



MOVING TO WORK ANNUAL REPORT

**PHA FISCAL YEAR 2016
APRIL 1, 2015 - MARCH 31, 2016**

**First Submission to HUD: June 30, 2016
Revised Submission to HUD: March 16, 2018**

Table of Contents

I. Introduction and Overview	1
II. General Housing Authority Operating Information	6
A. Housing Stock Information.....	6
B. Leasing Information.....	15
C. Waitlist Information.....	19
III. Proposed Activities.....	22
IV. Approved Activities	23
A. Implemented Activities	23
B. Activities Not Yet Implemented	55
C. Activities On Hold	55
D. Closed Out Activities	55
V. Sources and Uses of Funds	58
A. Sources and Uses of MTW Funds	58
B. Local Asset Management Plan.....	60
C. Commitment of Unspent Funds	60
VI. Administrative.....	62
A. HUD Reviews, Audits, and /or Physical Inspection Issues	62
B. Evaluations.....	64
C. Certification of MTW Statutory Requirements	64
VII. Appendices.....	65
A. Local Asset Management Plan.....	65
B. Replacement Housing Factor Funds Appendix	66
C. Board Certification of Compliance with MTW Statutory Objectives	68

I. Introduction and Overview

This Annual Report provides information on activities undertaken by the Philadelphia Housing Authority (PHA) under the Moving to Work Demonstration Program (MTW) during Fiscal Year 2016, i.e. the period from April 1, 2015 to March 31, 2016. The format and required content of this Report are defined by the U.S. Department of Housing and Urban Development (HUD) in the HUD Form 50900.

PHA has been an MTW agency since April 2001. The MTW Agreement as amended describes the authorities granted to PHA under MTW and the requirements for participation. In FY 2016, PHA engaged in extensive discussions with HUD and other MTW agencies regarding extension of the existing MTW Agreements, which were scheduled to expire in 2018. PHA is pleased to report that, in December 2015, legislation was passed by the Congress and signed by the President which will extend PHA's and all existing MTW Agreements through 2028.

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

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

The MTW Agreement allows PHA to combine its three (3) main HUD funding sources (Public Housing Operating Fund, Capital Fund and Housing Assistance Payments) into a single MTW Block Grant that can be used flexibly for any MTW authorized purpose. The Block Grant funding flexibility allowed under the MTW Agreement impacts most areas of PHA operations.

MTW regulatory and funding flexibility is an essential ingredient of PHA's efforts to revitalize deeply distressed public housing developments and their surrounding neighborhoods, support the City of Philadelphia's Blueprint to End Homelessness initiative, and assist residents in securing job training, job placement, homeownership and other opportunities. It is also a critical component of PHA's ongoing neighborhood transformation initiatives in the Blumberg/Sharswood and North Central Philadelphia communities.

MTW Long-Term Goals and Objectives

During the initial year of the MTW program, PHA established five (5) broad objectives for its long-term MTW implementation efforts:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia.

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

These broad objectives continued to provide a high-level framework for PHA's implementation of the MTW Demonstration during Fiscal Year 2016. As described more fully in PHA's FY 2015 Annual Report, PHA continues to build on this framework through its five-year Strategic Directions Plan. The Strategic Directions Plan identifies twelve (12) strategic priority areas which guide major initiatives and resource allocation decisions:

1. Preserve and expand the supply of affordable housing available to Philadelphia's residents with low-incomes
2. Achieve excellence in the provision of management and maintenance services to PHA residents
3. Create safe communities in collaboration with neighborhood residents and law enforcement agencies
4. Enhance resident well-being and independence through partnerships for employment, job training, education, health and other evidence-based supportive services
5. Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher program
6. Incorporate energy conservation measures and sustainable practices throughout PHA operations
7. Improve customer service, streamline operations and create a business model that is data-driven and high performing
8. Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity and adheres to the highest ethical standards
9. Strengthen existing relationships and forge new public, private and philanthropic partnerships to support PHA's strategic goals
10. Make PHA an employer of choice with an accountable, diverse, trained and productive workforce
11. Ensure that PHA is a good neighbor and reliable community partner
12. Encourage innovation and promote PHA's financial health through ongoing participation in the Moving To Work Program

MTW Initiatives and Accomplishments in FY 2016

PHA uses its MTW regulatory and Block Grant flexibility to undertake a wide range of activities that impact virtually every facet of the organization. The following are highlights of PHA's MTW initiatives and accomplishments in FY 2016:

- ***Blumberg/Sharswood Neighborhood Transformation*** – PHA moved forward aggressively with its comprehensive neighborhood revitalization program for the Blumberg/Sharswood community, which is one of Philadelphia's most distressed neighborhoods. The Transformation Plan, which was completed and approved in FY 2016, calls for the creation of more than 1,100 units of mixed-income rental and homeownership housing, revitalization of the Ridge Avenue commercial corridor, establishment of an innovative new neighborhood school and implementation of a host of other improvements designed to transform the area into a neighborhood of choice and opportunity. In FY 2016, PHA demolished the distressed family towers at Blumberg Apartments, relocated all households in preparation for redevelopment, secured a 9% Low Income Housing Tax Credit (LIHTC) award and began construction on Phase 1. Phase 1, which includes RAD and Unit Based Voucher (UBV) units, is a 57 rental unit phase located on-site. This large-scale, multi-year initiative is supported by MTW Block Grant funds, the Pennsylvania Housing Finance Agency, HUD's Choice Neighborhoods Initiative (CNI), City and other funds.
- ***Queen Lane and Queen's Row Redevelopment*** – In FY 2016, PHA completed construction of 55 new family rental units at Queen Lane LP and 24 rehabilitated family rental units at Queen's Row providing replacement housing for the 16-story tower that was demolished in FY 2015. These MTW public housing units are part of PHA's multi-year "6 in 5" initiative to create or preserve 6,000 affordable housing units, subject to funding availability.
- ***North Central Philadelphia Choice Neighborhoods Revitalization*** – In partnership with the City and other partners, PHA moved forward to implement its comprehensive neighborhood revitalization program for the Norris Apartments public housing development and the surrounding North Central neighborhood. Funded through MTW Block Grant, City, Pennsylvania Housing Finance Agency, a \$30 million HUD CNI grant and other sources, the initiative will result in 297 new rental and homeownership units, of which 147 will be replacement units, on and off-site throughout the North Central Philadelphia neighborhood, augmented by a wide array of supportive services and neighborhood improvements.
- ***New Veterans Housing*** – In FY 2016, PHA's partner, Impact Services Corporation, completed rehabilitation of a project for veterans in the Kensington neighborhood of Philadelphia. Twenty-six (26) units of housing for veterans and their families are provided in a converted factory building, including both MTW public housing and Unit Based Voucher units. This project is part of the broader "6 in 5" initiative and PHA's involvement in the successful efforts to end veteran homelessness.
- ***New Senior Housing*** – In FY 2016, PHA joined with its non-profit partner, New Courtland Elder Services, to celebrate the opening of a new 60-unit senior housing development on West Allegheny Avenue, which includes 56 new MTW public housing rental units. The facility includes a LIFE Center to provide comprehensive medical and wellness services to residents. Also, PHA is planning for the early FY 2017 completion of St. Francis Villa in the Kensington neighborhood, which will include 40 new MTW public housing units developed for seniors by non-profit partner, Catholic Health Services.

- ***Unit Based Voucher (UBV) Initiative*** – PHA continued to partner with highly qualified, primarily non-profit housing developers to provide long-term rental assistance through the UBV program. In FY 2016, 133 new UBV units were placed under contract, including new developments at Gordon Street and Oakdale Street that were undertaken by PHADC, PHA’s non-profit development subsidiary. This activity also supports PHA’s “6 in 5” initiative.
- ***Rental Assistance Demonstration (RAD)*** – The RAD process, which allows PHA to leverage private and other capital sources through conversion of public housing subsidies to long-term project based assistance, is a critical component of PHA’s efforts to secure new capital resources necessary for the long-term preservation of PHA’s existing housing portfolio. RAD conversions, which will occur over a multi-year period, began in FY 2016 with approval of Blumberg Phase 1 replacement housing and several transfer of assistance developments. PHA utilizes MTW flexibility and Block Grant funding in the RAD conversion process, subject to HUD approval.
- ***Public Safety Initiatives*** – Utilizing MTW Block Grant funds, PHA continued its efforts to strengthen and improve safety and security for residents and staff including operating mobile mini-stations, bike patrols, and a Crime Suppression Team, as well as implementing automated security systems at PHA developments that allow for central control and monitoring.
- ***Second Chance Initiative*** – In FY 2016, PHA’s new Second Chance pilot program, which provides housing and services to returning citizens, achieved its first nine (9) lease ups. Through Second Chance, PHA provides ten (10) Tenant-Based Vouchers for returning citizens in good standing with the Eastern District Federal Court Supervision to Aid Reentry (STAR) program and the Mayor’s Office of Reintegration Services (RISE) program. Second Chance participants are provided with skills, training, and education necessary to successfully reintegrate into society, avoid recidivism, and lead constructive, useful lives.
- ***HCV Mobility Pilot Program*** – Utilizing MTW Block Grant funds, PHA continued implementation of Housing Choice Voucher Mobility Pilot Program. The overall goal is to encourage voucher holders to find housing and jobs in areas that provide higher economic, educational, and social mobility opportunities within and outside the City of Philadelphia. The program, which was previously funded through a HUD Pilot Program grant, provides participants with a broad range of supportive services, housing counseling, and other efforts to promote the successful transition to higher opportunity areas. Through March 31, 2016, 133 families enrolled in the program, of which 78 moved to areas of higher opportunity.
- ***Rent Simplification Initiatives*** – PHA continued to implement previously approved MTW rent simplification initiatives that simplify program administration and provide incentives for economic self-sufficiency.
- ***Self-Sufficiency and Youth Development Programs*** – In FY 2016, PHA continued to use MTW Block Grant and other leveraged funds to support self-sufficiency and youth development programs. Financial Literacy programming was provided to 128 residents, 156 residents participated in occupational skills training and 151 participated in GED and literacy programs. Under the Section 3 program, 24 qualified individuals were placed in employment during this period. PHA offered a broad array of self-sufficiency services focused on helping residents prepare for the workforce and obtain jobs with living wage incomes. Over 1,000 youth participated in either summer food/camp programs offered by PHA, in addition to 300 youth enrolled in afterschool activities.

- ***Homeownership*** – PHA assisted 47 residents in purchasing homes in FY 2016 including the 5H, HCV and Section 32 homeownership programs.
- ***Nursing Home Transition*** – In FY 2016, PHA provided housing to over 75 individuals transitioning out of nursing homes to community based housing. PHA continued to work with the City and State to provide affordable housing opportunities for persons with disabilities who are able to transition from nursing homes to community-based settings.

Non-MTW Initiatives and Accomplishments in FY 2016

In addition to undertaking the Strategic Directions Plan noted above, the following are highlights of PHA's Non-MTW initiatives and accomplishments in FY 2016:

- ***Stewardship of PHA Resources*** - As evidence of PHA's strong executive and financial management, PHA retained its AA- investment grade credit rating from the Standards and Poor's rating service. The rating service cited "very strong enterprise and financial profiles" along with "financial flexibility associated with the (Moving to Work) contract, and a clear, strategic plan to maximize its role in Philadelphia" in justifying its rating.
- ***Reducing Homelessness Among Veterans*** – In December 2015, PHA proudly joined in HUD Secretary Castro's announcement that the City of Philadelphia has effectively ended veteran homelessness. PHA and its PhillyVets Home Coalition partners have provided housing and supportive services to 1,390 veterans since August 2013.
- ***Blueprint to End Homelessness Initiative*** – PHA continued to collaborate with the City of Philadelphia Office of Supportive Housing on the Blueprint to End Homelessness Program. As previously reported, PHA renewed its agreement with the City, which extended the program through June 30, 2018. Under this initiative, PHA provides 500 housing opportunities annually for formerly homeless families and individuals moving out of transitional housing.
- ***No Smoking Initiative*** – In August 2016, PHA began the prohibition of smoking in or on all PHA Smoke-Free sites. PHA provided cessation information and assistance to all interested residents, in conjunction with the Philadelphia Department of Public Health and other partners as identified by PHA. The Smoke-Free policy was formulated to (1) protect residents from exposure to second hand smoke, (2) provide smoking cessation programs and/or referrals, and (3) deter residents from beginning to smoke by providing cessation educational services with strategies appropriately designed for the targeted age group.

The remaining sections of the MTW Annual Report provide further details on PHA's activities over the past year.

II. General Housing Authority Operating Information

A. Housing Stock Information

PHA serves eligible low-income households through its two (2) main housing programs: Public Housing and the Housing Choice Voucher (HCV) program both of which are supported with MTW Block Grant funds.

Public Housing

PHA's Public Housing inventory includes units for families, seniors, and persons with disabilities located at conventional and scattered site properties throughout the City. It also includes properties managed by Alternatively Managed Entities (AMEs) and the Philadelphia Asset and Property Management Corporation (PAPMC). Table 1 below provides a summary of PHA's actual Public Housing inventory as of the end of FY 2016.

Table 1: Total Public Housing Inventory

	Actual as of 3/31/2016
MTW Public Housing Units*	13,511
Public Housing Units Available for Occupancy**	13,433

* Standing units

** 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 and other authorized exclusions.

Tables 1.1, 1.2, 1.3, and 1.4 below provide a breakdown of PHA's public housing inventory for each of the main portfolio components: conventional housing, scattered site housing, PAPMC and AME developments.

Table 1.1 Conventional Public Housing Sites

North Central Area	Site Name	Total Units	Units Available for Occupancy
	Abbottsford Homes	236	235
	Arlene Homes	32	32
	Bentley Hall	100	98
	Blumberg Apts	0	0
	Cecil B Moore	30	29
	Champlost Homes	102	102
	College View	54	54
	Johnson Homes	535	535
	Morton Homes	250	248
	Parkview Apartments	21	20
	Raymond Rosen	553	553
	Subtotal	1913	1906
	Site Name	Total Units	Units Available for Occupancy
	Fairhill Apartments	264	264

North Area	Gladys B Jacobs	80	80
	Harrison Plaza	300	300
	Norris Apartments	147	146
	Richard Allen	150	150
	Spring Garden Apartments	203	203
	Subtotal	1144	1143
North-East Area	Site Name	Total Units	Units Available for Occupancy
	Hill Creek	339	338
	Holmecrest Homes	84	84
	Oxford Village	200	199
	Plymouth Hall	53	53
	Whitehall Apartments	252	249
	Subtotal	928	923
South Area	Site	Total Units	Units Available for Occupancy
	Bartram Village	500	499
	Cassie L Holley	72	71
	Wilson Park	729	728
	Subtotal	1301	1298
West Area	Site Name	Total Units	Units Available for Occupancy
	Arch Homes	77	73
	Emlen Arms	159	155
	Haddington Homes	150	149
	Haverford Homes	24	23
	Katie B Jackson	59	58
	Queen Lane Apartments	19	19
	Queens Row	24	24
	West Park Apartments	327	326
	Westpark Plaza	66	65
	Subtotal	905	892
Grand Total Conventional Sites		6191	6162

Table 1.2 Scattered Sites

Scattered Sites	Site Name	Total Units	Units Available for Occupancy
	Fairhill Square	432	432
	Germantown/Hunting Park	339	338
	Haddington	416	414
	Kingsessing	496	495
	Mantua	391	389
	Francisville	427	426
	Ludlow	421	420
	Oxford Jefferson	327	326
	Strawberry Mansion	424	424
	Susquehanna	361	361
Total Scattered Sites		4034	4025

Table 1.3 PAPMC Sites

PAPMC Sites	Site Name	Total Units	Units Available for Occupancy
	Cambridge Plaza I	44	44
	Cambridge Plaza II	40	40
	Cambridge Plaza III	40	40
	Germantown House	133	133
	Greater Grays Ferry Estates I	245	245
	Greater Grays Ferry Estates II	184	184
	Lucien E. Blackwell I	80	80
	Lucien E. Blackwell II	80	80
	Lucien E. Blackwell III	50	50
	Ludlow Phase III	75	75
	Mantua I	50	50
	Mantua II	51	51
	Marshal Shepard	80	80
	Martin Luther King IV	42	42
	Mount Olivet	161	161
	Nellie Reynolds Garden	64	64
	Norris, LP	51	51
	Paschall Village I	50	50
	Paschall Village II	50	50
	Queen Lane LP	55	33*
	Richard Allen III	178	178
	Suffolk Manor	137	137
	Warnock I	50	50

	Warnock II	45	45
Total PAPMC Sites		2035	2013

*The remaining units were not available until after April 1, 2016.

Table 1.4 Alternative Management Entity (AME) Sites			
Alternative Management Entity Sites	Site Name	Total Units	Units Available for Occupancy
	8 Diamonds	152	152
	Angela Court I (St. Ignatius)	67	67
	Angela Courts II	54	54
	Courtyard Apartments - Riverview	470	470
	Falls Ridge	135	135
	Martin Luther King - Phase I	49	49
	Martin Luther King - Phase III	45	45
	New Courtland Apartments	56	38
	Neumann North	67	67
	Spring Garden II	32	32
	Spring Garden Scattered Sites	86	86
	St. Anthony's Senior Residence	38	38
	Total AME Sites	1251	1233

New Public Housing Units in FY 2016

PHA added 153 new public housing units to its inventory during the Report year as detailed in Table 2 below.

Table 2: New Public Housing Units Completed in FY 2016

AMP Name and Number	Bedroom Size							Total Units	Population Type	# of UFAS Units	
										Fully Accessible**	Adaptable
	0	1	2	3	4	5	6+				
Queen Lane LP	0	9	26	20	0	0	0	55	General	6	0
Queen Row	0	16	8	0	0	0	0	24	General	2	
Impact Veterans	0	0	18	0	0	0	0	18	Other	2	0
New Courtland	0	56	0	0	0	0	0	56	Elderly	5	0
Total Public Housing Units Added								153			

Table 3: Public Housing Units Slated for Demo/Dispo During FY 2016

As part of its revitalization program and ongoing portfolio assessment and repositioning efforts, PHA plans to demolish and/or dispose of approximately 1,854 units as summarized in Table 3. In FY 2016, PHA commenced partial demolition on Norman Blumberg Apartments; however, demolition has not yet started on Norris Apartments. All of the scattered sites in Table 3 have been included in RAD CHAPs and

are slated for conversion and/or Transfer of Assistance. While PHA plans are to auction, sell or demolish the scattered sites listed in Table 3, as of the end of FY 2016, all units remain in PHA's inventory except for the 51 Blumberg units noted below.

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal	FY 2016 Status
PA002000050 Norman Blumberg	414	Partial demolition and redevelopment of obsolete development	51 units converted to RAD from family site were removed from PIC and demolished. 363 remaining units removed and demolished
PA002000014 Norris Apartments	147	Demolition and redevelopment of obsolete development – RAD Conversion and Choice Neighborhood Project	All units included in RAD CHAPs. These units remain in inventory and were not removed in FY 2016.
PA 901 Scattered Sites	29	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 902 Scattered Sites	95	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 903 Scattered Sites	32	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 904 Scattered Sites	47	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 905 Scattered Sites	166	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 906 Scattered Sites	121	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 907 Scattered Sites	268	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 908 Scattered Sites	81	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 909 Scattered Sites	256	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016
PA 910 Scattered Sites	198	Disposition of obsolete scattered sites under Repositioning Initiative	All units included in RAD Transfer of Assistance CHAPs. These units remain in inventory and were not removed in FY 2016

Total Number of Units to be Removed

1,854

Housing Choice Voucher Program

Through its HCV program, PHA provides rental assistance to families, seniors and persons with disabilities at properties owned by private or non-profit owners. The HCV program also provides support to first time homebuyers. PHA's voucher inventory includes MTW tenant-based vouchers, project-based vouchers supported through PHA's Unit Based program, as well as vouchers authorized by HUD for special purposes such as the Veterans Affairs Supportive Housing (VASH) Program, Family Unification Program, SRO Moderate Rehab and Mainstream programs.

Periodically, HUD issues Enhanced Vouchers and Tenant Protection Vouchers for PHA to administer. As allowed by the MTW Agreement, PHA incorporates Enhanced and Tenant Protection Vouchers into the MTW block grant when eligible.

Table 4 below provides a summary by voucher type of PHA's HCV households leased as of the end of FY 2016.

Table 4: Housing Choice Voucher (HCV)

Voucher Type	Leased as of March 31, 2016
MTW Housing Choice Vouchers	
MTW Tenant Based HCV (includes project-based TBV)	16,103
Family Unification	311
Designated Housing	234
Tenant Protection Vouchers	98
Non-Elderly Disabled	892
Nursing Home Transition	55
MTW HCV Voucher Subtotal	17,693
Non-MTW Housing Choice Vouchers	
Mainstream	70
VASH	614
Moderate Rehabilitation (MR)	194
Single Room Occupancy (SRO)	332
Non MTW HCV Voucher Subtotal	1,210
TOTAL OF ALL VOUCHERS	18,903

As of March 31, 2016, PHA had 2,023 HCV vouchers under project-based contracts. This figure includes 133 new units added during the fiscal year. Project-based units are subject to the policies of PHA's Unit Based Leasing program. Table 5 is a HUD-required table that provides information on new Project Based Voucher developments over the course of the fiscal year and actual units under contract as of March 31, 2016.

Table 5: New Housing Choice Vouchers Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based	Actual Number of New Vouchers that were Project-Based	Description of Project
Belmont Village I	25	0	Target population is very low income seniors and disabled households. Project consists of a newly constructed building in West Philadelphia. Supportive services are available to residents.
Belmont Village II	15	0	Target population is very low income seniors and disabled households. Project consists of a newly constructed building in West Philadelphia. Supportive services are available to residents.
Centennial Village	23	0	Target population is low-income families and disabled households. New Construction site located in West Philadelphia.
4050 Apartments	20	0	Target Population is eligible low-income families including artists in live-work spaces. New Construction site is located in West Philadelphia. Supportive services will be provided.
Grace Townhomes	36	0	Target Population is low income families. New construction site is located in the Kensington section of Philadelphia.
H.E.L.P Philadelphia V	15	0	Target Population is senior homeless veterans. New Construction is located in the Spring Garden section of Philadelphia. Supportive services will be provided.
Liberty Resources	2	2	Target Population is non-elderly disabled. Rehabilitation site in Northeast Philadelphia. Supportive services will be provided.
Liberty Resources	5	5	Target Population is non-elderly disabled. Rehabilitation site in Northeast Philadelphia. Supportive services will be provided.
Project HOME – 810 Arch Street	50	70	Target population is very low income homeless households. Rehabilitation Project located in Center City location. Supportive services are available to residents.
H.E.L.P Philadelphia IV	15	15	Target population is veteran families. New construction project located in West Philadelphia.
CATCH Shared Housing	25	0	Target population is disabled households. Existing project is in South Philadelphia. Supportive services will be provided with a focus on behavioral health and intellectual disability services.
Impact Veterans Housing	8	8	Target population is veterans' families. Rehabilitation project in the Kensington neighborhood consists of 26 units, of which 18 are public housing and 8 are PBV. Supportive services will be provided.
New Courtland at Allegheny Ave, Phase II	20	0	New Construction development located in North Philadelphia for seniors.
Jannie's Place	11	0	Existing development located in West Philadelphia for homeless families.
Hope Bridge	28	0	Existing development located in West Philadelphia for single females with special needs.
Intercommunity Action Inc.	13	0	Existing development located in the Roxborough section of Philadelphia for individuals and families with mental illness.
Fattah Homes	6	0	Existing development located in West Philadelphia for homeless families.
Oakdale Street	12	12	New construction in North Philadelphia developed by PHADC. Target population is low income families and people with disabilities.
Gordon Street	21	21	Target population is low income families and people with disabilities. Building is new construction located in North Philadelphia and developed by PHADC.

Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Year
		2,411	2,277
350	133	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year
		2,023	1,936

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

PHA, in conjunction with the City of Philadelphia, continued to seek opportunities to help further the mutual goal of development of large scale new affordable housing. PHA has positioned itself to help further this initiative with the planned projects listed in Table 6 below. The status for each of these projects as of the end of FY 2016 is included in the table.

Table 6: Status on Planned Changes to Housing Stock

Site	Description of Project	Status
Pepper/Bartram Annex School Sites	Redevelopment of vacant school site in Southwest Philadelphia. Project is proposed as a 400+/- mixed use, mixed income community. Master planning and acquisition activities are proposed.	PHA completed due diligence on this property and opted not to make this purchase.
Walton School Sites	Redevelopment of a vacant school site in the Strawberry Mansion section of the City of Philadelphia. Proposed reuse is a 42-45 unit senior housing facility.	PHA acquired this property and is currently completing pre-development activities including preparing design drawings and environmental studies required to obtain a HUD environmental clearance.
Reynolds School Site	Acquisition and redevelopment support of vacant school site in the Blumberg/ Sharswood community. This is an anchor project to stabilize the community. This will seek to improve educational outcomes for youth with services and support delivered directly to youth and their families.	PHA acquired this property and is currently evaluating proposed uses.
New West (West Philadelphia Sites)	New West is comprised of four transit oriented development sites along the Western line of the Market Frankford Line (EL) train in West Philadelphia. It will include mixed-use and income development to target housing deficiencies and provide economic stabilization to the commercial corridor. This will catalyze	PHA is working with other City agencies to assemble all the parcels and working on the development plan for this project.

Site	Description of Project	Status
	adjacent current development at 46th Street, 52nd Street and in the Philadelphia Promise Zone.	
2012 Chestnut Street (vacant office facility)	Proposals for the adaptive (highest and best) reuse of PHA's former headquarters will be solicited for redevelopment to include units of mixed-income housing in Center City.	PHA solicited proposals for the redevelopment of this property and has received multiple responses. PHA is reviewing the proposals with the intent to make a selection.
Schuylkill Falls (vacant land adjacent to Schuylkill Falls HOPE VI development)	Proposals for the adaptive (highest and best) reuse of PHA surplus and vacant land at Schuylkill Falls site will be solicited.	PHA made an award to the Pennrose Corp. for the property and executed a Letter of Intent. Pennrose is currently applying for 9% low income housing tax credits for this project.
Strawberry Mansion Apartments	PHA is in the pre-development stages of a new development known as Strawberry Mansion Apartments which will involve the new construction of 55 infill units of rental housing in the Strawberry Mansion section of North Philadelphia.	PHA has applied for a 2016 9% low income housing tax credit allocation and anticipates allocations will be made in July 2016.
Point Breeze	PHA is expecting to begin construction of approximately 20 units of replacement scattered site units in the Point Breeze section of South Philadelphia	PHA continues to work on pre-development activities for this project.

General Description of Actual Capital Fund Expenditures During the Reporting Year

Table 7 provides a general description of actual capital fund obligations and expenditures in FY 2016.

Table 7: Capital Fund Actual Obligations and Expenditures

Development/Project	Project Description	FY 2016 Actual Expenditures	FY 2016 Obligations	FY 2016 Actual Obligations Not Yet Expended
West Park Apartments	Elevator upgrades	\$48,370	\$7,654,175	\$7,605,805
Gordon Street	21 units new construction of PHA-owned PBV assisted housing	\$6,610,117	\$7,193,000	\$582,883
Oakdale Street	12 units new construction of PHA-owned PBV assisted housing	\$3,399,193	\$3,626,059	\$226,866
Queen's Row	Acquisition and rehabilitation of 24 unit complex for Public Housing	\$3,502,820	\$3,502,820	\$0
Queen Lane Apartments	Development of office space, community room and 55 residential units	\$13,344,287	\$15,188,854	\$1,844,567
Blumberg/Sharswood	New construction of Phase I - 57 units LIHTC project	\$2,685,813	\$5,526,450	\$2,840,637
Markoe Street	Development of 6 residential public housing units on the 800 Block of North Markoe Street	\$664,095	\$1,932,192	\$1,268,097

Development/Project	Project Description	FY 2016 Actual Expenditures	FY 2016 Obligations	FY 2016 Actual Obligations Not Yet Expended
PHA WIDE SS	Comprehensive SS unit rehab (320 units)	\$6,505,172	\$8,259,785	\$1,754,613
Blumberg/Sharswood	New street design	\$86,637	\$107,000	\$20,363
Blumberg/Sharswood	Demolition activities - demolition of standing family towers and low rise family units	\$3,075,213	\$7,263,575	\$4,188,362
Johnson Homes	Pipe insulation	\$527,035	\$548,339	\$21,304
Ridge Avenue	New construction of PHA office building	\$234,240	\$262,225	\$27,985
TOTAL		\$40,682,992	\$61,064,474	\$20,381,482

Overview of Other Housing Units Owned and/or Managed By PHA at Fiscal Year End

PHA does not currently own or manage other housing units outside of its federally assisted public housing inventory other than the Oakdale Street and Gordon Street UBV developments listed above that are owned by PHA subsidiaries. All of PHA's Low Income Housing Tax Credit units are reflected in the MTW Public Housing inventory previously mentioned.

B. Leasing Information

Actual Number of Households Served at the End of the Fiscal Year

PHA provided housing assistance to a total of 31,635 households in FY 2016 through the Public Housing (12,732) and HCV (18,903) programs (including both MTW and Non-MTW Special Purpose vouchers).

HUD requires that all MTW agencies submit the following table, which reports on local, non-traditional housing, i.e. housing units which utilize MTW funds but that are not public housing or HCV-related. PHA does not have any such units.

Table 8: Local, Non-Traditional Program

Housing Program:	Number of Households Served	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs	0	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs	0	0
Port-In Vouchers (not absorbed)	N/A	0
Total Projected and Actual Households Served	0	0

Housing Program:	Unit Months Occupied/Leased	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property Based Assistance Programs	0	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs	0	0
Port-In Vouchers (not absorbed)	N/A	0
Total Projected and Annual Units Months Occupied/Leased	0	0

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

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

PHA meets the requirement that at least 75% of families assisted in the Public Housing and Voucher programs are very-low income. HUD verifies this data through PHA's electronic submissions under HUD's PIC system. PHA does not assist any local, non-traditional households.

Table 9: Local Non-Traditional Households and Income Levels

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

As first noted in the FY 2014 Annual Report, the revised HUD Form 50900 implemented in May 2013 requires MTW agencies to provide data on the number of persons in each household served as of the date of entry to the MTW program and as of the current fiscal year. While PHA has this data available for the current fiscal year, it does not have data and is unable to report on household size as of April 2001, which is the effective date of the MTW Agreement. Note that PHA provided *bedroom size* data as part of its initial MTW submissions, but did not provide *household size* data. PHA's current information technology systems do not have 2001 data available. Therefore, PHA is not currently able to provide the information required in the below table. PHA will work with HUD's MTW Office to identify potential solutions to this issue.

Table 10: Baseline for the Mix of Family Sizes Served

Family Size	Occupied Number of Public Housing units by Household Size when HHA entered MTW	Utilized Number of Section 8 Vouchers by Household Size when HHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	N/A	N/A	N/A	N/A	N/A
2 People	N/A	N/A	N/A	N/A	N/A
3 People	N/A	N/A	N/A	N/A	N/A
4 People	N/A	N/A	N/A	N/A	N/A
5 People	N/A	N/A	N/A	N/A	N/A
6+ People	N/A	N/A	N/A	N/A	N/A
Totals	N/A	N/A	N/A	N/A	N/A

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized

Please see above, PHA does not have historical data on household size for April 2001.

Table 11: Mix of Family Sizes Served*

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals
Baseline Percentages of Household Sizes to be Maintained	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Households Served by Family Size this Fiscal Year	11,358	6,458	5,245	3,510	1,791	1,455	29,817**
Percentages of Households Served by Household Size this Fiscal Year	38%	22%	17%	12%	6%	5%	100%
Percentage Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Port-outs are not included.

**Family size was not provided for one HCV household.

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized

Please see note above. PHA does not have historical data on household size for April 2001.

For informational purposes, Table 12 below provides a breakdown of households by public housing and HCV bedroom size when PHA became an MTW agency and in FY 2016.

Table 12: Mix of MTW Households served by Bedroom Size*

	Bedroom size in April 2001			Bedroom size in FY 2016		
	Public Housing	HCV	Total	Public Housing	HCV	Total
1 Bedroom/SRO	2,113	2,722	4,835	2876	3,963	6,839
2 Bedroom	3,157	3,369	6,526	3407	4,131	7,538

	Bedroom size in April 2001			Bedroom size in FY 2016		
	Public Housing	HCV	Total	Public Housing	HCV	Total
3 Bedroom	4,332	5,834	10,166	4721	7,017	11,738
4 Bedroom	1,180	918	2,098	1053	1,459	2,512
5 Bedroom	691	195	886	515	395	910
6+ Bedroom	245	50	295	160	121	281
Total	11,718	13,088	24,806	12,732	17,086	29,818

*Port-outs are not included.

Note that Tables 11 and 12 include only MTW households, with the exception of port-outs and 1,210 households assisted by PHA through Non-MTW Special Purpose Voucher programs.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Table 13 provides required information on leasing issues and solutions.

Table 13: Leasing Issues and Solutions

Housing Program	Description of Leasing Issue and Solutions
HCV	PHA continued to look for new approaches to boost leasing in opportunity areas. Additionally, voucher holders had difficulty finding affordable units to lease within the allotted time period. PHA implemented a Mobility program in August 2013 to assist voucher holders in locating units and prospective landlords in opportunity neighborhoods within and outside of Philadelphia. As of March 31, 2016, the program enrolled 133 clients, and of that group, 78 leased housing in opportunity areas throughout the Philadelphia region, opening doors for the entire family. Opportunity areas are family-friendly communities that offer good schools, safe neighborhoods, employment opportunities, and economic diversity. Participants receive housing counseling and other training before, during, and after their move to help them succeed and thrive in their new communities.
Public Housing	<p>Housing families due to the demolition of Blumberg Towers and referrals for the Blueprint Program were the main leasing focus for much of FY 2016. PHA's waiting list pulls for new admissions were limited during FY 2016 as a result of the Blumberg and Blueprint priorities.</p> <p>In FY 2016, PHA had continued challenges related to the physical rehabilitation of scattered sites. Additionally, efficiencies continued to have high refusal rates which negatively impacted PHA's overall vacancy rates. PHA continues to screen and maintain ready pools to account for refusal rates at hard to lease sites.</p>

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

HUD requires information on households transitioned to self-sufficiency for any MTW activities that report on HUD's standard metric SS #8. The table below provides the HUD-required information.

Table 14: Transition to Self Sufficiency

Activity Name/#	Number of Households Transitioned	Agency Definition of Self Sufficiency
Simplification and Streamlining of Rent and Recertification Processes for Public Housing and HCV	<ul style="list-style-type: none"> • 63 households in HCV • 200 households in public housing 	<ul style="list-style-type: none"> • For HCV, PHA defines a household that transitions to self-sufficiency as a household that exits the program as a result of being over-income or one that receives no HAP subsidy but still qualifies as a program participant. • The Second Chance initiative has not been fully utilized to date; and as such, self-sufficiency metrics are not included for this activity. • For public housing, PHA defines a household that transitions to self-sufficiency as a public housing household whose income is above 80% AMI. This definition has been modified since the submission of the FY 2016 Annual Plan which required the household's income to increase from a lower level to 80% or greater of AMI. PHA will use this modified definition going forward.
Households Duplicated Across Activities/Definitions	0	
Annual Total Number of Households Transitioned to Self Sufficiency	263 households	

C. Waitlist Information

Waitlist Information At Fiscal Year End

PHA continues to maintain its waitlist in accordance with its Board of Commissioners-approved HCV Administrative Plan and Public Housing Admissions and Continued Occupancy Policy, as applicable. PHA's conventional, scattered sites, PAPMC, and AME Public Housing sites are subject to site-specific waitlist policies. PHA also operates a centralized "first available" waitlist for referral programs and for applicants who elect this option.

As shown in Table 15 below, PHA has a total of 67,815 households across all waitlists as of March 31, 2016. This number is significantly lower than last year as a direct result of waiting list purges completed for public housing and HCV.

Table 15: Waitlist Information at Fiscal Year End

Housing Program(s)	Wait List Type	Number of Households on Wait List*	Wait List Open, Partially Open or Closed	Was the Wait List Open During the Fiscal Year
Housing Choice Voucher Program Tenant Based	Community-Wide	13,200	Partial –Special purpose & referrals only	Yes
Public Housing 1	Other	24,848	Partial – Open for Seniors & 504 Applicants only	Yes
Public Housing 2 (Tax Credit)	Site-Based Waitlist	29,767	Open	Yes

*PHA purged both the PH and HCV wait lists in FY 16.

Information on Partially Open Waitlists

The only Public Housing waitlists open are for seniors, those needing accessible units, and special programs including the nursing home initiative, Blueprint to End Homelessness, and DHS Youth Aging Out Pilot Program. PAPMC (tax credit) waitlists for all sites remain open at this time.

The HCV waitlists are currently open only for applicants who qualify for admission under HUD’s Special Purpose Voucher programs (VASH) and to applicants referred to PHA from external agencies with whom PHA has a referral agreement as described in the Administrative Plan. These applicants are referred to PHA, entered onto the waiting list and then selected for either the special purpose voucher or per the referral agreement. This process ensures that PHA has an audit trail for selection.

Description of “Other” Waitlists

PHA’s Public Housing waitlist combines site-based, first available, and centrally-managed waitlist features managed by the Admissions Department. Applicants may select specific sites or “first available” units citywide. Centrally managed waitlists are also administered by the Admissions Department for applicants that require a wheelchair accessible unit and those with a special program preference designation.

Waitlist Organizational or Policy Changes

The following is a summary of wait list policy/organizational changes completed in FY 2016:

- PHA modified its Public Housing Admissions and Continued Occupancy Policy to exclude all adult full time student earned income. This income exclusion also applies to students participating in PhillySEEDS sponsored internships, except where the full time student is the head of household, co-head or spouse.
- PHA established site-based wait lists for Queen Lane Apartments which came online during the fiscal year in accordance with its PAPMC Admissions and Continued Occupancy Policy. In concert with the policies in the Administrative Plan, site-based waiting lists were also established for the Project Based program developments which came on line in FY 2016.
- PHA modified its Public Housing Admissions and Continued Occupancy Policy to reflect policy changes to the “6 in 5” initiative in order to align with the City’s Office of Housing and Community Development and Pennsylvania Housing Finance Agency priorities for accessible

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

- PHA continues to review and evaluate potential new preferences that incorporate employment, educational, and/or job training requirements as a condition of occupancy for designated newly rehabilitated and/or constructed units. Seniors and people with disabilities will be exempt from employment requirements, if applicable. The policy will include provisions to address residents with temporary disabilities and/or temporary loss of employment. PHA modified its Admissions and Continued Occupancy Policy in FY 2016 to reflect the potential for PHA to apply these new preferences. To the extent that any such modifications require MTW authority, PHA will establish appropriate MTW activities for HUD approval in future Plans.

III. Proposed Activities

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

IV. Approved Activities

A. Implemented Activities

MTW Activity 2011-1: Partnership Programs Initiative

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

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

PHA projects that this initiative will impact the development of new housing and service delivery programs that address populations that have not been traditionally well-served by existing programs. These service options connect tenants of affordable housing to service and programs that support housing stability, household opportunity, and advancement.

This activity was approved in FY 2011 and implemented in 2012 and subsequently modified in FY 2013 to incorporate specific components applicable to the youth aging out of foster care partnership with the Philadelphia Department of Human Services (DHS). In August 2012, PHA's Board approved a resolution authorizing PHA to enter into an MOU with DHS to create up to 50 housing opportunities to assist youth aging out of the foster care system. Three (3) participating youth have been housed in public housing units, and the plan is to evaluate their progress before proceeding with additional placements.

In the FY 2014 Annual Plan, PHA discussed its intention to coordinate the Partnership Initiative activities with its new Affordable Future "6 in 5" Initiative. The "6 in 5" Initiative was initially announced in October 2012 with the goal of creating or preserving 6,000 units of affordable housing over a five-year period, subject to funding availability and successful negotiation with partner agencies and/or developers.

As part of the “6 in 5” Initiative, PHA issued initial Request for Proposals (RFP) in 2014 for a local unit-based operating subsidy program to assist developments that serve low-income households. The subsidies were for existing, newly constructed or renovated housing units, and provide long-term financial assistance to property owners. A revised RFP, prepared and reviewed in tandem with the City’s subsidy RFP, opened in October 2014. The revised RFP closed on November 21, 2014. PHA received 21 responses totaling 1,070 units. PHA and the City completed review of proposals at the end of January 2015. PHA selected 9 projects (approximately 300 units) requesting City funding. The accepted proposals included resident service functions such as:

- Successful Tenancies – strategy for maintaining stability for low-income families at risk of homelessness as well as keeping the cost of unit turnover low.
- Economic Self-Sufficiency – individual and family asset building.
- Child and Youth Development – childcare, youth development and after-school programming and programs focused on improving school performance as well as providing recreational safe havens for children during their out-of-school time.

The last submission deadline for the revised RFP was extended from April 30, 2015 to May/June 2015 to coincide with both Pennsylvania Housing Finance Agency (PHFA) Award Notices and the 4% LIHTC deadline. Also, in the FY 2015 Plan, PHA discussed a partnership with the City and the Department of Veterans Affairs to rehabilitate 55 units of affordable housing for homeless veterans and their families. This project did not move forward as the building was determined to be structurally unsound.

In FY 2016, PHA clarified its intention to make affordable future development selections in a manner that aligns with the accessibility and special needs housing priorities of the City’s Office of Housing and Community Development and the Pennsylvania Housing Finance Agency. To the extent feasible and subject to PHA Board approval, new affordable rental housing development projects that are awarded PHA operating subsidies under the “6 in 5” initiative must meet the following set-aside requirements: ten percent (10%) Physical disability; four percent (4%) Hearing and Vision disability; and ten percent (10%) Special Needs.

In FY 2016 PHA amended its Admission and Continued Occupancy Policy to reflect the policies related to Special Needs units. As part of PHA’s “6 in 5” initiative PHA works with the City’s Office of Housing and Community Development and Pennsylvania Housing Finance Agency to provide admission preferences for eligible households requiring accessible and Special Needs units and supportive services. Referrals for Special Needs units are required to come from the City of Philadelphia's Deputy Mayor for Health and Opportunities Permanent Supportive Housing Clearinghouse (HOPSHC), which act as PHA's Local Lead Agency. HOPSHC is responsible for planning and assessing the needs of the referenced target populations; providing funding services and organizing the service system to assure tenants get services they need in a timely and comprehensive manner; management of the referral process consistent with fair housing laws; and entering into agreements with developers for referrals, pre-tenancy and post-tenancy services and supports. To be eligible for consideration under PHA's ACC program, developers must meet the same definition of 'supportive housing' as required by PHFA, be targeting an eligible population, have an agreement with PHA's Local Lead Agency, and have easy access to transportation services. Accessible and Special Needs preferences may be applied to PH, UBV and HCV applicants.

In FY 2016, the housing opportunities outlined below were slated to come on line. Impact Veterans Services Family Housing and New Courtland Apartments at Allegheny were completed in FY 2016 and are in the leasing process. Saint Frances Villa Senior Housing is slated for completion in FY 2017.

Project	Planned Units	Description	Status
Impact Veterans Service Family Housing	26 Total 8 PB 18 ACC	Impact Service Corp will rehab a vacant industrial building in the Kensington neighborhood of Philadelphia to create 26 permanent supportive housing units for families with a preference for veterans. PHA will provide up to \$600,000 in MTW capital construction subsidy, 18 units of ACC operating subsidy and 8 units of project-based assistance under the UBV program. No other MTW waivers are required for the project at present. Total project cost is estimated at \$9.07 million including Tax Credit equity and other sources. Supportive services will be provided.	Certificate of Occupancy obtained in Dec. 2015. Leasing in process.
New Courtland Apts. at Allegheny	60 Total 56 ACC	New Courtland Elder Services will build a 60 unit new construction development in North Philadelphia targeted for seniors. PHA will provide ACC operating subsidy for 56 units. No other MTW waivers are required for the project at present. Total project cost is estimated at \$16.125 million including Tax Credit equity and other sources. No PHA capital is involved in the project. Supportive services will be provided.	Completed Sept. 2015. Units occupied. Continued leasing in process.
Saint Frances Villa Senior Housing	40 Total 40 ACC	Catholic Health Services will build a 40 unit new construction development in the Kensington neighborhood targeted for seniors. PHA will provide \$1.8 million in MTW capital subsidy and ACC operating subsidy for 40 units. No other MTW waivers are required for the project at present. Total project cost is estimated at \$12.36 million including Tax Credit equity and other sources. Supportive services will be provided.	Projected completion date May/June 2016.

Changes to Benchmarks, Baseline, and Metrics: In May 2013, HUD issued revised MTW reporting requirements and PHA was required to revise its MTW benchmarks, baselines, and metrics for consistency with the HUD Standard Metrics. In several instances PHA did not concur with HUD regarding the applicability of the HUD Standard Metrics to PHA's MTW activities. Nevertheless, based on HUD's instructions, PHA has included HUD's required metrics below. Additional comments have been provided below regarding the applicability of specific metrics.

<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 units	151 in FY 2016	82 in FY 2016	No Does not include St. Francis
<i>CE #4: Increase in Resources Leveraged – All Planned FY 16 Projects</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$577,000	\$35.15 million	\$22.4 million	No Does not include St. Francis
<i>CE #4: Increase in Resources Leveraged – St. Francis Villa</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$10.56 million	\$0	Development not completed
<i>CE #4: Increase in Resources Leveraged – IMPACT</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$8.47 million	\$6.28 million	Costs were less than anticipated
<i>CE #4: Increase in Resources Leveraged – New Courtland at Allegheny</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0.00	\$16.125 million	\$16.125 million	Yes

MTW Activity 2004-1: Neighborhood Development and Revitalization Initiatives

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

- **Design Standards** – PHA continues to implement reasonable and modest design standards for new construction and rehabilitation work that mirror current design trends and the 21st century needs of residents. Modified design standards take into account efficiencies in energy usage, construction methods and technologies, and use of interior and exterior space. PHA standards also incorporate modern amenities and the latest concepts in urban design in order to reduce the negative connotation of public housing for PHA residents and to enhance the livability and marketability of PHA's housing stock. This activity, approved and implemented in FY 2004, is ongoing.
- **Total Development Cost Limits and Housing Cost Caps** – PHA has established and maintains reasonable cost limits for development and redevelopment activities that replace HUD's Total Development Cost (TDC) limits and Housing Cost Caps (HCC). PHA's MTW TDC/HCC cost limits reflect all the costs associated with developing new PHA conventional and scattered sites and rehabilitating existing units in these categories. PHA cost limits address current construction practice costs while incorporating energy efficient and environmentally sound equipment and materials used in the building process. They support the development of accessibility features in units and throughout the development. In addition, the establishment of new cost limits takes into account the market trends in construction and union labor rates, Davis Bacon rates, and costs associated with government contract work versus private market contract work. The cost limits incorporate the cost of modern design amenities to improve PHA's marketability. Per discussion with HUD, the proposed 2014 MTW TDC/HCC cost limits are still under review. This activity was approved and implemented in FY 2004.

PHA has completed its negotiations with its various construction trades unions to develop a project labor agreement aimed at establishing an affordable housing construction/rehab wage rates as well as work rules to improve efficiency and reduce costs. This agreement is being reviewed by DOL/HUD. PHA is presently and will continue to remain in compliance with applicable Davis-Bacon provisions.

- **Streamlined Mixed-Finance Development Process** – PHA is authorized to develop public housing through several financing methods, including the mixed-finance approach, which involves the use of private financing, Housing Choice Vouchers, and public housing development funds. According to public housing regulations, PHA and its partners may select among several ownership structures for mixed-finance transactions. These structures may include total private ownership, where PHA does not hold an ownership interest; total ownership by PHA; or a mixture of partial ownership by PHA and its partners. The various arrangements may necessitate different documents, especially for those transactions with third party-developers/owners for which PHA will provide capital or ACC subsidy only. These mixed finance developments may consist of all public housing units or a mixture of public housing and market rate or non-public housing rental and homeownership units. This activity was approved and implemented in FY 2004 and is ongoing.

- **MTW Site and Neighborhood Standards** – PHA is authorized to implement alternate Site and Neighborhood Standards for its public housing and voucher programs, in lieu of those standards at 24 CFR § 941.202(b)-(d) and 24 CFR 983.57. PHA continues to use these standards for determining the location of existing, newly constructed, or substantially rehabilitated housing that receives MTW subsidy. This activity was approved and implemented in FY 2004 and is ongoing.
- **Streamlined Acquisition Process** – Subject to the provisions of the MTW Agreement, PHA is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. Accordingly, PHA has established a public housing acquisition process as part of its streamlined mixed-finance process agreed to by HUD. This activity was approved and implemented in FY 2002. PHA recognizes that the foregoing authorization does not exempt the housing authority from environmental approvals or other approvals required outside of the U.S. Housing Act of 1937, as amended. PHA also acknowledges that it needs to identify any planned acquisitions in the MTW Annual Plan and to report on actual acquisitions in the MTW Annual Report.

In FY 2016, PHA acquired 1164 parcels through condemnation for the Blumberg/Sharswood project. PHA also acquired the Reynolds School and the Walton School for development. Lastly, PHA acquired 4 properties from Wells Fargo Bank through its National Community Stabilization Trust (NCST),

- **Strategy for Development:** PHA has adopted a Development-Asset Management Strategy for Public Housing that takes a comprehensive neighborhood-by-neighborhood and block-by-block approach to redeveloping, consolidating, rehabilitating, demolishing, and acquiring and disposing of scattered site units independently and in partnership with government and other local neighborhood-based organizations. This activity was approved and implemented in FY 2005 and it is ongoing. As appropriate, PHA's new Development Principles will be used to guide all future development efforts.

This activity continues to enable PHA to focus on large scale neighborhood changing projects such as the Blumberg/Sharswood project and to undertake projects in impacted neighborhoods such as Strawberry Mansion. The streamlined acquisition process that is part of this initiative allows PHA to assemble development plans and deals in a more timely manner and to take greater advantage of quickly changing market conditions.

Below are projects and their current status under PHA's "6 in 5" Initiative that are made possible by the flexibilities afforded by the Neighborhood Development and Revitalization Initiative.

Project Name	No. of Units	Status
Queens Row	24	Complete: FY 2016
Queen Lane	55	Complete: FY 2016
Gordon Street I	21	Complete: FY 2016
Oakdale Street Apartments	12	Complete: FY 2016
Blumberg Phase I	57	Under construction
Markoe Street	6	Under construction
Gordon Street II	21	Planning
Paschall Link	25	Planning
Brooklyn Heights	108	Planning
59 th & Market	65	Planning
Mantua West	55	Planning
Walton School Acquisition	43*	Planning

Project Name	No. of Units	Status
55 th & Haverford	32	Planning
57 th & Market	20	Planning
Point Breeze Development	20	Planning
Union Hill	10	Planning
Total	574	

*Planned development for Walton School is 42-45 units.

Changes to Benchmarks, Baseline, and Metrics: See notes regarding changes to benchmarks, baseline and metrics discussed in the Partnership Programs Initiatives activity.

CE #1: Agency Cost Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	TBD	TBD	N/A	N/A
* PHA has previously indicated that PHA does not believe this metric is applicable to this activity. However, HUD has required its use. PHA is not able to derive a baseline for these activities which were initially implemented FY 2004 (i.e. over 10 years before implementation of HUD standard metrics). PHA welcomes HUD's guidance on a specific methodology for measurement. Once provided, PHA will incorporate such guidance on future plans and reports.				
CE #2: Staff Time Savings*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	TBD	TBD	N/A	N/A
* PHA has previously indicated PHA does not believe this metric is applicable to this activity. However, HUD has required its use. PHA is not able to derive a baseline for these activities which were initially implemented FY 2004 (i.e. over 10 years before implementation of HUD standard metrics). PHA welcomes HUD's guidance on a specific methodology for measurement. Once provided, PHA will incorporate such guidance on future plans and reports.				
CE #3: Decrease in Error Rate of Task Execution*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	0	0	N/A	N/A
*PHA has previously indicated PHA does not believe this metric is applicable to this activity. PHA does not track error rates associated with the Neighborhood Development and Revitalization Initiative activities listed above. PHA will require further information from HUD as to the relevant error rates for this activity and will address those in future plans and reports.				
CE #4: Increase in Resources Leveraged all Planned FY 16 Projects				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$20.4 million	\$20.4 million	Yes
CE #4: Increase in Resources Leveraged – Blumberg Phase I				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$12.7 million*	\$12.7 million	Yes

**Projected LIHTC 9% equity leverage of \$12.7 million for Phase 1 Blumberg development.*

CE #4: Increase in Resources Leveraged – Queen Lane

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$7.7 million *	\$7.7 million	Yes

**Projected LIHTC 4% equity leverage of \$7.7 million for Queen Lane Development.*

CE #4: Increase in Resources Leveraged – Queen Row

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$0	0	Yes

CE #4: Increase in Resources Leveraged – Markoe

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	\$0	N/A	N/A

HC #1: Additional Units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	142 in FY 2016	136 in FY 2016	No 6 units at Markoe are not completed

HC #2: Units of Housing Preserved*

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0 units	0 units in FY 16	0 units in FY 16	Yes

**PHA's planned housing development activities noted above did not include the preservation of units but rather involved either new construction or conversion of non-housing facilities into housing.*

HC #3: Decrease in Wait List Time*

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	TBD	TBD	N/A	N/A

**PHA did not set a benchmark in the FY 16 Plan and therefore PHA is not reporting on it here. PHA does not anticipate a significant reduction in wait times under this activity due to the overwhelming demand for affordable housing.*

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	142 in FY 2016	136 households in FY 2016	No 6 units at Markoe are not completed

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

Description/Impact: 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 (ADC) provides non-medical supportive day services to eligible elderly persons. Adult Day Care includes assistance with activities of daily living, medication reminders, social activities, meals and snacks, and educational programs. An affiliate – Elderly and Disabled Services, LLC - administers the Adult Day Care program services. The first Adult Day Services facility is located at the Nellie Reynolds Gardens senior housing development. Both PHA residents and neighborhood residents are eligible to participate in the program. This activity was first approved and implemented in FY 2011. The facility opened in 2010.
- **Nursing Home Transition** – The Nursing Home Transition Initiative (NHTI) is a partnership with the Department of Public Welfare (DPW) that assists persons transitioning out of nursing homes with accessing affordable housing. As part of NHTI, PHA administers seventy-five (75) State-supported vouchers for referrals of disabled consumers in need of low-income housing. NHTI households may be eligible for a preference for public housing or HCV. In September 2009 PHA developed and implemented a global 504 wait list. PHA also implemented screening procedures so as to have a constant ready pool of verified families in need of wheelchair accessible housing. PHA utilizes its MTW flexibility to increase HCV payment standards up to 120% of the HUD Fair Market Rents in order to secure housing, subject to rent reasonableness. This activity was first approved and implemented in FY 2010 and is ongoing.
- **Definition of Elderly** – An elderly person is defined as an individual who is at least 55 years old. An elderly family is defined as one with a head of household, co-head, spouse or sole member who is at least 55 years old. For the purposes of admission to public housing designated as elderly-only, the definition of *elderly* and *elderly family* for each designated project will be specified in PHA's Designated Housing Plan in effect and may differ from the foregoing definition. This activity was first approved and implemented in FY 2004 and is ongoing.

PHA admitted 8 new HCV clients totaling 55 current NHTI referrals to HCV. Public Housing provided 23 public housing units through the NHTI program in FY 2016. Since inception, PHA has assisted over 200 individuals to transition out of nursing home facilities and into affordable accessible housing. While the NHTI program continues to provide a valuable resource to individuals transitioning out of nursing home care, it is a need-based referral program and PHA does not conduct its own outreach. As such utilization of allotted NHTI vouchers cannot be predicted or controlled by PHA.

PHA has identified applicable organizations and is still considering issuing an RFP for operation of the Adult Day Care Center. The average cost of a nursing home in the commonwealth of Pennsylvania is \$42,660 per year (SeniorHomes.com). Significant savings are generated by this program as evidenced by the cost differential between adult day care and skilled nursing services.

Changes to Benchmarks, Baseline, and Metrics: See note regarding changes to benchmarks, baseline and metrics discussed in the Partnership Programs Initiatives activity.

HC #5: Increase in Resident Mobility

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 – Adult Day Care (ADC) 0 – Nursing Home Transition (NHT)	26 per year (ADC) 75 units/vouchers (NHT)	46 in FY 16 (ADC) 55 vouchers in FY 16 (NHT) 23 PH units in FY 16 (NHT)	Yes -ADC Yes - NHT
<i>HC #7: Households Assisted by Services that Increase Housing Choice (Adult Day Care and Nursing Home Transition)</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0 – Adult Day Care (ADC) 0 – Nursing Home Transition (NHT)	26 per year (ADC) 75 (NHT)	46 in FY 15 (ADC) 55 vouchers in FY 16 (NHT) 23 PH units in FY 16 (NHT)	Yes – ADC Yes - NHT

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

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

- **Two and Three-Year Recertification** – PHA has restructured the annual and interim review processes and procedures for public housing and HCV to require recertifications every two years, except for public housing residents choosing ceiling rents who are recertified every three years. Generally, residents are not required to report changes in income between regularly scheduled recertifications. Interim recertification is required for changes in household composition. Additionally, PHA will complete EIV checks every six months for households with zero, temporary or sporadic income. Interim recertifications are restricted to one every six months. Elderly and disabled households are exempted from this restriction on interim recertifications. In FY 2015, the PHA Board of Commissioners approved a change to the Two and Three Year Recertification activity for the HCV program. Under this policy, HCV participants could request up to two (2) voluntary interim recertifications between regular recertifications. PHA has since determined that in FY 17 both PH and HCV will share the same interim recertification policy which is to allow one voluntary interim recertification every six months. The six month clock starts at the beginning of each regular recertification term. Elderly and disabled households continue to be exempt from the restriction on interim recertifications. This activity was approved and implemented in FY 2004 and is ongoing.
- **Ceiling Rents** – PHA has established ceiling rents for its public housing developments, which are periodically updated. This activity was approved and implemented in FY 2004 and is ongoing. Ceiling rents for sites managed by PAPMC are set at the Pennsylvania Housing Finance Agency ceiling rent limits in effect for LIHTC properties. PHA implemented PHFA 40% ceiling rents at conventional and scattered sites effective as of July 1, 2013. Ceiling rents will be updated annually to reflect the then-current 40% PHFA ceiling rents. At PHA developments where tenants pay for some or all utilities, the applicable utility allowance may be applied to the ceiling rent, i.e. the ceiling rent amount may be offset by the applicable tenant-paid utility allowance amount. PHA tenants will continue to have the option of selecting either a ceiling rent or an income-based rent. PHA will apply the ceiling rent amount when it is less than the income-based rent calculation. Tenants who select an income-based rent will pay no more than 28% of adjusted income for rent. PHA may elect to phase-in rent increases to avoid serious financial hardship to residents if necessary.
- **Rent Calculation Method** – PHA has established an alternative rent structure for the HCV and public housing programs to motivate residents to work and accumulate savings. Note that residents living in LIHTC units are not subject to this system. Public housing residents may elect a ceiling rent in lieu of the income-based calculation method. PHA's rent simplification system includes the following components: establishing a single working household deduction; modifying the definition of income to exclude the first \$500 of asset income as well as certain medical-related insurance premiums; and eliminating other deductions and reducing the standard rent calculation percentage based on family size. Minimum rents have been implemented in both the leased housing and public housing programs. This activity was approved and implemented in FY 2004 and is ongoing.

- **Payment Standards** – PHA has implemented a policy in the HCV program whereby the current payment standard is applied at regular recertification. This activity was implemented in FY 2008 and is ongoing.
- **Reasonable Rent** – PHA has developed and implemented a reasonable rent policy for the HCV program whereby reasonable rent determinations are completed at initial lease up, upon request for a rent increase, and at other times PHA deems it necessary to conduct a reasonable rent re-determination. This activity was approved and implemented in FY 2008 and is ongoing.

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

- **Utility Allowances** – PHA is authorized to implement a revised utility allowance methodology that includes the following components: a) HCV participants who are responsible for paying gas heat and who are eligible to participate in the PGW Customer Responsibility Program (CRP) have the gas portion of their utility allowances calculated using an alternative methodology. Participation in the PGW CRP program places a cap on the amount of money that eligible residents are required to pay for their gas utility payments based on household income, not consumption. Utility allowance schedules are typically determined based on an analysis of the cost of reasonable consumption based on dwelling unit size/type. PHA utilizes the PGW CRP capped amount to calculate the gas allowance due to residents, except in those limited circumstances where the CRP amount exceeds PHA's gas utility allowance schedule. The alternative utility allowance amount is factored into the rent calculation, including the Total Tenant Payment calculation. With this change, residents continue to have their Total Tenant Payment limited to no more than 28% of household income. PHA has received approval to implement this initiative in the public housing program; however, only HCV implementation has taken place to date; b) Utility allowances will be phased out for residents with incomes at or above 80% of Area Median Income; and c) PHA reviews and modifies public housing utility schedules periodically based on an assessment of available HUD funding and the requirements of the MTW Agreement and Plan. PHA may apply the HUD-determined operating subsidy proration factor to determine the actual utility schedule amounts. Revised utility allowances are 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 is at the discretion of PHA; PHA will report on utility schedule updates in the MTW Annual Report. This activity was approved and implemented in FY 2009.
 - PHA is also authorized to expand the utility allowance policy to require public housing and HCV tenants receiving either heat or electric utility allowances to enroll and participate in the PECO Customer Assistance Plan, LIHEAP and any other applicable programs that offer reduced rates, energy usage grants, or other financial incentives to low-income households. This activity was approved in FY 2011.
 - Finally, using its MTW authority, PHA will periodically, at its discretion, review HCV utility allowance schedules to determine if adjustments are required. Annual updates will not be required. This activity was first approved in FY 2014.

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

Although it was expected to remain stable, the average earned income for HCV households exceeded the benchmark by 22% in FY 2016. The revised Utility Allowance policy continues to result in significant savings to PHA. In addition, PHA exceeded expectations by transitioning 263 households to self-sufficiency in FY 2016.

In FY 2016, a determination was made not to implement the minimum threshold of \$20 for provision of utility allowance payments. This determination is reflected in the “closed-out activities” section of this report and was also included in the FY 2017 Annual Plan. Also in FY 2016, PHA reviewed and revised the gas utility for public housing. The revised gas UA was implemented at the same time for all affected households.

PHA will perform recertifications for elderly and disabled households on fixed incomes on a triennial basis. In order to qualify for a triennial recertification schedule, all household income must be from a fixed source such as social security, supplemental security income, or pension. Elderly/disabled households on triennial schedules will be permitted to request an interim re-examination at any time. Outcomes for this activity will be reported in the FY 2017 Annual Report.

Hardship Requests: During FY 2016, PHA received one hardship request from an HCV participant, related to the MTW medical deduction policy. PHA issued the participant a non-MTW voucher, which resolved the hardship issue. No hardship requests were received from the public housing program during the Report year.

Changes to Benchmarks, Baseline, and Metrics: See notes regarding changes to benchmarks and baseline.

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline*	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Time per recertification: 2 hours Number of recertifications: 28,055 Hourly Rate: \$15.65 Total cost of activity prior to implementation: \$878,122 (estimate)	Benchmark set in FY 2011 as \$658,473 to complete this activity	Time per recertification: 1.5 hours Number of recertifications: 15,373 (8,650 HCV) (6,723 PH) Hourly Rate: \$15.65 Total cost of activity after implementation: \$360,881	Yes
*The baseline was updated in the FY 2015 report to reflect a calculation adjustment. The modification is reflected as the revised baseline in this FY 2016 report.				
<i>CE #2: Staff Time Savings</i>				

Unit of Measurement	Baseline*	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Time per recertification: 2 hours Number of recertifications: 28,055 Total time for activity prior to implementation: 56,110 hours (estimate)	Benchmark set in FY 2011 as 42,075 hours to complete this activity	Time per recertification: 1.5 hours Number of recertifications: 15,373 (8,650 HCV) (6,723 PH) Total time for activity after implementation: 23,059.5 hours	Yes
*The baseline was updated in the FY 2015 report to reflect a calculation adjustment. The modification is reflected as the revised baseline in this FY 2016 report.				
CE #3: Decrease in Error Rate of Task Execution- Rent Calculation Method*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	5%	TBD	5%	N/A
*PHA implemented its revised rent calculation method in 2004, and does not have historical data on rent calculation error rates. The FY 2016 actual rent calculation error rate, which already reflects error rate reductions, will be used as the baseline. Benchmarks will be established going forward. PHA does not anticipate future reductions to error rates.				
CE #5: Increase in Agency Rental Revenue – Utility Allowance Policy				
Unit of Measurement	Baseline	Benchmark	Outcome*	Benchmark Achieved?
Rental revenue in dollars (increase).	\$0	TBD	\$3,489,000 saved due to the revised utility allowance policy in FY16	N/A No benchmark was set in FY16 MTW Annual Plan.
*The outcome reflects the savings between the traditional gas utility allowance and the CRP utility allowance.				
SS #1: Increase in Household Income– HCV*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	The average earned income of households affected by this policy in FY 14 is \$17,032.	The expected average earned income of households affected by this policy after implementation of the activity is \$17,032.	The average earned income of HCV households at the end of FY16 was \$20,821.85.	Yes
* Although this activity was implemented in FY 04, HUD has only recently required PHA to track the average earned income of households affected by this policy; therefore, PHA has used data from FY 14 to determine the baseline. As this activity has been implemented and on-going for over 10 years, PHA expects the average earned income of households to remain relatively stable.				

SS #1: Increase in Household Income - Public Housing*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	The average earned income of households affected by this policy in FY 15 is \$15,187.	The expected average earned income of households affected by this policy after implementation of the activity is \$15,187.	The average earned income of PH households at the end of FY 2016 was \$23,020.	Yes
*Although this activity was implemented in FY 04, HUD has only recently required PHA to track the average earned income of households affected by this policy, therefore PHA has used data from FY 14 to determine the baseline. As this activity has been implemented and on-going for over 10 years, PHA expects the average earned income of households to remain relatively stable.				
SS #3: Increase in Positive Outcomes in Employment Status*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed	4,725 work-able heads of households had earned income as of March 31, 2014.	4,820 work-able heads of households will have earned income as of the end of FY 16.	6,160 work-able heads of households had earned income during FY 16.	Yes
	36% of work-able heads of households had earned income as of March 31, 2014.	37% of work-able heads of households will have earned income as of the end of FY 16.	43% of work-able heads of households had earned income during FY 16.	Yes
Unemployed	8,282 work-able heads of households had no earned income as of March 31, 2014.	8,116 work-able heads of households will have no earned income as of the end of FY 16.	8,223 work-able heads of household had no earned income during FY 16.	Yes
	64% of work-able heads of households had no earned income as of March 31, 2014.	63% of work-able heads of households will have no earned income as of the end of FY 16.	57% of work-able heads of household had no earned income as of the end of FY 16.	Yes
* Although this activity was implemented in FY 04, HUD has only recently required PHA to track the employment status of work-able heads of households affected by this policy; therefore, PHA has used data from FY 14 to determine the baseline. It should be noted the Baseline and Benchmark for this activity were determined using heads of households with earned income reported as of a specific day (March 31, 2014). As this activity has been implemented and on-going for over 10 years, PHA expects the employment status of work-able heads of household to remain relatively stable.				
SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	72 households are expected to transition to self-sufficiency in FY 16.	200 households in PH have income higher than 80% of AMI for their household size as of the end of FY 2016. 63 HCV households left the program in FY 2016 as a result of PHA paying zero HAP for six months.	Yes.
*PHA defines a households that transitions to self-sufficiency as a HCV participant who exits the program as a result of being over-income or one that receives no HAP subsidy but still qualifies as a program participant. For public housing, PHA defines a household that transitions to self-sufficiency as a public housing household whose income is above 80% AMI. This definition has been modified since the submission of the FY 2016 Annual Plan which required the household's income to increase from a lower				

level to 80% or greater of AMI. PHA will use this modified definition going forward.

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

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

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

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

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

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

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

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

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

For mixed-finance closings for UBV units involving new public housing units, PHA may request HUD review and approval of certain waivers to current public housing regulations in the interest of increasing

housing choice, promoting long-term project viability, and encouraging more third party development. Specific waivers that may be requested include:

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

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

In FY 2016, PHA continued to operate this program including, as appropriate, incorporating it into the “6 in 5” Initiative to create 6,000 units of affordable housing over a five-year period. PHA executed 7 new Project Based HAP Contracts totaling 133 units. The projects included two projects for accessible units for disabled individuals, in Northeast Philadelphia sponsored by Liberty Resources; a new construction site built by HELP USA in West Philadelphia designated for Veterans; a rehabilitation project by Impact Veterans for Veteran families in North Philadelphia; a new construction site sponsored by Project Home in Center City’s Chinatown district serving homeless individuals, at risk youth and elderly couples; and PHA’s first PHA-Owned sites for low-income families in Oakdale St. and Gordon St. Table 16 provides information on projects that are subsidized under this initiative as of March 31, 2016.

Table 16: Unit Based Voucher Developments

Development Name	Sponsor	Building Type	Neighborhood Location	Voucher Units Under Contract	Target Population	Supportive Services
810 Arch St Project Home	Project Home	Midrise apartments	Center City/Chinatown	70	Homeless, youth and elderly couples	yes
1260 Housing	Columbus Property Management	Low rise apartments and row homes	Scattered sites	164	Mental health/ chemical dependency	yes
1260 Housing	Columbus Property Management	Midrise apartments	Northeast Philadelphia	11	Mental health/ chemical dependency	yes
Art Apartments	Pine lake Management Associates LP	Low rise apartments	West Philadelphia	30	Families/very low income	no
Belmont Gardens	Sarah Allen Community Homes V L P	Low rise apartments	West Philadelphia	3	Families/very low income	no
Bernice Elza	Peoples Emergency Center	Low rise apartments	West Philadelphia	6	Emancipated teens/homeless	yes
Bethesda Project Bainbridge	Bethesda Project Inc.	Low rise apartments	South Philadelphia	20	Homeless	yes
Bethesda Project South	Bethesda Project Inc.	Low rise apartments	Center City Philadelphia	4	Homeless	yes
Bethesda Project Spruce	Bethesda Project Inc.	Low rise apartments	Center City Philadelphia	13	Homeless	yes

Development Name	Sponsor	Building Type	Neighborhood Location	Voucher Units Under Contract	Target Population	Supportive Services
Boriquen	Borinquen Associates II Limited	Scattered Row homes	North Philadelphia	22	Families/very low income	no
Brentwood Parkside	Brentwood Parkside Associates	High rise apartments	West Philadelphia	22	Seniors/families/very low income	no
Patriot House	Citizens Acting Together Can Help, Inc.	Low rise apartments	South Philadelphia	15	Homeless	yes
Chatham Court Apartments	Chatham Apts. Assoc. LP	Low rise apartments	West Philadelphia	18	Families/very low income	no
Cloisters	Cloisters III Housing Partnership	Low rise apartments/duplexes and row homes	West Philadelphia	18	Homeless	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	10	Women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Logan (Northwest Philadelphia)	3	Women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Mt. Airy	4	Women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	11	Women with children (domestic abuse)	yes
Dignity	Community For Dignity & Fairness	Scattered row homes	Germantown	16	Women with children (domestic abuse)	yes
Dignity Boss	Community For Dignity & Fairness	Scattered row homes	Germantown/Mt. Airy	8	Women with children (domestic abuse)	yes
Dignity Nedro	Community For Dignity & Fairness	Low rise apartments	Logan (Northwest Philadelphia)	5	Women with children (domestic abuse)	yes
Dunlap School Venture	Dunlap Management Partners LP	Low rise apartments	West Philadelphia	35	Seniors	no
Edgewood Manor	Edgewood Manor Associates II Lap	Low rise apartments	North Philadelphia	33	Families/very low income	no
Elders Place I	Penn Housing LLC	High rise apartments	Germantown	43	Seniors	no
Elders Place II	Penn Housing LLC	Low rise apartments	Germantown	38	Seniors	no
Fattah Homes I	PEOPLES EMERGENCY CENTER	Scattered Row homes	West Philadelphia	6	Homeless	yes
Fourth St Access	Columbus Property Management	Row homes and triplexes	North Philadelphia	24	Families/very low income	no

Development Name	Sponsor	Building Type	Neighborhood Location	Voucher Units Under Contract	Target Population	Supportive Services
Freedom Village	Freedom Village LP	Low rise apartments	North Philadelphia	16	Families/very low income	no
Gaudenzia Shelton Court	Gaudenzia Foundation Inc.	Triplex and low rise apartments	North Philadelphia	19	Young women (chemical dependency)	yes
HELP Philadelphia II	HELP USA	Low rise apartments	West Philadelphia	50	Transitional housing for women	yes
HELP USA at Eastwick	HELP USA	Row homes	West Philadelphia	14	Veterans	yes
Impact Veterans Family Center	Impact Services	Low rise apartments	North Philadelphia	8	Veterans	yes
Gordon St	Philadelphia Housing Authority	Row homes	North Philadelphia	21	Families/very low income	no
Grovers Lane HELP USA	HELP USA	Low rise apartments	Southwest Philadelphia	15	Veterans	yes
Imani Homes	Imani Homes Limited Partnership	Row homes	West Philadelphia	24	Families/very low income	no
Imani II	Peoples Emergency Center	Row homes	West Philadelphia	6	Families/very low income	no
Imani III	Peoples Emergency Center	Row homes	West Philadelphia	6	Families/very low income	no
Imani IV	Peoples Emergency Center	Row homes	West Philadelphia	8	Families/very low income	no
Imani V	Peoples Emergency Center	Row homes	West Philadelphia	11	Homeless	yes
Inglis Apartments at Elmwood	Inglis House	Low Rise apartments and row homes	West Philadelphia	40	Seniors and disabled	yes
Inglis Housing (Morris-Klein Apts)	Inglis House	High rise apartments	West Philadelphia	19	Seniors and disabled	yes
Jannie's Place	Peoples Emergency Center	low rise apartments	West Philadelphia	6	Homeless	yes
JBH Homes	Project Home	Low rise apartments	Fairmount	15	Alcohol dependency	yes
Kate's Place	Project Home	High rise apartments	Center City Philadelphia	30	Homeless/chemical dependency	yes
Hamill Mills	Lena St Associates	Low rise apartments	Germantown	40	Seniors	no
Ascension Manor	Liberty Resources	Low rise apartments	North Philadelphia	3	Disabled	yes
Praveen Chestnut	Liberty Resources	Low rise apartments	West Philadelphia	3	Disabled	yes
Los Balcones	Norris Square Civic Association	Row homes	North Philadelphia	21	Families/very low income	no
Liberty at Disston	Liberty Resources	Low Rise apartments	Northeast Philadelphia	5	Disabled	yes
Liberty at Welsh	Liberty Resources	Low Rise apartments	Northeast Philadelphia	2	Disabled	yes
LIH Walnut	ARCH VII - LIH Walnut Associates	Low rise apartments	West Philadelphia	14	Families/very low income	no
Monument Rd	Methodist Family Services of Philadelphia	Low rise apartments	West Philadelphia	11	Emancipated teens/homeless	yes

Development Name	Sponsor	Building Type	Neighborhood Location	Voucher Units Under Contract	Target Population	Supportive Services
Monument Mews	Monument Mews	Low Rise apartments and row homes	West Philadelphia	60	Families/very low income	no
Mt. Vernon	Mt. Vernon LP	Low rise apartments	West Philadelphia	15	Families/very low income	no
New Courtland Apts at Cliveden	New Courtland	High rise apartments	Germantown	32	Seniors	no
NPCH - Community Building	NPCH Associates	Duplex apartments	North Philadelphia	16	Families/very low income	no
Oakdale Street	Philadelphia Housing Authority	Row homes	North Philadelphia	12	Families/very low income	no
Parkside 2000 Associates	Columbus Property Management	Scattered triplexes	West Philadelphia	8	Families/very low income	no
Parkside 2000 Associates	Columbus Property Management	Scattered triplexes	West Philadelphia	42	Families/very low income	no
Paseo Verdes	Transit Village Affordable Housing LP	Row homes	North Philadelphia	19	Families/very low income	no
RBM	Peoples Emergency Center	Low rise apartments	West Philadelphia	9	Homeless	yes
Powelton Heights	Columbus Property Management	Low rise apartments	West Philadelphia	30	Seniors	no
Kate's Place	Project Home	High rise apartments	Center City Philadelphia	5	Homeless/chemical dependency	yes
Ray's Place	Project Home	Low rise apartments	North Philadelphia	17	Mental health/veterans	yes
Regent Terrace	Regent Terrace Housing Partnership	Low rise apartments	West Philadelphia	80	Families/very low income	no
Sarah Allen	Sarah Allen Community Home IV LP	Low rise apartments	West Philadelphia	3	Seniors	no
Sartain School Apartments	Sartain Management Partners LP	Low rise apartments	North Philadelphia	35	Seniors	no
Sedgley Apartments	MPB School Apartments LP	Low rise apartments	North Philadelphia	16	Families/very low income	no
Sheila D Brown Women's Center	Sheila D Brown Women's Center	Low rise apartments	South Philadelphia	9	Women/behavioral disabilities	yes
South 55th St	South 55th Street L.P.	Duplex apartments	West Philadelphia	18	Families/very low income	no
Lehigh Park	St Christopher's Associates L P VIII	High rise apartments	North Philadelphia	25	Families/self sufficiency	yes
Susquehanna Apartments	Susquehanna Apts LP	Low rise apartments	North Philadelphia	47	Families/very low income	no
Temple N 16th St	Columbus Property Management	Low rise apartments	North Philadelphia	49	Families/very low income	no
Temple N Gratz St	Columbus Property Management	Low rise apartments	North Philadelphia	40	Families/very low income	no
Tioga Gardens	Tioga Garden Associates	Low rise apartments	North Philadelphia	17	Families/very low income	no
Walnut Park	Walnut Park Associates LLC	High rise apartments	West Philadelphia	224	Seniors	no
Walnut Park Associates	Walnut Park Plaza	High rise apartments	West Philadelphia	3	Seniors	no

Development Name	Sponsor	Building Type	Neighborhood Location	Voucher Units Under Contract	Target Population	Supportive Services
Walnut Thompson	Walnut-Thompson LP	High rise and duplex apartments	Center City and West Philadelphia	35	Families/very low income	no
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	16	Families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	38	Families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	32	Families/very low income	yes
WCRP	Women's Community Revitalization Project	Row homes	North Philadelphia	12	Families/very low income	yes
			TOTAL	2023		

Changes to Benchmarks, Baseline, and Metrics: Baseline and benchmarks included below reflect the statistics as reported in the FY 2016 Annual Plan. Delays in the completion of environmental reviews and construction schedules pushed HAP effective dates for PB sites planned for completion in FY 2016 to FY 2017.

<i>HC #1: Additional Units of Housing Made Available</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 Units	267 units at the end of FY 2016.*	133 newly constructed or rehabilitated units were put under HAP contract in FY 2016.	No. Environmental reviews and construction/rehab schedules pushed HAP effective dates for certain new PB sites to FY 2017.
<i>* HUD requires this metric track only newly constructed and/or rehabilitated units that were put under HAP Contract during the Plan year</i>				
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	2,277 households will be able to move to a better unit and/or neighborhood of opportunity by the end of FY 16.	1,936 households were able to move to a better unit and/or neighborhood of opportunity at the end of FY 16.	No. Environmental reviews and construction/rehab schedules pushed HAP effective dates for certain new PB sites to FY 2017.

<i>HC #7: Households Assisted by Services that Increase Housing Choice</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase housing choice (increase).	0 households	698 UBV units were planned to have supportive services available to tenants as of the end of FY 2016.	798 UBV units had supportive services available to tenants as of the end of FY 2016.	Yes
<i>*HUD is requiring the use of this metric; however, PHA does not believe it is applicable in this context of this MTW activity. PHA does not anticipate an increase in households assisted by services that increase housing choice.</i>				

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

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

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

During FY 2016, 13 households transferred from Public Housing to HCV and 3 households transferred from HCV to Public Housing under the MTW transfer portion of this activity. New waiting lists were developed for Queen Lane, Gordon Street (Project based) and Oakdale (Project based).

Changes to Benchmarks, Baseline, and Metrics: See notes regarding changes to benchmarks, baseline and metrics. A purge of both PH and HCV wait lists in FY 2016 greatly reduced the number of households on the wait list. In addition, a large relocation project and many transfers occurred this year.

Only a small number of people were pulled from the wait list and most of the new admissions were either seniors or families requiring accessible units.

HC #3: Decrease in Wait List Time – MTW Transfers				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in year (decrease).	Public Housing: 14 years in FY15 HCV: 4.5 years in FY15	TBD	Public Housing: 4.8 years in FY16 HCV: 3.1 years in FY16	N/A
*Neither a Baseline nor a Benchmark was set for this metric in the FY 2016 Annual Plan. A purge of both PH and HCV wait lists greatly reduced the number of household on the wait list. In addition, a large relocation project and many transfers occurred this year. Only a small number of people were pulled from the wait list and most of the new admissions were either seniors or families requiring handicap accessible units.				
HC #5: Increase in Resident Mobility- MTW Transfers				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase)	*	25 households	13 households transferred from PH to HCV during FY 16 3 households transferred from HCV to PH during FY 16	No.
* PHA has previously indicated that PHA does not believe this metric is applicable to this activity. However, HUD has required its use. PHA is not able to derive a baseline for these activities which were initially implemented in FY 2005 (i.e. almost 10 years before implementation of HUD standard metrics). PHA welcomes HUD's guidance on a specific methodology for measurement. Once provided, PHA will incorporate such guidance on future plans and reports.				
CE #1: Agency Cost Savings – MTW Transfers*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	TBD	TBD	N/A	N/A
* PHA has previously indicated that PHA does not believe this metric is applicable to this activity. However, HUD has required its use. PHA is not able to derive a baseline for these activities which were initially implemented FY 2005 (i.e. almost 10 years before implementation of HUD standard metrics). PHA welcomes HUD's guidance on a specific methodology for measurement. Once provided, PHA will incorporate such guidance on future plans and reports.				
CE #2: Staff Time Savings – HCV and Public Housing Waitlists*				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	TBD	TBD	N/A	N/A
* PHA has previously indicated that PHA does not believe this metric is applicable to this activity. However, HUD has required its use. PHA is not able to derive a baseline for these activities which were initially implemented FY 2005 (i.e. almost 10 years before implementation of HUD standard metrics). PHA welcomes HUD's guidance on a specific methodology for measurement. Once provided, PHA will incorporate such guidance on future plans and reports.				

MTW Activity 2005-3: HCV Program Efficiencies

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

- **Restriction on Elective Moves** – PHA policy regarding moves during the initial lease term and at the time of biennial recertification pertains to moves both within PHA’s jurisdictions and initial moves outside of PHA’s jurisdiction. Families are not permitted to move within PHA’s jurisdiction during the initial term of assisted occupancy. The CEO or designee must approve exceptions to this policy. Subsequent to the initial lease term, families are permitted to move only at the time of biennial recertification or under extenuating circumstances as defined in the Administrative Plan subject to PHA management approval. Examples of extenuating circumstances include approved and documented VAWA or reasonable accommodation move requests. PHA may deny permission to move if the family violates HCV Program obligations and/or owes PHA money. This activity was approved and implemented in FY 2008 and is ongoing.
- **Criteria for Portability Moves** – PHA has established criteria for all port out moves. The criteria requires that MTW voucher participants requesting to port out provide a verified employment, education, safety, or medical/disability need to support their move to another jurisdiction. Families who are unable to provide a verified “employment, education, safety, or medical/disability need” will not be permitted to port out. PHA has established verification requirements to validate the family’s employment, education, safety, or medical/disability need. If a voucher participant leases up within the City of Philadelphia, they are not permitted to port out during their initial lease term except for extenuating circumstances such as approved and documented VAWA or reasonable accommodation requests. Subsequent to their initial lease term, families may only move at the time of their biennial reexamination. Families with vouchers administered under the VASH program are not subject to this policy. This MTW activity only applies to MTW voucher participants whose initial voucher was issued by PHA or those who have subsequently been absorbed by PHA. This activity was first approved in FY 2013.

During FY 2016, PHA received 156 port out requests, 132 of which were approved and 24 were denied. 25 requests were approved based on education, 27 based on employment, 41 for a medical or disability reason, 29 for safety. The remaining 10 requests were approved due to required relocations. Despite the restriction on moves, a high number of households qualified for moves and transfers during FY 2016, resulting in increased cost to PHA. Additionally, in FY 2016 PHA removed the requirement for execution of and enforcement of the MTW Family Agreement Addendum. PHA has implemented a Family Responsibilities form which is provided to each family at each regular recertification and which includes important information on MTW policies and continued occupancy tenant requirements. As such the MTW Family Agreement Addendum portion of this activity has been moved to the section of the Report on “Closed-Out” activities.

Changes to Benchmarks, Baseline, and Metrics: See note regarding changes to benchmarks, baseline and metrics discussed in the Partnership Programs Initiatives activity. Please note that the metrics related to the MTW Family Agreement Addendum have been removed as this portion of the activity has been closed out.

CE #1: Agency Cost Savings – Restriction on Elective Moves				
Unit of Measurement	Baseline*	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Not available	\$25,259	Moves processed during FY 16: 1,681 Hourly Wage: \$15.65 Staff time per move: 1.25 hours Total cost: \$32,885	No, the higher number of households qualifying to move resulted in higher costs during the FY.
<i>*PHA implemented this activity in FY 2007 and does not have baseline cost information available for that period. See CE#2 below for this activity for estimate of staff time savings (in hours) already achieved. The benchmark for CE#1 agency costs savings is based on an average hourly labor rate of \$15.65 times 1,614 labor hours.</i>				
CE #1: Agency Cost Savings – Criteria for Portability Moves				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$8,451*	\$4,695	Number of port-outs in FY 16: 132 Staff time to complete port-out: 4 hours Hourly cost: \$15.65 Total Cost: \$8,263	No. The outcome of this metric is directly tied to the number of port-outs processed by PHA. PHA maintains that this metric is not an accurate method of measuring the success of this activity.
CE #2: Staff Time Savings – Restriction on Elective Moves				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,614 hours (based on 1,291 moves in FY 14)	1,614 hours	Moves processed during FY 16: 1,681 Staff time per move: 1.25 hours Time spent on moves: 2,101 hours	No. The higher number of households qualifying for a move resulted in more time spent processing moves during the FY.
<i>*PHA implemented this activity in FY 2007 and does not have baseline information available for that period. Thus, the baseline reflects staff time savings already achieved. PHA has established a benchmark to continue the same or comparable level of staff time savings.</i>				

<i>CE #2: Staff Time Savings – Criteria for Portability Moves</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	540 hours (based on FY 12 port activity)	300 hours	Number of port-outs in FY 16: 132 Staff time to complete port-out: 4 hours Time spent on port-outs: 528 hours	No. The outcome of this metric is directly tied to the number of port-outs processed by PHA. PHA maintains that this metric is not an accurate method of measuring the success of this activity.

MTW Activity 2016-1 Second Chance Initiative

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

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

Participants in good standing with RISE and STAR sign an addendum to their PHA application to allow PHA to monitor their participation in the RISE and STAR programs and to communicate with their probation officer, if applicable. Participants also report their participation in the vocational, educational, social or community service opportunities offered by PHA and/or RISE on a quarterly basis. The collaborative reporting and participant management across PHA, STAR and RISE helps ensure that participants stay on track, access services, be good tenants. If a participant does not remain in good standing with the STAR and RISE programs, they risk a return to confinement and loss of the voucher. Participants who do not meet their program responsibilities will be notified of proposed voucher termination by PHA. They may request an informal hearing through PHA's existing process to review and appeal this decision. Vouchers are time-limited; however, all other requirements of PHA's MTW tenant-based voucher program including tenant rent contribution apply. At this point, PHA plans to conduct the pilot program for an initial two-year period with a limit of ten vouchers. Prior to the end of the pilot period, PHA will determine whether to continue, discontinue or expand the program in consultation with partner agencies, and will discuss as appropriate in future MTW Annual Plans and Reports.

Initial voucher issuance to 2 participants occurred in FY 2015, with full implementation in FY 2016. PHA issued 10 vouchers through its partnership with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and the Mayor's Office of Reintegration Services (RISE) program. Nine participants secured housing while one participant continues to search for a unit. Participants receive comprehensive and collaborative oversight by program staff and law enforcement personnel. Additionally, participants began receiving supportive services through networks with a variety of social service agencies. PHA continues to look for additional partners who have reentry programs for returning citizens.

Changes to Benchmarks, Baseline, Metrics: Under HUD's revised MTW reporting requirements, PHA is required to revise its MTW benchmarks, baseline, and metrics for consistency with the recently

established HUD Standard Metrics. The table below provides the revised information for this MTW activity as approved in the FY 2016 Annual Plan. As the activity started in FY 2016 and was not operational for an entire year, benchmarks have not all been attained.

<i>CE #4: Increase in Resources Leveraged*</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	\$0	Up to \$10,000	\$3,080	Full utilization is projected for FY 2017.
<i>*Participation is not mandatory ,and is based on the needs of the individual</i>				
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	10 in FY 2016	TBD	1 voucher holder was searching for a unit at the end of FY 2016.
<i>SS #1: Increase in Household Income</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$20,108 * Program began in FY 2016	0 increase in earned income in FY 2016 based on enrollment timetable.	TBD	Full utilization is projected in FY 2017.
<i>SS #3: Increase in Positive Outcomes in Employment Status</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full-Time *	10 program participants* 100% of program participants	10 program participants in FY 2016 100% of program participants in FY 2016	TBD	Full utilization is projected in FY 2017.
Enrolled in a Job Training Program*	0 program participants 0% of program participants	5 program participants in FY 2016 50% of program participants in FY 2016	TBD	Full utilization is projected in FY 2017.
Enrolled in an Educational Program*	0 program participants 0% of program participants	5 program participants in FY 2016 50% of program participants in FY 2016	TBD	Full utilization is projected in FY 2017.

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

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	1	0	TBD	Full utilization is projected in FY 2017.

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	10	TBD	Full utilization is projected in FY 2017.

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$472	TBD – This is a new program. PHA will use this baseline in the FY 17 Annual Report.	TBD	Full utilization is projected in FY 2017.

**The baseline is set as the average HAP for Second Chance participants at the end FY 2016. As lease up has not been completed by end of FY 2016, it does not represent a complete year of operation for the Second Chance initiative.*

SS #7: Increase in Agency Rental Revenue*

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$439	TBD – This is a new program. PHA will use this baseline in the FY 17 Annual Report.	TBD	Full utilization is projected in FY 2017.

**The baseline is set as the average TTP for Second Chance participants at the end FY 2016. As lease up has not been completed by end of FY 2016, it does not represent a complete year of operation for the Second Chance initiative.*

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). For this program purpose, PHA defines “self-sufficiency” as successfully completing the program and transitioning to other affordable housing.	0	0 in FY 16 based on program enrollment timetable	TBD	Full utilization is projected in FY 2017.

B. Activities Not Yet Implemented

MTW Activity 2014-1: Flexible Subsidy Initiative

Description/Update: The Flexible Subsidy Initiative provides PHA with the flexibility, subject to HUD approval, to establish operating subsidy levels for newly constructed public housing units which blend MTW Block Grant funds (HAP and Operating Fund). This activity was approved by HUD in FY2014. PHA has not utilized this flexibility to date; however, it may be utilized, subject to HUD approval, in future transactions.

C. Activities On Hold

Not applicable.

D. Closed Out Activities

Listed below is a summary of previously approved MTW activities that PHA has completed, discontinued, or determined do not require MTW authority to implement:

Activity	Plan Year	Close Out Year	Reason for Close Out
Assisted Living	FY 2009	FY 2011	PHA discontinued this activity prior to its implementation based on a determination that sufficient funding was not available from state, federal and other required sources.
Home Care Services	FY 2009	FY 2011	PHA discontinued this activity prior to its implementation based on a determination that services can be more efficiently delivered through third-party partners.
Scattered Site Income Tiering	FY 2011	FY 2011	PHA elected to discontinue this initiative prior to its implementation based on decisions made as part of the scattered site asset repositioning initiative including disposition and auction of vacant and obsolete properties.
HCV Time Limit	FY 2004	FY 2012	PHA discontinued this activity due to economic conditions which limited the availability of jobs for residents.
HCV HQS Enforcement	FY 2004	FY 2012	PHA elected to discontinue this policy based on a decision to establish uniform HQS enforcement policies for both MTW and Non-MTW vouchers.

Activity	Plan Year	Close Out Year	Reason for Close Out
Public Housing Service Order Policy	FY 2004	FY 2012	PHA elected to discontinue this policy after discussions with the HUD Field Office concerning the need to expedite service order response times.
Tenant Responsibility Training	FY 2004	FY 2013	Determination made that activity does not require MTW flexibility.
Blueprint	FY 2004	FY 2013	PHA continues to implement the Blueprint Program; however, a determination was made that activity does not require MTW flexibility.
Transitional Housing Facilities	FY 2007	FY 2013	Determination made that comparable activities are authorized under Partnership Initiative.
LIFE Program	FY 2007	FY 2013	Determination made that activity does not require MTW flexibility.
Community Service Policy	FY 2011	FY 2013	Determination made that activity does not require MTW flexibility.
Expanding Use of LIHTC	FY 2011	FY 2013	Determination made that proposed activities were covered under Partnership and Unit-Based Leasing/Development Initiatives.
Family Economic Development Action Plan/Tenant Responsibility Training	FY 2004	FY 2014	PHA discontinued this activity along with discontinuation of HCV time limit as they were interrelated activities. No additional statutory exceptions outside of the current MTW flexibilities were considered.
Comprehensive Resident Self Sufficiency Services	FY 2005	FY 2014	PHA continues to provide comprehensive resident self-sufficiency services that utilize MTW Block Grant funds. However, no MTW programmatic waivers are required. These activities are now referenced in Chapter V under the Single Fund Flexibility section.
90 Day Voucher Reissuance Policy	FY 2005	FY 2014	PHA elected to discontinue this policy based on an assessment that it would not contribute to PHA's utilization goals.
Accessible Unit Retrofitting and Development	FY 2010	FY 2014	PHA has completed the accessible unit retrofitting under Attachment E of the MTW Agreement. PHA will continue to

Activity	Plan Year	Close Out Year	Reason for Close Out
			develop accessible units as part of its revitalization programs; however, this activity does not require specific MTW authority.
Moving to Work Family Agreement Addendum	FY 2004	FY 2016	PHA elected not to utilize this Agreement and instead provides a Family Responsibilities form to each household at each regular recertification.
\$20 minimum threshold for utility allowance reimbursements	FY 2009	FY 2016	PHA elected not to establish a minimum threshold of \$20 for payment of utility allowance payments.

V. Sources and Uses of Funds

A. Sources and Uses of MTW Funds

PHA submits all required FY 2016 annual financial information in the prescribed format through HUD's Financial Assessment System.

Activities Using Only Single Fund Flexibility

In FY 2016, PHA used its MTW single fund flexibility as follows:

- Capital Activity funds in the amount of \$3,180,500 were utilized to support various capital and development projects.
- Family Program funds in the amount of \$5,546,078 were utilized to support a wide range of public safety, program compliance, and training and education efforts for PHA residents including: youth development programs, senior programs, Pre-Apprenticeship Program, Homeownership Program, Community Relations police units, Community Partners training and educational programs, related staffing costs, and other Economic Development and Self-Sufficiency program activities.
- Management Improvement funds in the amount of \$3,112,116 were utilized to support: functional enhancements and training on PHA's Customer Relationship 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.
- Quality of Life funds in the amount of \$30,551 were utilized for Lease Enforcement and Section 8 investigation programs.

Table 17 includes a summary of PHA's MTW and Non-MTW funded resident services along with the participation levels in FY 2016.

Table 17: Residents Service Program Summary for FY 2016

Program	Program Description	Target Population	Funding Source	Number of Residents
Early Childhood Education Partnerships	Pre-School Partnerships to ensure 3 year olds are enrolled into area Head Start programs.	Children 3 to 5	US Department of Health and Human Services	12
Summer Food	Breakfast and lunch served on site to provide appropriate nutrition during the summer.	Youth 5 to 18	PA Department of Education/ MTW	990
Summer Camp	Summer enrichment activities to prevent academic regression.	Youth Ages 6 to 13	MTW	400
Afterschool	On site programs which meet the standard of providing (1) homework assistance, (2) project based learning, (3) community	Youth Ages 6 to 13	MTW	300

Program	Program Description	Target Population	Funding Source	Number of Residents
	service, and (4) physical/body kinesthetic activities.			
Computer Lab	Access to computer technology for academic enrichment.	Residents 6 to 70	MTW	1,323
PhillySEEDS Scholarship	Competitive scholarship awards based on academic achievement.	Youth/Adults 18 to 55	Section 3 Vendors	55
Scholars Internship Program (SIP)	Paid internships in the major field of study of PHA's scholarship awardees.	Youth/Adults 18 to 55, who have received scholarships from PhillySeeds.	Section 3 Vendors	15
ABE/GED	Adult Basic Education and General Equivalency Diploma education in the required domains.	Residents 18 to 55	MTW	151
Community Partners	Occupational Skills training in career areas with reasonable growth potential.	Residents 18 to 55	MTW	156
Health & Wellness Programs	With Every Heartbeat There is Life, with a tobacco component to improve nutrition, exercise.	Residents 18 to 55	MTW	148
Financial Literacy	Course on credit and money management to enable residents to purchase homes.	Residents 18 to 55	MTW	128
Pre-Apprenticeship	Building Maintenance and Construction Training Program.	Residents 18 to 55	MTW/MOCS	55
Home Ownership	Housing counseling about the home purchase process. This includes 5H, HCV, and Section 32.	Residents 18 to 55	US Department of Health and Human Services/ MTW	47
ROSS	Assessment of individual and family needs, followed by referrals and tracking.	Residents 18 to 55	HUD	78
FSS	Assessment of individual and family needs, followed by referrals and tracking.	Residents 18 to 55	HUD	407
Senior CTR/Programs	Evidence based activities, which reduce the number of seniors, who leave public housing to enter nursing homes.	Residents 55 and over	Philadelphia Corporation for Aging	246
CHSP	Meal program, which not only enable residents to have appropriate nutrition, but also best practice fellowship to support aging in place.	Residents 55 and over	HUD	13
Healthy Café	Kiosk to provide a 10% match for the congregate Housing Program.	Residents 55 and over	Resident purchases	18
Section 3	Ensure that economic	Residents 18 to 55	Private vendors that	24

Program	Program Description	Target Population	Funding Source	Number of Residents
	opportunities are provided to PHA residents.		meet the Section 3 threshold	
Adult Day/Elder Care	Multi-service center for residents, who cannot complete activities of daily living.	Residents 55 and over	Commonwealth of PA/MTW	47

B. Local Asset Management Plan

Has PHA allocated cost within statute during the FY 2015 plan year?

No

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

Yes

Has PHA provided a LAMP in the appendix?

Yes

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

C. Commitment of Unspent Funds

HUD has indicated that MTW agencies are not required to provide information in this section of the Annual Report until subsequent guidance and clarification is provided by HUD. For informational purposes, the following chart provides a summary of PHA's commitments for use of existing unspent and future MTW and other available funds. This chart provides current cost estimates for Board authorized development projects. Estimates are preliminary and subject to change.

Site	Planned Expenditure	Committed Funds (Estimate)
Markoe Street	Development of 6 rental units	\$2,000,000
Strawberry Mansion	Development of 67 rental units	\$24,768,611
Blumberg Phase 1	Development of 57 rental units	\$21,516,328
Blumberg Senior Tower	Rehab of 96 existing rental units	\$2,113,000
Blumberg Street Design	Design	\$107,000
Blumberg Street Construction	New street development	\$5,671,437
Blumberg Phase 2B	Elevator	\$1,700,000
Blumberg Acquisition	Condemnation/acquisition of off-site parcels	\$25,000,000
Blumberg Phase 3	Development of 83 rental units	\$26,500,000
Blumberg Phase 4	Development of 68 homeownership units	\$15,300,000
Blumberg School Acquisition	Acquisition of Reynolds School	\$2,000,000

Site	Planned Expenditure	Committed Funds (Estimate)
Blumberg Future Phases	Multi-phase development of 274 rental units	\$65,375,000
Norris	Multi-phase development of 297 rental units	\$123,247,825
Scattered Sites	Force Account development of 300 rental units	\$20,000,000
Lucien E. Blackwell	Community Center construction	\$6,300,000
Administrative	Office consolidation	\$45,000,000
Mantua Promise Zone	Development of 89 units	\$30,990,852
Total		\$417,590,053

VI. Administrative

A. HUD Reviews, Audits, and /or Physical Inspection Issues

The table below includes general descriptions and statuses of HUD reviews and audits for which PHA was required to take action to address deficiencies and/or recommendations.

Audit/Review	Status
TA Review of PH Utilization	<ul style="list-style-type: none"> • Open • Response submitted to HUD to address recommendations
Use Restriction Agreement Compliance Review of Mt. Olivet Village	<ul style="list-style-type: none"> • Closed • PHA responded to address unit deficiencies • HUD issued a close-out report 10-21-15
Lobbying Monitoring Review	<ul style="list-style-type: none"> • Closed • PHA responded to two recommendations • HUD issued a close out letter on 7-14-15
Oversight Review: PAPMC & AME	<ul style="list-style-type: none"> • Open • PHA responded to HUD recommendations • First call completed. • PHA/HUD calls to be completed quarterly
Follow-Up Maintenance Monitoring Review	<ul style="list-style-type: none"> • Open • PHA submitted reports on work orders, inspections and related training on 7-15-15 • Response from HUD received • Call with HUD scheduled
Review of SRO Grant – Project Escalera	<ul style="list-style-type: none"> • Open • PHA submitted report to HUD • HUD responded on 1-19-16 and is waiting for the Annual Performance Report for the Section 8 SROM grant for the last five program years. PHA to provide
HUD Management Decision Letter: Audit Report: PA002-2014	<ul style="list-style-type: none"> • Closed • PHA responded on 8/28/15 • HUD issued a close-out report on 1-15-16
HUDLH-PA002D	<ul style="list-style-type: none"> • Closed • Rent Reasonableness review. • HUD report issued on 8-24-15. • No significant findings
HUD Quality Control Study Participation - 2015	<ul style="list-style-type: none"> • Open • Selected sites have completed surveys • HUD had commenced site visit
HUD HCV Customer Service Review	<ul style="list-style-type: none"> • Open • Response from HUD on 4-5-16 • One recommendation to develop SOP for processing complaints. PHA working on SOP
HUD Restricted New Position	<ul style="list-style-type: none"> • Open

Audit/Review	Status
Validation Review	<ul style="list-style-type: none"> Determine HCV funds that remain unexpended and which are available to be transitioned to HUD held reserves Report from HUD received PHA is in the process of drafting the response

REAC Inspections – For REAC FY 2016, 28 sites were required to have inspections. Twenty-two (22) inspections were completed thus far¹ - 21 of which have already had scores released. Eleven (11) or 61% of these scores increased over their last inspection.

PIH Project Number	Property Name	Year Last Inspected	Score for Last Inspection	2016 Score
PA002000909	Scattered Sites 909	2015	60	65
PA002000902	Scattered Sites 902	2014	58*	67
PA002000904	Scattered Sites 904	2015	66	57
PA0020000xx	Queen's Row	N/A	N/A	64
PA002000910	Scattered Sites 910	2015	71	58
PA002000906	Scattered Sites 906	2015	67	65
PA002000177	New Courtland At Allegheny	N/A	N/A	78
PA002000908	Scattered Sites 908	2015	68	71
PA002000907	Scattered Sites 907	2015	63	72
PA002000905	Scattered Sites 905	2015	72	61
PA002000158	Nellie Reynolds Gardens	2015	74	99
PA002000152	Germantown House	2015	74	99
PA002000015	Harrison Plaza	2015	61	54
PA002000030	Abbottsford Homes	2015	35	60
PA002000137	Cambridge Phase I	2014	80	87
PA002000126	Eight Diamonds	2014	81	78
PA002000065	Collegeview Homes	2015	71	72
PA002000136	MLK Phase III	2014	87	78
PA002000160	Warnock I	2015	79	88
PA002000001	James W Johnson Homes	2015	59	60
PA002000014	Norris Apartments II	2015	51	51
PA002000175	Norris LP	2013	95	89
*Inspection score not released for 2015.				

In addition, as a follow up to inspections, PHA has instituted a policy whereby 100% of all deficiencies noted, routine or otherwise, are tracked by way of creating a service order in the Customer Relationship Management system. Once created, these service orders can then be accessed and updated until work is complete. Addressing actual maintenance, the entire agency has placed a stronger emphasis on the

¹ Inspections were performed in February 2016 and are scheduled to be completed in May 2016 for FY 2016.

creation of service orders to immediately address deficiencies, both inside and outside of units, found during annual or informal inspections and site visits.

PHA believes that the above measures will continue to have a positive impact on future REAC scores.

B. Evaluations

Not applicable. PHA utilizes internal resources to measure and evaluate MTW Activities.

C. Certification of MTW Statutory Requirements

PHA certifies that, in Fiscal Year 2016, it continued to meet the three statutory objectives of the MTW program. Appendix C includes the Board resolution containing the certification required by HUD.

VII. Appendices

A. Local Asset Management Plan

Appendix A – Local Asset Management Plan

Introduction

Pursuant to the First Amendment to the Moving to Work Agreement, in Fiscal Year 2010 (MTW Year Nine) the Philadelphia Housing Authority has implemented a local asset management plan for its Public Housing Program as described herein. In the implementation of the plan, PHA will continue to adopt cost accounting and financial reporting methods that comply with HUD and federal regulations and generally accepted accounting practices.

PHA's plan supports and is consistent with the agency's ongoing implementation of project based management, budgeting, accounting and financial management. PHA's project based management system emphasizes the provision of property management services that have met agency-wide standards while responding to the unique needs of each property. Day to day operations of PHA sites are coordinated and overseen by Asset Managers assigned to each property. PHA Asset Managers oversee the following management and maintenance tasks:

- Marketing and tenant selection
- Rent collections
- Routine and preventive maintenance
- Unit turnover
- Security
- Resident services
- Resident and community relations
- Capital improvements planning
- Other activities necessary to support the efficient operations of the site

In the implementation of these project level management activities, other PHA departments including Client Services, Public Safety, Maintenance, Development, ISM, Finance and Budget, Quality Assurance, and the Office of Strategic Management support PHA Asset Managers. Asset Managers are routinely provided with on-line detailed and summary management reports on budget status and all key performance indicators to facilitate their monitoring and oversight of property level activities. PHA also conducts multidisciplinary Performance Management meetings on a monthly basis, to allow for a thorough review of key performance indicators at the individual site and system-wide levels.

PHA Asset Managers develop and monitor property budgets with support from the PHA Finance and Budget staff. Budget trainings are held annually to support the budget development process. Asset Managers are provided with tools to develop their budget estimates including property-specific non-utility and utility cost data from the prior 18 months.

PHA's local asset management plan is consistent with the principles of asset management described in 24 CFR 990.255 and in the First Amendment to PHA's MTW Agreement. Further, the plan is generally consistent with the provisions of 24 CFR 990.260, 990.265, 990.270, 990.275 and 990.285. As allowed under the First Amendment to the MTW Agreement, PHA's local asset management plan deviates from parts of 24 CFR 990.280, including requirements related to property management fees and fees for services. PHA will utilize the Cost Allocation method referenced in paragraph 6.F.4.b of the First Amendment.

Due to the unique features of the Philadelphia market, PHA's housing portfolio, and the agency, PHA has determined that use of the Cost Allocation method is the most efficient, cost-effective means of achieving the asset management principles referenced above. The factors that impact PHA's asset management plans include, but are not necessarily limited to, the following:

- Scattered Site Portfolio. PHA has over 4190 scattered site properties, which represents nearly 1/3 of its public housing portfolio. We understand this is far and away the largest scattered site public housing portfolio in the country. The geographic diversity of these scattered site units impacts warehouse operations, locations and numbers of management offices, and staffing requirements. The scattered site portfolio also includes a number of vacant lots, for which no HUD subsidy is received and for which a fee-based asset management approach could not be implemented. PHA has developed a strategy for reconfiguring this portfolio in a way that would be more cost-effective to operate which has been submitted to HUD for approval. Managing these sites presents unique challenges that PHA's asset management plans are structured to address.
- Aging Housing Stock. PHA operates one of the oldest public housing stocks in the country. It is more costly to operate than newer housing. PHA has engaged in an aggressive development program during the last few years to upgrade and redevelop its units. Due to a lack of adequate funds, this process is far from complete.
- Unionized Workforce. PHA has a heavily unionized workforce. Currently, PHA has contracts with approximately 11 unions. This significantly impacts the operations and costs of PHA's activities. As such, PHA's asset management plan is structured to be cost effective within the limits of these contracts.
- MTW Initiatives. Since the onset of its participation in MTW, PHA has sought to use its MTW flexibilities to implement agency-wide cost-cutting initiatives that will increase efficiencies, maximize use of federal dollars, and benefit PHA's clients. PHA has moved many functions to the site-based level, however a number of MTW initiatives require central administration so they can be adequately measured. For example, PHA has implemented innovative technological systems to maximize efficiencies in admissions, property management, and client services. There are costs associated with development and implementation of these systems before they are implemented at the site level. Under MTW, PHA has also implemented departmental

oversight protocols through its Quality Assurance Program. PHA's quality control program has already made PHA's programs more efficient by reducing errors and improving oversight.

- **Local Costs.** Philadelphia is an old, industrial city where labor costs for maintenance and construction activities are significant. These high costs can be attributed to, in part, prevailing wage requirements as well as the cost of materials and services in the Philadelphia market.

A description of the cost allocation plan and other technical components of PHA's local asset management plan follow.

I. AMP Definitions

An AMP will include any site that receives Operating Subsidies through HUD's Operating Fund Calculation. PHA currently has two types of PHA managed AMPs and PAPMC/AME managed AMPs.

II. Balance Sheet Items (Assets, Liabilities & Equity)

PHA has distributed balance sheet accounts by AMPs as planned in the original Local Asset Management balance sheet accounts were analyzed and distributed to between the AMPs and the Indirect Cost Departments.

A. Cash & Investments

PHA maintains consolidated physical bank accounts, but for financial statement and general ledger presentation cash is distributed between all PHA AMPs and the Indirect Cost Departments. Direct cash and expenses are charged to the proper AMPs or Indirect Cost Departments general ledger account. At the end of the year, cash is adjusted to offset indirect cost allocations between the AMPs and the Indirect Cost Departments. The offsetting of the indirect cost allocations effectively adjusts the inter fund balances to zero except where the AMPs have a negative cash balance which is presented as an inter fund to the Indirect Cost Departments. All of the remaining cash and investment balances are presented with the Indirect Cost Departments and reported in the MTW Column of the FDS.

Investment income will be allocated between the PHA Managed AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

B. Tenant Accounts Receivable and Allowance for Doubtful Accounts

Tenant accounts receivable balances and allowance for doubtful accounts are reported on an AMP basis for each of the PHA Managed AMPs. The ending balances are reconciled to the tenant supporting detail ledgers,

PAPMC/AME Managed AMPs tenant balances are not reported as AMPs in the FDS. Based on PHA's analysis of GASB pronouncements, these AMPs are presented as discrete component. Tenant accounts receivable and allowance for doubtful accounts are included in the PHA Audited financial statements as a discretely presented component unit.

C. Other Accounts Receivable

Other accounts receivable will be distributed based on the purpose and source of the receivable. Receivables related to a PHA Managed AMP and PAPMC / AME Managed AMP will be distributed to the specific AMP. Any receivable that is not associated to a specific AMP will be distributed to the Indirect Cost Departments.

D. PHASI / Worker's Compensation Cash and Liabilities

The PHASI and Worker's Compensation cash and liabilities will remain with the Indirect Cost Departments and reported in the MTW column of the FDS. At this time, PHA has determined that these liabilities are PHA Agency Wide liabilities and not liabilities of the PHA Managed AMPs or the Indirect Cost Departments. The expenses related to the PHASI liability and worker's compensation liability are charged to appropriate programs or AMPs. PHA has created a cash reserve for the PHASI liability. The cash reserve offsets PHA's liabilities so that the liability is fully funded. PHA utilizes the reserves to pay the liability as needed. PHA has a cash reserve that is held by the Worker's Compensation insurer.

E. Prepaid Insurance

The prepaid insurance balances for the PHA Managed AMPs will be distributed to between AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

PAPMC/AME Managed AMPs will not be included in the AMPs Columns of the FDS. Prepaid insurance is included in the PHA Audited financial statements as a discretely presented component unit.

F. Materials Inventory and Allowance for Obsolete Inventory

PHA currently maintains all maintenance materials inventory centrally. AMPs and departments submit requests for inventory and materials are issued then expenses are charged to the appropriate AMP or program. Ending centralized materials inventory and allowance balances for the PHA Managed AMPs will be distributed to between AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

PAPMC/AME Managed AMPs will not be included in the AMPs Columns of the FDS. Materials inventory is included in the PHA Audited financial statements as a discretely presented component unit.

G. Fixed assets and accumulated depreciation

Fixed assets and accumulated depreciation will be reconciled to the PeopleSoft Asset Module and distributed to the appropriate PHA Managed AMPs and the Indirect Cost Departments. PHA's Asset Module (AM) has been established for many years. AM provides PHA with the ability to prepare fixed asset and depreciation reports by AMP or department. AM tracks all of the fixed assets transactions and records all monthly fixed asset entries. Fixed assets and accumulated depreciation are reported with the appropriate AMP or the MTW Column for assets held by the Indirect Cost Departments.

PAPMC/AME Managed AMPs will not be included in the AMPs Columns of the FDS. Fixed assets and accumulated depreciation are included in the PHA Audited financial statements as a discretely presented component unit.

H. Accounts Payable and Accrued Liabilities

Other accounts payable and accrued liabilities includes all liabilities not specifically referred to in the following detailed liability categories. Other accounts payable and accrued liabilities will be distributed based on the purpose and source of the payable or liability. Payables or liabilities related to a PHA Managed AMP and PAPMC / AME Managed AMP will be distributed to the specific AMP. Any payable or liability that is not associated to a specific AMP will be distributed to the Indirect Cost Departments.

I. Payroll Liabilities

All payroll tax and benefits liabilities will continue to be presented with the Indirect Cost Departments and reported in the MTW Column of the FDS. At this time, PHA has determined that these liabilities are PHA Agency Wide liabilities and not liabilities of the PHA Managed AMPs or the Indirect Cost Departments. However, PHA has utilized the LIPH (Fund 001) cash accounts in the past to pay most Agency Wide liabilities, than the LIPH (Fund 001) will receive reimbursements from other programs where applicable. The expenses related to the payroll liabilities will continue to be charged to appropriate programs or AMPs.

Accrued salaries and wages liability will be distributed to between AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

J. Compensated Absences

Compensated absences liabilities will be distributed to between the PHA Managed AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

No compensated absences liabilities will be distributed to the PAPMC / AME AMPs because PHA does not charge salaries to these AMPs.

K. Net Position

Invested in Capital Assets balances will follow the Net Fixed Assets that are owned by an AMPs or Departments. Invested in capital assets will be distributed between the Indirect Cost Departments and the PHA Managed AMPs based on where the Net Fixed Assets is distributed.

The Public Housing Program Unrestricted Net Position for all AMPs will be zero because PHA will allocate revenue from the MTW Column to cover the difference between revenues and expenses generated by each AMP. The total Unrestricted Net Position of the Public Housing Program will be included with the MTW Column.

PAPMC/AME Managed AMPs will not be included in the AMPs Column of the FDS. Invested in capital assets are included in the PHA Audited financial statements as a discretely presented component unit. PAPMC/AME Managed AMPs will not be included in the AMPs Column of the FDS. Unrestricted net assets are included in the PHA Audited financial statements as a discretely presented component unit.

III. Revenues

A. Tenant Revenues

1. PHA Managed AMPs

Tenant Revenues will be directly charged to the appropriate AMP.

2. PAPMC/AME Managed AMPs

PAPMC/AME Managed AMPs will not be included in the AMPs Column of the FDS. Tenant revenue is included in the PHA Audited financial statements as a discretely presented component unit.

B. Direct Revenues

Direct revenues include tenant fees and service charges that can be identified and charged to a specific site.

1. PHA Managed AMPs

PHA currently records all direct revenues to the proper PHA Managed AMP. PHA currently records all tenant charges and any direct revenue to the proper PHA Managed AMP. PHA's account structure includes the program code (AMP number) and the appropriate department code, which enables PHA to charge the revenues to the proper PHA Managed AMPs.

PHA's systems and procedures related to direct revenues currently in application are in compliance with asset based accounting. PHA's systems and procedures will require no transition period or transition procedures to comply with asset based accounting requirements of presenting all direct revenues under the proper AMP.

2. PAPMC/AME Managed AMPs

PAPMC/AME Managed AMPs will not be included in the AMPs Column of the FDS. Direct revenues are included in the PHA Audited financial statements as a discretely presented component unit.

C. Indirect Revenues

Indirect revenues are other income items that cannot be identified or charged to a specific AMP or to the Indirect Cost Departments. Indirect revenues will be allocated between the PHA Managed AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

D. HUD Operating Subsidy

For PHA's project based accounting purposes, Operating Subsidy is considered an indirect revenue source. PHA's Operating Subsidy is provided in one block as if PHA were one AMP. The funding for all AMPs is calculated using the same Allowable Expense Level per PHA's MTW agreement. Since the basis of the funding calculation is the same across all AMPs, PHA considers Operating Subsidy an indirect revenue source.

Operating Subsidy will be allocated to all PHA AMPs based on the difference between revenues, prior to operating subsidy, and expenses excluding depreciation expenses. The amount of Operating Subsidy allocated will be based on the individual AMPs need for subsidy so that revenues are equal to expenses.

E. Operating Transfers from the MTW Block (Excess HAP) & CFP

1. PHA Managed AMPs

PHA has included in its MTW annual plan Operating Transfers from the MTW Program and the CFP Program into the Public Housing Program to offset operating expenses. PHA has determined that the appropriate treatment of Operating Transfers at the current time based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation. PHA will establish separate account numbers for the MTW and CFP Operating Transfers. The Operating Transfers are made to assist the PHA Managed AMPs with its operations. PHA may need to adjust the allocation of the Operating Transfers in fiscal years to assist the operating needs of one AMP over another AMP that may not need the assistance. PHA's MTW agreement with HUD permits the PHA flexibility to move funds between its Public Housing, Section 8 HCV, and CFP programs. PHA will reserve the right to adjust the allocations of the Operating Transfers to meet the financial needs of all of the PHA Managed AMPs.

2. PAPMC / AME Managed AMPs

Operating Transfers will not be allocated to the PAPMC / AME Managed AMPs.

IV. Expenses

A. Direct Expenses

1. PHA Managed AMPs

PHA currently records all direct expenses to the proper AMP. PHA's procurement and accounts payables processes include assigning the proper chart fields or account structure. PHA's account structure includes the program code (AMP number) and the appropriate department code.

For payroll, PHA directly charges all payroll costs using account labels. Account labels are used to tell PHA's accounting system where to directly charge an employee's payroll costs. PHA can setup as many account labels as needed to have payroll costs charged to the proper program, department, AMP, etc. based on PHA's requirements. PHA's accounting system gives the Authority the automated ability to charge payroll costs from the employee timesheets to the proper account. When employees complete their weekly timesheets, the employees report all hours to account labels. The timesheets allow employees to charge as many account labels as needed during the week.

Employees submit their timesheets to their direct supervisor for approval. The direct supervisor verifies that the correct account labels.

PHA's systems and procedures related to direct expenses currently in application are in compliance with asset based accounting. PHA's systems and procedures will require no transition period or transition procedures to comply with asset based accounting requirements of presenting all direct revenues and expenses under the proper AMP.

2. PAPMC/AME Managed AMPs

The only PAPMC/AME Managed AMPs direct expenses that will be included in AMPs FDS column are PHA's payment of Operating Subsidies and any other direct expense paid by PHA. All other direct expenses are included in the PHA Audited financial statements as a discretely presented component unit.

B. Corporate Legal

PHA has diverse legal issues due to the size of its programs. PHA will analyze legal expenses to determine the appropriate treatment of the legal expenditures. The treatments of the legal expenses are as follows:

1. Direct Legal Expenses

Legal expenses that can be identified as a direct cost to a specific AMP will be charged to that AMP.

2. Indirect Legal Expenses

Indirect legal expenses that cannot be defined as costs for a specific AMP, but can be identified as providing benefits to the PHA Managed AMPs based on the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

C. Payroll Expenses

PHA currently directly charges all maintenance payroll costs to the direct PHA Managed AMP. PHA directly charges all payroll costs using account labels. Account labels are used to tell PHA's accounting system where to directly charge a maintenance employee's payroll costs. PHA can setup as many account labels as needed to have payroll costs charged to the proper PHA Managed AMP. PHA's accounting system gives the Authority the automated ability to charge maintenance payroll costs from the employee timesheets to the proper account. When maintenance employees complete their weekly timesheets, the employees

report all hours to account labels. The timesheets allow maintenance employees to charge as many account labels as needed during the week. Maintenance employees submit their timesheets to their direct supervisor for approval. The direct supervisor verifies that the correct account labels.

D. Materials and Contract Costs

PHA currently records all maintenance materials and contract costs directly to the proper PHA Managed AMP. PHA's procurement and accounts payables processes include assigning the proper chart fields or account structure. PHA's account structure includes the program code (AMP number) and the appropriate department code.

PHA's systems and procedures related to maintenance materials and contract costs currently in application are in compliance with asset based accounting. PHA's systems and procedures will require no transition period or transition procedures to comply with asset based accounting requirements of presenting all direct revenues and expenses under the proper AMP.

E. Indirect Expenses

PHA will be using an allocation to charge overhead from the Indirect Cost Departments (MTW Column) to all AMPs. Overhead costs will be allocated to the AMPs based the number of units eligible for subsidy from the most recent HUD approved Operating Fund Calculation.

V. Capital Fund Program

All expenditures under the Capital Fund program are charged to the appropriate AMP or Indirect Cost Department. Revenues are applied to the appropriate AMP or Indirect Cost Department based on the actual expenditures. The expenditures related to the Indirect Cost Departments or MTW initiatives are reported in the MTW Column of the FDS.

Although PHA is an MTW agency and is not required to, PHA reports and tracks all CFP expenditures based on the CFP Budget Line Items. PHA has determined this method to be accurate and efficient method to track CFP expenditures.

VI. Project Based Budgeting

PHA currently prepares project based operating budgets and operating budgets for all of the departments. PHA adds all of the budgets to the Automated Accounting System. The operating budgets are currently used in the procurement, accounts payable process and the preparation of monthly financial statements. PHA's

operating budget process is currently in compliance with the HUD Project Based Budgeting requirements.

When PHA has prepared its Capital Fund Program Budgets, PHA determines specific capital work items that need to be completed at all or some of PHA sites. PHA does not establish a Capital Budget by site, but by work item. Then once PHA determines which sites PHA will perform the work item, PHA reclassifies the budget amount from a PHA Wide work item to the specific site. PHA will continue this process; however, the budget will be established at the Capital Projects category rather than PHA Wide.

B. Replacement Housing Factor Funds Appendix

REPLACEMENT HOUSING FACTOR FUNDS APPENDIX

In September 2013, the PHA Board of Commissioners approved an Amendment to the MTW Agreement that allows Replacement Housing Factor (RHF) funds to be included in the MTW Block Grant. HUD executed the RHF Amendment on February 26, 2014.

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

- RHF funds were included in the Sources and Uses tables of the FY 16 Plan.
- PHA intends to combine its existing and future RHF funds into the MTW Block Grant.
- PHA intends to accumulate RHF funds as allowed under the RHF Amendment, Option 3.
- PHA will secure the commitments for the required one-third leverage of its 2nd Increment RHF funds prior to developing the public or affordable housing under the proportionality requirements of the RHF Amendment, Option 3.

PHA will develop the number of affordable and/or public housing units required in accordance with the proportionality test under the RHF Amendment, Option 3

- The table below includes RHF Grant Numbers and estimated grant balance amounts that PHA intends to combine into the MTW Block Grant. Estimates are as of 3/31/16.

Fiscal Year	Grant Number	Estimated Balance as of 3/31/16
2015	PA26P002501-15	\$ 3,192,399
2015	PA26P002502-15	\$ 2,969,371
2014	PA26R002501-14	\$ 3,961,127
2014	PA26R002502-14	\$ 5,307,496
2013	PA26R002501-13	\$ 3,193,355
2013	PA26R002502-13	\$ 5,405,430
2012	PA26R002501-12	\$ 268,616
2010	PA26R002502-10	\$ 833,565
2008	PA26R002501-08	\$ 18,670

C. Board Certification of Compliance with MTW Statutory Objectives

RESOLUTION NO. 11865

RESOLUTION APPROVING THE FISCAL YEAR 2016 ANNUAL MOVING TO WORK ("MTW") REPORT OF THE PHILADELPHIA HOUSING AUTHORITY ("PHA") FOR SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND CERTIFYING THAT PHA HAS MET THREE MTW STATUTORY REQUIREMENTS

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") requires the Philadelphia Housing Authority ("PHA"), as a participant in the Moving to Work Demonstration Program ("MTW"), to submit an Annual Report on the status of its programs, operations, and finances in a form specified and required by HUD; and

WHEREAS, under the MTW Agreement, HUD will assess PHA's performance on an annual basis by comparing, at the end of PHA's fiscal year, its goals as stated in its approved MTW Annual Plan, to its actual performance, as stated in its Annual Report; and

WHEREAS, PHA must include in the MTW Annual Report all required elements as described in the MTW Agreement; and

WHEREAS, Attachment B of the MTW Agreement, HUD Form 50900 Section VI (A), requires a certification in the Annual Report that PHA has met the three MTW statutory requirements of :1) assuring that at least 75 percent of the families assisted by PHA are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families under MTW as would have been served had the funding amounts not been combined under MTW; and, 3) maintaining a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the MTW demonstration; and

WHEREAS, the Annual Report must be submitted no later than ninety (90) days after the end of PHA's fiscal year; and

WHEREAS, PHA's fiscal year ended on March 31, 2016 and its Annual Report is due to HUD on or before June 30, 2016; and

WHEREAS, PHA has prepared its Annual MTW Report for Fiscal Year 2016, which is ready for timely submission to HUD and which contains all the required elements;

BE IT RESOLVED, that the PHA Board of Commissioners hereby approves PHA's Annual Report for the MTW Demonstration Program for Fiscal Year 2016 (period ending March 31, 2016), as distributed to the Board, for submission to HUD, and certifies that the report reflects that PHA has met the three MTW statutory requirements of: 1) assuring that at least 75 percent of the families assisted by PHA are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families under MTW as would have been served had the funding amounts not been combined under MTW; and 3) maintaining a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the MTW demonstration; and authorizes the President & CEO and/or his designee(s) to undertake all necessary actions including, but not limited to, responding to HUD comments and requests for additional information, in order to secure HUD approval for the Annual Report.