

# **PHILADELPHIA HOUSING AUTHORITY**



## **MOVING TO WORK ANNUAL PLAN YEAR TWELVE**

**PHA FISCAL YEAR 2013  
(APRIL 1, 2012 TO MARCH 31, 2013)**

**DRAFT FOR PUBLIC COMMENT**  
**PUBLIC COMMENT PERIOD: NOVEMBER 30 – DECEMBER 30, 2011**

**PHILADELPHIA HOUSING AUTHORITY  
MOVING TO WORK ANNUAL PLAN – YEAR TWELVE**

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## I. INTRODUCTION AND OVERVIEW

This Annual Plan provides information on activities planned by the Philadelphia Housing Authority (PHA) under the Moving To Work Demonstration Program (MTW) for implementation during MTW Year Twelve. It covers PHA's Fiscal Year 2013, i.e. the period from April 1, 2012 to March 31, 2013.

PHA has been an MTW agency since April 2001. Pursuant to the Amended and Restated MTW Agreement (MTW Agreement) executed in October 2008, PHA will continue to be in the MTW Demonstration through 2018. In March 2010, PHA and HUD amended the MTW Agreement to allow for use of MTW funds to implement a broader range of activities that fall outside of Sections 8 and 9 of the US Housing Act of 1937. The MTW Agreement as amended describes both the authorities granted to PHA under MTW and the requirements for participation.

MTW is a demonstration program authorized by Congress, through which participating agencies are given the flexibility to waive certain statutes and US Department of Housing and Urban Development (HUD) regulations in order to design and test approaches for providing housing assistance that address one or more of the following 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.

The three objectives listed above are referred to as "MTW Statutory Objectives". PHA's Annual Plan includes information on both: "MTW Activities", i.e. initiatives which promote one or more statutory objectives and that require use of authority granted to PHA under its MTW Agreement; and, "non-MTW Activities", i.e. all other activities that do not specifically require MTW authority to implement. Organizing the Plan into MTW and non-MTW activities is a HUD requirement; however, it should be noted that the funding flexibility allowed under the MTW Agreement impacts most areas of PHA operations.

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. PHA's previous accomplishments have been documented in a series of MTW Annual Plans and Reports published each year.

### **Recovery Plan Initiative**

Significant changes have occurred, and will continue to occur in the coming year, at PHA as a result of the Cooperative Endeavor Agreement (CEA) signed in 2010 between the former PHA Board of Commissioners and HUD. Pursuant to the CEA, Michael P. Kelly was appointed Administrative Receiver of PHA, and the Board was replaced with a one person Board appointed by HUD. Subsequently, in June 2011, Michael Kelly was named PHA Executive Director, while also continuing to serve as the HUD Administrative Receiver.

Mr. Kelly has emphasized the critical importance of MTW to the agency's future, and his intention to build on the foundation of PHA's successful MTW program while emphasizing three core principles: 1) Building a culture of respect within the organization; 2) Refocusing on a "back to basics" approach that emphasizes excellence in property management, maintenance and front-line services; and, 3) Strengthening the agency's commitment to transparency and accountability at all levels of PHA operations. He has implemented an array of personnel changes, policy revisions and agency-wide training to support these core principles. Key organizational changes have been implemented including the establishment of a new Office of Audit and Compliance, and the restructuring of the Office of General Counsel and Human Resources Department.

Mr. Kelly has also developed and obtained Board approval for a Recovery Plan which identifies tasks and objectives which must be accomplished in order for PHA to return to local control and normal Board governance. The Recovery Plan is posted on the PHA website, and periodic updates provided to the Board and the public at large. As of the publication date of this MTW Annual Plan, substantial progress has been made towards completing the Recovery Plan, with the goal of returning PHA to local control in 2011. HUD approval and the active involvement of the City will be essential ingredients in returning PHA to local governance.

### **MTW Year Twelve Highlights**

For MTW Year Twelve, PHA is planning a coordinated, comprehensive program of capital improvements, development activities, maintenance and management initiatives, and resident supportive services. It is important to note, however, that these activities will occur in an extremely challenging budget environment. PHA projects federal funding cutbacks in excess of \$21.9 million in the Capital Fund, an additional \$21 million decrease in the Public Housing Operating Fund, and reductions in administrative fees for the Housing Choice Voucher Program. These reductions pose an enormous hardship to the agency and threaten to undermine many years of substantial progress in improving PHA's properties. In the coming year, PHA will work aggressively to identify potential cost-savings and efficiencies so that services to residents are not impacted, and will continue to advocate at the national level for increased funding to support essential PHA operations.

A major part of the Recovery Plan involves the development of a new Management Action Plan (MAP), which will serve as the agency's strategic plan for a 2-3 year period. The MAP process is currently underway and is scheduled to be published in early 2011. Many of the initiatives planned for MTW Year Twelve have emerged from the MAP planning sessions held to date.

In addition to completing the Recovery Plan and developing the MAP, PHA will undertake a broad range of MTW and non-MTW activities in the coming year. This Annual Plan provides a summary of planned activities. Highlights include:

- ***Comprehensive Rehabilitation and Neighborhood Revitalization Activities:*** Within the constraints of reduced capital funding, PHA will continue to administer an ambitious capital improvement program. In addition to major capital activities at PHA public housing sites, MTW flexibility has allowed PHA to leverage its funding in support of several significant neighborhood development initiatives. During the upcoming MTW Plan year, PHA plans to complete and reoccupy 51 rental units at Norris Apartments. Six (6) of the units will be designed for families with disabilities.

Construction of three major projects is slated to begin in 2012 including: 53 scattered site rental units at Mantua West Infill; 55 rental units at Queen Lane Apartments; and 50 scattered site rental units in the Strawberry Mansion-Oakdale area. All units will be energy efficient and equipped with modern amenities. In addition, 100 scattered site units will be modernized or substantially rehabilitated.

- **Scattered Site Strategy:** PHA will continue implementation of an asset repositioning strategy for the scattered site portfolio in order to promote neighborhood revitalization, generate revenue and reduce operating expenses. In 2011, PHA undertook a successful auction of scattered site properties as part of the overall strategy. For MTW Year Twelve, activities will involve some or all of the following elements: sale of vacant lots and buildings at market value; realignment of a portion of ACC units using revised admissions and occupancy guidelines; relocation as needed for existing households; and, identifying alternative funding mechanisms and/or ownership structure for a portion of the ACC unit portfolio.
- **Five Year Capital Plan:** PHA's Executive Director/Administrative Receiver has articulated new priorities including a renewed focus on improving aging PHA public housing properties. To promote this objective and to further PHA's redevelopment agenda, a new Five Year Capital Plan will be developed with the involvement of residents and property staff.
- **Termination of HCV Term Limits:** PHA has decided to end the MTW initiative which placed term limits on HCV participation. While PHA's Community Partners and other training initiatives continue to assist residents to obtain jobs, underlying economic conditions remain extremely weak and unemployment rates remain very high. In light of these facts, PHA believes that termination of the term limits initiative is prudent and in the best interests of the agency and its residents.
- **Rent Simplification Initiatives:** PHA will continue to implement previously approved MTW initiatives which simplify program administration and provide incentives for economic self sufficiency.
- **Support for Resident Economic Self-Sufficiency and Senior Independent Living:** PHA will continue to offer a broad array of self-sufficiency services focused on helping residents to prepare for the workforce and to obtain jobs and living wage incomes. PHA collaborates with the statewide "welfare to work" system and partners with numerous job training and educational institutions to help train and place residents in sustainable jobs. Economic conditions and high unemployment rates highlight the need to continue successful initiatives such as PHA's Community Partner, Pre-Apprenticeship Construction Training programs, and continued enforcement of Section 3 Policies. PHA's services strategy also encompasses efforts to maximize independent living for seniors and people with disabilities such as the Nursing Home Transition program. In tandem with PHA's aggressive building program, these efforts are helping to increase housing supply and dramatically improve the quality of life for older and disabled residents.
- **Continuous Management and Administrative Improvement Efforts:** PHA has invested in numerous programs to increase administrative efficiency and streamline operations. In the coming months, these efforts will be accelerated in response to federal funding cutbacks and a renewed focus on accountability and transparency. As described below, every department will be engaged in efforts to streamline and make more efficient PHA operations. These efforts, which will be documented in the

Management Action Plan, will build on PHA's many successful MTW initiatives. For example, PHA has implemented technology projects designed to simplify work processing and improve service for residents, applicants and the general public. Successfully completed projects such as the Interactive Voice Response system, quality control monitoring, service order processing, performance management, website enhancements and many others have supported PHA's efficiency objectives. Future efforts will build on this record of success.

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 Twelfth Annual Plan submitted by PHA under the MTW Demonstration Program. HUD defines the content of the MTW Annual Plan. In addition to submission of an Annual Plan, PHA is required to submit to HUD an MTW Annual Report summarizing the accomplishments for each MTW program year. The October 2008 MTW Agreement establishes revised standards for both documents.

This MTW Year Twelve Annual Plan summarizes PHA's major plans and initiatives for PHA Fiscal Year 2013, which begins on April 1, 2012. All activities will be incorporated into PHA's forthcoming comprehensive, agency-wide Management Action Plan (MAP). Progress and outcomes of MTW tasks and objectives are tracked and updated on a routine basis.

As part of each year's MTW planning effort, PHA provides opportunities for the residents and the broader community to review the proposed goals and objectives and offer feedback, consistent with the requirements of the MTW Agreement. Prior to the public comment period for the draft Annual Plan, PHA conducted meetings with resident leadership to discuss the Plan and provide an opportunity for resident input. PHA subsequently provided a public notice and comment period, scheduled a public hearing and obtained Board approval of the Plan.

## II. GENERAL OPERATING INFORMATION

### A. Housing Stock Information

#### Public Housing/HCV Inventory

PHA’s public housing inventory includes units for families, seniors and people with disabilities located at conventional and scattered site properties including properties managed by Alternate Management Entities (AME) and the Philadelphia Asset and Property Management Corporation (PAPMC). The inventory count includes all standing units. It does not include vacant lots or units approved for demolition or disposition. Units Available for Occupancy includes only those units actually available for current occupancy, i.e. it excludes units approved for demolition/disposition, those used for administration or resident services, under scheduled modernization, etc.

Table 1 provides information on the PHA’s public housing inventory. Units available for occupancy are projected to change during the next year as a result of PHA’s construction and modernization activities described below. PHA does not have any Non-MTW Public Housing units.

**Table 1 – Public Housing Inventory**

|  | Actual as of September 30, 2011 | Projected as of March 31, 2013 |
|--|---------------------------------|--------------------------------|
| MTW Public Housing Units*                      | 14,147                          | 14,364                         |
| Public Housing Units Available for Occupancy** | 13,827                          | 14,060                         |

\*Standing units. Does not include vacant lots or units approved for demo/dispo.

\*\*Available for occupancy units exclude units that are vacant and not available for occupancy including units that are undergoing modernization as defined in CFR 990.145: approved for disposition or demolition: approved for non-dwelling uses: vacant due to litigation as defined in 24 CFR 990.145 and other authorized exclusions.

PHA operates a Housing Choice Voucher program including both MTW and Non-MTW vouchers. Table 2 below provides information on the current and projected number of MTW and Non-MTW Housing Choice Vouchers.

**Table 2 – Housing Choice Voucher (HCV) Inventory**

|                                    | Actual Authorized as of September 30, 2011 | Projected Authorized as of March 31, 2013 |
|------------------------------------|--|---|
| MTW Tenant Based HCV Vouchers      | 14,850                                     | 14,850                                    |
| MTW Activity Vouchers*             | 3,000                                      | 3,000                                     |
| <b>MTW Authorized Subtotal</b>     | <b>17,850</b>                              | <b>17,850</b>                             |
| Non-MTW HCV Vouchers**             | 1,053                                      | 991                                       |
| Section 8 Mod Rehab/SRO            | 684  | 630                                       |
| <b>Non-MTW Authorized Subtotal</b> | <b>1,737</b>                               | <b>1,621</b>                              |
| <b>TOTAL AUTHORIZED</b>            | <b>19,587</b>                              | <b>19,471</b>                             |

*\*“MTW Activity Vouchers” is the term PHA uses to identify vouchers that are used fungibly for MTW authorized purposes under its MTW block grant. These purposes are further described elsewhere in the MTW Plan, and include support of construction and development activities, public safety, and resident services programs including the Quality of Life Program. \*\*Non-MTW HCV Vouchers as of September 30<sup>th</sup> 2011 includes Opt-Outs, Mainstream, and VASH. Note that the MTW Agreement authorizes PHA under defined circumstances to transfer vouchers from the Non-MTW category into the MTW Block Grant. PHA acknowledges restrictions associated with Special Purpose vouchers as described in HUD’s published Q&A.*

## **Planned Additions to Public Housing Inventory**

During the MTW Plan year, PHA plans to bring on-line an estimated 51 Public Housing units at Norris Apartments. PHA also plans to rehab or convert and/or to modernize 100 units. Actual numbers may vary based on construction and reoccupancy schedules. Following are brief descriptions of the current development pipeline; however, not all units will come on-line in the next year:

- Scattered Site Assessment: PHA plans to undertake modernization or substantial rehab of 100 scattered site units.
- Norris Apartments: New construction of 51 affordable rental units. Unit amenities will include off-street parking, central air-conditioning, washers and dryers and modern kitchens with electric range and garbage disposals. Six of the units will be handicap accessible. The plan is to complete in early 2012
- Mantua West Infill: New construction of 53 townhouse and walkup-type affordable scattered site rental units. Unit amenities will include, washers and dryers, and modern kitchens with electric stove and garbage disposal, 6 units will be handicap-accessible. The plan is to begin construction in late 2012.
- Queen Lane Apartments: New construction of 55 affordable rental units. Unit amenities will include off-street parking, central air-conditioning, washers and dryers and modern kitchens with electric range and garbage disposals. Six of the units will be handicap accessible. The plan is to begin construction in early 2012.
- Strawberry Mansion-Oakdale: New construction of 50 affordable scattered site rental units. Unit amenities will include modern kitchen with electric range and garbage disposal. The plan is to begin construction in 2012.

Table 3 summarizes planned unit additions and changes by development including bedroom size, type and accessible features if applicable. Configurations and accessible features may change during the development planning process. PHA utilizes MTW flexibility in the development process as more fully described in Chapter VI.

**Table 3 – Planned Changes/Additions to Public Housing Inventory**

| New Construction              |                       |               |             |             |               |              |             |  |
|-------------------------------|-----------------------|---------------|-------------|-------------|---------------|--------------|-------------|--|
| AMP #                         | Development           | Bedroom Sizes |             |             |               |              | Total Units | Planned Units with Accessible features |
|                               |                       | Efficiency    | One-bedroom | Two-bedroom | Three-bedroom | Four bedroom |             |  |
| TBD                           | Mantua West           |               | 6           | 13          | 34            |              | 53          |  |
| 175                           | Norris Apartments     |               | 14          | 23          | 14            |              | 51          | 6                                      |
| TBD                           | Queen Lane Apartments |               | 9           | 26          | 20            |              | 55          | 6                                      |
| <b>Total New Construction</b> |                       | <b>0</b>      | <b>29</b>   | <b>62</b>   | <b>68</b>     |              | <b>159</b>  | <b>12</b>                              |

| Substantial Rehab/Conversion |                     |               |     |       |      |      |     |             |  |
|------------------------------|---------------------|---------------|-----|-------|------|------|-----|-------------|--|
| AMP #                        | Development         | Bedroom Sizes |     |       |      |      |     | Total units | Planned units with Accessible Features |
|                              |                     | One           | Two | Three | Four | Five | Six |             |  |
| 055                          | Fairhill Apartments | 5             | 10  |       |      |      |     | 15          | 15                                     |
| 015                          | Harrison Plaza      | 6             | 6   |       |      |      |     | 12          | 12                                     |
| 001                          | Johnson Homes       | 7             | 14  |       |      |      |     | 21          | 21                                     |
| 013                          | Wilson Park         | 23            |     |       |      |      |     | 23          | 23                                     |
| 901                          | 901                 |               |     | 1     | 3    |      | 1   | 5           |  |
| 902                          | 902                 |               |     | 6     |      | 2    | 1   | 9           |  |
| 903                          | 903                 |               |     | 6     | 2    |      | 1   | 9           |  |
| 904                          | 904                 |               | 2   | 4     | 2    | 1    |     | 9           |  |
| 905                          | 905                 |               |     | 3     | 2    | 2    |     | 7           |  |
| 906                          | 906                 |               | 3   | 13    | 3    | 4    | 2   | 25          |  |
| 907                          | 907                 |               | 3   | 1     | 6    | 3    | 2   | 15          |  |
| 908                          | 908                 |               |     | 1     |      | 1    |     | 2           |  |
| 909                          | 909                 | 1             | 4   | 8     | 3    |      |     | 16          |  |
| 910                          | 910                 |               |     |       |      | 2    | 1   | 3           |  |
|                              | Total               | 42            | 42  | 43    | 21   | 15   | 9   | 171         |  |

**Planned Demolition/Disposition Activity**

PHA’s inventory is also projected to change during the MTW Plan year as a result of planned demolitions and/or disposition of up to 1,259 units. The actual number demolished or disposed of in a given year may vary. Actual timing may also vary depending on the HUD’s approval cycle and the timing of development activities. Table 4 provides a summary of planned demolition/disposition activity by development.

**Table 4 – Planned Demolitions/Dispositions in Public Housing Inventory**

| <b>AMP #</b>       | <b>Development</b>   | <b>Units to be Disposed/Demolished</b> | <b>Justification</b>   | <b>Status</b>  |
|--------------------|----------------------|--|--|--|
| 44                 | Liddonfield Site     | 0                                      | Sale of previously demo'd Liddonfield site.  | RFP Issued   |
| 24                 | Queen Lane Apartment | 120                                    | Demolition of high-rise apartment building in 2011 to develop new 55 two & three story townhouse rental units, with disposition to limited partnerships under long term ground leases pursuant to mixed finance transactions   | Tax Credit Application being submitted to PHFA in late 2010. Demolition/Disposition application to be submitted. |
| 901                | Scattered Sites *    | 41                                     | Potential 41 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative to create a more sustainable occupied scattered site portfolio, and to stabilize communities by reducing the number of PHA-owned vacant structures that are considered beyond PHA potential for repair | Disposition approval received.   |
| 902                | Scattered Sites *    | 95                                     | Potential up to 95 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description   | Disposition approval received.   |
| 903                | Scattered Sites *    | 37                                     | Potential up to 37 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| 904                | Scattered Sites *    | 94                                     | Potential up to 94 vacant units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| 905                | Scattered Sites *    | 92                                     | Potential up to 92 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.   | Disposition approval received.   |
| 906                | Scattered Sites *    | 139                                    | Potential up to 139 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| 907                | Scattered Sites *    | 76                                     | Potential up to 76 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.   | Disposition approval received.   |
| 908                | Scattered Sites *    | 142                                    | Potential up to 142 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| 909                | Scattered Sites *    | 198                                    | Potential up to 198 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| 910                | Scattered Sites *    | 225                                    | Potential up to 225 units to be sold pursuant to PHA 1780 vacant scattered sites disposition initiative. See above description.  | Disposition approval received.   |
| <b>Total Units</b> |                      | <b>1,259</b>                           |  |  |

## Planned Significant 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. 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 flexibility has been a critical element in PHA's modernization and development efforts.

PHA maintains updated physical needs assessments including estimated costs for all PHA sites. Capital needs continue to dramatically exceed available funding especially given recently announced federal funding cuts. The PHA Capital Investment Strategy summarized in Table 5 provides a 20-year projection of planned investments by site. See also Appendix C – Asset Management Table for additional information on PHA potential and projected development and modernization activities by site and neighborhood. As these documents reflect a long-term perspective, they are subject to periodic change to reflect current priorities, conditions and opportunities. Note that in the coming months, PHA will develop a new Five Year Capital Plan.

**Table 5 – Capital Investment Strategy**

| <b>Property</b>                 | <b>Estimated PHA Funding Need</b> | <b>Proposed Time Schedule</b> |
|---------------------------------|-----------------------------------|-------------------------------|
| Abbottsford                     | \$24,000,000                      | 2006-2017                     |
| Administrative building         | \$20,000,000                      | 2010-2014                     |
| Arch Homes                      | \$5,000,000                       | 2020                          |
| Arlene Homes                    | \$1,159,000                       | 2008- 2014                    |
| Bartram Village                 | \$5,100,000                       | 2008- 2014                    |
| Bentley Hall                    | \$3,402,000                       | 2013                          |
| Blumberg Apts                   | \$30,000,000                      | 2006-2017                     |
| Cecil B. Moore                  | \$837,000                         | 2014                          |
| Champlost                       | \$2,000,000                       | 2016                          |
| Collegeview                     | \$1,636,000                       | 2008, 2012                    |
| Emlen Arms                      | \$2,500,000                       | 2009-2014                     |
| Fairhill Apts.                  | \$17,000,000                      | 2006, 2009-2018               |
| Gladys B Jacobs                 | \$3,500,000                       | 2016-2020                     |
| Haddington Homes                | \$23,000,000                      | 2019-2021                     |
| Harrison Plaza                  | \$24,000,000                      | 2004-2014                     |
| Haverford Homes                 | \$718,000                         | 2014                          |
| Hill Creek                      | \$25,000,000                      | 2009-2015                     |
| Holmecrest Homes                | \$5,200,000                       | 2013                          |
| Johnson Homes                   | \$79,000,000                      | 2006-2014                     |
| Katie B. Jackson                | \$5,060,000                       | 2009-2021                     |
| Liddonfield                     | \$84,000,000                      | 2005-2017                     |
| Mantua Hall <sup>1</sup>        | \$32,000,000                      | 2010-2011                     |
| Martin Luther King <sup>1</sup> | \$7,500,000                       | 2010-2012                     |
| Morton Homes                    | \$23,000,000                      | 2010-2016                     |
| Mount Olivet                    | \$2,000,000                       | 2010-2014                     |

| <b>Property</b>                            | <b>Estimated PHA Funding Need</b> | <b>Proposed Time Schedule</b> |
|--|-----------------------------------|-------------------------------|
| Norris <sup>1</sup>                        | \$35,000,000                      | 2009-2021                     |
| Oxford Village                             | \$13,000,000                      | 2006, 2016-2017               |
| Paschall <sup>1</sup>                      | \$38,000,000                      | 2009-2012                     |
| PHA Wide – Building Infrastructure upgrade | \$75,000,000                      | 2009-2016                     |
| PHA Wide Community Building                | \$30,000,000                      | 2010-2016                     |
| Point Breeze                               | \$1,445,000                       | 2009-2014                     |
| Queen Lane <sup>1</sup>                    | \$35,000,000                      | 2010-2014                     |
| Raymond Rosen                              | \$11,000,000                      | 2016-2020                     |
| RDA acquisitions and rehab                 | \$100,000,000                     | 2012-2017                     |
| Scattered Site Renovation                  | \$230,000,000                     | 2002-2021                     |
| Scattered Site Development                 | \$150,000,000                     | 2002-2021                     |
| Scattered Site Modular Housing             | \$60,000,000                      | 2006-2021                     |
| Spring Garden Apts.                        | \$14,500,000                      | 2009-2017                     |
| West Park Apts.                            | \$39,800,000                      | 2009-2017                     |
| Westpark Plaza                             | \$12,000,000                      | 2009-2016                     |
| Whitehall Apartments                       | \$8,250,000                       | 2020-2021                     |
| Wilson Park                                | \$13,000,000                      | 2009-2014                     |
| Suffolk Manor                              | \$2,000,000                       | 2011-2015                     |
| Debt Service Repayments <sup>2</sup>       | \$310,000,000                     | 2002-2022                     |
| <b>TOTAL</b>                               | <b>\$1,638,607,000</b>            |                               |

<sup>1</sup> Capital Funding needs for HOPE VI and Mixed-Finance Developments.

<sup>2</sup> Bond Funded Developments: Tasker, Blumberg, Wilson III and Westpark (site improvements).

As part of the MTW Block Grant, PHA receives funding through the Capital Fund Program (CFP) on a fiscal year basis. In the coming year, funding through the CFP is projected to total \$45.45 million, which reflects a \$12.8 million reduction from current year funding. PHA also projects receipt of \$12.58 million in Replacement Housing Factor (RHF) funding, which reflects an \$8.1 million reduction from current year funding. Included as Appendix B to the MTW Annual Plan are the required HUD forms reflecting planned uses of Federal Fiscal Year 2012 (which equates for CFP purposes to PHA's FY 2013) CFP and Replacement Housing Fund grants. Also included are Annual Statements for prior year grants with unexpended balances:

- Capital Fund Program Annual Statement Parts I and II for Grant PA26P00250111
- Capital Fund Program Annual Statement Parts I and II for Grant PA26R00250111, replacement housing factor fund plan
- Capital Fund Program Annual Statement Parts I and II for Grant PA26R00250211

The Capital Fund Annual Statement is a product of input from all PHA departments and the PHA Resident Advisory Board. It enables PHA to address its highest priority physical and management needs. Note also that the Executive Director/Administrative Receiver continues to assess capital needs and spending at PHA developments based on updated information. The following is a summary of the major work item categories and specific work activities contained in the FFY 2012 Capital Fund Program:

**Management Improvements.** The Capital Fund Program devotes approximately 10 percent of its funding allocation to address activities that qualify as management improvements. Resident and site security are major activities funded in this section. PHA will provide more than \$4.3 million for police patrol and the resident-staffed lobby monitor program. Computer software acquisition, production support, customization, and program implementation are also a major component of the Management Improvement line items. Over the past six years, PHA has been implementing and upgrading PeopleSoft computer systems. The Capital Fund program will obligate \$1 million toward the maintenance of the PeopleSoft modules.

Additionally, the Capital Fund Program will provide approximately \$300,000 for the “on-the-job” training portion of the successful PHA Pre-Apprenticeship Job Training program. The Moving To Work program provides the classroom training funds.

**Administrative Costs.** PHA adheres to the 10 percent program cap to fund its administrative responsibilities for the Capital Fund Program.

**Fees and Costs.** Master Planning activities, in the amount of \$100,000, associated with the design of dwelling units, site improvement, and non-dwelling type improvements will be funded from this development account. Environmental testing for lead-based paint and other environmental testing is budgeted at \$500,000 and \$2 million is budgeted for A&E services as well as consulting, legal, and professional services.

**Site Acquisition.** A budget of \$100,000 has been established to assist in the acquisition phase of future PHA acquisition and development activities.

**Site Improvements.** The Capital Fund Program commits \$3.3 million for site improvement activities at both scattered sites and conventional sites. An estimated \$1 million is committed to comprehensive site improvements at 83 scattered site units. The plan also provides \$1.6 million for PHA’s efforts to perform substantial site improvements at a variety of scattered site and conventional properties through a PHA-wide approach. Additional site improvements in the amount of \$725,000 are budgeted for signage, fencing, lighting, and landscaping as part of the PHA “Sparkle” program.

**Scattered Site Renovations.** Assuming adequate federal funding, PHA will undertake the comprehensive rehabilitation of an estimated 100 units.

**Scattered Site.** Assuming adequate federal funding, PHA will undertake the comprehensive Physical Needs Assessments to perform REAC repairs.

**Conventional Site Renovations.** The plan also provides \$2 million for PHA-wide dwelling unit improvements. These work items are typically project/site specific and involve major system/component replacement activities.

Additional building improvements are budgeted for environmental activities, systems upgrades, and building improvements. Funding is budgeted for elevator repairs and upgrades at various sites including West Park Apartments, Bentley Hall, and Blumberg Apartments

**Non-Dwelling Structures and Equipment.** Funds in the amount of \$500,000 are programmed for upgrades of common areas or non-dwelling space PHA-wide. Funding is also provided for security equipment PHA-wide at \$200,000. Computer hardware and related equipment and telephone infrastructure are budgeted at \$800,000. Maintenance equipment purchases are budgeted at \$100,000; administrative and field office equipment and furniture at \$75,000, and community space equipment and furniture at \$30,000.

**Demolition.** Demolition funds budgeted at \$300,000 is used to remove houses that pose life safety issues.

**Relocation.** Funding in the amount of \$200,000 is available to assist families who must relocate as a result of modernization activities.

**Bond Debt Service.** Debt service in the amount of \$11,949,677 for the bonds issued to support the Tasker revitalization project.

Capital Fund Program monies must be contractually obligated within 24 months and expended within 48 months of HUD approval of the MTW Plan. PHA has a demonstrated record of achieving, and often exceeding, compliance standards for this and other programs.

In addition to plans for timely expenditure of Capital Fund Program grants received during MTW Year Twelve, PHA has an ongoing pipeline of projects. PHA’s capital activities for Year Twelve also include Mixed Finance projects and prior year CFP projects that are implemented over multiple fiscal years. Table 6 provides a summary of development programs that are currently underway or will commence in MTW Year Twelve. The Capital Fund, Replacement Housing Fund and/or other sources such as program income, bonds and other mixed-financing programs fund these development activities.

**Table 6 – MTW Year Twelve Capital Programs**

| <b>Development Name</b>                       | <b>Scope of Work</b>                               | <b>Construction Costs</b> | <b>Completion Date</b> |
|---|--|---------------------------|------------------------|
| PHA-Wide                                      | Security Upgrades                                  | \$9,200,000               | Dec-12                 |
| 2800 Block Oakdale / Strawberry Mansion       | New Development <sup>1</sup>                       | \$15,046,797              | May-13                 |
| PHA-Wide-Scattered Sites<br>Vacancy Reduction | Vacancy reduction                                  | \$19,030,000              | Apr-13                 |
| PHA-Wide-MEP<br>Upgrade/Enhancement           | Bldg Infrastructure systems<br>Upgrade/Enhancement | \$5,000,000               | Mar-13                 |
| PHA-wide Building<br>Enhancements             | Windows, roofs, doors, site work                   | \$35,000,000              | Mar-13                 |
| Third Party Capital Requests                  | New Development <sup>1</sup>                       | \$500,000                 | Mar-13                 |
| Mantua Infill                                 | New Development <sup>1</sup>                       | 13,000,000                | May-13                 |
| PHA-Wide                                      | Accessibility Improvements <sup>3</sup>            | \$500,000                 | Ongoing                |
| PHA-Wide                                      | Energy Conservation                                | \$500,000                 | Ongoing                |
| PHA-Wide                                      | Sparkle Plus                                       | \$2,300,000               | Ongoing                |
| PHA-Wide Sites                                | Accessibility Improvements <sup>3</sup>            | \$2,000,000               | Mar-13                 |
| Administrative Building <sup>2</sup>          | Renovation and fit out                             | \$300,000                 | Mar-13                 |
| Wilson Park                                   | Accessibility Improvements                         | \$8,000,000               | May-12                 |

| <b>Development Name</b> | <b>Scope of Work</b>       | <b>Construction Costs</b> | <b>Completion Date</b> |
|-------------------------|----------------------------|---------------------------|------------------------|
| Harrison Plaza          | Accessibility Improvements | \$5,000,000               | May-12                 |
| Fairhill                | Accessibility Improvements | \$7,200,000               | May-12                 |
| Johnson Homes           | Accessibility Improvements | \$7,300,000               | May-12                 |
| Norris Apartment        | New Development            | \$35,000,000              | Dec-12                 |
| Community Center        | New Development            | \$6,000,000               | Mar-13                 |
| Queen Lane              | New Development            | \$35,000,000              | Jun-13                 |
| <b>TOTAL</b>            |                            | <b>\$205,876,797</b>      |                        |

<sup>1</sup> Capital Funding needs for Mixed-Finance Developments.

<sup>3</sup> Sites at which accessibility improvements may be completed include those submitted to HUD in PHA's Annual Accessible Housing Plans pursuant to Attachment E to PHA's MTW Agreement; to the extent such improvements are needed.

PHA has been aggressive and successful in using the HUD HOPE VI and Mixed-Finance Programs to redevelop PHA's aging and severely distressed housing units. To date, PHA has received five (5) HOPE VI grants. In October 2011 PHA applied for 9% tax credits for the Mantua Infill scattered site area during MTW Year Twelve.

PHA plans to apply for, Choice Neighborhoods and or other revitalization grants, 9% tax credits and/or Tax Exempt Volume Cap Bonds that are accompanied with 4% tax credits for at least one additional conventional development (Queen Lane) and one or more Scattered Sites Area (CBMO 901 thru 910). PHA will continue to need capital funds to aggressively leverage other sources of funding as described above. See also Asset Management Table for additional potential sites for future funding through HOPE VI, Choice Neighborhoods and other funding sources.

PHA has either completed or has under development a number of replacement housing sites including: St. Anthony's Senior Residence, Eight Diamonds, 117 Scattered Site units, Suffolk Manor, Mt. Olivet, Ludlow, Marshall Shepherd Village, Falls Ridge, Martin Luther King Plaza Phase I, III and IV, Neumann North, Germantown House, Lucien E. Blackwell (LEB) I, II and III, St. Ignatius I and II, Spring Garden I and II, Nelly Reynolds Garden and Warnock Phases I and II, Scattered Sites 120 (Quad) units, Plymouth Hall, Paschall I and II, and Mantua I and II. These sites have received significant investment of PHA capital or replacement housing funds, with the exception of St. Anthony's Senior Residence, which received an investment of ACC subsidy only. Currently under construction in 2011 are Norris and Paschall developments. Mantua West Infill is scheduled to commence construction in December 2012. Queen Lane is scheduled to commence in July 2012.

## **B. Description of Project-Based Units**

PHA currently has 1,746 HCV vouchers under the Project-based and the MTW Unit Based Voucher program, as shown in Table 7. A total of 1,759 vouchers are projected to be in the PBV/UBV program by the end of MTW Year Twelve. PHA is planning the PBV/UBV Programs by approximately 500 additional units. A Request for Proposal was issued, and proposals are now under review. Actual numbers of units under contract may vary based on additional projects selections, as well as, removal of units being made over the course of the year.

**Table 7 – Project Based Voucher Units**

| <b>Project Name/Sponsor</b>                  | <b>Contract Type</b> | <b>Description</b>         | <b>Units Under Contract 9/30/2011</b> | <b>Projected Units Under Contract 3/31/2013</b> |
|--|----------------------|----------------------------|---------------------------------------|---|
| Help Philadelphia II Assoc.                  | PBA                  | Homeless                   | 50                                    | 50  |
| Justin Associates/ Locust Towers             | PBA                  | Family/very low income     | 40                                    | 28  |
| South 55th Street                            | PBA                  | Family/very low income     | 18                                    | 18  |
| Chatham Apts Assoc, LP                       | PBA                  | family/very low income     | 18                                    | 18  |
| NPCH – N. 11th St                            | PBA                  | family/very low income     | 16                                    | 16  |
| LIH  | PBA                  | family/very low income     | 14                                    | 14  |
| Diamond St/Mansion Court                     | PBA                  | family/very low income     | 16                                    | 16  |
| Sartain Apartment                            | PBA                  | senior/very low income     | 35                                    | 35  |
| Tioga Gardens                                | PBA                  | family/very low income     | 18                                    | 18  |
| Inglis House                                 | PBA                  | accessible/very low income | 19                                    | 19  |
| Boriquen Asso II/Jardines                    | PBA                  | family/very low income     | 22                                    | 22  |
| Travelers Aid Society                        | PBA                  | Homeless                   | 22                                    | 22  |
| 1260 Housing                                 | PBA                  | family/very low income     | 53                                    | 53  |
| Art Apartments                               | PBA                  | family/very low income     | 30                                    | 30  |
| Dignity Housing                              | PBA                  | shelter/very low income    | 71                                    | 71  |
| Edgewood Manor                               | PBA                  | family/very low income     | 33                                    | 33  |
| Hamil Mills                                  | PBA                  | senior/very low income     | 40                                    | 40  |
| Susquehanna II                               | PBA                  | family/very low income     | 47                                    | 47  |
| Brentwood Parkside Assoc.                    | PBA                  | family/very low income     | 22                                    | 22  |
| Dunlap Apartment                             | PBA                  | family/very low income     | 35                                    | 35  |
| Imani Homes                                  | PBA                  | accessible/very low income | 24                                    | 24  |
| PEC Imani III                                | PBA                  | family/very low income     | 6                                     | 6   |
| Lehigh Park Apts. II                         | PBA                  | family/very low income     | 25                                    | 25  |
| National Temple/1260 Housing – 1500 Gratz St | PBA                  | family/very low income     | 98                                    | 89  |
| HELP USA                                     | PBA                  | Veterans                   | 14                                    | 14  |
| 1260 (Mercy/3rdSt/McKean/9th/4th/Reed)       | Unit Based           | Family/very low income     | 28                                    | 28  |
| 1260 (Rhawn/Academy)                         | Unit Based           | Family/very low income     | 21                                    | 21  |
| 1260 (Snyder/Frankford/Benner/Spruce)        | Unit Based           | Family/very low income     | 10                                    | 10  |
| 1260 (Spruce/Rittner/7th/Chestnut)           | Unit Based           | Family/very low income     | 34                                    | 34  |
| 1260 (Wingate/Blakison/Reed)                 | Unit Based           | Family/very low income     | 15                                    | 15  |
| 1260 Northeast (Inglis Accessible)           | Unit Based           | Accessible/very low income | 11                                    | 11  |
| Belmont Affordable Housing IV                | Unit Based           | Family/very low income     | 4                                     | 4   |
| Bernice Elza Homes                           | Unit Based           | Emancipated teens/homeless | 6                                     | 6   |
| Bethesda Project (Bainbridge/Spruce)         | Unit Based           | Family/very low income     | 33                                    | 33  |
| Bethesda Project (South)                     | Unit Based           | Family/very low income     | 5                                     | 5   |
| Cloisters III                                | Unit Based           | Homeless/very low income   | 18                                    | 18  |
| Dignity III: (BOSS)                          | Unit Based           | Family/very low income     | 8                                     | 8   |
| Fattah Homes I                               | Unit Based           | Homeless/very low income   | 6                                     | 6   |

| <b>Project Name/Sponsor</b>                         | <b>Contract Type</b> | <b>Description</b>         | <b>Units Under Contract 9/30/2011</b> | <b>Projected Units Under Contract 3/31/2013</b> |
|---|----------------------|----------------------------|---------------------------------------|---|
| Fattah Homes II                                     | Unit Based           | Homeless/very low income   | 0                                     | 6   |
| Fourth Street ACCESS                                | Unit Based           | Family/very low income     | 24                                    | 24  |
| Iman IV   | Unit Based           | Family/very low income     | 8                                     | 8   |
| Imani Homes V                                       | Unit Based           | Homeless/very low income   | 11                                    | 11  |
| Imani II  | Unit Based           | Family/very low income     | 6                                     | 6   |
| Imani III   | Unit Based           | Family/very low income     | 6                                     | 6   |
| Inglis – Eastwick                                   | Unit Based           | Accessible/very low income | 40                                    | 40  |
| Inglis House – Part 1                               | Unit Based           | Family/very low income     | 6                                     | 6   |
| Inglis House – Part 2                               | Unit Based           | Family/very low income     | 18                                    | 18  |
| Jannies Place                                       | Unit Based           | Family/very low income     | 0                                     | 6   |
| Jonnie Tillmon, Somerset, Villanueva, Lillia Cripem | Unit Based           | Family/very low income     | 17                                    | 17  |
| Kate Place – Project Home                           | Unit Based           | Homeless/very low income   | 30                                    | 30  |
| Liberty Resources & Partners                        | Unit Based           | Accessibility              | 0                                     | 13  |
| Monument Mews                                       | Unit Based           | Family/very low income     | 60                                    | 60  |
| Nedro (Enhanced Services Project)                   | Unit Based           | Family/very low income     | 4                                     | 4   |
| Parkside – Belmont                                  | Unit Based           | Family/very low income     | 12                                    | 12  |
| Parkside – Phase II                                 | Unit Based           | Family/very low income     | 30                                    | 30  |
| Parkside – Phase I                                  | Unit Based           | Family/very low income     | 8                                     | 8   |
| Powelton Height Development                         | Unit Based           | Family/very low income     | 30                                    | 30  |
| Regent St   | Unit Based           | Family/very low income     | 80                                    | 80  |
| Shelia Brown  | Unit Based           | Family/very low income     | 9                                     | 9   |
| Travelers Aid- Kirkbride Center                     | Unit Based           | Homeless/very low income   | 22                                    | 22  |
| Trevor Place – Freedom Village                      | Unit Based           | Homeless/very low income   | 16                                    | 16  |
| Walnut Park Plaza                                   | Unit Based           | Senior                     | 224                                   | 224   |
| Walnut Thompson                                     | Unit Based           | Family/very low income     | 35                                    | 35  |
| WCRP – (4th & Diamond St)                           | Unit Based           | Family/very low income     | 32                                    | 32  |
| WCRP – (Mascher Street Townhouses)                  | Unit Based           | Family/very low income     | 12                                    | 12  |
| WCRP – (Somerset Apartments)                        | Unit Based           | Family/very low income     | 44                                    | 44  |
| <b>TOTAL</b>  |                      |                            | <b>1746</b>                           | <b>1759</b>                                     |

### **C. Leasing Information – Projected**

Table 8 provides a summary of projected leasing activity for Public Housing and HCV the year ending March 31, 2013. These are estimates that are subject to change over the course of the MTW Plan year.

**Table 8 – Projected Leased/In Use for MTW Year Twelve**

|                               | <b>Projected Available as of<br/>March 2012</b> | <b>Projected Leased/In Use as of<br/>March 2013</b> |
|-------------------------------|---|---|
| Public Housing Units*         | 13,827  | 13,638  |
| MTW Tenant Based HCV Vouchers | 14,850  | 14,850  |
| MTW Activity Vouchers         | 3,000   | 3,000   |
| Non-MTW HCV Vouchers**        | 1,152   | 991   |
| Section 8 Mod Rehab/SRO       | 630   | 630   |
| <b>TOTAL</b>                  | <b>33,459</b>                                   | <b>33,109</b>                                       |

Note that Table 8 indicates a projected occupancy of 13,638 public housing units by March 2013. This essentially represents a projected 97% adjusted occupancy rate based on the projected “available for occupancy” figures included in Table 1. “Available for occupancy” is a subset of total public housing units that excludes units that are vacant and not available for occupancy including units that are undergoing modernization as defined in CFR 990.145: approved for disposition or demolition: approved for non-dwelling uses: vacant due to litigation as defined in 24 CFR 990.145. and other authorized exclusions.

Actual leasing figures for public housing will be impacted by development and relocation timetables.

**D. Waiting List Information**

PHA will continue to implement its waiting lists in accordance with the Board-approved HCV Administrative Plan and Admissions and Continued Occupancy Policy 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.

Tables 9 and 10 provide information on waiting list households for the Public Housing, PAPMC and Housing Choice Voucher programs. Families may apply for housing at a number of sites, thus the same family may be on multiple waiting lists. There are a total of 23,857 non-duplicated applicants on the Conventional Public Housing waiting list and over 55,000 non-duplicated applicants on the HCV waiting list. PHA operates its public housing site-based waiting lists in a nondiscriminatory manner that seeks to avoid even 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 9 – PHA Waiting List**

| Waitlist                                       | Waitlist Count |
|--|----------------|
| Conventional Public Housing – First available* | 15,786         |
| Conventional Public Housing – Site based*      | 60,703         |
| PAPMC – Site based                             | 29,282         |
| Housing Choice Voucher Program                 | 55,297         |

**Table 10 – Conventional Public Housing Site-Based Waiting List**

| Site Code | Site Name               | Waitlist Count |
|-----------|-------------------------|----------------|
| 030       | Abbotsford Homes        | 1,387          |
| 018       | Arch Homes              | 1,782          |
| 104       | Arlene Homes            | 383            |
| 031       | Bartram Village         | 1,735          |
| 077       | Bentley Hall            | 370            |
| 050       | Blumberg Apts           | 1,265          |
| 062       | Cassie L Halley         | 136            |
| 100       | Cecil B Moore           | 1,142          |
| 042       | Champlost Homes         | 2,183          |
| 065       | College View            | 192            |
| 076       | Emlen Arms              | 290            |
| 055       | Fairhill Apartments     | 2,907          |
| 905       | Fairhill Square         | 1,205          |
| 906       | Francisville            | 1,061          |
| 904       | Germantown/Hunting Park | 2,272          |
| 114       | Gladys B Jacobs         | 427            |
| 901       | Haddington              | 1,169          |
| 035       | Haddington Homes        | 1,493          |
| 015       | Harrison Plaza          | 2,645          |
| 046       | Haverford Homes         | 1,501          |
| 029       | Hill Creek              | 2,841          |
| 066       | Holmecrest Homes        | 232            |
| 001       | Johnson Homes           | 2,142          |
| 063       | Katie B Jackson         | 137            |
| 903       | Kingsessing             | 1,243          |
| 907       | Ludlow                  | 1,553          |
| 902       | Mantua                  | 1,434          |
| 049       | Morton Homes            | 1,187          |
| 014       | Norris Apartments       | 683            |

| Site Code    | Site Name                | Waitlist Count |
|--------------|--------------------------|----------------|
| 910          | Oxford Jefferson         | 2,677          |
| 032          | Oxford Village           | 2,289          |
| 054          | Parkview Apartments      | 218            |
| 079          | Plymouth Hall            | 393            |
| 010          | Raymond Rosen            | 1,861          |
| 003          | Richard Allen            | 2,522          |
| 020          | Spring Garden Apartments | 2,701          |
| 909          | Strawberry Mansion       | 2,121          |
| 908          | Susquehanna              | 2,192          |
| 039          | West Park Apartments     | 1,953          |
| 093          | Westpark Plaza           | 1,079          |
| 034          | Whitehall Apartments     | 1,241          |
| 013          | Wilson Park              | 1,959          |
| <b>Total</b> |                          | <b>60,703</b>  |

#### PAPMC Site Based Waiting List

| Site Code | Site Name                        | Waitlist Count |
|-----------|----------------------------------|----------------|
| 137       | Cambridge Plaza I                | 6,922          |
| 129       | Cambridge Plaza II               | 3,786          |
| 147       | Cambridge Plaza III              | 3,596          |
| 152       | Germantown House                 | 1,149          |
| 139       | Greater Grays Ferry Estates I    | 7,514          |
| 143       | Greater Grays Ferry Estates II-A | 4,399          |
| 145       | Lucien E. Blackwell I            | 6,996          |
| 150       | Lucien E. Blackwell II           | 3,836          |
| 153       | Lucien E. Blackwell III          | 4,275          |
| 157       | Ludlow Phase III                 | 8,066          |
| 163       | Mantua I                         | 6,517          |
| 164       | Mantua II                        | 6,146          |
| 156       | Marshal Shepard                  | 5,379          |
| 149       | Martin Luther King IV            | 5,911          |
| 138       | Mount Olivet                     | 1,073          |
| 158       | Nellie Reynolds Garden           | 1,350          |
| 173       | Paschall Village I               | 4,258          |
| 174       | Paschall Village II              | 5,033          |
| 133       | Richard Allen IIIA               | 7,494          |
| 132       | Suffolk Manor                    | 3,723          |
| 160       | Warnock I                        | 8,013          |

| Site Code | Site Name    | Waitlist Count |
|-----------|--------------|----------------|
| 161       | Warnock II   | 738            |
|           | <b>Total</b> | <b>29,282</b>  |

The following is a summary of changes/activities related to waiting lists:

- In Year 10, PHA conducted an update of the public housing waiting list to allow applicants to make site-based selections. No update is planned for Year 12.
- In Year 10, PHA successfully developed a site-based waiting list system for use in all public housing developments, including scattered sites. Note that PAPMC and AME sites already utilize site-based waiting lists. In Year 12, PHA projects that the waiting lists for public housing units will increase by an unspecified number based on continuing high demand for affordable units combined with high unemployment rates in the region.
- As specified in the ACOP, PHA elects to close individual public housing site-based waiting lists when the number of applicants on the waiting list exceeded projected vacancies.
- As new mixed finance developments are preparing to open, PHA will advertise and open site-based waiting lists pursuant to the development's regulatory and operating agreements. PHA will also open one or more site-based waiting lists for its new efficiency apartments in CBMO 902 – CBMO 910.
- PHA opened the HCV waiting list for a limited time from March 2<sup>nd</sup> to March 16<sup>th</sup> 2010. PHA provided all required public outreach and notices. The HCV waiting list re-opening added more than 54,000 new applicants to PHA's waiting list. That waiting list is now closed and is not anticipated to reopen during Year Twelve. PHA projects that the HCV waiting list will decrease slightly in Year 12 as households are selected from the waiting list for available vouchers.

### III. NON-MTW RELATED INFORMATION

#### A. Planned Sources and Uses of other HUD or Federal Funds

Sources and uses information is included in Chapter VII.

#### B. Description of Non-MTW Activities

PHA has incorporated MTW flexibility into virtually all areas of its operations. However, PHA is required by HUD to separately organize and describe its “MTW activities” and “non-MTW activities”. “MTW activities” include those initiatives that promote one or more statutory objectives and that require use of authority granted to PHA under its MTW Agreement. MTW activities are discussed in Chapters V and VI.

PHA’s extensive non-MTW activities are briefly highlighted below. While these initiatives do not require MTW authority to implement, most have a direct, supportive relationship to other MTW activities. For example, PHA communication activities are directed to all residents and are often used to provide essential information on MTW programs and initiatives. Similarly, PHA technology initiatives enable the processing, tracking and monitoring of MTW activities. As noted above, PHA is in the process of developing a new, comprehensive Management Action Plan. All of the activities listed below will be incorporated into this Plan.

PHA’s policies for the Public Housing program are described in the Board-approved Lease and in the Admissions and Continued Occupancy Policies (ACOP) document. As discussed below, PHA is currently working with resident leadership to finalize a new Lease and ACOP, with the expectation that it will be presented for Board approval in the near future. PHA’s policies for the Housing Choice Voucher program are described in the Administrative Plan. The ACOP and Administrative Plan incorporate both MTW and non-MTW policies.

As discussed above, PHA has developed a Recovery Plan which incorporates all of the tasks and initiatives to be completed in order to return PHA to local governance. Generally, these activities do not require MTW authority to implement. PHA has posted the Recovery Plan, including periodic progress reports, on its website. A number of the planned activities below, such as those related to the new Office of Audit and Compliance, relate directly to the Recovery Plan effort.

Highlighted below is a summary of key non-MTW activities planned for MTW Year Twelve, organized by PHA functional area:

#### **Human Resources:**

- Consistent with the Recovery Plan objective to ensure a fully functioning Human Resources Department, PHA will continue its efforts to staff up and operationalize the approved organizational structure. The restructured HR Department will have the following core functions: employment, recruitment, labor & employee relations, classification/compensation/wage and salary administration, Human Resource Information System (HRIS), employee benefits

administration, records management, training and organizational development, and employee recognition programs.

- PHA will develop/revise HR standard operating procedures emphasizing internal controls pertaining to all employment processes will be developed. A communication strategy will be designed to support the roll-out of the full complement of Human Resource services.
- A revised Human Resources Manual will be completed and, upon Board approval, disseminated to all supervisors for an authority-wide training program. A train-the-trainer program will be developed for supervisors to effectively disseminate information to employees across all departments.
- PHA will develop and implement a revised performance management system that will be competence-based and which will include the development of performance standards and a review of core behavioral and job competencies.
- PHA will conduct a compensation and benefits review to develop a structured model for salary administration that will address issues of pay equity and consistency in pay progression across the board.
- To enhance the level of service provided to both internal and external stakeholders, a customer satisfaction assessment exercise will be conducted, from which a baseline service level will be established in order to facilitate future service level measurements. The assessment exercise will also provide direction for the development of the customer service training curriculum.
- As part of the strategy to promote accountability and improve employee morale, a comprehensive employee recognition program will be developed and implemented.
- A full review of the HRIS system will be conducted in collaboration with Information Systems Management to maximize electronic record keeping pertaining to all employment information and processes and to ensure appropriate separation of duties.

#### **Office of Audit and Compliance:**

- As part of the Recovery Plan efforts, PHA will continue to implement a wide array of activities associated with the new Office of Audit and Compliance (OAC).
- PHA will develop and implement a comprehensive program and outreach strategy to prevent corruption, fraud, waste, and mismanagement. OAC will develop and lead a proactive corruption prevention campaign that will focus on educating PHA's employees, residents and contractors on ways to identify, report and prevent fraud in PHA's programs and operations. As part of this effort, OAC will develop brochures and guidebooks that will form the basis for a corruption prevention training, which will be given to staff, residents and contractors.
- PHA's OAC will lead an effort to establish an independent audit committee for PHA. The objective of the audit committee will be to ensure integrity and transparency in PHA's operations

and financial dealings. The audit committee will provide ongoing guidance to PHA's internal audit department in addition to approving PHA's annual internal audit plan.

- PHA will develop and implement a comprehensive compliance program with an emphasis on quality assurance/quality control to ensure PHA's ongoing compliance with all laws, rules and regulations. As needed, this program will make policy and procedure recommendations aimed at enhancing the efficiency and effectiveness of PHA's operations, programs and services.
- As part of the OAC implementation effort, PHA will create a robust and effective internal Investigations Department that will be tasked with conducting investigations into allegations of corruption, fraud, waste and conflict of interests involving PHA's employees, residents and those doing business with PHA. An important objective of this department will be to ensure that violators of PHA anti-fraud policy are held accountable. Where appropriate, PHA will seek criminal prosecution and full restitution.

#### **Office of the General Counsel:**

- As part of Recovery Plan efforts, PHA will continue its efforts to fully staff and operationalize the new Office of General Counsel (OGC) and to reduce expenditures on outside counsel. The General Counsel will continue to serve as PHA's Ethics Officer.
- PHA's OGC will lead the development of new PHA Board by-laws and procedures, in anticipation of the appointment (subject to HUD approval) of a new Board of Commissioners in 2012.
- Intensive efforts will be made to eliminate the backlog of lease enforcement matters.
- PHA will establish a new OGC Records Management System, and will create abstracts and a complete database with information on titles to all PHA properties.

#### **Client Services / Housing Choice Voucher Program:**

- PHA plans to improve customer service and restructure HCV operations. An operational review of HCV files was recently completed, and an assessment of site office operations is underway, with the goal of consolidating operations in a central location.
- PHA will continue to conduct Housing Fairs and other efforts to improve the quality and expand the geographic distribution of housing units available to HCV participants.
- PHA will continue to require Tenant Integrity Program training for all program participants.
- PHA will periodically update its HCV desk manuals and provide staff with training on new and revised procedures.
- PHA will continue to sponsor no-cost landlord training and outreach programs.

- PHA plans to create an Owners Services Department and consolidate the Inspections unit to better serve landlords and coordinate scheduling for inspections, as well as monitor the inspection process to ensure compliance. Owners Services will continue to work with the new Office of Audit and Compliance to conduct quality control inspections.
- PHA plans to expand the HCV Call Center to improve ongoing customer services.
- PHA plans to enhance several communications vehicles including the Landlord Data Center, Facebook Page, HCV Landlord email account, enhance the website and use other Social Network tools to help improve customer service as well as incorporate, upgrades to existing technology and explore new technology programs to advance HCVP functionality and operations.
- PHA will begin the scanning process for all vendor files in the Payments Department and will expand to client files, which will continue the agencies initiative to streamline the filing system.
- PHA will continue to improve the Portability Department by streamlining the process and achieving greater cost effectiveness, as well as promote economic self-sufficiency.

**Site Operations (Management of Scattered Sites, Conventional Sites, PAPMC Sites, AMEs, Advanced Facilities Management, Facilities Quality Engineers):**

- PHA plans to finalize the new Public Housing Lease and ACOP, obtain Board approval and begin the process of rolling out the new Lease during the recertification process.
- PHA plans to develop enhanced asset management protocols for the PAPMC and AME sites in order to ensure appropriate oversight of these essential housing services.
- PHA will continue its lease enforcement efforts to improve the quality and safety of PHA communities and Philadelphia's neighborhoods
- PHA will extend its training and asset management initiatives including activities to ensure full LIHTC program compliance at Alternatively Managed Entity (AME) sites
- PHA will undertake the efficient reoccupancy of new units brought on line as a result of PHA's extensive revitalization efforts including the planned occupancy of 51 new units at Norris Apartments in early 2012.
- PHA will complete assessments of occupied scattered sites.
- PHA will perform UPCS inspections on 100% of public housing units.
- PHA will continue its Maintenance Wave program.
- PHA will achieve 24 hour turnaround time for completion or abatement of emergency service orders an 35 day or less average turnaround time for completion of routine service orders.

- PHA will continue to audit 100% of service order requests within 30 days from the date the service order is closed.
- PHA will continue implementation of its Integrated Pest Management pilot program at conventional sites.
- PHA will continue to make improvements to core management and maintenance systems including full adoption of advanced facilities management tools and techniques including BAS and SCADA systems. These system enhancements help to support local asset management, increase rent collections, improve property maintenance, and reduce vacancy turnaround time.

### **Development:**

- PHA will continue implementation of an asset repositioning strategy for the scattered site units in order to generate revenue and reduce operating expenses. This strategy will involve some or all of the following elements: sale of vacant lots and buildings at market value; realignment of a portion of ACC units using revised admissions and occupancy guidelines; relocation as needed for existing households; and, identifying alternative funding mechanisms and/or ownership structure for a portion of the ACC unit portfolio.
- PHA will develop a new Five Year Capital Plan with the involvement of residents and property staff.
- In addition to completing the Capital and Development activities noted above in Chapter 2, PHA will continue to actively explore opportunities to secure new financing and/or to leverage its existing financing to support redevelopment of PHA sites and the revitalization of PHA neighborhoods.

### **Finance:**

- PHA's Accounting Policies and Procedures Manual will be reviewed and updated to reflect best practices and applicable regulations. All major areas of Financial Operations will be reviewed including; General Ledger, Budgets, Treasury, Accounts Payable and Accounts Receivable. An annual process to review and updating the policies and procedures will be developed.
- Methods of allocating indirect overhead costs to PHA programs will be reviewed and revised to enable better measurement of total program costs.
- Systems for measuring and charging for shared services between PHA and its subsidiaries and component units will be reviewed and modified to enable better measurement of actual costs incurred by operating units.
- Budgeting procedures will be evaluated and new/revised processes implemented to ensure that the budget process is more inclusive of operating departments, component units and housing sites

- Enhancements will be made to existing procedures for measuring and reporting monthly comparisons of budgeted expenditures to actual results to enable a granular reporting at the departmental, program and housing development site level. Such measurement reports will provide information regarding critical financial matters to guide decision making

### **Information Systems Management (ISM):**

- PHA will continue implementation of the Customer Self-Sufficiency CRM application to support tracking of PHA Community Partners and other social service partners.
- PHA will continue implementation of the Enterprise Performance Management (EPM) software. This implementation simplifies the viewing and tracking of performance metrics and management level dashboard displays by providing a coherent picture of business conditions at a single point in time.
- PHA will continue implementation of enhanced Interactive Voice Response and CTI systems in order to improve responsiveness to customer and public inquiries
- PHA will continue to update and enhance training administration tools to ensure more efficient scheduling, monitoring and tracking of training data
- PHA will continue to actively seek ways to electronically communicate with existing vendors, as well as facilitate in bringing on board new vendors capable of electronic communication with PHA.
- PHA will continue to implement alternative procurement systems, including external electronic invoicing capabilities and internal invoice automation workflow. Both of these technologies strive to achieve PHA's net thirty-day payment goal, as well as contribute to a paper-less business process.
- PHA will implement an initiative to significantly replace paper files for vendors and tenants with electronic files for the Housing Choice Voucher program. PHA will integrate the paperless file initiative with the implementation of the Oracle Content Management System.
- PHA will implement a comprehensive Access Control and Security Monitoring system (ACSM) footprint wide. This ACSM will include integration of existing systems and an additional 31 sites including office, and residential developments. The integrated ACSM will have direct feeds returning to a single command center for follow up and additional site support. The command center will be attached to the PHA police radio room for further flexibility and response.

### **PHA Police:**

- PHA plans to review and refine its organizational approach and long-term public safety strategies based on a recently completed independent assessment.

- PHA's Police Department will institute Conflict Resolution and Domestic Violence teams to assist Operations.
- PHA will continue to partner with Philadelphia Police Department in reducing crimes at PHA properties.
- PHA will update Security cameras at designated PHA properties
- The PHA Investigations Unit will continue to provide assistance to all internal and external agencies, federal, state and local as requested. The unit conducts Workers' Compensation investigations to ensure the integrity of claims made. The unit will process Police Record Checks for conventional and scattered sites and continue to assist HCVP in processing Investigations to deter illegal occupancy.
- The Lease Enforcement Compliance Unit will continue to support the Asset Managers in obtaining compliance with rent payment and all other lease provisions.
- PHA will continue to expedite the process of criminal record checks on all applicants and household members. PHA will also conduct criminal records checks at recertification.
- PHA will continue to implement internal COMSTAT crime statistics meetings, similar to those used by the City of Philadelphia Police Department, to facilitate continuous review and response to public safety issues.
- PHA will continue to implement the D.A.R.E. and G.R.E.A.T. programs to incorporate health and public safety concerns into youth programs.
- PHA will continue to provide support for resident-police partnerships through the Police Advisory Board, Town Watch programs, and participation with the Citizens Crime Commission of Delaware Valley.

#### **Contracts and Procurement:**

- As part of the Recovery Plan effort, PHA's Contracts and Procurement Division will update PHA's Controlled Policies and Procedures for both the Contract Procurement Department and Contracts Administration Department. Contracting policies have not been updated since 2002. This initiative will ensure PHA's continuing compliance with local and federal procurement requirements.
- Desk Manuals will be created for both the Contracts Procurement Department and Contracts Administration Department to ensure that staff have appropriate instructions on how to conform to PHA policy and procedures
- Training modules will be created for Contracts and Procurement staff, including both onsite training and e-training. Training will focus on new/revised policies and procedures.

- PHA will evaluate the cost/benefit of monitoring Davis Bacon compliance using in-house staff. At the present time, this work is outsourced to the City.
- PHA will conduct a review and, if necessary, update existing MBE and WBE participation requirements.
- PHA will continue to work with residents, and the surrounding community to ensure Section 3 representation in all contracting processes.

### **Supply Chain:**

- PHA will continue to improve and analyze the cross-docking operations implemented in FY12 in support of its Scattered Sites operations. The goal is to maximize streamlining of supply chain operations that take full advantage of the eProcurement processes implemented in FY11. The results include faster supply to Maintenance and streamlined ordering and financial processes.
- PHA will continue to reduce inventoried items by taking full advantage of automated procurement capabilities (ePro). The result will be faster delivery of materials and reduced carrying costs.
- In FY12, PHA implemented a baling and recycling program for all corrugated materials. The FY13 goal is to expand that program to include recycling and revenue generation from metals and "big ticket" items (i.e. ranges water-heaters, furnaces, etc.)
- In FY12, PHA reorganized small equipment repair under the Supply Chain area of operations. The goal is to streamline and better track repair parts supply. In FY13, a goal is to expand the automated tracking of repair jobs to include status and expected completions dates.

### **Office of Strategic Partnership:**

- PHA will continue to identify and secure additional supportive service program funds to enhance resident-oriented programs.
- PHA will continue to research programming options and partnerships with the goal of expanding its youth programs. PHA's goal will be to provide either a PHA or partner run youth program to all Family Sites. Youth programming will ensure to integrate a higher education preparation and awareness program to expose youth and their parents to the knowledge and strategies needed to prepare, apply, finance and succeed in college.
- PHA will continue to pursue and enhance its partnerships with local universities and foundations to help provide more opportunities for public housing residents to attend college. To that end, PHA is exploring the possibility of establishing an endowment that could be used to support the educational programs, room and board and other expenses for residents attending college.
- PHA will continue to serve the Technology needs of its residents through the management of an expanding set of Neighborhood Networks, and effective promotion of its role within BTOP

(Broadband Technology Opportunities Program). Through the BTOP program, up to 5000 residents will be able to receive technology training, and receive a free netbook upon completion.

- PHA will continue to partner with local health organization to improve access to resources, awareness of health issues, improve nutritional awareness and education. This will include partnering with the City of Philadelphia in exploring smoke-free housing, and local farmers and related organizations to bring healthy food options on site.
- PHA will continue to identify partners and regional employers to increase job and self sufficiency opportunities for PHA residents. These partnerships are focused on alignment of current training efforts and career based employment. Primary focus will be centered on building trades and green jobs relate employment, beyond traditional union placement.
- PHA will continue to implement its highly successful Section 3 job placement program, including the implementation of revised and updated Section 3 Policies and Procedures.
- PHA will work collaboratively with current resident councils, our jurisdiction-wide resident council, and a third party monitor to promote resident empowerment through elections, establishment of new resident councils, implementation of resident council MOU's and implementation of organizational development efforts.
- PHA will expand its efforts to increase resident homeownership through it 5-H program, through effective collaboration between PHA's Homeownership department, PHA Maintenance department, and housing support agencies.

### **Strategic Planning Office**

- PHA's Strategic Planning Office (SPO) will continue to facilitate and track staff activities to ensure completion and accurate reporting of Recovery Plan initiatives.
- The SPO will facilitate and document the Management Action Plan (MAP) process and outcomes. Upon completion of the MAP, the SPO staff will work with staff to ensure completion and reporting of all MAP activities and outcomes.
- A review of PHA's MTW planning and evaluation efforts will be ongoing with the goal of promoting full compliance with the MTW Agreement, improved evaluation of MTW initiatives and inclusive planning for new initiatives.
- SPO will continue to develop, design, coordinate and implement agency-wide training initiatives, including technical skills development and those that promote the three core principles articulated by the Executive Director/Administrative Receiver (culture of respect, back to basics, accountability and transparency).

### **Communications:**

- PHA will communicate regularly with residents including publishing the PHA Experience newsletter.
- Proactive efforts to increase public awareness of and support for PHA's initiatives will be expanded.

**Housing Policy:**

- PHA's Housing Policy Office will continue to cooperate with the City of Philadelphia Office of Economic Development, Office of Housing and Community Development, and Redevelopment Authority to better manage publically-owned property and maximize the effects of community and economic development in Philadelphia.
- PHA will continue to work with the City of Philadelphia Office of Health and Opportunity to: reduce the homeless population in Philadelphia; address the population of youth aging out of foster care, who are at-risk of becoming homeless; and promote healthy lifestyles by offering smoking cessation and asthma trigger reduction programs to public housing residents.
- PHA will continue efforts to serve the senior and disabled populations with support from the Commonwealth of Pennsylvania and City of Philadelphia.
- PHA will work to increase local, State, and Federal financial support for PHA's employment and training initiatives.
- Efforts to secure Low-Income Housing Tax Credits from the Pennsylvania Housing Finance Agency to support PHA's revitalization activities will continue for priority projects.

### **III. LONG-TERM MTW PLAN**

During the first year of the MTW program, PHA established five (5) broad objectives for the MTW Demonstration Program, which provides a framework for long-term MTW implementation efforts. These objectives are:

- 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 the PHA to one another and to the broader community.
- Establish efficient operating procedures and implement cost-saving strategies.

Under the direction of Executive Director/Administrative Receiver, Michael P. Kelly, PHA intends to continue and expand the use of MTW flexibility in promoting PHA's long-term strategic objectives. He has also emphasized the overarching importance of three core principles: 1) Building a culture of respect within the organization; 2) Refocusing on a "back to basics" approach that emphasizes excellence in property management, maintenance and front-line services; and, 3) Strengthening the agency's commitment to transparency and accountability at all levels of PHA operations.

A comprehensive planning process is currently underway to develop a Management Action Plan (MAP) that will refine and revise as needed PHA's long-term MTW goals and objectives, while promoting the core principles noted above. As PHA adjusts its work plans to respond to the recently announced federal funding reductions, the flexibility afforded by the MTW Demonstration is more critical than ever. As part of the MAP implementation process, intensive efforts will be made to identify new, more efficient modes of operation that will help to sustain and expand the revitalization of PHA's public housing stock and Philadelphia's neighborhoods.

## IV. PROPOSED MTW ACTIVITIES

In MTW Year Twelve, PHA intends to focus intensively on implementation of previously approved and ongoing MTW initiatives. PHA's ongoing, approved MTW activities – including proposed changes to ongoing MTW activities – are described in Chapter VI. One new initiative is proposed for Year Twelve as follows:

### **Proposed MTW Activity: Criteria for Portability Moves**

**A. Description of MTW Activity:** PHA will use its MTW authority to establish new criteria for all port out moves. The new criteria will require 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.

Current PHA practices permit all voucher participants to port out provided doing so does not constitute a violation of their lease and/or PHA policy on elective moves. PHA voucher participants are not permitted to move during their initial lease term. Subsequent to their initial lease term, families may only move at the time of their biennial reexamination.

All applicant families are permitted to port out upon selection from the wait list provided the head of household and/or the spouse were a resident of PHA's jurisdiction at the time the application for assistance was submitted. If the head of household and/or the spouse were not a resident of PHA's jurisdiction at the time of the family's application, PHA requires that the applicant family live in PHA's jurisdiction for the initial lease term before requesting portability.

In conjunction with existing PHA policies, the proposed initiative will limit the number of families eligible to port out. Authorized features of the initiative include the following:

- The proposed initiative will vary from standard HCVP guidelines. Families who are unable to provide a verified "employment, education, safety or medical/disability need" will not be permitted to port out.
- PHA will establish verification requirements to validate the family's "employment, education, safety or medical/disability need."
- Families will be given information on the new portability policy at their next regular reexamination. As a result, PHA anticipates a reduction in the number of formal port out requests.

At any given time, there are approximately 700 PHA port-out vouchers being administered by other agencies. The new portability criteria will not apply to families who have already ported out of PHA's jurisdiction, nor will it apply to families with non-MTW vouchers. Families with vouchers administered under the VASH program will not be subject to this policy. This MTW activity will only apply to MTW voucher participants whose initial voucher was issued by PHA or those who have subsequently been absorbed by PHA.

**B. Statutory Objective:** This initiative will support the MTW statutory objectives to reduce costs and achieve greater cost effectiveness in the expenditure of funds and to promote economic self-sufficiency among families with children.

**C. Anticipated Impacts:** PHA anticipates that this initiative will reduce the number of port out requests and actions, and thereby, reduce the costs associated with the administration of the portability program. Portability represents a time consuming and costly administrative task. PHA currently employs four staff members whose sole responsibilities relate to the administration of the portability program. By reducing the time associated with administering portability vouchers, PHA can reallocate staffing resources towards developing and implementing its MTW initiatives and further improving economic self-sufficiency for program participants.

PHA anticipates that by remaining in PHA's jurisdiction families will be able to realize the benefits of PHA's MTW activities promoting economic self-sufficiency and housing stability.

**D. Baseline and Benchmarks:** PHA processed approximately 120 port-out actions between September 1, 2010 and August 31, 2011. With the revised criteria, PHA anticipates the number of port-out actions processed annually to be reduced by 50%.

PHA estimates that each port out action necessitates approximately five hours of staff time to process. Tasks associated with processing port-out moves include conducting a portability briefing session, obtaining the receiving PHA's contact information, compiling and delivering the appropriate paperwork, and imputing data received from the RPHA. Annually, this equates to an approximate total of 600 staff hours being allocated to processing port out moves. PHA anticipates an annual reduction of staff hours equal to 300.

In addition to processing the initial port out move, staff time is allocated to monitoring and tracking receivables and processing subsequent reexaminations and billing changes. On an annual basis this represents an additional four hours per port out unit. The effect on this aspect of the portability program will be realized through attrition of the port outs.

**E. Data Collection Process:** PHA will use internal resources to track and monitor: the number of requests to port out of PHA's jurisdiction, the nature of the requests, whether or not the requests were approved, and the amount of time spent administering the portability program.

**F. Authorization:** Standard MTW Agreement, Attachment C, Paragraph D(1)g- The agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Policy.

**G. Hardship Policy:** Families may seek a waiver from this activity if the cost of living in PHA's jurisdiction is not sustainable given the family's income. PHA will review the family's income, the current cost of living in PHA's jurisdiction, and the cost of living in the receiving PHA's jurisdiction. Also, reasonable accommodation requests will be considered on a case by case basis.

## V. ONGOING MTW ACTIVITIES

This section of the Annual Plan summarizes PHA's ongoing MTW activities, i.e. MTW initiatives that have been previously submitted and approved. Where applicable, information is provided on proposed Year Twelve changes/modifications to existing initiatives.

### **MTW Activity: Partnership Programs Initiative**

**Description/Update:** PHA will use 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 will build on the previously approved Unit Based Leasing and Development Program and allow PHA to leverage PHA and partner resources to provide non-traditional housing options and 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 will 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, particularly in situations in which the partner's subsidy is intended to cover all or some housing costs.

This initiative will support the MTW statutory objectives of increasing housing choice by making additional housing opportunities available to low-income families and of reducing costs and achieving greater cost effectiveness in federal expenditures by creating new cost effective service/housing delivery models. PHA anticipates that this initiative will result in the development of new housing and service delivery programs that address populations who have not been traditionally well-served by existing federally subsidized housing programs.

This activity was first authorized in Year Ten; however, PHA has not yet implemented any partnerships that require use of this authority. As part of the Management Action Plan process referenced above, PHA will evaluate continue to explore options to implement this initiative. PHA intends to continue to maintain this as an approved MTW activity.

**Changes/Modifications in Year Twelve:** No changes are anticipated.

**Evaluation:** Upon implementation, PHA will use internal resources to track and monitor the number of units assisted under the program by type, the populations served by income level and related information.

## **MTW Activity: Expanding Use of Low-Income Housing Tax Credit (LIHTC)**

**Description/Update:** In appropriate circumstances, PHA will use its broader use of funds authority to purchase, finance and/or develop properties using its MTW block grant funds and LIHTCs. Such properties may not be operated under either the public housing or local unit-based subsidy programs. All sites selected for this MTW activity must comply with PHA's MTW alternate site and neighborhood standards and with other HUD requirements, including environmental requirements, from which PHA is not exempt under MTW.

When initiating a LIHTC program activity, PHA will use the following process:

- If an opportunity for purchase, finance, or development of a property arises; PHA will first evaluate the economic and other feasibility of investing its resources in a LIHTC transaction at that property. As part of this evaluation, PHA will review the characteristics of the neighborhood in which the property is located, including demographics such as income level. PHA will also evaluate whether the site complies with its MTW alternate site and neighborhood standards.
- If PHA determines that it is economically and otherwise feasible to pursue a LIHTC transaction at that property, PHA or an affiliate will apply for LIHTCs.
- If PHA's application for LIHTCs is successful, PHA will include a description of the LIHTC project in its next MTW Annual Plan, along with benchmarks for purposes of evaluating this MTW activity at that project.

This initiative will support the MTW statutory objectives of increasing housing choice by making additional housing opportunities available to low-income families. PHA anticipates that this initiative will result in the development of new housing for low-income families. It will enable PHA to provide housing for families with a broader mix of incomes than it currently serves. In addition, PHA will be able to serve more families in a variety of neighborhoods through this initiative.

This activity was first approved in MTW Year Ten; however, PHA has not implemented any related activities to date. As part of the Management Action Plan process referenced above, PHA will evaluate continue to explore options to implement this initiative. PHA intends to maintain this as an approved MTW Activity and will evaluate opportunities to use this authority in the future.

**Changes/Modifications in Year Twelve:** No changes are anticipated.

**Evaluation:** PHA will use internal resources to track and monitor the number of units assisted under the program by type, the populations served by income level, the location of the units in Philadelphia, and related information.

## **MTW Activity: 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. A description of ongoing activities is included above. To support its redevelopment activities, PHA continues to implement the following MTW components:

- **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, introduced and implemented in MTW Year 3, 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 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 are attached as Appendix D. This activity was introduced and implemented in MTW Year 3 and will be updated this year to reflect current 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 voucher, 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 introduced and implemented in MTW Year 3 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 introduced and implemented in MTW Year 3 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 introduced and implemented in MTW Year 1; however, to date the MTW authority has not been utilized for this purpose. 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 introduced and implemented in MTW Year 4 and it is ongoing.

**Changes/Modifications in Year Twelve:** No changes are anticipated. However, PHA will continue to periodically update its TDC and HCC limits. The most recent TDC and HCC information is included in Appendix D.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives. In recent years, PHA hired contractors to conduct assessments of the impact of PHA development expenditures on the local/regional economy and on neighborhood property values.

### **MTW Activity: 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 administers the Adult Day Care program services. The first Adult Day Services facility is located at the Nellie Reynolds Garden senior housing development. Both PHA residents and neighborhood residents are eligible to participate in the program. The facility opened in 2010.

- **LIFE Programs** – PHA’s nonprofit affiliate, Philadelphia Asset and Property Management Corporation (“PAPMC”), has entered into leases with LIFE providers at Conswiller B. Pratt Building, located at Greater Grays Ferry Estates (“GGFE”) and Germantown House. The LIFE programs provide comprehensive medical, health and social services to enable elderly participants to age in place, at home, as independently as possible, for as long as desired and feasible. To qualify for LIFE Program services, participants must be elderly, in need of services to assist them in activities of daily living, and Medicaid-eligible.
- **Nursing Home Transition** – The Nursing Home Transition Initiative (NHTI) is a partnership with DPW that assists persons transitioning out of nursing homes to access 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 an 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.
- **Accessible Unit Retrofitting and Development** – PHA’s capital planning program includes development of new accessible units and retrofitting of existing units to meet the standards at Attachment E of the MTW Agreement. As part of these efforts, in Year 11, PHA will certify to HUD that an additional 152 units meet the standards of Attachment E of PHA’s MTW Agreement.
- **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.

**Changes/Modifications in Year Twelve:** In the Year Ten Annual Report, PHA indicated that it would discontinue the previously approved Assisted Living and Home Care Services components of this initiative. Accordingly, these components are no longer listed above. Based on feedback from HUD during the August 2011 MTW site visit, PHA intends to modify/improve the baseline and benchmarks for this initiative. Updated information will be included in the Year Twelve Annual Report.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives.

**MTW Activity: Simplification and Streamlining of Rent, Recertification and Inspection Processes for Public Housing and HCV**

**Description/Update:** PHA is implementing a series of initiatives in the public housing and HCV programs designed to streamline administrative processes, reduce paperwork burdens on residents, and encourage families to work and increase their incomes. 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 to require recertifications every two years except for 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. Previously, EIV checks were done every 90 days. Interim recertifications are restricted to one every six months. Elderly and disabled households are exempted from this restriction on interim recertifications. This activity was implemented in Year 3 and is ongoing.
- **Ceiling Rents** – PHA has established ceiling rents for its public housing developments, which are periodically updated. This activity was implemented in Year 3 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 may elect to apply the PHFA ceiling rent limits to its AME portfolio. In Year 12, PHA will undertake an analysis to determine the feasibility of modifying the ceiling rent levels and/or changing the policy.
- **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 Medicare 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 implemented in Year 3 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 Year 7 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 implemented in Year 7 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 implemented in MTW Year 4.

- **Property Specific Rent Policies** – Subject to prior agreement with PHA and individual property owners, PHA has established property-specific rent increase policies for HCV units. These

policies are designed to attract and maintain owners with units that are consistently updated and have greater amenities. For example, such agreements may state that owners of specific units will be entitled to 100% of the Fair Market Rent (FMR) in effect. If the FMR goes down from one year to the next, PHA will not decrease the contract rent as long as the rent is reasonable. This activity was implemented in Year 6 and is ongoing.

- **Community Service** – PHA is authorized to implement a policy of self-certification of community service requirements for all non-exempt household members. At the time of regular recertification, each individual who is subject to the community service requirement will be required to self certify that they are in compliance with the community service requirement. Generally, families will be required to submit the self-certification to PHA, at the regular recertification interview. The self-certification PHA may rely on the self-certification to verify compliance with community service requirements, but may also request additional documentation to conduct the verification. Families will also be given a log to track their community service hours, including the date, type of activity, number of hours, name of organization for which community service was performed, name of supervisor at organization, contact information for the organization, and a signature by the supervising official. The goal of this self-certification is to remain consistent with the intent of the community service requirements and the promotion of community service and economic self-sufficiency, while creating administrative efficiencies in accordance with the goals of MTW. A self-certification is not prohibited by Section 12 of the U.S. Housing Act of 1937. This activity was approved in MTW Year 10 and implementation began in MTW Year 10.
- **Utility Allowances** – PHA is authorized to implement a revised utility allowance methodology: a) The revised policy would require households that receive utility allowances for gas heat to participate in the PGW Customer Responsibility Program (CRP) if eligible. Participation in this program places a cap on the amount of money that eligible public housing residents will be required to pay for their gas utility payments based on household income, not consumption. (In the conventional public housing program, only scattered site residents receive utility allowances.) Utility allowance schedules are determined based on an analysis of the cost of reasonable consumption based on dwelling unit size/type. PHA will utilize the capped amount to calculate utility allowances due to residents except in those limited circumstances where the CRP amount exceeds PHA’s utility allowance schedule. The CRP capped amount 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 30% of household income; b) Utility allowances will be phased out for residents with incomes at or above 80% of Area Median Income. Also, residents who elect ceiling rents are not eligible for a utility allowance; c) PHA will review and modify public housing utility schedules each year based on an assessment of available HUD funding. PHA will 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 in Year 8.

PHA is authorized to expand the utility allowance policy to require 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. Similar to the PGW CRP program method described above, the financial benefits accruing to residents who participate in these assistance programs will be factored into the utility allowance calculation. Thus, for example, reduced per energy unit costs paid by tenants under PECO CAP will be utilized to calculate electric utility allowances for those tenants. This activity was approved in MTW Year 10; however, it has not yet been implemented. PHA will continue to evaluate the feasibility of implementation of this program over the next year.

- **Service Orders** – For the public housing program, it is PHA’s policy to correct or abate 99% of emergency service orders within 24 hours.. If the unit is damaged to the extent that conditions are created which are hazardous to the life, health, or safety of the occupants, PHA will complete repairs or abate such conditions within 24 hours. Abatement of the emergency condition means, that although the work was not completed, the threat to life, health or safety was removed. Abating the situation allows PHA to change the status of the work order to “non-emergency,” giving more time to actually correct the problem. It is PHA’s policy to complete repairs or abate 99% of routine service orders within 35 days.

**Changes/Modifications in Year Twelve:** No changes are proposed. In the Year Ten Annual Report, PHA noted that it had discontinued the previously approved HQS Enforcement initiative, and now enforces HQS compliance consistent with 24 CFR 982, i.e. emergency conditions must be corrected by the owner within 24 hours of the inspection, and routine failure conditions must be corrected within 30 days of the inspection.

**Hardship Policy:** For all of PHA’s rent and utility allowance policies implemented pursuant to its MTW authority, PHA will consider exceptions to these policies on a case-by-case basis for families who can demonstrate a long-term hardship that will result from application of the policies to them, or as a reasonable accommodation. To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the application of the rent or utility allowance policy to the family will affect the family.

**Evaluation:** In addition to internal monitoring and tracking of these initiatives, PHA has entered into a partnership with Drexel University to conduct energy simulation modeling and evaluation of both new construction and substantial rehab activities undertaken by PHA pursuant to the federal Stimulus bill and other funding sources. As appropriate, Drexel’s reports and studies will be utilized to assess the impacts of the utility component of this MTW activity.

### **MTW Activity: HCV Program Participation**

**Description/Update:** To encourage family economic self-sufficiency, PHA has implemented a number of requirements for participation in its local HCV Program in addition to the standard regulatory eligibility provisions:

- **Term Limits/Family Economic Development Action Plan** – Based on ongoing economic conditions, PHA has elected to discontinue the seven year HCV time limit and related Family Economic Development Action Plan requirements originally implemented in Year 3.
- **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 Housing Choice Voucher Program, including the 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 activity was implemented in Year 3 and is ongoing.
- **Tenant Responsibility Training** – PHA requires all Housing Choice Voucher Program participants to participate in Tenant Responsibility Training at initial lease-up. This effort helps improve residents’ understanding of their roles and responsibilities as good neighbors and PHA program participants.

**Changes/Modifications in Year Twelve:** As noted above, PHA will discontinue the MTW HCV term limit and FEDAP requirements.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives.

**MTW Activity: 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 nonprofit 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 originally approved in MTW Year 3.

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.

**Change/Modification in Year Twelve:** No changes are anticipated.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives.

### **MTW Activity: Comprehensive Self Sufficiency, Homeownership and Family Supportive Services for Residents**

**Description/Update:** A primary objective of PHA's MTW demonstration program is to support resident economic self-sufficiency including expanding the number of public housing and voucher participants who become first time homebuyers. Building on its existing network of social service programs and partners, PHA will continue to operate an MTW Family Program. PHA will continue to expand the existing network of collaborative working relationships with other local service providers, arrange for the provision of services to family members and develop and implement new and innovative programs to bridge identified service gaps. Participating families will receive case management and other support services during the term of their agreement, including housing-related services and other incentives to encourage continued participation in the Family Support Program. These activities were introduced and implemented in MTW Year 4 and are ongoing.

- **Service Coordination** – HCV participants and public housing residents are able to access Family Program services through Service Coordinator staff, referrals from case managers, and through staff at

other PHA and partner locations. HCV households work with staff to develop self-sufficiency goals including full time employment at a living wage and completion of secondary education, if applicable, for all adult family members. Areas of training and support may include, but are not limited to, resident responsibility, occupational skills training, homeownership, small business development, attainment of additional educational goals, treatment for substance abuse, and conflict resolution training to manage domestic and community disputes.

- **Self-Sufficiency Offices and Community Centers** – As part of the MTW Family Program services, PHA will continue to operate Family Self-Sufficiency office through which public housing, HCV and other residents can access a wide range of employment, training and supportive service programs such as Pre-Apprenticeship Training, homeownership counseling, and Section 3 jobs. The Community Partner office is also available for residents to receive similar support and services as well as additional service coordinator staff being located throughout the city to provide support and case management as needed.

In addition, PHA completed construction in 2004 of the John F. Street Community Center at 1100 Poplar Street. This center is a facility devoted to youth programs and activities including exercise, dance, recording/music studios, a computer lab/library, commercial kitchen, office space, meeting rooms and a large multi-purpose room. Additional centers have also been opened to support aging residents and their community including centers at Greater Greys Ferry Estates, Germantown House and, most recently, Nellie Reynolds Garden that offers health services to frail seniors and disabled individuals. These senior oriented centers offer a full range of supportive health services and activities. PHA will expand and initiate relationships with partner agencies to provide services in education, economic development, employment and training, homeownership counseling, health, and childcare. Partners will conduct intake/enrollment, offer individual and group orientations, training and counseling, program activities and services, and conduct community seminars. Partners will work closely with PHA to minimize/eliminate differences in eligibility requirements to ensure full access to services by the public.

- **Community Partners** – The Community Partners program funds a range of supportive services including the nationally recognized Pre-Apprenticeship Program. The Community Partners program recruits new partners, expands the range of training programs, and provides incentives to encourage successful participation by residents. These programs are designed to provide residents with the skills to enter various industries including (current list): construction, CDL-A, CDL-B, Forklift, Hospitality, Welding, HVAC-R, Pest Control, CNA, LPN, Phlebotomy, EKG Technician, Pharmacy Tech, Medical Billing, Child Care and Human Services fields. In addition, Community Partners has an established Adult Basic Education and GED program available to build the foundation for learning and development, and Financial Literacy training. In Year Twelve, PHA will continue to monitor the progress of existing Community Partners and select new Partners as appropriate.
- **Affordable Homeownership** – Expanding homeownership opportunities to public housing and voucher participants continues to be a major objective of PHA's MTE program. PHA is actively developing homeownership units throughout the City of Philadelphia. HCV, Section 32, FSS, and the 5 (h) Programs also offer homeownership opportunities to PHA residents. PHA has coordinated its current homeownership program components under a single organizational structure to support streamlined intake and processing of interested applicants. Staff work with and refer residents to

existing homeownership counseling agencies with histories of providing homeownership counseling services in Philadelphia.

**Changes/Modifications in Year Twelve:** No changes are anticipated. Based on feedback from HUD during the August 2011 MTW site visit, PHA intends to modify/improve the baseline and benchmarks for this initiative. Updated information will be included in the Year Twelve Annual Report.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives.

### **MTW Activity: Increase Housing Opportunities for the Homeless**

**Description/Update:** PHA is collaborating with the City of Philadelphia to provide a range of housing opportunities for homeless individuals and families as part of the ten-year Blueprint to End Homelessness:

- **Blueprint/Good Neighbors Make Good Neighborhoods** – As part of this initiative, PHA’s Good Neighbors Make Good Neighborhoods Program makes housing opportunities available for families leaving Transitional Housing (Blueprint to End Homelessness). In 2008, PHA agreed to provide up to 500 housing opportunities, within one year of the date of the MOU with the City of Philadelphia, to eligible Good Neighbor families consisting of public housing units, housing choice vouchers and other housing resources as defined in the MOU. In April 2009, the Board of Commissioners approved execution of a new MOU directly with the City of Philadelphia Office of Health and Opportunity for coordination and administration of an additional 500 housing opportunities under the Blueprint program, 200 for HCV and 300 for Public Housing. PHA has established a limited preference category for families in the Blueprint program. This preference category is capped so that on a fiscal year basis a total of 500 housing opportunities will be provided to eligible households. PHA may adjust the number and mix of vouchers and public housing units in its sole discretion depending on funding availability, demand and other factors. This activity was implemented in Year 3 and is ongoing.
- **Transitional Housing Facilities** – PHA intends to form partnerships to provide shelter space and transitional housing. The transitional housing facilities, which would be constructed using a variety of Federal, state and local funds including low-income housing tax credits, will provide a residence and services to homeless families for a period that is anticipated to be 12 to 18 months. Households will be required to sign annual leases with a 6-month extension option. Families’ tenure in the facilities during this lease term and extension option will be subject to continued participation in services and compliance with program rules. At the conclusion of the initial lease term and/or the 6-month renewal option, PHA will not renew participants’ leases. Instead, residents will leave the transitional housing program to enter conventional public housing units, the HCV program, or other housing. PHA has not implemented this activity to date, and will continue to review its feasibility.

**Changes/Modifications in Year Twelve:** No changes are anticipated.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiatives.

## **MTW Activity: 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 General Managers 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 the Seven-Year Program Time Limit and HCV eligibility guidelines. This activity was implemented in Year 4 and is ongoing.
- **HCV Waiting List** – Once a family is leased under the HCV Program, the family may remain on the Tax Credit Site waiting lists. Additionally, PHA will require that the family sign an agreement whereby the family acknowledges they will not be eligible for selection from the Tax Credit Site waiting lists until the initial lease term has been completed. If the family's name comes to the top of the 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. The family will be selected from the Tax Credit 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 in Year 11.
- **Public Housing Waiting List** – Once a family is housed in Public Housing, the family will be removed from all other PH Waiting Lists. However, a family may remain on the HCV and/or Tax Credit Site waiting lists. Additionally, PHA will require that the family sign an agreement whereby the family acknowledges that their name will be removed from all 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 in Year 11.
- **Verification Policy** – All household members must submit social security number (SSN) documentation at the time of initial application or the application will not be entered on the waiting list. PHA will make alternate arrangement for households that include members who are not USA Citizens or do not have eligible immigration status. Failure to comply with this policy

will result in denial of placement on the waiting list. Participants who contend eligible immigration status and who have not previously disclosed a valid SSN must do so at their next scheduled or interim recertification within 90 days of PHA's request. PHA may grant an additional 90-day period, if there are unforeseen circumstances beyond the family's control that prevent the family from complying with the SSN requirements or there is a reasonable likelihood that the participant will be able to disclose a SSN by the deadline. Adults processed to be added to the household are required to provide documentation of a valid SSN before approval for occupancy in an existing public housing or HCV household. If the proposed new member is a minor child and has no SSN, documentation to verify the SSN must be provided within 90 days of the child being added to the household. PHA, at its own discretion, may give an additional 90 days for children under six if PHA determines that the participant's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant. During the period that PHA is awaiting documentation; the child shall be included as part of the tenant household and the child shall be entitled to all the benefits of being a household member. If upon expiration of the provided time period, including any extensions, the tenant fails to produce a SSN for the child, the family will be subject to the penalties for failure to disclose a SSN. Failure to comply with this policy will result in termination of tenancy or assistance. This activity was approved in MTW Year Ten.

- **Voucher Issuance** – PHA establishes a ninety-day period before reissuance of terminated vouchers. This activity was implemented in Year 4 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 Executive General Manager 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. PHA may deny permission to move if the family violates HCV program obligations and/or owes PHA money. An owner letter of good standing is required when existing participants request a move. This activity was implemented in Year 7 and is ongoing.

**Changes/Modifications in Year Twelve:** No changes are proposed.

**Evaluation:** PHA uses internal resources to track and monitor the progress of these initiative.

## VI. SOURCES AND USES OF FUNDING

### A. Planned Sources and Uses of MTW funds

Table 11 lists planned sources and uses of MTW funds for MTW Year Twelve. Actual sources and uses may vary based on the level of funding provided to PHA based on Congressional appropriations and the level of actual expenses. PHA's Sources and Uses budget for FY 2013 project a cumulative reduction of over \$42 million compared to FY 2012 funding, based on recently announced Congressional appropriations. This includes reductions to the Public Housing Operating Subsidy, CFP/RHP and HCV Administrative fees.

**Table 11 – Consolidated Sources and Uses of MTW Funds FY 2013**

| REVENUE (SOURCES)                                   | AMOUNT              |
|---|---------------------|
| Operating Subsidy                                   | 102,636,777         |
| Capital/Replacement Housing Fund                    | 51,526,576          |
| Housing Choice Voucher Program                      | 157,289,594         |
| Block Grant Activities                              | 26,620,475          |
| Dwelling Rental Income                              | 24,282,059          |
| Investment Income                                   | 340,265             |
| Miscellaneous Income                                | 550,000             |
| <b>TOTAL REVENUE</b>                                | <b>363,245,746</b>  |
| EXPENSES USES                                       |                     |
| Administrative                                      | 49,791,764          |
| Tenant Services                                     | 4,575,919           |
| Utilities   | 31,146,804          |
| Maintenance   | 41,733,647          |
| Protective Services                                 | 7,217,457           |
| General Expense                                     | 54,567,580          |
| Capital Improvements/Additions/Replacements         | 2,300,000           |
| Tenant Based Voucher Assistance                     | 113,692,433         |
| Family Program                                      | 7,200,000           |
| Quality of Life Program                             | 865,000             |
| Capital Activities                                  | 12,035,883          |
| Capital/Replacement Housing Projects                | 51,526,576          |
| <b>TOTAL EXPENSE</b>                                | <b>376,653,063</b>  |
| <b>OPERATING INCOME/LOSS</b>                        | <b>(13,407,317)</b> |
| Reserve Buildup*                                    | 78,009,161          |
| <b>NET INCOME/(LOSS)</b>                            | <b>64,601,844</b>   |
| <i>*As of 3/31/11, the reserve was \$78,009,161</i> |                     |

### B. Planned Sources and Uses of State and Local funds

Table 12 lists planned sources and uses of state and local funds projected for MTW Year Twelve. Actual sources and uses may vary based on the level of funding provided to PHA and the level of actual expenses.

**Table 12 – Sources and Uses of State and Local Funds FY 2013**

| <b>REVENUE (SOURCES)</b>       | <b>AMOUNT</b>      |
|--------------------------------|--------------------|
| Summer Food Program            | \$ 127,548         |
| Housing Coordinator Initiative | \$ 45,000          |
| Tenant Based Rental Assistance | \$ 600,000         |
| MOCS / Pre-Apprenticeship      | \$ 605,000         |
| <b>TOTAL REVENUE</b>           | <b>\$1,377,548</b> |
| <b>EXPENSES (USES)</b>         |                    |
| Administrative and General     | \$ 747,206         |
| Housing Assistance Payments    | \$ 600,000         |
| Administrative Fees            | \$ 30,342          |
| <b>TOTAL EXPENSE</b>           | <b>\$1,377,548</b> |
| <b>OPERATING INCOME/(LOSS)</b> | <b>0</b>           |
| <b>NET INCOME/(LOSS)</b>       | <b>0</b>           |

**C. Planned Sources and Uses of Non-MTW funds**

Table 13 lists planned sources and uses of other funds projected for MTW Year Twelve, excluding state and local funds. Actual sources and uses may vary based on the level of funding provided to PHA and the level of actual expenses.

**Table 13 – Consolidated Sources and Uses of Non-MTW Funds FY 2013**

| <b>REVENUE (SOURCES)</b>  | <b>AMOUNT</b>       |
|---|---------------------|
| Grants  | \$173,924           |
| Program Income *  | \$5,754,977         |
| Non-MTW Vouchers  | \$5,703,060         |
| Mainstream  | \$378,697           |
| VASH  | \$2,062,876         |
| MOD/SROs  | \$3,737,577         |
| Administrative Fees   | \$901,354           |
| <b>TOTAL REVENUE</b>  | <b>\$18,712,465</b> |
| <b>EXPENSES (USES)</b>  |                     |
| Administration and General Expense  | \$1,754,588         |
| Operations and Maintenance  | \$48,389            |
| Housing Assistance Payments   | \$10,423,080        |
| Capital Projects  | \$4,431,075         |
| <b>TOTAL EXPENSE</b>  | <b>\$16,657,132</b> |
| <b>OPERATING INCOME/(LOSS)</b>  | <b>\$2,055,333</b>  |
| Reserve Buildup   | \$6,110,190         |
| <b>NET INCOME/(LOSS)</b>  | <b>\$8,165,523</b>  |
| <i>*Program income reflects anticipated income in the form of Developer Fees from Paschall I, II and Mantua I</i> |                     |

**D. Planned Sources and Uses of Central Office Cost Center**

This section is not applicable to PHA in light of the Local Asset Management Plan described below.

**E. Cost Allocation Plan**

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 Year Nine Annual Plan submission. A copy of the approved Plan is found in Appendix A.

**F. Use of Single Fund Flexibility**

Under the MTW Program, PHA is authorized to establish an MTW Block Grant budget. PHA’s MTW budget focuses on five core areas:

- Reform of the Housing Choice Voucher Program

- Revitalization of neighborhoods where PHA residents and PHA-eligible residents reside
- Development of a Family Program to provide comprehensive self-sufficiency services to eligible residents
- Establishment of a Quality of Life Program that fosters community values, resident and landlord participation and improved neighborhoods
- Establishment of efficient operating procedures and the implementation of cost-savings strategies

Development of annual budgets structured around these core areas allows PHA to further its mission and to deliver services in a more efficient and effective manner. Table 11 above provides additional detail on the use of single fund flexibility including MTW Activity Vouchers. Specific single fund flexibility line items for FY 2013 include:

- Capital Activities budgeted at \$10.5 million to support the security systems upgrades, asbestos abatement projects and elevator repairs and site improvements throughout PHA.
- Family Program activities budgeted at \$7,200,000 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; Homeownership programs; Community Relations police units; Community Partners training and educational programs; staffing for the Partnership and Resource Development unit; and, other Economic Development and Self-Sufficiency program activities.
- Quality of Life Programs budgeted at \$865,000 to support Lease Enforcement and Section 8 investigations programs; and,
- Management Improvements budgeted at \$8 million to support: functional enhancements and training on PHA's Customer Relations Management software systems; functional enhancements, training and program support for Financial Management systems; Data Warehousing initiative; Energy Management initiatives; GPS monitoring program; and, other business process improvements and staff training initiatives

## **VII. ADMINISTRATIVE**

**A. Resolution**

**B. Certification**

## APPENDIX A

## APPENDIX B

## APPENDIX C