

# PHILADELPHIA HOUSING AUTHORITY



Philadelphia Housing Authority

## MOVING TO WORK ANNUAL PLAN FISCAL YEAR 2015 (APRIL 1, 2014 TO MARCH 31, 2015)

# DRAFT

**THIRD REVISION SUBMITTED AUGUST \_\_\_\_, 2014**

New Language is Highlighted in **Yellow**

**PHILADELPHIA HOUSING AUTHORITY  
MOVING TO WORK ANNUAL PLAN – FISCAL YEAR 2015**

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## I. INTRODUCTION

This Annual Plan provides information on activities planned by the Philadelphia Housing Authority (PHA) under the Moving To Work Demonstration Program (MTW) for PHA Fiscal Year 2015, i.e. the period from **April 1, 2014 to March 31, 2015**.

PHA has been an MTW agency since April 2001, operating under an MTW Agreement with the U.S. Department of Housing and Urban Development (HUD). The MTW Agreement as amended describes the authority and flexibility granted to PHA under MTW and the requirements for participation.

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

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

Through the MTW Demonstration, PHA will continue to substantially transform its properties and programs, utilizing flexibility provided by the MTW Agreement in virtually every area of agency operations. In an era of diminishing Federal resources, effective and innovative use of MTW flexibility is more critical than ever to the future of PHA and its residents.

### **MTW Long-Term Goals and Objectives**

During the first year of the MTW program, PHA established five (5) broad objectives for the MTW Demonstration Program:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia.
- Revitalize neighborhoods where MTW and MTW-eligible residents reside.
- Develop a MTW Family Program to furnish comprehensive family self-sufficiency services to eligible MTW families.
- Establish a Quality of Life Program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher participants, voucher landlords, and PHA to one another and to the broader community.
- Establish efficient operating procedures and implement cost-saving strategies.

Under the direction of President and Chief Executive Officer, Kelvin A. Jeremiah, PHA has continued and expanded the use of MTW flexibility in promoting PHA's long-term strategic objectives. PHA has sharpened its focus on improving performance in core business operational areas including property management, maintenance services and resident services. PHA's focus on the "homefront" emphasizes the need to strengthen people, property and partnerships. Twelve interrelated priorities have been established to guide both future MTW activities and PHA's overall management strategy. These priority areas are:

1. Improve performance in core business operations
2. Assess, preserve and diversify PHA's affordable housing portfolio
3. Implement a comprehensive scattered site repositioning strategy
4. Enhance resident safety and security
5. Implement resident and community-based approaches to services, training and jobs
6. Expand public, private and philanthropic partnerships
7. Strategically allocate vouchers to support overarching housing strategy
8. Create a management business model that is data-driven and high performing
9. Enhance use of information technology
10. Monitor compliance and enhance internal controls
11. Rebrand PHA as a good neighbor, employer of choice and reliable partner
12. Enhance affiliate/subsidiary operations to support community revitalization

Ongoing and future MTW initiatives will be designed to enhance and support these priority areas.

### **FY 2015 Goals and Objectives**

PHA has experienced dramatic reductions to its Public Housing and Housing Choice Voucher funding in recent years. While funding levels are not known for FY 2015, it appears highly unlikely that adequate funding levels will be restored. Thus, PHA will need to continue to respond to severe budget challenges by stretching budget dollars to do more with less, identifying new efficiencies, promoting sustainability and innovation in its operations wherever possible, and creatively leveraging strategic partnerships in support of the agency's mission.

Through its MTW initiatives and flexibility, PHA will implement a coordinated, comprehensive program of capital improvements, development activities, maintenance and management initiatives, and resident supportive services in FY 2015.

MTW activities are defined by HUD as only those activities that specifically require MTW authority or Block Grant flexibility to implement. Highlights of PHA's planned MTW activities include:

- ***“6 in 5” Program*** – PHA has established an initiative designed to create, acquire or preserve 6,000 affordable housing units over a five year period subject to funding availability. The “6 in 5” Initiative involves a range of strategies including PHA-developed projects that provide for redevelopment of obsolete properties; collaboration with the Pennsylvania Housing Finance Agency to ensure the long-term affordability of Low Income Housing Tax Credit properties; and collaboration with the City, non-profit agencies and local developers on new construction, acquisition and substantial rehabilitation projects. PHA expects to utilize MTW Block Grant funding to support many of the “6 in 5” developments. In FY 2014, PHA issued a Request for Proposals under the “6 in 5” program that generated proposals for over 1,000 units of affordable housing. In FY 2015, using MTW Block Grant and other funding, PHA and its partners plan to add 171 public housing units in the following developments: Queen Lane, Queen’s Row, Markoe Street, IMPACT Veterans and New Courtland. Subject to funding availability, PHA also anticipates construction starts for major redevelopment projects at Blumberg and Norris Homes.
- ***Homeless Veterans Initiative*** – Working with the City and the Department of Veterans Affairs, PHA is committed to eliminating homelessness among our nation’s veterans. These activities include continuing to operate the Veterans Affairs Supportive Housing (VASH) – which is a non-MTW program - and assisting in the development of the IMPACT Veterans project noted above. The IMPACT Veterans project will utilize MTW Block Grant and other funds.
- ***Scattered Site Asset Repositioning Strategy*** – PHA will continue implementation of an asset repositioning strategy for the scattered site portfolio to promote neighborhood revitalization, generate revenue, and reduce operating expenses. In addition to a planned disposition and auction of vacant and obsolete scattered site properties, PHA is working with partners to develop new small scale replacement housing projects that will help to strengthen and revitalize Philadelphia’s neighborhoods. PHA is also determining the feasibility of converting a number of long-term vacant scattered site units under the Rental Assistance Demonstration (RAD) in order to dispose of the severely distressed units and preserve subsidy by developing replacement units. Finally, PHA is currently developing master plans for a number of specific neighborhoods in Philadelphia that are under tremendous market rate development pressure in order to create and preserve affordable housing and allow low and moderate-income households the opportunity to benefit from the access and amenities of these areas. MTW Block Grant and other funding will be used to support PHA’s asset repositioning initiatives.
- ***Rental Assistance Demonstration*** – PHA is evaluating the feasibility of converting some public housing units to project-based rental assistance under the Rental Assistance Demonstration (RAD) Program. PHA is evaluating the use of both MTW Block Grant funding and MTW programmatic flexibility to the extent allowed by HUD under the RAD

Notice and related guidance as part of any future RAD conversion strategy. PHA is exploring this alternative in light of the enormous capital needs (estimated at over \$1 billion) backlog relative to available capital funding. RAD offers the potential to raise significant levels of private equity funding to rehabilitate and preserve PHA's existing housing stock. All decisions regarding RAD conversion will require approval by the PHA Board of Commissioners.

- ***Public Safety Initiatives*** – PHA will continue efforts to strengthen and improve safety and security for residents and staff including operating mobile mini-stations, bike patrols, and a Crime Suppression Team, as well as implementing automated security systems at PHA developments that allow for central control and monitoring. Using MTW Block Grant and other funding, PHA has adopted a community-policing model that links its policing activities to the broader framework provided by the City's Police Department and works in conjunction with members of the business community, faith-based organizations, community groups, non-profit groups, victim service providers, health service providers, the media, individuals, and other city agencies. In tandem, a new task force consisting of residents, staff, and partners has been charged with identifying other strategies to fight crime at PHA developments under the PHA Safe, Affordable Housing for Everyone (SAFE) Program. PHA is also actively collaborating with the City and a consortium of local agencies to implement a comprehensive Youth Violence Prevention Strategic Plan.
- ***Self-Sufficiency and Youth Development Programs*** – Using MTW Block Grant and other leveraged funding, PHA will continue to offer a broad array of self-sufficiency services focused on helping residents prepare for the workforce and obtain jobs with living wage incomes, along with programs to support youth development and education. PHA's program design incorporates appropriate incentives and disincentives, is evidence-based and is outcome-driven. A critical ongoing objective is for PHA to maximize and leverage its investments through innovative partnerships with State, City, and non-profit agencies, universities, and other social services organizations. Over the past year, PHA made dramatic progress in restructuring its self-sufficiency programs. This included the comprehensive restructuring and re-launch of the Pre-Apprenticeship Program, the creation of a new Section 3 Resident Job Bank and the establishment of the new PhillySeeds, Inc. non-profit. PhillySeeds, Inc. has already awarded \$160,000 in scholarships to residents under the new PHA Scholars Program. In FY 2015, PHA will build on this foundation. A new partnership with Philly Works and enhanced Community Partner programming is projected to generate 250 training and job placement slots in the coming year. PHA's plans also include full implementation of a new literacy initiative, a new after school program in partnership with Cheyney University, and expanded educational programming in partnership with Drexel University, Temple University and the Community College of Philadelphia.
- ***Second Chance Initiative*** – PHA plans to implement a time-limited, ten voucher pilot program to provide supportive services and housing subsidies to formerly incarcerated returning citizens that are active participants in good standing with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and Mayor's Office of Reintegration Services (RISE) Program.

- ***Nursing Home Transition*** – PHA will continue to work with the City and State to provide affordable housing opportunities for people with disabilities who are able to transition from nursing homes to community-based settings.
- ***Asset Management*** – Utilizing MTW flexibility, PHA has established a Local Asset Management Plan as defined in Appendix A. In FY 2014, PHA began an internal review of its asset management strategies and approach, which may result in modifications to the current plan in FY 2015. The goal of this effort is to more closely align PHA’s asset management to multi-family industry norms, with allowances for the unique features of PHA’s organization and portfolio.
- ***Rent Simplification Initiatives*** – PHA will continue to implement previously approved MTW initiatives that simplify program administration and provide incentives for economic self-sufficiency.

In addition to implementing MTW activities, PHA will implement other initiatives that do not specifically require MTW authority or Block Grant flexibility to administer. Highlights of PHA’s planned Non-MTW activities include:

- ***Reducing Homelessness Initiative*** – In addition to the homeless veterans initiatives noted above, PHA will continue to actively collaborate with the City, social service and local non-profit agencies on a series of initiatives to reduce and help prevent homelessness. Under the Blueprint to End Homelessness program, PHA plans to provide 500 housing opportunities for formerly homeless families that are leaving transitional housing.
- ***HCV Mobility Pilot Program*** – With funding from a new HUD grant, PHA has recently commenced a new pilot Housing Choice Voucher Mobility Program in partnership with other Housing Authorities in the region, HUD, Quadel, the First Suburbs Project and other local/regional partners. The overall goal is to encourage voucher holders to find housing and jobs in areas that provide higher economic, educational, and social mobility opportunities both within and outside of the City of Philadelphia. Participants are provided with a broad range of supportive services, housing counseling, and other efforts to promote the successful transition to higher opportunity areas.
- ***Improving Access to PHA Programs and Services*** – PHA will expand its efforts to ensure open access to PHA programs to non-English speakers. Implementation of the Board-approved Language Access Plan will continue including the provision of translation services, development of new translated forms and other efforts to promote access and diversity.
- ***Lease Enforcement*** – PHA will strengthen its internal efforts to ensure enforcement of all lease provisions, including increasing rent collections and ensuring timely management responses to lease violations.
- ***Sustainability Policy*** – PHA has recently been awarded a Full Green Organizational Accreditation from HUD and the Sustainable Performance Institute in recognition of its comprehensive approach to sustainability and green building and management practices.

PHA has also joined HUD and the Department of Energy's Better Buildings Challenge initiative. Under this initiative, PHA has committed to reducing the energy intensity of its entire portfolio by 20% over a ten year period. Over the next year, PHA will continue its comprehensive efforts to promote sustainability, including implementation of its recently adopted Green Action Plan and Green Operations and Maintenance Manual. In addition, PHA commits to exploring initiatives that will educate and encourage PHA residents to conserve resources and take steps to use energy efficiently.

- ***No Smoking Initiative*** – To promote staff and resident health and wellness, PHA will explore implementation of a no smoking policy for all public housing, which policy shall be presented to the Board for approval. PHA will work with partners, including the City's Department of Public Health and Drexel University, in this initiative. PHA will work with resident leadership to obtain input and develop an effective implementation and resident communications strategy.
- ***Office of General Counsel Initiatives*** – Restructuring and staffing of the Office of General Counsel (OGC) was a key element of the PHA recovery effort. In FY 2015, OGC will continue to direct and respond to all PHA legal matters, ensuring careful oversight and control of expenditures on outside legal counsel. Among many other initiatives, OGC will support the newly constituted PHA Board of Commissioners in refining by-laws, improving meeting practices and procedures and other governance matters. OGC will also work closely with PHA operational departments in ongoing efforts to enhance lease enforcement; provide support to PHA's extensive development initiatives including the evaluation and processing of RAD conversion applications; and assist in improving PHA's risk mitigation strategies.
- ***Supply Chain Initiatives*** – Supply Chain plans to implement improvement efforts in FY 2015, including activities to expand supplier outreach; increase involvement of MBE/WBE entities as PHA vendors; reduce processing times for invoice approvals and vendor solicitations; and strengthen the vendor evaluation process. A goal of improving scheduling efficiency and reducing PHA's vehicle fleet size has also been established for FY 2015. A new Investment Recovery Program will be developed to maximize the value of surplus or obsolete assets through online auctions and other revenue generating activities.
- ***Automation Initiatives*** – Other efforts to improve customer service and streamline PHA's operations will continue in FY 2015. Planned efforts led by PHA's Information Systems Management division include: improvements to the Interactive Voice Response system so that residents, vendors, and the general public can easily navigate PHA's system and obtain helpful automated information including updated status; development of a Human Resources Case Management system; improvements to the Housing Choice Voucher Program web portals; development of new automated Employee Performance Evaluation systems and, upgrades to core business software, network systems, and computer hardware.

PHA will periodically review and revise ongoing initiatives (both MTW and non-MTW activities) as needed in response to current conditions and priorities and to take advantage of new/emerging opportunities.

## **Background on the MTW Annual Plan**

This is the fourteenth Annual Plan submitted by PHA under the MTW Demonstration Program. The FY 2015 Annual Plan incorporates new HUD requirements adopted in May 2013. The Annual Plan elements have been restructured and modified as needed to comply with HUD's regulations.

As part of each year's MTW planning process, PHA provides opportunities for residents, PHA staff and the broader community to review the proposed goals and objectives and offer feedback, consistent with the requirements of the MTW Agreement.

Prior to finalizing the Annual Plan, PHA conducted a meeting with resident leadership to discuss its contents and provide opportunities for resident input. PHA provided a thirty day public comment period to allow for resident and general public review. PHA also conducted a public hearing and obtained Board of Commissioners approval prior to submission of the Plan to HUD.

## II. GENERAL OPERATING INFORMATION

### A. Housing Stock Information

#### Planned New Public Housing Units

As part of its “6 in 5” Initiative to develop, acquire and/or preserve 6000 units of affordable housing, PHA plans to add 171 new public housing units to its inventory during the Plan year. As detailed in Table 1 below, this includes planned new units at Queen Lane, Queen’s Row, and Markoe Street, as well as units to be developed with partners New Courtland and IMPACT Veterans. Accessible units for disabled households will comprise 19 of the planned new units. Note that the actual number of public housing units developed during the Plan year may vary from the planned total based on progress in securing Low Income Housing Tax Credit funding, changes based on decisions about the Rental Assistance Demonstration program, the timing of HUD and local approvals, and other factors. Also note that Table 1 does not reflect redevelopment activity that is projected to start in FY 2015, but that is not expected to result in new units until after the period.

**Table 1: Planned New Public Housing Units During FY 2015**

AMP Name and Number	Bedroom Size							Total Units	Population Type	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible**	Adaptable
TBD Queen Lane*	0	9	26	20	0	0	0	55	General	6	0
TBD Queen’s Row	0	16	8	0	-0	0	0	24	General	2	0
TBD Markoe Street	0	0	4	2	0	0	0	6	General	1	0
TBD IMPACT Veterans	0	1	18	7	0	0	0	26	Other	4	0
TBD NewCourtland	0	60	0	0	0	0	0	60	Elderly	6	0
Total Public Housing Units to be Added								171			

Other Population Type: Supportive Housing (Veterans)

\*HUD Section 106 review ongoing

\*\*In addition to accessible units, 129 of the 171 units will be designed to meet “visitability” standards.

#### Planned Public Housing Units to Be Removed from Inventory

As part of its revitalization program and ongoing portfolio assessment and repositioning efforts, PHA plans to demolish and/or dispose of a total of 1,470 units as summarized in Table 2. Planned demolition activity at Queen Lane, Blumberg and Norris Apartments is part of a

revitalization program for each of these sites, paving the way for newly redeveloped communities. PHA is also proceeding with demolition/disposition of vacant and obsolete scattered site units. PHA is planning another auction of scattered site units in the near future. Some scattered site units will be replaced by new developments sponsored by PHA and/or its partners. While Table 2 provides an estimate of the number of units to be removed from the public housing inventory during the Plan Year, the actual number may vary depending on the timetable for HUD approvals, auction activity, RAD conversion considerations, and other factors. The scattered site units listed in Table 2 include units already approved for disposition by HUD, as well as additional obsolete units for which PHA may request HUD disposition approval in FY 2015.

**Table 2: Planned Public Housing Units to Be Removed During FY 2015**

<b>PIC Dev. # / AMP and PIC Dev. Name</b>	<b>Number of Units to be Removed</b>	<b>Explanation for Removal</b>
PA002000024 Queen Lane*	120	Demolition and redevelopment of obsolete development
PA002000050 Norman Blumberg	403	Partial demolition and redevelopment of obsolete development
PA002000014 Norris Apartments	147	Demolition and redevelopment of obsolete development
PA 901 Scattered Sites	32	Disposition of obsolete scattered sites under Repositioning Initiative
PA 902 Scattered Sites	87	Disposition of obsolete scattered sites under Repositioning Initiative
PA 903 Scattered Sites	23	Disposition of obsolete scattered sites under Repositioning Initiative
PA 904 Scattered Sites	47	Disposition of obsolete scattered sites under Repositioning Initiative
PA 905 Scattered Sites	79	Disposition of obsolete scattered sites under Repositioning Initiative
PA 906 Scattered Sites	73	Disposition of obsolete scattered sites under Repositioning Initiative
PA 907 Scattered Sites	68	Disposition of obsolete scattered sites under Repositioning Initiative
PA 908 Scattered Sites	73	Disposition of obsolete scattered sites under Repositioning Initiative
PA 909 Scattered Sites	175	Disposition of obsolete scattered sites under Repositioning Initiative
PA 910 Scattered Sites	143	Disposition of obsolete scattered sites under Repositioning Initiative

\* Queen Lane Section 106 review ongoing

**Total Number of Units to be Removed** **1,470**

**Planned New Project-Based Voucher Leasing**

PHA provides project-based subsidies to non-profit sponsors and private property owners through its Unit-Based Leasing and Development (UBV) MTW initiative. Table 3 below provides details on new UBV developments that PHA plans to subsidize during the Plan Year, with a projected total of 135 new units. Overall, PHA projects that 2,061 units will be under

contract and leased by the end of the Plan Year. Actual contract/leasing figures may vary based on factors, including contract terminations or suspensions, new projects approved by the PHA Board, and other considerations.

**Table 3: New Housing Choice Vouchers to be Project-Based During FY 2015**

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
Gaudenzia Foundation, Inc. (Tioga Family Center)	24	Target population is very low income families. Project consists of 24 units in low-rise bldgs in North Philadelphia.
Inglis House – Inglis Community LIFE	40	Target population is very low income seniors and disabled households. Project consists of 40 unit building in West Philadelphia. Supportive services are available to residents. ,
Liberty Housing – Marine Club Condominiums	6	Target population is very low income disabled households. Project consists of 6 units in a mid-rise building in Midtown Philadelphia. Supportive services are available to residents.
Project HOME – 810 Arch Street	50	Target population is very low income homeless households. Project consists of 50 units in low-rise Center City location. Supportive services are available to residents.
Mt. Vernon Manor Phase II	15	Target population is very low income families. Project consists of 15 units in row homes in West Philadelphia.

Anticipated Total New Vouchers to be Project-Based

**135**

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year

**2,061**

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

**2,061**

### Other Planned Changes to Housing Stock

PHA’s ongoing and future development efforts will continue to be guided by development principles approved by the PHA Board in September 2012. This policy statement provides the framework for future development activities undertaken with public and private partners. It clarifies the selection and review processes and provides guidance on PHA’s commitment to Section 3 jobs, sustainable development, defensible space principles, and other important issues. In light of serious fiscal constraints, PHA’s policy also emphasizes the importance of achieving maximum leverage with limited public funds.

PHA has received proposals from prospective partners for over 1,000 units of affordable housing in response to its “6 in 5” RFP. Over the coming year, PHA projects that it will enter into partnerships for some number of these units as funding is firmed up by the partners, including successful applications for Low Income Housing Tax Credit allocations.

PHA is currently reviewing the feasibility of converting existing public housing sites to project-based under the Rental Assistance Demonstration (RAD) program, subject to a determination that RAD conversion would: a) support the revitalization and long-term preservation of selected RAD sites; b) be financially feasible; and c) provide adequate protections for current and future term tenants. PHA may utilize MTW flexibility and MTW Block Grant Funds in its RAD

transactions subject to HUD approval. To the extent approvable by HUD on an individual transaction basis, PHA may utilize and combine other MTW funds to support the financial feasibility of RAD transactions including construction and ongoing operating costs. PHA is considering RAD conversion for some of its public housing portfolio based on an analysis of capital needs and financial feasibility. To date, PHA has partnered with the City of Philadelphia to submit an application for Choice Neighborhoods funding for Norris Homes which, if successful, will include RAD conversion of a portion of the newly developed housing units. Other RAD proposals may be submitted for Board approval in late 2013 and/or during the Plan Year. Proposals received in response to PHA's "6 in 5" RFP may be considered as replacement housing under a RAD conversion. Prior to submitting an application for RAD conversion, PHA will conduct two public meetings with residents of the impacted developments and obtain approval of the conversion application by PHA's Board of Commissioners. *(Note that subsequent to the public comment period for the MTW Plan, the PHA Board approved submission of a RAD application for selected units.)*

Subject to funding availability and completion of all HUD and other approvals, PHA intends to commence the redevelopment of Blumberg and Norris Homes during the Plan Year; however, units are not projected to come online in FY 2015.

PHA will conduct master planning activities in and around the 2300 block of North 30<sup>th</sup> Street, with the goal of developing veterans housing units. Board approval will be required for any development efforts that may result. PHA anticipates that MTW funding and programmatic flexibility will be used to support this initiative.

PHA is in the pre-development stages of a new development known as Strawberry Mansion/Oakdale which will involve the new construction of 76 infill units of rental housing in the Strawberry Mansion section of North Philadelphia. Construction is anticipated to begin in FY 2015 and conclude in FY 2016.

Additionally, PHA is expecting to begin construction of approximately 20 units of replacement scattered site units in the Point Breeze section of South Philadelphia.

Finally, PHA is working with the Philadelphia Redevelopment Authority on the potential acquisition of a partially completed 24-unit development known as Brooklyn Heights.

### **General Description of Planned Capital Expenditures**

PHA's capital planning and development strategies are designed to support, rehabilitate, and modernize existing PHA sites and to revitalize neighborhoods throughout the City. Coordination with the City of Philadelphia's neighborhood revitalization efforts is a major priority for PHA. PHA works to leverage its limited PHA resources with other resources such as Low Income Housing Tax Credits, private equity, and state and local funding sources. Utilization of MTW funding and programmatic flexibility remains a critical element in PHA's modernization and development efforts.

PHA maintains updated physical needs assessments including estimated replacement and/or repair costs for all PHA developments. Capital needs continue to dramatically exceed available funding.

Table 4 provides information on PHA’s planned capital obligations and expenditures for FY 2015. Note that PHA is required to submit this Annual Plan in advance of receipt of federal funding information for the fiscal year. In light of continuing reductions in federal funding and the uncertainty of future funding, the information on Table 4 is preliminary and subject to change based on actual funding. Actual obligations and expenditures may vary based on other factors such as construction schedules, timing of local approvals, and new and emerging repair needs. In addition to funding for new projected units listed in Table 1 above, Table 4 includes funding for planned major redevelopment efforts that are expected to start in FY 2015 at Blumberg and Norris Homes, subject to required approvals and funding availability.

As part of a long-term strategy to consolidate PHA’s operations, approximately \$40 million is budgeted to acquire, rehabilitate or construct an administrative office facility. This facility will ensure greater efficiency of operations for PHA departments, which are currently located in multiple locations throughout the City of Philadelphia. This consolidation may involve disposition or conveyance of existing administrative facilities.

In addition, PHA has or will soon select developer partners for a number of vacant properties owned by PHA throughout the City. While it is expected that the developer partners will be responsible for raising the capital funding to construct on these sites, in certain circumstances, PHA may elect to provide funding with HUD’s approval (if required) in the best interests of PHA. The sites currently under consideration include:

- 2012 Chestnut Street (vacant office facility)
- Schuylkill Falls (vacant land adjacent to Schuylkill Falls HOPE VI development)
- 600 Block of North 8<sup>th</sup> Street (underutilized parking lot)
- N. 10<sup>th</sup> Street & Poplar (vacant land adjacent to Richard Allen HOPE VI development)

**Table 4: Planned Capital Obligations and Expenditures During FY 2015**

<b>Development/Project</b>	<b>Description</b>	<b>FY2015 Estimated Obligations &amp; Expenditures</b>
2800 Block of Oakdale / Strawberry Mansion Street Planning	New construction of 79 affordable housing units (67 projected to be LIHTC/ACC public housing units, and 12 projected to be PBV units)	\$26,175,000
Administrative Offices	Acquisition/Rehabilitation/New Construction	\$40,000,000
Bartram Village	Window replacement of entire site	\$2,118,758
Blumberg Phase I	57 LIHTC/ACC units onsite and offsite (may be converted to RAD)	\$23,000,000
Civil Capital Work - PHA Wide	Civil - Repair and replacement of exterior fences, roof, asphalt and concrete at various sites.	\$3,496,991
Collegeview	Roof replacement and mechanical upgrades	\$1,176,000
Conventional Site Fire Unit Rehab	Major rehabilitation	\$1,200,000
Electrical Capital Work - PHA	Electrical – Repair/replace/upgrade electrical systems and lighting	\$269,735

Development/Project	Description	FY2015 Estimated Obligations & Expenditures
Wide		
Emlen Arms	Elevator upgrades	\$1,700,000
Fairhill	Painting	\$125,000
Haddington Homes	Roof replacement	\$604,705
Harrison Plaza	Exterior brick repair and HVAC upgrade	\$3,551,305
Hill Creek	Mechanical upgrade, sprinkler upgrade, electrical upgrade and fencing	\$5,273,856
Holmecrest	New underground heating distribution	\$1,001,100
Johnson Homes	Miscellaneous site concrete and fencing repairs	\$981,750
Johnson Homes	Comprehensive modernization of public housing units, systems (Year 1 of 3)	\$20,000,000
Katie B. Jackson	Roof replacement drainage and flashing	\$130,000
Markoe Street Phase III	Development of 6 public housing units	\$2,000,000
Mechanical Capital Work- PHA Wide	Mechanical - HVAC Upgrades - repair, replace or refurbish air conditioning units. Including chillers, roof top package units, window AC units, exhaust fans, DX split units at various sites	\$1,250,595
Mill Creek Community Center	Development of a new community center at 49th and Aspen Sts.	\$4,000,000
Morton Homes	Electrical upgrade and fencing	\$1,550,000
Mount Olivet	Exterior envelope and moisture protection	\$500,000
Neighborhood Revitalization - Scattered Site Comprehensive Rehabilitation	Scattered Sites / Physical Needs Assessment (PNA) priority and REAC site repairs / public housing unit repairs	\$8,760,000
Norman Blumberg Apts.	Exterior façade work	\$683,749
Norman Blumberg Apts.	Isolation of all utilities servicing the Senior building	\$3,000,000
Norman Blumberg Apts.	Relocation and demolition of on-site public housing units (except Senior building) approx. 403 public housing units	\$6,000,000
Norris Choice Neighborhoods Phase I	New construction of 100 units (including both public housing and PBV units)	\$1,250,000
Oxford Village	REAC site repairs and window replacement	\$4,925,000
Parkview	HVAC upgrades - replace unit heaters	\$40,000
Plumbing Capital Work- PHA Wide	Plumbing - replacement of old and failing equipment integral to the sites with new ejector pumps, duplex sumps and sanitary piping at various sites.	\$75,000
Queen Lane	Demolish 119 public housing units and development of office space, community room and 55 replacement public housing residential units	\$24,033,241
Queen's Row	Acquisition and rehabilitation of 24 unit complex into public housing units	\$2,700,000
Scattered Sites- Fairhill Square	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$377,500
Scattered Sites- Francisville	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$357,500
Scattered Sites- Germantown/Hunting Park	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$372,500
Scattered Sites- Haddington	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$365,500
Scattered Sites- Kingsessing	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$372,500
Scattered Sites- Ludlow	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement	\$355,000

<b>Development/Project</b>	<b>Description</b>	<b>FY2015 Estimated Obligations &amp; Expenditures</b>
	in various units	
Scattered Sites- Mantua	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$347,500
Scattered Sites- Oxford Jefferson	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$387,500
Scattered Sites- Strawberry Mansion	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$382,500
Scattered Sites- Susquehanna	Tree pruning, roof replacement, kitchen upgrades, bathroom remodeling, flooring replacements and exterior bay replacement in various units	\$382,500
South Philadelphia Development	Development of approximately 20 public housing units in Point Breeze area	\$5,000,000
Spring Garden Apts.	Mechanical upgrade - new site pipe and insulation	\$4,300,000
Suffolk Manor	Building envelope and interior wall water damage assessment and restoration / repair	\$489,000
Third-Party Capital Requests	Funding for third-party development partnerships for "6 in 5" Initiative to develop public housing units	\$5,000,000
West Park Apartments	Elevator upgrades, mechanical upgrades, sprinkler upgrades and exterior brick work and painting	\$6,840,597
Wilson Park	Water penetration, emergency system upgrade, sprinkler upgrade and pipe repairs	\$3,069,111
<b>TOTAL</b>		<b>\$219,970,993</b>

## **B. Leasing Information**

PHA's core business involves management and oversight of over 15,000 public housing units and 18,000 Housing Choice Vouchers:

- The public housing inventory includes units for families, seniors, and people with disabilities located at conventional and scattered site properties. It also includes properties managed by Alternatively Managed Entities (AMEs) and the Philadelphia Asset and Property Management Corporation (PAPMC). PHA's inventory includes some units that are not available for occupancy because: (i) they have been approved for demolition or disposition but the demolition or disposition has not yet taken place; (ii) they have been scheduled for significant levels of modernization; (iii) they are utilized for administration or resident services purposes; or (iv) they are eligible for other HUD-authorized exclusions.
- The Housing Choice inventory changes from year to year and includes MTW tenant-based vouchers as well as vouchers authorized by HUD for special purposes such as the Veterans Affairs Supportive Housing Program, Family Unification Program, SRO Moderate Rehab and Mainstream programs. Periodically, HUD issues Enhanced Vouchers and Tenant Protection Vouchers for PHA to administer. As allowed by the MTW Agreement, PHA incorporates Enhanced and Tenant Protection Vouchers into the MTW block grant when eligible.

As required by HUD, Table 5 below provides information only on households living in “MTW units” that PHA plans to serve during FY 2015. This includes all households residing in PHA public housing units as well as HCV MTW households. Table 5 does not include households to be served under the Non-MTW HUD Special Purpose Voucher program categories noted above. The actual number of households served may vary.

**Table 5: Planned Number of Households Served at End of FY 2015**

**MTW Households to be Served Through:**

Federal MTW Public Housing Units to be Leased  
 Federal MTW Voucher (HCV) Units to be Utilized  
 Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs  
 Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs

Planned Number of Households to be Served	Planned Number of Unit Months Occupied/Leased
13,407	160,884
15,646	187,752
0	0
0	0
<b>29,053</b>	<b>348,636</b>

**Total Households Projected to be Served**

**Reporting Compliance with Statutory MTW Requirements**

PHA is in compliance with its MTW statutory requirements.

**Description of Anticipated Issues Related to Leasing**

*Public Housing Program* - Actual leasing figures for public housing may be impacted by development and relocation timetables. While PHA believes that its leasing projections are sound, over the course of FY 2015, construction schedules may change as a result of unanticipated site conditions, weather-related issues, and other factors. This in turn may result in scheduling changes or delays in re-occupancy and relocation activity that may ultimately impact leasing levels.

**C. Waiting List Information**

PHA administers its waiting lists in accordance with the Housing Choice Voucher Program Administrative Plan and Public Housing Admissions and Continued Occupancy Policy (ACOP) as applicable. Conventional Public Housing, scattered sites, PAPMC and AME sites are subject to site-specific waiting list policies. PHA also operates a centralized “first available” waiting list for referral programs and for applicants who elect this option.

PHA operates its waiting lists in a nondiscriminatory manner that seeks to avoid unintended discriminatory effects. PHA affirmatively markets its sites in a variety of venues and periodicals to ensure that the public is aware of the availability of PHA housing. PHA treats all applicants in a non-discriminatory manner. PHA also monitors its waiting lists to determine if there are

significant changes in the percentage of protected classes and, if there were, would determine whether its affirmative marketing methods should be modified.

Table 6 provides information on PHA’s waiting lists in the format required by HUD.

**Table 6: Wait List Information Projected for Beginning of FY 2015**

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During the Fiscal Year
Public Housing 1	Other	28,609	Partially Open	No
Public Housing 2 (Tax Credit)	Site-Based Waiting List	28,821	Open	Waitlist is currently open
Housing Choice Voucher Program Tenant Based	Community-Wide	54,368	Partially Open	No

### Information on Partially Open Wait Lists

Public Housing wait lists are currently only open to applicants that require wheelchair accessible units; applicants aged 55 and older; and applicants referred to PHA from external agencies with whom PHA has a referral agreement as described in the Admissions and Continued Occupancy Policy (i.e. Blueprint to End Homelessness and others).

The HCV wait list is closed except for applicants who qualify for admission under HUD’s Special Purpose Voucher programs including VASH, as well as applicants referred to PHA from external agencies with whom PHA has a referral agreement as described in the Administrative Plan.

### Description of “Other” Wait List Type

As specified in the Admissions and Continued Occupancy Policy, PHA’s Public Housing wait list combines site-based, first available, and centrally managed wait list features. Public Housing developments have site-based waiting lists that each development is responsible for managing. Applicants may select specific sites or “first available” unit citywide. Centrally managed waitlists are administered by the Admissions Department including applicants that require a wheelchair accessible unit, and those with a preference designation such as the Blueprint program.

### Planned Wait List Organizational or Policy Changes

The following is a summary of wait list policy/organizational changes planned for FY 2015:

- PHA will establish site-based wait lists for new developments that come online during the fiscal year in accordance with its Admissions and Continued Occupancy Policy.

- As specified in the ACOP, PHA may close individual public housing site-based wait lists when the number of applicants on the waiting list exceeds projected vacancies.
- PHA will modify its HCV Administrative Plan as needed to reflect Board-approved policy changes, including preferences under the new Second Chance Program.
- PHA will modify its Public Housing Admissions and Continued Occupancy Policy as needed to reflect proposed policy changes to the “6 in 5” program in order to align with the City’s Office of Housing and Community Development and Pennsylvania Housing Finance Agency priorities for accessible and Special Needs units. Referrals for Special Needs units will be required to come from the City of Philadelphia's Deputy Mayor for Health and Opportunities Permanent Supportive Housing Clearinghouse, which shall act as PHA's Local Lead Agency as that term is used by the Pennsylvania Housing Finance Agency (PHFA). The Local Lead Agency is an agency that has (i) experience and responsibility in their jurisdiction for planning and assessing needs for one or more of the above referenced target populations; (ii) responsibility for funding services and organizing the service system to assure tenants get services they need in a timely and comprehensive manner; (iii) the capacity to manage a referral process consistent with fair housing laws; and (iv) be able to enter into an agreement with developers for referrals, pre-tenancy and post-tenancy services and supports. To be eligible for consideration under PHA's ACC program, developers must meet the same definition of 'supportive housing' as required by PHFA, be targeting an eligible population, have an agreement with PHA's Local Lead Agency, and have easy access to transportation services.
- PHA is also evaluating implementation of new preferences that incorporate employment, educational, and/or job training requirements as a condition of occupancy for designated newly rehabilitated units. Seniors and people with disabilities will be exempt from employment requirements, if applicable. PHA may modify its Admissions and Continued Occupancy Policy in FY 2015, subject to Board approval, to reflect these new preferences. To the extent that any such modifications require MTW authority, PHA will establish appropriate MTW activities for HUD approval in future Plans.
- PHA will continue to work with local advocacy organizations to streamline transfer processes for victims of domestic and sexual violence in furtherance of PHA’s compliance with the federal Violence Against Women Act.

### III. PROPOSED MTW ACTIVITIES

PHA proposes to establish one new MTW activity in FY 2015:

#### **MTW Proposed Activity 2015-1 Second Chance Initiative**

**Activity Description:** PHA will use its MTW authority to support implementation of the Second Chance Housing Choice Voucher Pilot Program. PHA's Board of Commissioners approved this program in October 2013 by adoption of the Second Chance Housing Policy. The policy permits the provision of 10 tenant-based vouchers for active participants in good standing with two partner agencies – the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and the Mayor's Office of Reintegration Services (RISE) program. Housing assistance will only be available to the participants for a period of up to two years, at which point the participants will be required to transition off the program to other affordable housing. The STAR Program works in conjunction with Federal Probation and Parole, to offer ex-offenders an opportunity to reduce their parole period by one year through participation in the Re-Entry Program. Each participant signs a contract with their parole officer to transition the oversight of their parole to the two federal Judges that administer the STAR program. The STAR program collaborates with the local RISE program to provide counseling, education, job training and job placement services.

The STAR program is designed to provide multiple levels of support to returning citizens at the family, social and logistical level to assist in preventing recidivism. Participants voluntarily participate in the closely-monitored program, wherein specific criteria have to be fulfilled at regular intervals. RISE is the lead agency in the City of Philadelphia for the management of reintegration services for those formerly incarcerated in state prisons. It provides the skills, training, and education necessary for returning citizens to successfully re-integrate into society, avoid recidivism, and lead constructive, useful lives. The STAR program is a national model for aiding federal offenders in their reentry to society in coordination with RISE.

One of the barriers to successful re-entry has been access to housing. Many of the past program participants struggled to maintain employment, continue their education or reunite with their kin because they could not secure a stable home. Many participants resided with family members, paramours or friends, and these environments, typically, did not support a positive reentry into society. Therefore, PHA in partnership with the STAR and RISE programs is piloting a program that provides access to stabilized housing through the voucher program.

Participants in good standing with RISE and STAR will sign an addendum to their PHA application to allow PHA to monitor their participation in the RISE and STAR programs and to communicate with their probation officer, if applicable. Participants will also report their participation in the vocational, educational, social or community service opportunities offered by PHA and/or RISE on a quarterly basis. The collaborative reporting and participant management across PHA, STAR and RISE will help ensure that participants stay on track, access services, be good tenants. If a participant does not remain in good standing with the STAR and RISE programs they risk a return to confinement and loss of the voucher. Participants who do not meet their program responsibilities will be notified of proposed voucher termination by PHA.

They may request an informal hearing through PHA’s existing process to review and appeal this decision. Vouchers will be time-limited; however, all other requirements of PHA’s MTW tenant-based voucher program including tenant rent contribution will apply. At this point, PHA plans to conduct the pilot program for an initial two-year period with a limit of ten vouchers. Prior to the end of the pilot period, PHA will determine whether to continue, discontinue or expand the program in consultation with partner agencies, and will discuss as appropriate in future MTW Annual Plans and Reports.

**Statutory Objective:** This initiative will support the MTW statutory objective to increase housing choice for low-income individuals/families by providing housing opportunities for ex-offenders who would otherwise face enormous challenges in finding affordable housing due to screening issues and other obstacles as a result of their prior incarceration.

**Anticipated Impact:** PHA anticipates that this activity will allow returning citizens to obtain more affordable housing in neighborhoods with greater opportunities. PHA also anticipates that access to affordable housing in better neighborhoods will contribute to a reduction in the recidivism rate by removing barriers, such as homelessness and unstable housing, which prevent a returning citizen from successfully transitioning back into society.

**Anticipated Timeline:** PHA anticipates implementing this activity in FY 2015. Due to the large demand for affordable housing by participants in the RISE and STAR programs, PHA expects to issue HCV vouchers to 10 participants within the first year.

**Metrics:**

<i>CE #4: Increase in Resources Leveraged</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0	TBD*		

*\*PHA will work with partner agencies to identify amount of leverage.*

<i>HC #5: Increase in Resident Mobility</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	10 in FY 2015		

<b><i>SS #1: Increase in Household Income</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	TBD – This is a new program. PHA will determine average earned income of participants following enrollment.	0 increase in earned income in FY 2015 based on enrollment timetable.		

<b><i>SS #3: Increase in Positive Outcomes in Employment Status</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Employed Full-Time	10 program participants*	10 program participants in FY 2015		
	100% of program participants	100% of program participants in FY 2015		
Enrolled in a Job Training Program	0 program participants	5 program participants in FY 2015		
	0% of program participants	50% of program participants in FY 2015		
Enrolled in an Educational Program	0 program participants	5 program participants in FY 2015		
	0% of program participants	50% of program participants in FY 2015		

*\*All participants are required to be employed and maintain employment as a condition of participation; however, in the event they lose employment, they will be required to either obtain a new job or enroll in an educational or job training program as a condition of participation.*

<b><i>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</i></b>

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving TANF assistance (decrease).	TBD – This is a new program. PHA will determine the number of households receiving TANF following enrollment.	TBD – This is a new program. PHA will set a benchmark after determining how many participants receive TANF.		

***SS #5: Households Assisted by Services that Increase Self-Sufficiency***

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households receiving services aimed to increase self-sufficiency (increase).	0	10		

***SS #6: Reducing Per Unit Subsidy Costs for Participating Households***

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	TBD – This is a new program. PHA will determine the average amount of Section 8 subsidy per household following enrollment.	TBD – This is a new program. PHA will set a benchmark after determining the average amount of Section 8 subsidy per household.		

***SS #7: Increase in Agency Rental Revenue***

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>

PHA rental revenue in dollars (increase).	TBD – This is a new program. PHA will determine the agency rental revenue following enrollment.	TBD – This is a new program. PHA will set a benchmark after determining the baseline agency rental revenue.		
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<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase). For this program purpose, PHA defines “self sufficiency” as successfully completing the program and transitioning to other affordable housing.	0	0 in FY 15 based on program enrollment timetable		

**Data Source:** PHA will use data collected from its software system, participant surveys, and the partner agencies to track the number of participants that move to better units and/or neighborhoods as a result of this activity.

**Authorization:** Standard MTW Agreement, Attachment C, Paragraph D (2)d – The Agency is authorized to implement term limits for HCV units designated as part of the MTW Demonstration. This authorization waives certain provisions of Sections 8 (o)(7) and 8(o)(13)(f)-(g) of the United States Housing Act of 1937, as amended (the 1937 Act), and 24 CFR 982 Subpart L and 983 Subpart E as necessary to implement the Agency’s Annual MTW Plan. PHA is limiting the term of housing assistance for participants in this activity and therefore, MTW authorization is required.

Standard MTW Agreement, Attachment C, Paragraph D.4 – The Agency is authorized to determine waiting list procedures and tenant selection procedures that differ from the currently mandated program requirements in the 1937 Act. PHA will utilize alternative participant selection criteria for this activity and therefore, MTW authorization is required.

Standard MTW Agreement, Attachment C, Paragraph D.2.b – The agency is authorized to determine the contents of contract rental agreements that differ from currently mandated program requirements in the 1937 Act. PHA will require participants of this initiative cooperate with

service providers and remain employed as a condition of assistance and therefore, MTW authorization is required.

DRAFT

## IV. APPROVED MTW ACTIVITIES

This section of the Annual Plan summarizes and provides a status update on MTW activities that have been previously approved by HUD. As required, this section also includes summary information on MTW activities that have been closed out or placed on hold by PHA. Initiatives are numbered to reflect the fiscal year in which the MTW was initially approved, i.e. MTW Activity 2011-1 was initially approved in FY 2011.

### A. Implemented Activities

#### **MTW Activity 2011-1: Partnership Programs Initiative**

**Description/Update:** PHA uses its MTW authority to expand housing options and service models for special needs and other targeted groups in partnership with universities, state and local government, and other stakeholders. This flexible, services-oriented model builds on the previously approved Unit-Based Leasing and Development Program and allows PHA to leverage PHA and partner resources to provide housing options and, where appropriate and feasible, related health care, educational, and/or other necessary services to low-income families and individuals. Authorized features of the initiative include, but are not limited, to the following:

- Admissions and continued occupancy requirements for the initiative may vary from standard public housing or Section 8 requirements and will be determined for each project in order to promote seamless integration of the partner's subsidy sources with MTW block grant funds.
- Partnership initiatives must serve households earning 80% of AMI or below, and PHA's MTW funds may not be used to subsidize households who are not low-income.
- PHA will leverage its funds with other partner resources in order to avoid duplicative services and payments and to maximize the value of funds spent on the Partnership Initiative.
- Potential models include, but are not limited to, domiciliary care for seniors and people with disabilities, housing options for youth including those aging out of foster care, and supportive transitional housing.
- Budgets and agreements between PHA and its partners will adjust subsidy to allow for recoupment of PHA's capital investment as fee income where financially feasible, particularly in situations in which the partner's subsidy is intended to cover all or some housing costs.
- While each development is expected to have different features, programmatic components may include: preferences for specific target populations including referrals from partner agencies; program contracts for participants that may include requirements for case management, participation in services and other requirements; time limits on housing subsidies; modified occupancy standards; availability of stipends; and other components.

PHA projects that this initiative will result in the development of new housing and service delivery programs that address populations which have not been traditionally well-served by existing programs.

This activity was approved in FY 2011 and implemented in 2012 and subsequently modified in FY 2013 to incorporate specific components applicable to the youth aging out of foster care partnership with the Philadelphia Department of Human Services (DHS). In August 2012, PHA's Board approved a resolution authorizing PHA to enter into an MOU with DHS to create up to 50 housing opportunities to assist youth aging out of the foster care system. Three (3) participating youth have been housed in public housing units, and the plan is to evaluate their progress before proceeding with additional placements. In the FY 2014 Annual Plan, PHA discussed its intention to coordinate the Partnership Initiative activities with its new "6 in 5" Initiative. The "6 in 5" Initiative was initially announced in October 2012 with the goal of creating or preserving 6,000 units of affordable housing over a five year period, subject to funding availability and successful negotiation with partner agencies and/or developers. Units will be primarily developed or acquired in a three-pronged approach including: 1) PHA acting as developer; 2) Preservation of affordable units, including those that are nearing the end of the LIHTC compliance period (in partnership with the Pennsylvania Housing Finance Agency) and other units; and 3) Open solicitation of development proposals. An open solicitation process was conducted by PHA in FY 2014. Proposals are currently under review that are projected to result in new partnership units in FY 2015-16. Two projects (IMPACT Veterans and NewCourtland) are projected to come online in FY 2015 with a combined total of 86 units. Details on the unit types and financing will be finalized through negotiations with developer/sponsors, and may include use of PBV or ACC assistance, conversion under the Rental Assistance Demonstration or other approaches. In FY 2015, PHA will also continue to explore other options to provide innovative housing and service options for targeted populations. Finally, in FY 2015, in partnership with the City and the Department of Veterans Affairs, PHA will seek HUD approval for acquisition of an existing five-story apartment building that will be rehabilitated as 55 units of affordable housing for homeless veterans and their families. The table below provides summary information on the Partnership Programs Initiative:

<b>Development</b>	<b>Sponsor/ Partner</b>	<b>Units/ Type</b>	<b>Target Population</b>	<b>Start Date</b>	<b>End Date*</b>	<b>MTW Flexibilities Used</b>
IMPACT Veterans and Family Housing Center	Impact Services Corporation	26 LIHTC public housing units	Veteran families	6/14	7/15	MTW Block Grant
NewCourtland Apartments at Allegheny	NewCourtland	60 LIHTC public housing units	Elderly	6/14	7/15	MTW Block Grant

*\*Estimated construction completion date, subject to change.*

**Proposed Changes to Activity:** No changes are proposed that require MTW authority. However, PHA is clarifying its intention to make future "6 in 5" development selections in a manner that aligns with the accessibility and special needs housing priorities of the City's Office

of Housing and Community Development and the Pennsylvania Housing Finance Agency. To the extent feasible and subject to PHA Board approval, new affordable rental housing development projects that are awarded PHA operating subsidies under the “6 in 5” program must meet the following set-aside requirements: ten percent (10%) Physical disability; four percent (4%) Hearing and Vision disability; and ten percent (10%) Special Needs.

Referrals to PHA and/or project owners for Special Needs units will come from the City of Philadelphia's Deputy Mayor for Health and Opportunities Permanent Supportive Housing Clearinghouse, which shall act as PHA's Local Lead Agency as that term is used by the Pennsylvania Housing Finance Agency (PHFA). The Local Lead Agency is an agency that has (i) experience and responsibility in their jurisdiction for planning and assessing needs for one or more of the above referenced target populations; (ii) responsibility for funding services and organizing the service system to assure tenants get services they need in a timely and comprehensive manner; (iii) the capacity to manage a referral process consistent with fair housing laws; and (iv) be able to enter into an agreement with developers for referrals, pre-tenancy and post-tenancy services and supports. To be eligible for consideration under PHA's ACC program, developers must meet the same definition of 'supportive housing' as required by PHFA, be targeting an eligible population, have an agreement with PHA's Local Lead Agency, and have easy access to transportation services.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD’s revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<i>HC #1: Additional Units of Housing Made Available</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	86 in FY 2015		

<b><i>CE #4: Increase in Resources Leveraged - IMPACT</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$577,000	\$7,545,447		

<b><i>CE #4: Increase in Resources Leveraged - NewCourtland</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Amount of funds leveraged in dollars (increase).	\$0.00	\$16,014,211		

*\* The HUD Standard Metrics for this activity will depend on the MTW flexibilities required and the type of service provided at each site. As additional agreements with service providers are finalized further HUD Standard Metrics may be added depending on the terms and necessary flexibilities of the agreements.*

## **MTW Activity 2004-1: Neighborhood Development and Revitalization Initiatives**

**Description/Update:** PHA utilizes MTW authority to substantially increase housing choices for residents and applicants. PHA is continuing to implement an ambitious program of new construction, substantial rehabilitation, and modernization designed to revitalize PHA public housing developments, replace distressed housing lost to demolition and lack of capital funds, and improve Philadelphia's neighborhoods. To support its redevelopment activities, PHA continues to implement the following MTW components. These components support the Partnership Initiative and other MTW activities:

- **Design Standards** – PHA continues to implement reasonable and modest design standards for new construction and rehabilitation work that mirror current design trends and the 21<sup>st</sup> century needs of residents. Modified design standards take into account efficiencies in energy usage, construction methods and technologies, and use of interior and exterior space. PHA standards also incorporate modern amenities and the latest concepts in urban design in order to reduce the negative connotation of public housing for PHA residents and to enhance the livability and marketability of PHA's housing stock. This activity, approved and implemented in FY 2004, is ongoing.
- **Total Development Cost Limits and Housing Cost Caps** – PHA has established and maintains reasonable cost limits for development and redevelopment activities that replace HUD's Total Development Cost (TDC) limits and Housing Cost Caps (HCC). New cost limits reflect all the costs associated with developing new PHA conventional and scattered sites and rehabilitating existing units in these categories. PHA cost limits address current construction practice costs while incorporating energy efficient and environmentally sound equipment and materials used in the building process. They support the development of accessibility features in units and throughout the development. In addition, the establishment of new cost limits takes into account the market trends in construction and union labor rates, Davis Bacon rates, and costs associated with government contract work versus private market contract work. The cost limits incorporate the cost of modern design amenities to improve PHA's marketability. PHA's most recently updated MTW TDC and HCC cost limits, along with information on the methodology used to establish these cost limits, are attached as Appendix D. This activity was approved and implemented in FY 2004. PHA plans to update the cost limits in the near future, and has undertaken negotiations with its various construction trades unions to develop a project labor agreement aimed at establishing an affordable housing construction/rehab wage rates as well as work rules to improve efficiency and reduce costs.
- **Streamlined Mixed-Finance Development Process** – PHA is authorized to develop public housing through several financing methods, including the mixed-finance approach, which involves the use of private financing, Housing Choice Vouchers, and public housing development funds. According to public housing regulations, PHA and its partners may select among several ownership structures for mixed-finance transactions. These structures may include total private ownership, where PHA does not hold an ownership interest; total ownership by PHA; or a mixture of partial ownership by PHA

and its partners. The various arrangements may necessitate different documents, especially for those transactions with third party-developers/owners for which PHA will provide capital or ACC subsidy only. These mixed finance developments may consist of all public housing units or a mixture of public housing and market rate or non-public housing rental and homeownership units. This activity was approved and implemented in FY 2004 and is ongoing.

- **MTW Site and Neighborhood Standards** – PHA is authorized to implement alternate Site and Neighborhood Standards for its public housing and voucher programs, in lieu of those standards at 24 CFR § 941.202(b)-(d) and 24 CFR 983.57. PHA continues to use these standards for determining the location of existing, newly constructed, or substantially rehabilitated housing that receives MTW subsidy. This activity was approved and implemented in FY 2004 and is ongoing.
- **Streamlined Acquisition Process** – Subject to the provisions of the MTW Agreement, PHA is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. Accordingly, PHA has established a public housing acquisition process as part of its streamlined mixed-finance process agreed to by HUD. This activity was approved and implemented in FY 2002. PHA recognizes that the foregoing authorization does not exempt the housing authority from environmental approvals or other approvals required outside of the U.S. Housing Act of 1937, as amended. PHA also acknowledges that it needs to identify any planned acquisitions in the MTW Annual Plan and to report on actual acquisitions in the MTW Annual Report.
- **Strategy for Development:** PHA has adopted a Development-Asset Management Strategy for Public Housing that takes a comprehensive neighborhood-by-neighborhood and block-by-block approach to redeveloping, consolidating, rehabilitating, demolishing, and acquiring and disposing of scattered site units independently and in partnership with government and other local neighborhood-based organizations. This activity was approved and implemented in FY 2005 and it is ongoing. As appropriate, PHA's new Development Principles will be used to guide all future development efforts.

**Proposed Changes to Activity:** No changes are proposed.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD's revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<b><i>CE #1: Agency Cost Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	TBD	TBD		

*\*HUD is requiring the use of this metric; however, PHA does not believe it is applicable in this context of this MTW activity. PHA will identify the current baseline as part of the FY 15 Annual Report and then establish a benchmark of maintaining this level going forward, i.e. PHA would not anticipate an increase in Agency Cost Savings.*

<b><i>CE #2: Staff Time Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	TBD	TBD		

*\*HUD is requiring the use of this metric; however, PHA does not believe it is applicable in this context of this MTW activity. PHA will identify the current baseline as part of the FY 15 Annual Report and then establish a benchmark of maintaining this level going forward, i.e. PHA would not anticipate a change in staff time savings.*

<b><i>CE #3: Decrease in Error Rate of Task Execution</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	0	0		

*\*HUD is requiring the use of this metric; however, PHA does not believe it is applicable in this context of this MTW activity. PHA will identify the current baseline as part of the FY 15 Annual Report and then establish a benchmark of maintaining this level going forward, i.e. PHA would not anticipate a change in error rate.*

<b><i>CE #4: Increase in Resources Leveraged</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>

Amount of funds leveraged in dollars (increase).	\$0	\$7.88 million*		
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\*Projected LIHTC equity leverage for Queen Lane.

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	85 in FY 2015		

<b><i>HC #2: Units of Housing Preserved</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0	0 in FY 2015		

<b><i>HC #3: Decrease in Wait List Time</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average applicant time on wait list in months (decrease).	TBD - Average applicant time on wait list prior to implementation of the activity (in months).	TBD - Expected average applicant time on wait list after implementation of the activity (in months).		

<b><i>HC #5: Increase in Resident Mobility</i></b>

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	85 in FY 2015		

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## **MTW 2004-2: Service-Enriched Housing for Seniors and People with Disabilities**

**Description/Update:** PHA is collaborating with the Commonwealth of Pennsylvania and other local providers to develop and implement a range of service-enriched housing options for seniors and people with disabilities, including the following ongoing and planned program components:

- **Adult Day Care** – Adult Day Care provides non-medical supportive day services to eligible elderly persons. Adult Day Care includes assistance with activities of daily living, medication reminders, social activities, meals and snacks, and educational programs. An affiliate – Elderly and Disabled Services, LLC - administers the Adult Day Care program services. The first Adult Day Services facility is located at the Nellie Reynolds Gardens senior housing development. Both PHA residents and neighborhood residents are eligible to participate in the program. This activity was first approved and implemented in FY 2011. The facility opened in 2010. PHA plans to issue a Request for Proposals in FY 2015 in search of an operator for its Adult Day Care and Disabled Resident Homes known as the Quad Facilities.
- **Nursing Home Transition** – The Nursing Home Transition Initiative (NHTI) is a partnership with the Department of Public Welfare (DPW) that assists persons transitioning out of nursing homes with accessing affordable housing. As part of NHTI, PHA administers seventy-five (75) State-supported vouchers for referrals of disabled consumers in need of low-income housing. NHTI households may be eligible for a preference for public housing or HCV. In addition, PHA has entered into a Memorandum of Understanding (MOU) with Liberty Resources, Inc. to refer to PHA disabled households who may be eligible for a preference for public housing or HCV. PHA utilizes its MTW flexibility to increase HCV payment standards up to 120% of the HUD Fair Market Rents in order to secure housing, subject to rent reasonableness. This activity was first approved and implemented in FY 2010 and is ongoing.
- **Definition of Elderly** – An elderly person is defined as an individual who is at least 55 years old. An elderly family is defined as one with a head of household, co-head, spouse or sole member who is at least 55 years old. For the purposes of admission to public housing designated as elderly-only, the definition of *elderly* and *elderly family* for each designated project will be specified in PHA's Designated Housing Plan in effect and may differ from the foregoing definition. This activity was first approved and implemented in FY 2004 and is ongoing.

**Proposed Changes to Activity:** PHA completed retrofitting of accessible units required under Attachment E of the MTW Agreement; thus, this activity has been reclassified as “completed” and moved to the relevant section of the Annual Plan. No other changes are proposed.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD’s revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 – Adult Day Care (ADC)	26 per year (ADC)		
	0 – Nursing Home Transition (NHT)	75 ongoing (NHT)		

<i>HC #7: Households Assisted by Services that Increase Housing Choice (Adult Day Care and Nursing Home Transition)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0 – Adult Day Care (ADC)	26 per year (ADC)		
	0 – Nursing Home Transition (NHT)	75 ongoing (NHT)		

**MTW Activity 2004-3: Simplification and Streamlining of Rent and Recertification Processes for Public Housing and HCV**

**Description/Update:** PHA is implementing a series of initiatives in the public housing and/or HCV programs designed to simplify rent calculation and the recertification, streamline administrative processes, and reduce paperwork burdens on residents and staff. The following is a summary of ongoing and planned program components:

- Two and Three-Year Recertification** – PHA has restructured the annual and interim review processes and procedures for public housing and HCV to require recertifications every two years, except for public housing residents choosing ceiling rents who are recertified every three years. Generally, residents are not required to report changes in income between regularly scheduled recertifications. Interim recertification is required for changes in household composition. Additionally, PHA will complete EIV checks every six months for households with zero, temporary or sporadic income. Interim recertifications are restricted to one every six months; however, see proposed change below for HCV interim recertifications. Elderly and disabled households are exempted from this restriction on interim recertifications. This activity was approved and implemented in FY 2004 and is ongoing.

- **Ceiling Rents** – PHA has established ceiling rents for its public housing developments, which are periodically updated. This activity was approved and implemented in FY 2004 and is ongoing. Ceiling rents for sites managed by PAPMC are set at the Pennsylvania Housing Finance Agency ceiling rent limits in effect for LIHTC properties. PHA implemented current PHFA 40% ceiling rents at conventional and scattered sites effective as of July 1, 2013. Ceiling rents will be updated annually to reflect the then-current 40% PHFA ceiling rents. At PHA developments where tenants pay for some or all utilities, the applicable utility allowance may be applied to the ceiling rent, i.e. the ceiling rent amount may be offset by the applicable tenant-paid utility allowance amount. PHA tenants will continue to have the option of selecting either a ceiling rent or an income-based rent. PHA will apply the ceiling rent amount when it is less than the income-based rent calculation. Tenants who select an income-based rent will pay no more than 30% of adjusted income for rent. PHA may elect to phase-in rent increases to avoid serious financial hardship to residents if necessary.
- **Rent Calculation Method** – PHA has established an alternative rent structure for the HCV and public housing programs to motivate residents to work and accumulate savings. Note that residents living in LIHTC units are not subject to this system. Public housing residents may elect a ceiling rent in lieu of the income-based calculation method. PHA's rent simplification system includes the following components: establishing a single working household deduction; modifying the definition of income to exclude the first \$500 of asset income as well as certain medical-related insurance premiums; and eliminating other deductions and reducing the standard rent calculation percentage based on family size. Minimum rents have been implemented in both the leased housing and public housing programs. This activity was approved and implemented in FY 2004 and is ongoing.
- **Payment Standards** – PHA has implemented a policy in the HCV program whereby the current payment standard is applied at regular recertification. This activity was implemented in FY 2008 and is ongoing.
- **Reasonable Rent** – PHA has developed and implemented a reasonable rent policy for the HCV program whereby reasonable rent determinations are completed at initial lease up, upon request for a rent increase, and at other times PHA deems it necessary to conduct a reasonable rent re-determination. This activity was approved and implemented in FY 2008 and is ongoing.

PHA may implement across-the-board rent increases or rent freezes for properties in the HCV program. When and if an across-the-board rent increase is awarded, PHA will complete a reasonable rent determination at the time of the next annual HQS inspection and apply applicable policies related to reasonable rent when and if the rent is not reasonable. This policy was approved and implemented in FY 2005.

- **Utility Allowances** – PHA is authorized to implement a revised utility allowance methodology that includes the following components: a) HCV participants who are

responsible for paying gas heat and who are eligible to participate in the PGW Customer Responsibility Program (CRP) will have the gas portion of their utility allowances calculated using an alternative methodology. Participation in the PGW CRP program places a cap on the amount of money that eligible residents will be required to pay for their gas utility payments based on household income, not consumption. Utility allowance schedules are typically determined based on an analysis of the cost of reasonable consumption based on dwelling unit size/type. PHA will utilize the PGW CRP capped amount to calculate the gas allowance due to residents, except in those limited circumstances where the CRP amount exceeds PHA's gas utility allowance schedule. The alternative utility allowance amounts will be factored into the rent calculation, including the Total Tenant Payment calculation. With this change, residents will continue to have their Total Tenant Payment limited to no more than 28% of household income. PHA has received approval to implement this initiative in the public housing program; however, only HCV implementation has taken place to date; b) Utility allowances will be phased out for residents with incomes at or above 80% of Area Median Income; c) PHA will review and modify public housing utility schedules periodically based on an assessment of available HUD funding and the requirements of the MTW Agreement and Plan. PHA may apply the HUD-determined operating subsidy pro-ration factor to determine the actual utility schedule amounts. Revised utility allowances will be applied to a family's rent calculations at the next scheduled recertification after the allowance is adopted or at one time across all affected households. The approach taken will be at the discretion of PHA; and d) PHA will establish a minimum threshold of \$20 for payment of utility allowance payments. This activity was approved and implemented in FY 2009.

- PHA is also authorized to expand the utility allowance policy to require public housing and HCV tenants receiving either heat or electric utility allowances to enroll and participate in the PECO Customer Assistance Plan, LIHEAP and any other applicable programs that offer reduced rates, energy usage grants, or other financial incentives to low-income households. This activity was approved in FY 2011.
- Finally, using its MTW authority, PHA will periodically, at its discretion, review HCV utility allowance schedules to determine if adjustments are required. Annual updates will not be required. This activity was first approved in FY 2014.

PHA reviews and reevaluates the impact of its rent reform initiatives on an annual basis. Current MTW rent policies do not have an adverse impact on affordability as rent for residents of both public housing and HCV (MTW vouchers) is less than or equal to 28% of adjusted household income. Public housing residents also have the option to select a ceiling rent.

**Proposed Changes to Activity:** No additional MTW waivers are requested. The PHA Board of Commissioners has approved a change to the Two and Three Year Recertification activity for the HCV program. Under this policy, HCV participants may request up to two (2) voluntary interim recertifications between regular recertifications. PHA may elect to adopt a similar policy in its public housing program subject to Board approval.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD's revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<b><i>CE #1: Agency Cost Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$877,965 (based on 56,100 total estimated hours for above activities multiplied by an average \$15.65 hourly rate)	\$658,473 estimated total cost after implementation of above activities		

<b><i>CE #2: Staff Time Savings</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	56,100 hrs estimated for above activities	42,075 hrs (25% reduction estimated)		

<b><i>CE #3: Decrease in Error Rate of Task Execution*- Rent Calculation Method</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average error rate in completing a task as a percentage (decrease).	TBD	TBD		

*\*PHA implemented its revised rent calculation method in 2004, and does not have historical data on rent calculation error rates at that time. PHA will identify the current baseline as part of the FY 15 Annual Report (which already reflects error rate reductions) and then establish a benchmark of maintaining this level going forward, i.e. PHA would not anticipate future reductions to error rates.*

<b>CE #5: Increase in Agency Rental Revenue – Utility Allowance Policy</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Rental revenue in dollars (increase).	\$0	TBD		

<b>SS #1: Increase in Household Income – HCV*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	The average earned income of households affected by this policy in FY 14 is \$17,032.	The expected average earned income of households affected by this policy after implementation of the activity is \$17,032.		

*\* Although this activity was implemented in FY 04, HUD has only recently required PHA to track the average earned income of households affected by this policy, therefore PHA has used data from FY 14 to determine the baseline. As this activity has been implemented and on-going for over 10 years, PHA expects the average earned income of households to remain stable. For additional information see HUD’s Frequently Asked Questions About HUD Form 50900 dated September 13, 2013.*

<b>SS #1: Increase in Household Income - Public Housing*</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average earned income of households affected by this policy in dollars (increase).	The average earned income of households affected by this policy in FY 14 is \$15,187.	The expected average earned income of households affected by this policy after implementation of the activity is \$15,187.*		

*\* Although this activity was implemented in FY 04, HUD has only recently required PHA to track the average earned income of households affected by this policy, therefore PHA has used data from FY 14 to determine the baseline. As this activity has been implemented and on-going for over 10 years, PHA expects the average earned income of households to remain stable. For additional information see HUD’s Frequently Asked Questions About HUD Form 50900 dated September 13, 2013.*

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Employed	4,725 work-able heads of households had earned income as of March 31, 2014.	4,725 work-able heads of households will have earned income as of the end of FY 15.		
	36% of work-able heads of households had earned income as of March 31, 2014.	36% of work-able heads of households will have earned income as of the end of FY 15.		
Unemployed	8,282 work-able heads of households had no earned income as of March 31, 2014.	8,282 work-able heads of households will have no earned income as of the end of FY 2015.		
	64% of work-able heads of households had no earned income as of March 31, 2014.	64% of work-able heads of households will have no earned income as of the end of FY 15.		

*\* Although this activity was implemented in FY 04, HUD has only recently required PHA to track the employment status of work-able heads of households affected by this policy, therefore PHA has used data from FY 14 to determine the baseline. As this activity has been implemented and on-going for over 10 years, PHA expects the employment status of work-able heads of household to remain stable. For additional information see HUD's Frequently Asked Questions About HUD Form 50900 dated September 13, 2013.*

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households transitioned to self sufficiency (increase).	0 households	72 households are expected to transition to self sufficiency in FY 15.		

*\*PHA defines a households that transitions to self-sufficiency as a HCV participant who exist the program as a result of being over-income or one that receives no HAP subsidy but still qualifies as program participants.*

*NOTE: PHA maintains that the above metrics do not accurately reflect the success of this activity as they do not account for unit/population turnover (i.e households moving out and in over multiple years). The baselines set above reflect a snapshot in time and do not account for families leaving and being replaced by lower-income families resulting in the make-up of the benchmark populations being increasingly different over time.*

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## **MTW Activity 2004-4: Unit-Based Leasing and Development Program**

**Description/Update:** Expanding the supply of affordable housing in Philadelphia continues to be a major objective of the PHA MTW Demonstration program. Under PHA's Unit-Based Leasing and Development Program ("UBV" or the "Unit-Based Program"), PHA negotiates contracts with for-profit and non-profit private sector housing providers for unit-basing PHA's local rent Subsidy using MTW block grant funds (Operating, Capital, HCV) based on property specific agreements. To date, PHA has selected Unit-Based Program for MTW HCV Funds participants through a competitive procurement process. This MTW initiative was approved and implemented in FY 2004.

PHA's Site Selection Standards for the UBV program will comply with the alternate Site and Neighborhood Standards described at Attachment C, Section D (7)(c) to PHA's MTW Agreement.

The rent to the owners participating in the UBV program funded with MTW HCV funds will not exceed the lowest of 110% of the applicable fair market rent, the reasonable rent, the rent requested by the owner or such other amount determined by PHA to be appropriate for the unit based upon the nature of the unit and the RFP from which the owner was selected. For example, in certain cases, PHA believes a shallower subsidy is more appropriate.

Unless part of its "shallow" subsidy UBV program, PHA will not attach or pay UBV assistance to units that are already receiving another form of subsidized housing operating assistance. With respect to a shallow subsidy UBV program, PHA will not attach or pay UBV assistance to units receiving another form of subsidized operating assistance if the UBV assistance would be duplicative or would otherwise over-subsidize the unit. PHA may determine the effect of subsidy on rent to owners and the duplication of subsidy or excessive subsidy, subject to the requirements regarding subsidy layering as set forth in the HUD Reform Act of 1989. PHA may unit-base up to 100 percent of the dwelling units in any UBV project or building.

PHA may select its own units for project-basing with UBV assistance without a competitive process. Pursuant to Attachment C, Section D (7)(a), PHA may unit-base assistance at properties other than public housing properties owned directly or indirectly by PHA, including those owned by PHA affiliates or instrumentalities. For purposes of this selection method, a property that may be unit-based may be a former public housing property that has been converted to HCV assistance. Pursuant to Attachment C, Section D (1)(f), under either the UBV program or the Partnership Initiatives, PHA may attach or pay UBV assistance using HCV MTW funds to unit types currently prohibited by standard Section 8 regulations including, but not limited, to shared living facilities. Such units must comply with applicable alternate MTW Site and Neighborhood Standards.

An owner of a unit assisted under the UBV program for MTW HCV funds may elect to receive referrals from PHA's waiting list or to use a site-based waiting list for selection of tenants for a site. For owners using a site-based waiting list, owners must refer families to PHA for eligibility screening.

A family residing in a UBV unit funded with MTW HCV funds may terminate the lease at any time after the initial term. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to PHA. Once a family terminates the lease, the family will no longer be part of the HCV or UBV program. Pursuant to PHA’s MTW authority, PHA does not provide UBV participant families who want to move with tenant-based assistance with a tenant-based HCV voucher.

For mixed-finance closings for UBV units involving new public housing units, PHA may request HUD review and approval of certain waivers to current public housing regulations in the interest of increasing housing choice, promoting long-term project viability, and encouraging more third party development. Specific waivers that may be requested include:

- PHA may elect to allow the owner of UBV units, including PHA if it is the owner, to utilize public housing operating subsidy and other MTW funds, to pay for debt service associated with the UBV development; and
- Where PHA provides public housing operating subsidy as part of UBV assistance, separately or in combination with voucher or other MTW funds, PHA may have the Declaration of Restrictive Covenants modified to eliminate or change the standard ten-year affordability “tail,”

While the above waivers do not require MTW authority, they are directly relevant to the Unit Based Leasing and Development and Partnership Initiative activities. PHA is providing this information in the MTW Annual Plan to clarify its intention to seek future HUD waivers. The specific details of each UBV agreement will be defined prior to closing and shall be subject to HUD review and approval, where applicable, as part of the mixed-finance transaction closing process.

In FY 2015, PHA will continue to operate this program including, as appropriate, incorporating it into the “6 in 5” Initiative to create 6,000 units of affordable housing over a five-year period as referenced above. PHA may also issue requests for proposals for this initiative during the Plan Year.

The following table provides information on projects that are subsidized under this initiative as of the date of submission of the Plan. Additional projects that are projected to be under contract in FY 2015 are included in Table 3:

<b>Development Name</b>	<b>Sponsor</b>	<b>Building Type</b>	<b>Neighborhood Location</b>	<b>Total Units Under Contract</b>	<b>Target Population</b>	<b>Supportive Services</b>
1260 Housing	Columbus Property Management	Low rise apartments and row homes	Scattered sites	164	mental health/chemical dependency	yes
1260 Housing	Columbus Property Management	Mid rise apartments	Northeast Philadelphia	11	mental health/chemical dependency	yes
Art Apartments	Pinelake Management Associates LP	Low rise apartments	West Philadelphia	30	families/very low income	no

Development Name	Sponsor	Building Type	Neighborhood Location	Total Units Under Contract	Target Population	Supportive Services
Belmont Gardens	Sarah Allen Community Homes V L P	Low rise apartments	West Philadelphia	3	families/very low income	no
Bernice Elza	Peoples Emergency Center	Low rise apartments	West Philadelphia	6	emancipated teens/homeless	yes
Bethesda Project Bainbridge	Bethesda Project Inc	Low rise apartments	South Philadelphia	20	homeless	yes
Bethesda Project South	Bethesda Project Inc	Low rise apartments	Center City Philadelphia	4	homeless	yes
Bethesda Project Spruce	Bethesda Project Inc	Low rise apartments	Center City Philadelphia	13	homeless	yes
Boriquen	Borinquen Associates Ii Limited	Scattered Row homes	North Philadelphia	22	families/very low income	no
Brentwood Parkside	Brentwood Parkside Associates	High rise apartments	West Philadelphia	22	seniors/families/very low income	no
Patriot House	Citizens Acting Together Can Help, Inc	Low rise apartments	South Philadelphia	15	homeless	yes
Chatham Court Apartments	Chatham Apts. Assoc. LP	Low rise apartments	West Philadelphia	18	families/very low income	no
Cloisters	Cloisters III Housing Partnership	Low rise apartments/duplexes and row homes	West Philadelphia	18	homeless	yes
Diamond St Venture I	Diamond St Ventures	Scattered duplexes	North Philadelphia	14	families/very low income	no
Diamond St Venture II	Diamond St Ventures	Scattered duplexes	North Philadelphia	6	families/very low income	no
Diamond St Venture III	Diamond St Ventures	Scattered duplexes	North Philadelphia	17	families/very low income	no
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	10	women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Logan (Northwest Philadelphia)	3	women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Mt. Airy	4	women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	11	women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown	16	women with children (domestic abuse)	yes
Dignity Boss	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	8	women with children (domestic abuse)	yes
Dignity Nedro	Community For Dignity & Fairness	Low rise apartments	Logan (Northwest Philadelphia)	5	women with children (domestic abuse)	yes
Dunlap School	Dunlap	Low rise	West	35	seniors	no

Development Name	Sponsor	Building Type	Neighborhood Location	Total Units Under Contract	Target Population	Supportive Services
Venture	Management Partners LP	apartments	Philadelphia			
Edgewood Manor	Edgewood Manor Associates II Lp	Low rise apartments	North Philadelphia	33	families/very low income	no
Elders Place I	Penn Housing LLC	High rise apartments	Germantown	43	seniors	no
Elders Place II	Penn Housing LLC	Low rise apartments	Germantown	38	seniors	no
Fattah Homes I	PEOPLES EMERGENCY CENTER	Scattered Row homes	West Philadelphia	6	homeless	yes
Fourth St Access	Columbus Property Management	Row homes and triplexes	North Philadelphia	24	families/very low income	no
Freedom Village	Freedom Village L P	Low rise apartments	North Philadelphia	16	families/very low income	no
Gaudenzia Shelton Court	Gaudenzia Foundation Inc.	Triplex and low rise apartments	North Philadelphia	19	young women (chemical dependency)	yes
HELP Philadelphia II	HELP USA	Low rise apartments	West Philadelphia	50	transitional housing for women	yes
HELP USA (HELP PA Affordable Housing )	HELP USA	Row homes	West Philadelphia	14	Veterans	yes
Imani Homes	Imani Homes Limited Partnership	Row homes	West Philadelphia	24	families/very low income	no
Imani II	Peoples Emergency Center	Row homes	West Philadelphia	6	families/very low income	no
Imani III	Peoples Emergency Center	Row homes	West Philadelphia	6	families/very low income	no
Imani IV	Peoples Emergency Center	Row homes	West Philadelphia	8	families/very low income	no
Imani V	Peoples Emergency Center	Row homes	West Philadelphia	11	homeless	yes
Inglis Apartments at Elmwood	Inglis House	Low Rise apartments and row homes	West Philadelphia	40	seniors and disabled	yes
Inglis Housing (Morris-Klein Apts)	Inglis House	High rise apartments	West Philadelphia	19	seniors and disabled	yes
Jannie's Place	Peoples Emergency Center	low rise apartments	West Philadelphia	6	homeless	yes
JBH Homes	Project Home	Low rise apartments	Fairmount	15	alcohol dependency	yes
Kate's Place	Project Home	High rise apartments	Center City Philadelphia	30	homeless/chemical dependency	yes

<b>Development Name</b>	<b>Sponsor</b>	<b>Building Type</b>	<b>Neighborhood Location</b>	<b>Total Units Under Contract</b>	<b>Target Population</b>	<b>Supportive Services</b>
Hamill Mills	Lena St Associates	Low rise apartments	Germantown	40	seniors	no
Ascension Manor	Liberty Resources	Low rise apartments	North Philadelphia	3	disabled	yes
Praveen Chestnut	Liberty Resources	Low rise apartments	West Philadelphia	3	disabled	yes
LIH Walnut	ARCH VII - LIH Walnut Associates	Low rise apartments	West Philadelphia	14	families/very low income	no
Locust Towers	Magdim Towers INC	High rise	West Philadelphia	40	families/very low income	no
Monument Rd	Methodist Family Services of Philadelphia	Low rise apartments	West Philadelphia	11	emancipated teens/homeless	yes
Monument Mews	Monument Mews	Low Rise apartments and row homes	West Philadelphia	60	families/very low income	no
Mt. Vernon	Mt. Vernon LP	Low rise apartments	West Philadelphia	15	families/very low income	no
New Courtland Apts at Cliveden	New Courtland	High rise apartments	Germantown	32	seniors	no
NPCH - Community Building	NPCH Associates	Duplex apartments	North Philadelphia	16	families/very low income	no
Parkside 2000 Associates	Columbus Property Management	Scattered triplexes	West Philadelphia	8	families/very low income	no
Parkside 2000 Associates	Columbus Property Management	Scattered triplexes	West Philadelphia	42	families/very low income	no
Paseo Verdes	Transit Village Affordable Housing LP	Row homes	North Philadelphia	19	families/very low income	no
RBM	Peoples Emergency Center	Low rise apartments	West Philadelphia	9	homeless	yes
Powelton Heights	Columbus Property Management	Low rise apartments	West Philadelphia	30	seniors	no
Kate's Place	Project Home	High rise apartments	Center City Philadelphia	5	homeless/chemical dependency	yes
Ray's Place	Project Home	Low rise apartments	North Philadelphia	17	mental health/veterans	yes
Regent Terrace	Regent Terrace Housing Partnership	Low rise apartments	West Philadelphia	80	families/very low income	no
Sarah Allen	Sarah Allen Community Home IV LP	Low rise apartments	West Philadelphia	3	seniors	no
Sartain School Apartments	Sartain Management Partners LP	Low rise apartments	North Philadelphia	35	seniors	no

Development Name	Sponsor	Building Type	Neighborhood Location	Total Units Under Contract	Target Population	Supportive Services
Sedgley Apartments	MPB School Apartments LP	Low rise apartments	North Philadelphia	16	families/very low income	no
Sheila D Brown Women's Center	Sheila D Brown Women's Center	Low rise apartments	South Philadelphia	9	women/behavioral disabilities	yes
South 55th St	South 55th Street L.P.	Duplex apartments	West Philadelphia	18	families/very low income	no
Lehigh Park	St Christophers Associates L P VIII	High rise apartments	North Philadelphia	25	families/self sufficiency	yes
Susquehanna Apartments	Susquehanna Apts LP	Low rise apartments	North Philadelphia	47	families/very low income	no
Temple N 16th St	Columbus Property Management	Low rise apartments	North Philadelphia	49	families/very low income	no
Temple N Gratz St	Columbus Property Management	Low rise apartments	North Philadelphia	40	families/very low income	no
Walnut Park	Walnut Park Associates LLC	High rise apartments	West Philadelphia	224	seniors	no
Walnut Thompson	Walnut-Thompson L P	High rise and duplex apartments	Center City and West Philadelphia	35	families/very low income	no
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	16	families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	38	families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	32	families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	12	families/very low income	yes
<b>TOTAL</b>				<b>1926</b>		

**Proposed Changes to Activity:** No changes are proposed.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD's revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 units	664 units at the end of FY 2015*		

*\* HUD requires this metric track only newly constructed and/or rehabilitated unit as additional units of housing made available. As of the end of FY 2014, 535 newly constructed or rehabilitated units received project-based assistance. An additional 129 units are anticipated to come on-line by the end of FY 15 - See Table 3 for a breakdown (excluding Liberty Housing).*

<b><i>HC #5: Increase in Resident Mobility</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	1,926 households will be able to move to a better unit and/or neighborhood of opportunity by the end of FY 15.		

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

*\*HUD is requiring the use of this metric; however, PHA does not believe it is applicable in this context of this MTW activity. PHA will identify the current baseline as part of the FY 15 Annual Report and then establish a benchmark of maintaining this level going forward, i.e. PHA would not anticipate an increase in households assisted by services that increase housing choice.*

## **MTW Activity 2005-2: Streamline the Admissions and Transfer Process**

**Description/Update:** PHA has established a number of MTW policies designed to streamline the admissions and transfer policies for both Public Housing and HCV Programs:

- **MTW Transfers** – PHA may authorize a limited number of split-family transfers from Public Housing to the Housing Choice Voucher Program and vice versa. These transfers are referred to as MTW transfers. PHA provides for up to 50 Housing Choice Vouchers and 50 PH units to be transferred back and forth between PH and the HCV program. No more than 100 moves are authorized per fiscal year. Eligibility is determined by PHA Senior Management on a case-by-case basis, based upon immediate need, disability needs and availability of vouchers or public housing units. Transfers are used to support witness protection activities, domestic violence prevention, and other needs. If a resident transfers from Public Housing to the Housing Choice Voucher program, that resident will be subject to HCV eligibility guidelines. This activity was approved and implemented in FY 2005 and is ongoing.
- **HCV Waiting List** – Once a family is leased under the HCV Program, the family may remain on the waiting lists for Tax Credit and Public Housing sites. Additionally, PHA may require that the family sign an agreement whereby the family acknowledges they will not be eligible for selection from the Tax Credit or Public Housing site waiting lists until the initial lease term has been completed. If the family's name comes to the top of the Tax Credit or Public Housing site waiting lists prior to completion of the initial lease term, the family will be skipped; however, they will retain their position on the waiting list. The family will be selected from the Tax Credit or Public Housing site waiting list when they have completed their initial lease term and a vacant unit is available. Additionally, the family will be subject to all applicable program screening and eligibility requirements. This initiative was approved as modified and implemented in FY 2012.
- **Public Housing Waiting List** – Once a family is housed in public housing, the family will be removed from all other scattered site and conventional PH waiting lists. However, a family may remain on the HCV and/or Tax Credit Site waiting lists. Additionally, PHA may require that the family sign an agreement whereby the family acknowledges that their name will be removed from all other scattered site and conventional PH waiting lists and they will not be eligible for selection from the HCV and/or Tax Credit Site waiting lists until the initial lease term has been completed. If the family's name comes to the top of the HCV and/or Tax Credit Site waiting lists prior to completion of the initial lease term, the family will be skipped; however, they will retain their position on the waiting list(s). The family will be selected from the HCV and/or Tax Credit Site waiting lists when they have completed their initial lease term and either a voucher or vacant unit is available. Additionally, the family will be subject to all applicable program screening and eligibility requirements. Applicants, as a reasonable accommodation, may request that their name remain on waiting lists once housed, and PHA, on a case-by case basis, will review these requests in order to accommodate the needs of a person with disabilities. This initiative was approved as modified and implemented in FY 2012.

**Proposed Changes to Activity:** No changes are proposed. PHA removed the previous Verification Policy activity based on a determination that no MTW authority is required to implement the policy.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD’s revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<b><i>HC #3: Decrease in Wait List Time – MTW Transfers</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Average applicant time on wait list in months (decrease).	TBD - Average applicant time on wait list prior to implementation of the activity (in months).	TBD - Expected average applicant time on wait list after implementation of the activity (in months).		

<b><i>HC #5: Increase in Resident Mobility- MTW Transfers</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	0	25 (estimate based on recent history with MTW Transfer activity)		

<b><i>CE #1: Agency Cost Savings – MTW Transfers</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	TBD - Cost of task prior to implementation of the activity (in	TBD	Actual cost of task after implementation of the activity (in	Whether the outcome meets or exceeds the

	dollars).		dollars).	benchmark.
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<i>CE #2: Staff Time Savings – HCV and Public Housing Waiting Lists</i>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	TBD - Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	TBD		

DRAFT

### **MTW Activity 2005-3: HCV Program Efficiencies**

**Description/Update:** PHA is implementing additional efficiencies in the HCV Program designed to simplify processing and streamline administrative processes. The following is a summary of ongoing program components:

- **Moving to Work Family Agreement Addendum (MTWFAA)** – PHA has implemented a requirement for all HCV participants to sign a MTWFAA as a condition for approval of tenancy and continued occupancy. By signing the MTWFAA, participants agree to comply with all of the rules and regulations of PHA’s Housing Choice Voucher Program, including the MTW-related terms and conditions described in the MTWFAA. Failure to abide by the HCV Program rules and regulations and terms and conditions of the MTWFAA may result in termination from the HCV Program. This is an efficiency measure which ensures that participants have full and accurate information on participant responsibilities at the time of entry to the program. This activity was implemented in FY 2004 and is ongoing.
- **Restriction on Elective Moves** – PHA policy regarding moves during the initial lease term and at the time of biennial recertification pertains to moves both within PHA’s jurisdictions and initial moves outside of PHA’s jurisdiction. Families are not permitted to move within PHA's jurisdiction during the initial term of assisted occupancy. The CEO or designee must approve exceptions to this policy. Subsequent to the initial lease term, families are permitted to move only at the time of biennial recertification or under extenuating circumstances as defined in the Administrative Plan subject to PHA management approval. Examples of extenuating circumstances include approved and documented VAWA or reasonable accommodation move requests. PHA may deny permission to move if the family violates HCV Program obligations and/or owes PHA money. This activity was approved and implemented in FY 2008 and is ongoing.
- **Criteria for Portability Moves** – PHA has established criteria for all port out moves. The criteria requires that MTW voucher participants requesting to port out provide a verified employment, education, safety, or medical/disability need to support their move to another jurisdiction. Families who are unable to provide a verified “employment, education, safety, or medical/disability need” will not be permitted to port out. PHA has established verification requirements to validate the family’s employment, education, safety, or medical/disability need. If a voucher participant leases up within the City of Philadelphia, they are not permitted to port out during their initial lease term except for extenuating circumstances such as approved and documented VAWA or reasonable accommodation requests. Subsequent to their initial lease term, families may only move at the time of their biennial reexamination. Families with vouchers administered under the VASH program are not subject to this policy. This MTW activity only applies to MTW voucher participants whose initial voucher was issued by PHA or those who have subsequently been absorbed by PHA. This activity was first approved in FY 2013.

**Proposed Changes to Activity:** No changes are proposed.

**Changes to Benchmarks, Baseline, Metrics:** Under HUD’s revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently established HUD Standard Metrics. The table below provides the revised information for this MTW activity. PHA will report on outcomes in the MTW Annual Report.

<b><i>CE #1: Agency Cost Savings – MTW Family Addendum</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$0*	\$0		

*\*PHA implemented this activity in FY 2004 and does not have baseline information available for that period. PHA believes that the implementation of the MTW Family Addendum results in cost savings as a result of elimination of redundant staff time needed to review participant responsibilities multiple times. As this activity was implemented 10 years ago, no further agency cost savings are anticipated.*

<b><i>CE #1: Agency Cost Savings – Restriction on Elective Moves</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	Not available	\$25,259		

*\*PHA implemented this activity in FY 2007 and does not have baseline cost information available for that period. See CE#2 below for this activity for estimate of staff time savings (in hours) already achieved. The benchmark for CE#1 agency costs savings is based on an average hourly labor rate of \$15.65 times 1,614 labor hours.*

<b><i>CE #1: Agency Cost Savings – Criteria for Portability Moves</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total cost of task in dollars (decrease).	\$8,451*	\$4,695		

*\*Cost savings are calculated based on the labor hours listed below in CE#2 times an hourly labor rate of \$15.65.*

<b>CE #2: Staff Time Savings – MTW Family Addendum</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	0*	0		

*\*PHA implemented this activity in FY 2004 and does not have baseline information available for that period. PHA believes that the implementation of the MTW Family Addendum results in elimination of redundant staff time needed to review participant responsibilities multiple times. As this activity was implemented 10 years ago, no further staff time savings are anticipated.*

<b>CE #2: Staff Time Savings – Restriction on Elective Moves</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	1,614 hrs (based on 1,291 moves in most recent fiscal year)*	1,614*		

*\*PHA implemented this activity in FY 2007 and does not have baseline information available for that period. Thus, the baseline reflects staff time savings already achieved. PHA has established a benchmark to continue the same or comparable level of staff time savings.*

<b>CE #2: Staff Time Savings – Criteria for Portability Moves</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Total time to complete the task in staff hours (decrease).	540 hours (based on FY 12 port activity)	300 hours estimated		

## **B. Not Yet Implemented Activities**

### **MTW Activity 2014-1: Flexible Subsidy Initiative**

**Description/Update:** Through its “6 in 5” Initiative, PHA intends to partner with qualified non-profit and for-profit developers to construct, rehabilitate, acquire, and/or preserve 6,000 units of affordable rental housing, some of which may be public housing units, over the five-year period from 2013 to 2018. PHA has recently issued a Request for Proposals (RFP) to solicit developer proposals for this initiative. This activity was approved by the PHA Board and submitted to HUD for approval in late 2013 as part of a mid-year amendment to the MTW Annual Plan for FY 2014.

In order to promote the development and preservation of quality, affordable rental units that meet the diverse needs of low-income households, including special needs populations, PHA intends to utilize MTW flexibility in limited instances where the current public housing operating subsidy level (combined with projected tenant rental income) is inadequate to ensure the long-term viability of new public housing units to be developed and/or acquired under the “6 in 5” Initiative. Under this proposed MTW activity, PHA may elect to combine public housing operating subsidy with other MTW Block Grant funds to establish a local MTW flexible subsidy level higher than the standard public housing operating subsidy amount. PHA will only use such flexibility where the project otherwise meets PHA’s stated development objectives, but is determined to be financially infeasible without the use of higher flexible subsidy funding allowable under MTW. HUD review and approval will be required for each transaction involving MTW flexible subsidies as part of the mixed-finance closing process pursuant to 24 CFR 941.

In light of the fact that the current MTW Agreement will expire in 2018 unless extended by HUD, PHA acknowledges that funding from the MTW Block Grant may not be available to support the additional operating subsidy after that date. PHA also acknowledges that the blended subsidy initiative may impact its current and future Replacement Housing Factor funds.

PHA may also request HUD review and approval of additional waivers to current public housing regulations in the interest of increasing housing choice, promoting long-term project viability, and encouraging more affordable housing development. The following waivers do not specifically require MTW authority; however, PHA is providing this information to clarify its intentions with respect to seeking additional waivers. PHA may request the following additional non-MTW waivers from HUD as part of the review and approval process for public housing mixed-finance transactions:

- Allowing the owner of public housing units that are to receive flexible subsidy, including PHA if it is the owner, to utilize public housing operating subsidy and other MTW funds, to pay for debt service associated with the project; and
- Allowing for the modification or elimination of the standard ten-year affordability “tail” in the Declaration of Restrictive Covenants.

Based on its five-year goal, PHA projects that 300 additional affordable units that utilize flexible subsidy will be achieved over a five-year period from FY 2015 through FY 2019. PHA has projected that 50% of these units will be new or substantial rehabilitation units and the remaining 50% will be preservation units.

**Proposed Changes to Activity:** No changes are proposed.

**Changes to Metrics, Baseline and Benchmarks:** As part of its submission to HUD, PHA incorporated the following HUD standard metrics for this activity.

<b><i>HC #1: Additional Units of Housing Made Available</i></b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0			

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

### C. Activities On Hold

Not applicable.

### D. Closed Out Activities

The following table summarizes previously approved MTW activities that PHA has completed, discontinued, or determined do not require MTW authority to implement.

<b>Plan Year</b>	<b>Activity</b>	<b>Reason for Close Out</b>	<b>Close Out Year</b>
FY 2011	Community Service Policy	Determination made that activity does not require MTW flexibility.	FY 2013
FY 2011	Expanding Use of LIHTC	Determination made that proposed activities were covered under Partnership and Unit-Based Leasing/Development Initiatives.	FY 2013
FY 2011	Scattered Site Income Tiering	PHA elected to discontinue this initiative prior to its implementation based on decisions made as part of the scattered site asset repositioning initiative including disposition and auction of vacant and obsolete properties.	FY 2011
FY 2010	Accessible Unit Retrofitting and Development	PHA has completed the accessible unit retrofitting under Attachment E of the MTW Agreement. PHA will continue to develop accessible units as part of its revitalization programs; however, this activity does not require specific MTW authority.	FY 2014
FY 2009	Assisted Living	PHA discontinued this activity prior to its implementation based on a determination that sufficient funding was not available from state, federal and other required sources.	FY 2011
FY 2009	Home Care Services	PHA discontinued this activity prior to its implementation based on a determination that services can be more efficiently delivered through third-party partners.	FY 2011
FY 2007	Transitional Housing Facilities	Determination made that comparable activities are authorized under Partnership Initiative.	FY 2013
FY 2007	LIFE Program	Determination made that activity does not require MTW flexibility.	FY 2013
FY 2005	Comprehensive Resident Self Sufficiency Services	PHA continues to provide comprehensive resident self sufficiency services that utilize MTW Block Grant funds. However, no MTW programmatic waivers	FY 2014

<b>Plan Year</b>	<b>Activity</b>	<b>Reason for Close Out</b>	<b>Close Out Year</b>
		are required. These activities are now referenced in Chapter V under the Single Fund Flexibility section.	
FY 2005	Voucher Issuance	PHA elected to discontinue this policy based on an assessment that it would not contribute to PHA's utilization goals.	FY 2014
FY 2004	HCV Time Limit	PHA discontinued this activity due to economic conditions which limited the availability of jobs for residents.	FY 2012
FY 2004	Family Economic Development Action Plan/Tenant Responsibility Training	PHA discontinued this activity along with discontinuation of HCV time limit as they were interrelated activities.	FY 2014
FY 2004	Tenant Responsibility Training	Determination made that activity does not require MTW flexibility.	FY 2013
FY 2004	Blueprint	PHA continues to implement the Blueprint Program; however, a determination was made that activity does not require MTW flexibility.	FY 2013
FY 2004	HCV HQS Enforcement	PHA elected to discontinue this policy based on a decision to establish uniform HQS enforcement policies for both MTW and Non-MTW vouchers.	FY 2012
FY 2004	Public Housing Service Order Policy	PHA elected to discontinue this policy after discussions with the HUD Field Office concerning the need to expedite service order response times.	FY 2012

## V. MTW SOURCES AND USES OF FUNDING

### **A. Estimated Sources and Uses of MTW Funding for Fiscal Year 2015**

Table 7 and 8 below provides estimated sources and uses of MTW funds for FY 2015. As PHA’s funding levels for future calendar years are unknown at the present time, this table provides preliminary projections. Actual sources and uses are expected to vary based on the level of funding provided to PHA and the level of actual expenses. PHA’s estimated Sources and Uses budget for FY 2015 assumes continued reductions in Public Housing Operating Subsidy, Capital Fund Program, HCV, and HCV Administrative fees. The tables follow HUD’s required formats and do not include information on Non-MTW funding sources and uses. See also Appendix E for additional RHF-related information as required by the RHF Amendment to the MTW Agreement. The Estimated Sources in Table 7 include, in addition to FY2015 Revenue, “Beginning Equity” represented by FDS Line 11030; this includes prior year unspent MTW reserves. The Estimated Uses in Table 8 include, in addition to FY2015 current Total Expenses, “Prepayment of CFFP Bond Principal” represented by FDS Line 11020 and “Property Acquisitions” represented by FDS Line 11620, for the acquisition of sites for the Blumberg development project.

**Table 7: Estimated Sources of MTW Funding for FY 2015**

Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$24,045,000
70600	HUD PHA Operating Grants	\$288,400,000
70610	Capital Grants	\$49,176,047
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 0
71100+72000	Interest Income	\$115,000
71600	Gain or Loss on Sale of Capital Assets	\$1,200,000
71200+71300+71310+71400+71500	Other Income	\$1,000,000
<b>70000</b>	<b>Total Revenue</b>	<b>\$363,936,047</b>
<b>11030</b>	<b>Beginning Equity</b>	<b>\$68,320,000</b>
<b>Total Planned FY2015 Sources</b>		<b>\$432,256,047</b>

**Table 8: Estimated Uses of MTW Funding for FY 2015**

<b>Uses</b>		
<b>FDS Line Item</b>	<b>FDS Line Item Name</b>	<b>Dollar Amount</b>
91000 (91100+91200+91400+91500+91600+91700+ 91800+91900)	Total Operating – Administrative	\$72,218,000
91300+91310+92000	Management Fee Expense	\$ 0
91810	Allocated Overhead	\$ 0
92500(92100+92200+92300+92400)	Total Tenant Services	\$5,285,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$25,644,000
93500+93700	Labor	\$82,000
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$56,472,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$7,500,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$12,500,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$15,000,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ 0
97100+97200	Total Extraordinary Maintenance	\$8,000,000
97300+97350	Housing Assistance Payments + HAP Portability-In	\$120,363,188
97400	Depreciation Expense	\$40,871,859
97500+97600+97700+97800	All Other Expenses	\$ 0
<b>90000</b>	<b>Total Expenses</b>	<b>\$363,936,047</b>
<b>11020</b>	<b>Prepayment of CFFP Bond Principal</b>	<b>\$24,320,000</b>
<b>11620</b>	<b>Property Acquisition</b>	<b>\$44,000,000</b>
<b>Total Planned FY2015 Uses</b>		<b>\$432,256,047</b>

**Use of Single Fund Flexibility**

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

- Capital Activities to support the security systems upgrades, asbestos abatement projects, and elevator repairs and site improvements throughout PHA.
- Family Program and comprehensive resident supportive service activities to support a wide range of public safety, program compliance, and training and education efforts for PHA residents including: youth development programs citywide; senior programs citywide; Pre-Apprenticeship Program; service coordination; job training and placement;

educational partnership initiatives; affordable homeownership programs; Community Relations police units; Community Partners training and educational programs; and other Economic Development and Self-Sufficiency program activities.

- Quality of Life Programs to support Lease Enforcement and Section 8 investigations programs.
- General Conditions to include functional enhancements and training on software systems, staff training, and energy management initiatives.
- Repayment before maturity of two of PHA's outstanding series of Capital Fund Program Revenue Bonds: (i) Series B issued in 2002, maturing December 1, 2021, with a current outstanding principal balance of \$17,165,000, with accrued interest to the repayment date of approximately \$416,113; and (ii) Series C issued in 2003, maturing December 1, 2017, with a current outstanding principal balance of \$7,155,000, with accrued interest to the repayment date of approximately \$167,549. Both Series may be repaid without premium or penalty. If PHA pays off Series B and Series C before December 1, 2014, savings from 2014 to 2021 will be \$4,281,905 in interest, plus certain fees.
- Refunding of the two remaining series of Capital Fund Program Revenue Bonds in order to reduce PHA's interest expense: (i) Series A issued in 2002, maturing December 1, 2021, with a current outstanding principal balance of \$44,150,000; and (ii) Series D issued in 2003, maturing December 1, 2022, with a current outstanding principal balance of \$11,000,000. The refunding will be accomplished by repaying the bonds from the proceeds of new bonds to be issued in an amount at least sufficient to repay Series A and D, plus the expenses of the transaction.
- Acquisition of properties, in cooperation with the Philadelphia Redevelopment Authority, for the Sharswood/Blumberg development project, for use as replacement housing in that neighborhood.

Issuance of Capital Fund Program Revenue Bonds in connection with the financing of the Sharswood/Blumberg development project.

## **B. Local Asset Management Plan**

*Is the PHA allocating costs within statute?* No, as allowed under the MTW Agreement.

*Is the PHA implementing a local asset management plan (LAMP)?* Yes.

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 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

Pursuant to its MTW Agreement, PHA has developed a Local Asset Management Plan that describes the agency's cost allocation plan and other technical components of PHA's local asset management strategy. HUD approved PHA's Local Asset Management Plan as part of the MTW FY 2010 Annual Plan submission. A copy of the approved Plan is found in Appendix A.

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## VI. ADMINISTRATIVE

### A. Resolution

A Resolution approving the MTW Annual Plan and the MTW Plan Certification of Compliance has been adopted by the PHA Board of Commissioners. The Resolution is included with the Plan in Appendix B.

### B. Public Review Process

PHA provided public notice of the draft Annual Plan. The public comment period extended from November 29 through December 30, 2013. A review meeting with resident leadership was conducted on December 16 (40 in attendance), and an open public hearing was conducted on December 19, 2013 (15 in attendance).

### C. Evaluations

PHA has established the Office of Policy, Research and Enterprise Planning (OPREP) which – among other duties – focuses on assisting PHA departments with developing and evaluating MTW initiatives. PHA is committed to both maximizing the use of MTW flexibility to promote MTW statutory objectives and PHA’s goals, and sharpening the internal focus on monitoring and evaluating MTW outcomes.

### D. Annual Statement/Performance and Evaluation Report

The Annual Statement/Performance and Evaluation Reports for all capital grants with unexpended amounts are included in Appendix F.

APPENDIX A – LOCAL ASSET MANAGEMENT PLAN

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APPENDIX B – BOARD RESOLUTION AND MTW CERTIFICATION

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**APPENDIX C – ASSET MANAGEMENT TABLE**

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APPENDIX D – MTW TDC/HCC

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APPENDIX E – REPLACEMENT HOUSING FACTOR FUNDS APPENDIX

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## REPLACEMENT HOUSING FACTOR FUNDS APPENDIX

In September 2013, the PHA Board of Commissioners approved an Amendment to the MTW Agreement that allows Replacement Housing Factor (RHF) funds to be included in the MTW Block Grant. PHA anticipates that HUD will execute the RHF Amendment prior to the start of FY 2015.

Pursuant to the RHF Amendment and related HUD guidance, PHA is providing the following information:

- RHF funds projected for FY 2015 are included in the Sources and Uses tables of the Plan.
- PHA intends to combine its existing and future RHF funds into the MTW Block Grant. PHA intends to accumulate RHF funds as allowed under the RHF Amendment, Option 3.
- PHA will secure the commitments for the required one-third leverage amounts prior to disbursing RHF funds.
- PHA will develop the number of affordable and/or public housing units required under the proportionality test.
- PHA notes that HUD recently published a Final Rule dated October 24, 2013 which significantly modifies RHF regulations. PHA believes that the Final Rule may also impact the provisions of the RHF Amendment to the MTW Agreement in that the Final Rule eliminates second increment RHF funding beginning in Federal Fiscal Year 2014 and makes other changes. PHA is currently reviewing the Final Rule and its impact on RHF funding and will consult with HUD as needed to clarify its impact on the RHF Amendment to the MTW Agreement.
- RHF Grant Numbers and estimated grant balance amounts that PHA intends to combine into the MTW Block Grant are included on the table below.

<b>Fiscal Year</b>	<b>Grant Number</b>	<b>Estimated Current Balance (11/2013)</b>
2013	PA26R002501-13	\$4,024,988
2013	PA26R002502-13	\$5,405,430
2012	PA26R002501-12	\$3,409,555
2012	PA26R002502-12	\$5,180,974
2011	PA26R002501-11	\$1,790,550
2011	PA26R002502-11	\$10,793,131
2010	PA26R002501-10	\$126,189
2010	PA26R002502-10	\$13,424,283
2009	PA26R002501-09	\$432,756
2009	PA26R002504-09	\$573,407
2008	PA26R002501-08	\$93,605
2008	PA26R002502-08	\$548,194

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APPENDIX F – ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT

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