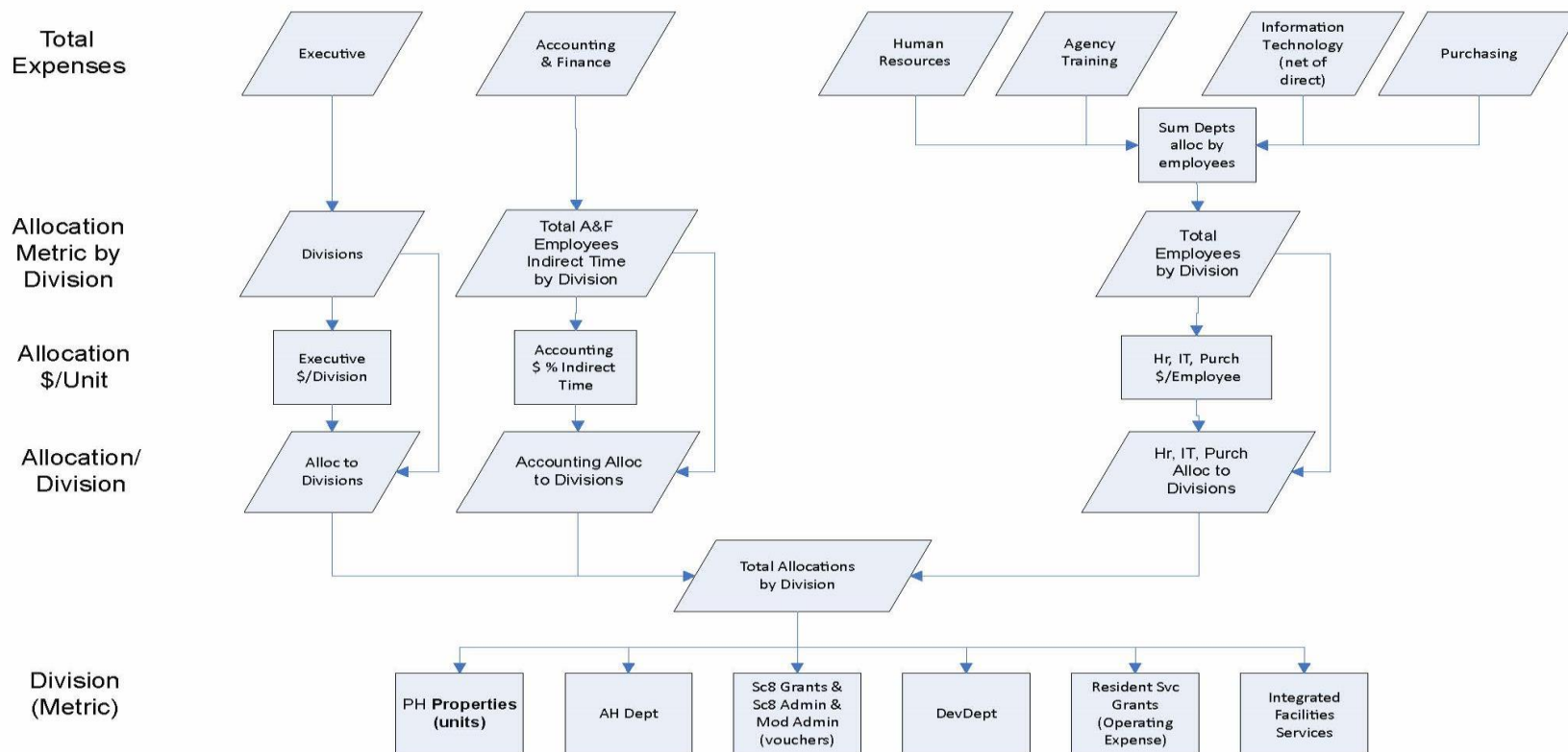
- Deferred Outflows of Resources – Pension (GASB 68)
- Unrestricted and Restricted Net Assets

Home Forward's asset management program will maintain the above balance sheet accounts centrally. Maintaining these accounts centrally has proven to be the most cost effective and least labor intensive method ensuring efficient accounting operations and ultimately reducing costs charged to the programs. This deviates from HUD's asset management requirements as these accounts will not be reported at the AMP or program. Additionally, the centralization of cash and investments is in keeping with the single fund precept of our MTW authority. For those balance sheet accounts that are originated from expense entries, the related expenses will continue to be reported as an expense to the appropriate program, department and AMP-based income and expense statement through direct charges or allocations.

The agency is continually reviewing our asset management practices and will likely revise our approach over the coming years.

Home Forward Allocation Process

Process Flow Diagram



**APPENDICES Appendix 1
Recommended Relocation Plan Contents**

**Appendix 2
Sample RAD General Information Notice (GIN)**

**Appendix 3
Sample RAD Notice of Relocation (for relocation anticipated for a year or less)**

**Appendix 4
Sample RAD Notice of Relocation (for relocation anticipated for more than a year)**

**Appendix 5
Sample Notice of Eligibility for URA Relocation Assistance (for residents who have been temporarily relocated for more than a year)**

Appendix 1: RECOMMENDED RELOCATION PLAN CONTENTS

While written Relocation Plans are not required under RAD or URA, the Department strongly encourages PHAs to document their relocation planning process and procedures in a written Relocation Plan. The following provides suggested content for Relocation Plans.

I. Project Summary

The Relocation Plan should provide a general description of and purpose for the project (e.g., year built, location, number of units, configuration, occupancy information, and funding sources).

The basic components of a plan include:

- A general description of the project and the site, including acquisition, demolition, rehabilitation, and construction activities and funding sources;
- A detailed discussion of the specific steps to be taken to minimize the adverse impacts of relocation, including when transferring the assistance to a new site;
- Information on occupancy (including the number of residents, residential owner-occupants and non-residential occupants, if any, to be permanently or temporarily relocated);
- Information on relocation needs and costs (including the number of residents who plan to relocate with Section 8 assistance);
- General moving assistance information;
- Temporary move assistance (including information on the duration of temporary moves);
- Permanent move assistance; and
- Appeals process.

II. Resident Return and Re-occupancy Policies

For residents that will be temporarily relocated, the plan should include the criteria that will be used to determine the priority for residents to re-occupy units at the project after rehabilitation, demolition, and/or construction is completed. For example, if units will come online in stages, the plan should outline how the PHA will determine when each resident will return to the project. PHAs should ensure that any written return or re-occupancy policy is compliant with related RAD requirements, such as the right-to-return policy and the “no re-screening upon conversion” policy, as described in the RAD Notice.

III. Summary of Moving Costs

The plan should include a summary of moving costs, identified by move types, including the following:

Temporary Moves

- Number of and cost amount for two-way moves (i.e., a move to another unit and then a return move) within the same building/complex.
- Number of and cost amount for two-way moves to a unit not in the same building/complex, carried out by the PHA.
- Number of and cost amount for two-way moves to a unit not in the same building/complex not carried out by the PHA.

Permanent Moves

- Number of and cost amount for one-time moves into another unit in the same building/complex.¹⁵
- Number of and cost amount for one permanent move to a unit not within the same building/complex, carried out by the PHA.

PHAs should note that if a residential move is carried out by the PHA at no cost to the resident, this per-household estimate must include the required dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the most current dislocation allowance:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_costschedule.cfm
- Number of and cost amount for one permanent move to a unit not within the same building/complex that is not carried out by the PHA.

IV. Temporary Relocation Assistance

The PHA will assist residents who are required to move temporarily. At the Initiation of Negotiations (ION), the PHA will send a RAD Notice of Relocation to residents who will be relocated. Appendices 3 and 4 of this Notice contain sample RAD Notices of Relocation to be provided to residents that will be temporarily relocated.

The plan should detail the temporary relocation assistance the PHA will provide for residents (Paragraph 2-7 of HUD Handbook 1378). This assistance includes:

- Temporary Housing - The PHA will provide temporary housing that is decent, safe, and sanitary on a nondiscriminatory basis for residents who are relocated temporarily. The PHA will also pay for reasonable increased housing costs that the resident incurs in connection with the temporary relocation.

NOTE: If a resident's relocation exceeds one year, the PHA must then issue a *Notice of Relocation Eligibility* (49 CFR 24.203(b)) to the resident and offer the resident permanent

¹⁵ A resident who moved to another unit in the same building/complex may be considered a displaced person under URA if the resident moves from the building/complex permanently and was not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move within the same building/complex and/or if other conditions of the move within the building/complex were not reasonable.

relocation assistance and payments at URA levels. The PHA must provide this notice to affected residents as soon as the temporary relocation exceeds one year.

- **Packing and Moving Assistance** - Since most residents prefer to pack their own personal possessions and items of value, they should be provided packing instructions, boxes, markers, and tape for the move. If assistance in packing is needed, the PHA should provide the resident with information on how to request this assistance. The PHA is responsible for covering all reasonable moving expenses incurred in connection with temporarily relocating a resident. The PHA may reimburse the resident's out-of-pocket moving expenses and/or directly carry out the move.
- **Payment for Temporary Relocation Moving Expenses** - The plan should also indicate how the PHA intends to provide or reimburse for moving services and expenses. The PHA can choose to do one or more of the following:
 - Undertake the moves itself, using force account labor or a moving company;
 - Use PHA's contractor or moving company;
 - Carry out moves with employees of the PHA;
 - Reimburse residents for all actual and reasonable moving costs.

NOTE: The PHA will not make fixed payments since such payments may not be representative of actual reasonable costs incurred. However, in order for a resident to be sure of full reimbursement, the resident should submit a moving cost estimate to the PHA for approval prior to the move unless the PHA is directly carrying out the move and the resident will not incur any reasonable out-of-pocket moving expenses. Failure to do so may result in the resident not being fully reimbursed.

- **Utility Costs** - The PHA is responsible for covering the expenses relating to disconnection and reconnection of necessary utilities. If the resident has telephone, cable service or Internet access, the PHA is responsible for covering the expenses involved in transferring existing service. The PHA may also pay utility deposits, if required at the temporary relocation housing (HUD Handbook 1378, paragraph 2-7(A)(3)). If a resident is temporarily relocating from a public housing unit to a non-public housing unit, the resident must be reimbursed for reasonable increases in utility costs even if the PHA utility allowance is lower than the actual costs to the resident.

V. Permanent Relocation Assistance

Based on the local housing resources available, the PHA should identify the replacement housing options that will be available to meet the housing needs of residents to be permanently relocated. Replacement housing options for residents that meet the definition of a "displaced person" (49 CFR 24.2(a)(9)) under the URA include, but are not limited to:

- Other Public Housing;
- Section 8 Project-Based Voucher unit;
- Section 8 Housing Choice Voucher unit;
- Homeownership housing;

- Private-market rental housing (affordable, non-subsidized).¹⁶

The plan should describe each type of replacement housing projected to be available, including:

1. Number of units, by bedroom size, expected to be available, and discussion of whether available units will meet dwelling requirements of relocated residents;
2. General area or location of unit(s);
3. Criteria for receiving relocation assistance; and
4. Any other information that might benefit residents in their consideration of housing choices.

The plan should include a description of the permanent relocation assistance the PHA will provide to residents. This assistance includes:

- Availability of Comparable Replacement Housing – Under URA, no displaced resident will be required to move unless at least one comparable replacement dwelling (49 CFR 24.2(a)(6)) is made available at least 90 days before the required move (49 CFR 24.203(c)). Comparable replacement dwellings must contain the accessibility features needed by displaced persons with disabilities (49 CFR 24.2(a)(8)(vii); 49 CFR part 24, Appendix A, §24.2(a)(8)(vii)). If the comparable replacement dwelling is not subsidized housing, the PHA should contact the RAD staff for advice on replacement housing payment requirements.
- Referral to Housing Not Located in an Area of Minority Concentration - Whenever possible, minority persons shall be given reasonable opportunities to relocate to decent, safe, and sanitary replacement dwellings that are within their financial means and not located in areas of minority concentration (49 CFR 24.205(c)(2)(ii)(D)). However, this policy does not require a PHA to provide a person a larger payment than is necessary to enable a person to relocate to a comparable replacement dwelling unit.
- Permanent Relocation Moving Expenses from Public Housing to Public Housing - The PHA may choose one of the following options for covering the expenses involved in moving public housing residents that are relocated into other public housing:
 - Undertake the move itself, using force account labor or a moving company. Residents should incur no moving costs under this option, but if such expenses are incurred, the PHA is responsible for reimbursing the resident for any such actual and reasonable expenses. In such case, the resident is also entitled to a dislocation allowance (currently \$100). The URA Fixed Residential Moving Cost Schedule lists the current dislocation allowance and is available at:
[http://www.fhwa.dot.gov/real estate/practitioners/uniform act/relocation/moving co st schedule.cfm](http://www.fhwa.dot.gov/real%20estate/practitioners/uniform%20act/relocation/moving%20cost%20schedule.cfm)

¹⁶ Every effort should be made to find another subsidized unit as replacement housing for a resident relocating from subsidized housing so that the resident will continue receiving the housing subsidy as long as it is needed.

NOTE: Residents who prefer to pack their own personal possessions and items of value may be provided packing instructions, boxes, markers, and tape for their move. If a resident needs assistance in packing, they should contact the PHA. It is the responsibility of the PHA to pack and move all of their belongings and household goods, if so desired.

- Allow the resident to elect one of the following choices:
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable and necessary moving and related expenses (49 CFR 24.301), such as:
 - Transportation of the resident and personal property. This may include reimbursement at the current mileage rate for personally owned vehicles that need to be moved. Transportation costs for a distance beyond 50 miles are not eligible, unless the PHA determines that relocation beyond 50 miles is justified.
 - Packing, crating, uncrating, and unpacking of personal property.
 - Storage of personal property for a period not to exceed 12 months, unless the PHA determines that a longer period is necessary.
 - Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
 - Insurance for the replacement value of the property in connection with the move and necessary storage.
 - The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49 CFR 24.302), available at:
http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm
- Permanent Relocation Moving Expenses for All Other Moves – Under URA, residents who are permanently displaced, except for those residents displaced from public housing and moving to other public housing, are entitled to the assistance described in the brochure *Relocation Assistance To Residents Displaced From Their Homes*, available in English at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16280.doc and in Spanish at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_16281.doc. Residents may choose moving assistance from one of the following two options.
 - 1) The PHA will reimburse the resident for the cost of all actual reasonable moving and related expenses (49 CFR 24.301).
 - 2) The PHA will pay directly to the resident the applicable and current fixed moving cost payment according to the URA Fixed Residential Moving Cost Schedule (49

CFR 24.302), available at:

http://www.fhwa.dot.gov/real_estate/practitioners/uniform_act/relocation/moving_cost_schedule.cfm.

- Replacement Housing Payment - In addition to covering moving expenses, displaced residents may be entitled to a replacement housing payment (RHP). This payment is intended to cover the increase, if any, in monthly housing costs for a 42-month period.

When calculating the RHP, the PHA must consider the comparable replacement housing unit offered to the resident. Since the PHA is not required to pay an RHP amount that exceeds the amount of RHP calculated for the offered comparable replacement dwelling, residents are cautioned to work closely with the PHA prior to their move.

- Accessible Housing for Persons with Disabilities - Under the URA, persons with disabilities who will be permanently displaced must be relocated to a replacement dwelling that contains the accessibility features they need (49 CFR 24.2(a)(8)(vii); 49 CFR Appendix A, 24.2(a)(8)(vii)). A person with disabilities who has been relocated must be offered a comparable replacement dwelling unit that contains accessible features comparable to the housing from which the tenant has been displaced or relocated. This is so even if the tenant has paid for the acquisition and/or installation of accessible features in the housing from which he or she has been relocated; in such instances, the recipient must ensure that the replacement housing contains comparable accessible features or provide relocation assistance to the tenant in an amount that covers the cost of acquiring and/or installing comparable accessible features. Under the URA, an agency may use project funds to remove architectural barriers for displaced owners and tenants with disabilities or take other last resort housing measures if comparable replacement dwelling units are not available within the monetary limits prescribed under the URA regulations (49 CFR 24.404(c)(vii); HUD Handbook 1378, Paragraph 3-8).

VI. Relocation Budget

Based on the results of the planning process, the PHA should create a relocation budget that includes the following six components:

- 1) The cost of administering the plan and providing assistance and counseling.
- 2) Reasonable moving expenses for a person with disabilities, which may include the cost of moving assistive equipment that is the personal property of the residents, the furnishings and personal belonging of a live-in aide, and/or other reasonable accommodations (HUD Handbook 1378, Paragraph 3-2).
- 3) The cost of the physical move of the residents' belongings. (It is suggested that the move costs be broken down by average cost per move type multiplied by the number of moves.)
NOTE: This physical move cost total should be based on the move scenarios anticipated

or projected by the resident survey.

- 4) The cost estimated to pay for projected increases in monthly housing costs for temporary relocation.
- 5) The cost estimated to pay for the replacement housing payment (RHP) (42-month period for URA or 60-month period if section 104(d) applies).
- 6) Contingency costs estimated for carrying out the relocation process necessary to complete the proposed project. (The PHA should state where these costs are indicated in the application, or attach any other information required by HUD, to support these costs.)

VII. Appeal Process

If a resident disagrees with the PHA's decision as to the resident's eligibility to receive relocation assistance, the amount of a relocation payment, or the adequacy of a comparable replacement dwelling offered to a resident, the resident may file a written appeal to the PHA. The Relocation Plan should describe the specific appeal procedures to be followed consistent with 49 CFR 24.10 (and 24 CFR 42.390 if section 104(d) is involved). At a minimum, the resident will have 60 days to file an appeal with the PHA after receiving written notification of a claim or ineligibility determination.

VIII. Certification

The plan should contain a certification of compliance with the URA and, if applicable, section 104(d).

Technical Assistance

The PHA should direct questions on this Notice's relocation assistance requirements to their RAD Transaction Manager or email_rad@hud.gov.

Appendix 2: SAMPLE RAD GENERAL INFORMATION NOTICE (GIN)

PHA LETTERHEAD

RENTAL ASSISTANCE DEMONSTRATION (RAD) GENERAL INFORMATION NOTICE (GIN)

[Date]

Dear [Resident Name],

The property you currently occupy is being proposed for participation in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. At this time, we expect that [the proposed acquisition, rehabilitation or demolition, may require you to be relocated (temporarily or permanently) from your unit]. We will provide further details to you as plans develop. **This notice does not mean that you need to leave the property at this time. This is not a notice of eligibility for relocation assistance.** The remainder of this letter only applies to situations where you will need to be relocated from your unit.

This notice serves to inform you of your potential rights under the RAD program and a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). If the proposed RAD project receives HUD approval and if you are displaced permanently as a result, you may become eligible for relocation assistance and payments under the URA, including:

- 1) Relocation advisory services that include referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate;
- 2) At least 90 days' advance written notice of the date you will be required to move;
- 3) Payment for moving expenses; and
- 4) Payments to enable you to rent a similar replacement home.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an immigrant lawfully present in the United States.

As a resident of a property participating in RAD, you have the right to return to the project after the project is complete. You will be able to lease and occupy a unit in the converted project when rehabilitation is complete.

If you are permanently displaced from your home, you will not be required to move until you are given at least 90-day advance written notice of any required move and at least one comparable replacement dwelling has been made available to you. If you are temporarily relocated and your temporary relocation lasts more than one year, you will be contacted and offered permanent relocation assistance as a displaced person under the URA. This assistance would be in addition

to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance you have already received.

If you are required to relocate from the property in the future, you will be informed in writing. [PHA] will inform you of what assistance and payments you are eligible for if you will be relocated because of RAD and how you will receive these payments. If you become a displaced person, you will be provided reasonable assistance necessary to complete and file any required claim to receive a relocation payment. If you feel that your eligibility for assistance is not properly considered, you will also have the right to appeal a determination on your eligibility for relocation assistance.

You should continue to pay your rent and meet any other requirements specified in your lease. If you fail to do so, [PHA] may have cause for your eviction. If you choose to move, or if you are evicted, prior to receiving a formal notice of relocation eligibility, you may become ineligible to receive relocation assistance. It is very important for you to contact us before making any moving plans.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact: [Name, Title, Address, Phone, Email Address]. This letter is important to you and should be retained.

Sincerely,

[Name]

[Title]

NOTES:

1. Files must indicate how this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378)
2. This is a sample GIN. PHAs should revise it to reflect project-specific circumstances.
3. PHAs may provide residents with HUD brochure "Relocation Assistance To Residents Displaced From Their Homes" available at:
<http://www.hud.gov/offices/cpd/library/relocation/publications/1042.pdf>.

Appendix 3: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for a year or less)

***THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear *[Resident Name]*,

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On *[date]*, the *[Public Housing Authority]* (PHA) notified you of proposed plans to *[acquire/ rehabilitate/demolish]* the property you currently occupy at *[address]*. On *[date]*, HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. *[In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property]* (Displacing Agency) intends to acquire the property you currently occupy. **This is a Notice of Intent to Acquire.]**

In order for PHA to complete the project, you will need to be relocated for *[anticipated duration of relocation]*. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation payments and assistance.

However, **you do not need to move now.** This notice informs you that a decent, safe, and sanitary dwelling unit, listed below, has been made available to you and you will be required to move by *[insert date at least 30 days after the date of this notice]*.

If your temporary relocation exceeds one year and you qualify as a "displaced person" under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may be eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

The relocation assistance to which you are entitled includes:

☐ **Payment for Moving Expenses.** You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary

move. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.]*

☐ The location of your temporary replacement unit is *[address]*. This temporary housing has been determined to be decent, safe and sanitary.

☐ *List appropriate relocation advisory services and any other services and assistance provided.]*

If you disagree with this determination, you may file a written appeal to the PHA in accordance with 49 CFR 24.10.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact *[Name, Title, Address, Phone, Email Address]* before you make any moving plans. He/she will assist you with your move to a temporary unit and help ensure that you preserve your eligibility for any relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

Appendix 4: SAMPLE RAD NOTICE OF RELOCATION (For relocation anticipated for more than a year)

**THIS IS A GUIDE FORM.
REVISE TO REFLECT THE PROJECT-SPECIFIC CIRCUMSTANCES.**

PHA Letterhead

(date)

Dear [Resident Name],

The property you currently occupy is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. On [date], the [Public Housing Authority] (PHA), notified you of proposed plans to [acquire/ rehabilitate/demolish] the property you currently occupy at [address]. On [date], HUD issued the RAD Conversion Commitment (RCC) and committed federal financial assistance to the project. *[In instances where a Notice of Intent to Acquire is applicable and this notice is being sent before the RCC is issued, in lieu of the previous sentence noting the RCC issuance date, insert: [Name of entity acquiring the property] (Displacing Agency) intends to acquire the property you currently occupy. This is a Notice of Intent to Acquire.]*

In order for PHA to complete the project, you will need to be relocated for [anticipated duration of relocation]. Upon completion of the project, you will be able to lease and occupy your present unit or another decent, safe and sanitary unit in the completed project under reasonable terms and conditions. You are eligible for relocation assistance and payments. Because we expect your relocation to exceed one year, you have the choice to either:

- Receive temporary relocation assistance and return to a unit in the RAD project once it is complete; or
- Receive permanent relocation assistance and payments consistent with the URA instead of returning to the completed RAD project.

You must inform us of your choice within 30 days.

However, **you do not need to move now.** If you choose temporary relocation assistance, you will not be required to move sooner than 30 days after you receive notice that a temporary unit is available for you. If you choose permanent relocation assistance, you will not be required to move sooner than 90 days after you receive written notice that at least one comparable replacement unit is available to you in accordance with 49 CFR 24.204(a). *[Note to PHA: These time periods may start running as of the date of this Notice if the notice of relocation includes such information on the temporary and/or comparable replacement dwelling options, as applicable. In such circumstance, add applicable sentences to adequately notify the resident. For example: This notice informs you that a temporary unit, listed below, has been made available to you and, if you choose this option, you will be required to move by [date no sooner than 30 days after notice]. This notice informs you*

that a comparable unit, listed below, has been made available to you and, if you choose this option, you will be required to move by *[date no sooner than 90 days after notice]*.

If you choose temporary relocation, your relocation exceeds one year and you qualify as a “displaced person” under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), you may become eligible for further relocation assistance and payments under URA.

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you choose to receive temporary relocation assistance, this assistance will include:

□□□ Payment for Moving Expenses. You are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in connection with any temporary move. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 4 of this Notice.]*

□□□ The location of your temporary replacement unit is *[address]*. This temporary housing has been determined to be decent, safe and sanitary.

□□□ *[List appropriate relocation advisory services and any other services and assistance provided.]*

If you elect to receive permanent relocation assistance, this assistance will include:

□□□ Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.

□□□ Payment for Moving Expenses. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.]*

□□□ Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present unit, and (3) 30% of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.

□□□ *[PHA: list here any permanent relocation assistance offered, such as a Housing Choice Voucher.]*

- ☐ Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.			
2.			
3.			

We believe that the unit located at [address] is most representative of your original unit in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is [\$ amount] and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately [\$ (42 x monthly amount)], if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All replacement housing payments must be paid in installments. Your payment will be paid in [#] installments.

You may choose to purchase (rather than rent) a decent, safe and sanitary replacement home. If you do, you would be eligible for a down-payment assistance payment which is equal to your maximum replacement housing payment, [\$amount.] *[PHAs should note that, at the agency's discretion, a down-payment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).]* Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print name:

Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.)

**Appendix 5: SAMPLE NOTICE OF ELIGIBILITY FOR URA RELOCATION ASSISTANCE
(For residents who have been temporarily relocated for more than a year)**

***THIS IS A GUIDE FORM.
IT SHOULD BE REVISED TO REFLECT THE CIRCUMSTANCES.***

PHA Letterhead

(date)

Dear [Resident]:

The property you formerly occupied at [address] is participating in the Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. You have been temporarily relocated from that property since [date.] Your temporary relocation has exceeded one year.

It has been determined that you qualify as a "displaced person" according to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You are eligible for relocation assistance and payments under the URA.

You may choose to remain temporarily relocated and return to a unit in the RAD project once it is completed. It is currently estimated that you may return to the RAD project by [date]. If you choose to remain temporarily relocated, you will stay at your current location until the RAD project is completed.

Alternatively, you may choose permanent relocation assistance and payments for which you are eligible, as listed below. If you choose permanent relocation assistance, you give up your right to return to the completed RAD project. However, **you do not need to move now.** If you choose permanent relocation assistance instead of exercising your right to return to the completed RAD project, you will not be required to move sooner than 90 days from the date that at least one comparable replacement unit has been made available to you. [Alternatively: You will not be required to move sooner than 90 days from the date of this notice, which informs you of a comparable replacement unit that has been made available for you].

This is your Notice of Eligibility for relocation assistance.

The effective date of your eligibility is [insert date that relocation exceeds one year.]

NOTE: Aliens not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Enclosed is a brochure entitled, "Relocation Assistance to Tenants Displaced From Their Homes." Please read the brochure carefully. It explains your rights and provides additional information on eligibility for relocation payments and what you must do in order to receive these payments.

The relocation assistance to which you are entitled includes:

- Relocation Advisory Services. You are entitled to receive current and continuing information on available comparable replacement units and other assistance to help you find another home and prepare to move.
- Payment for Moving Expenses. *[PHA should list the form of payment for moving expenses selected in accordance with Appendix 1, Section 5 of this Notice.]* This is in addition to any amounts received to reimburse for any reasonable out-of-pocket expenses incurred in connection with the temporary move.
- Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement unit, (2) the monthly rent and cost of utility services for your present home, and (3) for low-income persons, 30 percent of your average monthly gross household income. This payment is calculated on the difference between the old and new housing costs for a one-month period and multiplied by 42.
- *[PHA list here any other relocation assistance offered the resident, such as Housing Choice Voucher.]*

Listed below are three comparable replacement units that you may wish to consider for your replacement home. If you would like, we can arrange transportation for you to inspect these and other replacement units.

	Address	Rent & Utility Costs	Contact Info
1.			
2			
3			

We believe that the unit located at *[address]* is most representative of the original unit you occupied in the converting RAD project. The monthly rent and the estimated average monthly cost of utilities for this unit is *[\$amount]* and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this unit is not comparable to your original unit. We can explain our basis for selecting this unit as most representative of your original unit and discuss your concerns. Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately \$ *[42 x \$Amount]*, if you rent the unit identified above as the most comparable to your current home or rent another unit of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable unit, your replacement housing payment will be based on the actual cost of that unit. All replacement housing payments must be paid in installments. Your payment will be paid in *[#]* installments.

Should you choose to purchase (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a downpayment assistance payment which is equal to your maximum

replacement housing payment, [\$ amount] *[PHAs should note that, at the agency's discretion, a downpayment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. (See 49 CFR 24.402(c)(1)).]* Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe, and sanitary before any replacement housing payments are made.

If you have any questions about this notice and your eligibility for relocation assistance and payments, please contact [Name, Title, Address, Phone, Email Address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for any applicable relocation payments.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance. This letter is important to you and should be retained.

Sincerely,

Print Name:
Title:

Enclosure/s

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3(J) of Handbook 1378.

