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YEAR 17

# Moving to Work

ANNUAL REPORT

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xx



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YEAR 17

# FY2016 Moving to Work ANNUAL REPORT

April 1, 2015 – March 31, 2016

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# Introduction

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

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

Home Forward has been designated an MTW agency since 1998. In 2016, HUD sent notification that our MTW agreement has been extended through fiscal year 2028. This allows our agency continued participation to implement, test, and assess new activities, initiatives and approaches to our work in support of the MTW program goals. MTW flexibility has enabled Home Forward to be more creative and cost-effective in providing affordable housing in our community.

We look forward to continued collaboration with HUD to best serving our local community.

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

Home Forward develops long-term strategies and planning using the goals defined by our Strategic Operations Plan, which align with the objectives established by the Moving to Work program:

### Strategic Operations Plan Goals

Goal 1: We will deploy resources with greater intentionality and alignment with other systems while increasing the number of households served.

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

Goal 2: We will increase the number of housing units for our community through preservation, development and acquisition.

- Related MTW objective: Increase housing choices for low-income families.

Goal 3: We will strengthen our relationship with the people we serve by increasing mutual accountability and by improving our ability to connect them to vital services in the community.

- Related MTW objective: Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

Goal 4: We will increase efficiency and embrace our new identity by transforming the organizational structure and culture.

- Related MTW objective: Reduce cost and achieve greater cost effectiveness in Federal expenditures.

Home Forward works to achieve these goals through our MTW activities, initiatives funded through MTW single-fund flexibility and additional priority initiatives that do not require MTW authority. Each of our MTW activities, described in this Report, supports at least one of these goals, and as a whole our MTW activities are foundational to serving our mission of providing shelter and support for our neighbors in need.



## Overview of the Agency's MTW Goals and Objectives for FY2016

Home Forward did not propose any new activities for FY2016. We used this time to examine and refine our current activities, and consider impacts of new activities that we may propose in the future.

In FY2016, Home Forward continued to utilize the flexibility afforded by the MTW program to be creative and intentional about the work we do with the community we serve. Of the 12 activities included in our FY2016 MTW Plan, one activity was not implemented in this fiscal year.

Activity 12 Alternative Initial Housing Assistance Payment Policy was not implemented in FY2016. A workgroup was created and has met with legal counsel to discuss policy and implementation of this activity. The activity will allow Home Forward to enter into contract with a landlord with an effective date prior to the initial inspection date, enabling landlords to lease to voucher holders without losing valuable rental income while waiting for an initial inspection. This activity is important to our community, where a competitive rental market and rapidly rising rents are making it more difficult for voucher holders to find affordable homes. Implementation was put on hold so that a pilot of the program could be fully developed before it was introduced to the community and is discussed further in detail under Activity 12. Home Forward intends to implement a pilot of this activity before the end of FY2017.

Our other ongoing activities continue to increase housing choice for the low-income families we serve and create cost savings for the agency. Our project-based voucher program provides units for over 2,000 households in the community, and has allowed us to preserve public housing high-rise buildings that ensure affordable housing is available to seniors and people with disabilities. Program Based Assistance (Activity 14) offers time-limited rent-assistance, paired with services, to help families avoid homelessness and remain permanently housed. Activity 02 GOALS – Home Forward's Family Self-Sufficiency Program graduated 22 households in FY2016. Those households started GOALS with an average earned income of \$9,089 and increased their average earned income at graduation to \$33,027.

Activity 13 Broaden Range of Approved Payment Standards has been key in Home Forward's efforts to address a difficult market for our voucher holders. With a vacancy rate of around 3.5% and increasing rents, voucher holders are finding it more difficult to locate affordable homes in our community. This activity has allowed Home Forward to establish payment standards comparable to the local rental market, enabling more voucher holders to access units of their choice. Home Forward implemented the new payment standard structure in July 2014, and increased payment standards again in many areas in March 2015 and February 2016. We continue to monitor the market and explore opportunities to help our voucher holders find more success in leasing up.

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Home Forward has implemented large scale reform of our rent calculation.	
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Home Forward has aligned its self-sufficiency programs into one consolidated, locally tailored program.	
03 Local Blended Subsidy.....	44
Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.	
06 Alternate inspection requirements for partner-based programs .....	46
Home Forward uses alternate inspection standards for programs where we contract our resources to be administered by partners.	
07 Landlord self-certification of minor repairs.....	47
In cases where we deem it appropriate, Home Forward may accept an owner’s certification that repairs have been made.	
08 Inspection and rent reasonableness at Home Forward-owned properties .....	49
Home Forward sets rent reasonableness and inspects the unit when a voucher holder selects a unit we own.	
09 Measures to improve the rate of voucher holders who successfully lease up.....	50
Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the community.	
10 Local Project-Based Voucher program.....	53
Home Forward has created a local project-based voucher program that is tailored to meet the needs of our community.	
11 Align utility allowance adjustment process.....	59
Home Forward has aligned the utility allowance adjustment process for public housing and Section 8.	
12 Alternative initial Housing Assistance Payment policy.....	67
Home Forward will allow the initial inspection to take place after the effective date of the rental contract.	
13 Broaden range of approved payment standards .....	60
Home Forward will have the flexibility to establish payment standards between 80% and 120% of Fair Market Rents.	
14 Program Based Assistance.....	64
Home Forward has designed a program that offers time limited rent assistance to help families access and/or retain stable housing.	

## Overview of Non-MTW Activities

Home Forward's goals and objectives for FY2016 also included a number of activities that do not require MTW flexibility and are key to continuing to be innovative in the ways we serve our community.

### Regional Efforts

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

Sharing jurisdiction with Clackamas County – During FY2016 Home Forward and the Housing Authority of Clackamas County (HACC) continued testing the impact of sharing jurisdiction, which allowed families with vouchers from either housing authority the flexibility to use their voucher within Multnomah or Clackamas County without going through the portability process. While this effort did not require MTW authority, Home Forward pursued this activity with the hope of increasing administrative efficiency by reducing workload related to portability, as well as increasing housing choice for families. Effective July 31, 2015, 144 Home Forward families were living in Clackamas County with 56% of those living in low-poverty areas. There were 126 Housing Authority of Clackamas County participants who had taken advantage of the shared jurisdiction and moved to Multnomah County. In October 2015 HUD determined the agreement was making HACC out of compliance with HUD regulations due to HACC not being an MTW agency; therefore, Home Forward's payments standards were outside HACC's allowable range and a higher threshold of gross income was used to determine affordability for the family share. Due to this difference, the Memorandum of Understanding was ended and over the next year 10 families a month from each housing authority living in the other jurisdiction will be ported out to that jurisdiction.

Mobility Counseling Project – In 2013 Home Forward began to work collaboratively with the three neighboring housing authorities to develop tools to provide mobility counseling to Housing Choice Voucher participants in order to help reduce their combined housing and transportation costs. This project was funded by Metro, the regional government that manages transportation planning efforts, National Institute for Transportation and Communities (NITC), and the U.S. Department of Transportation Federal Transit Administration. The project consisted of tool development and implementation at each housing authority, and evaluating the impact of the tools. During FY2016 the tools were implemented at each housing authority. The toolkit consists of a video, two brochures about transportation costs, a transportation cost comparison worksheet, and a tutorial for using Walk Score. The tools educate participants about the costs and benefits of choosing housing in various locations, and provide them with tools, for comparing the relative costs of living in each area. The overarching results of the evaluation showed that, in general, due to the current rental market in the metro area participants choices were driven by affordability and voucher time limits rather than transportation considerations. Nonetheless, each housing authority continues to share the tools with new and current participants at orientations and transfers. In addition in February and March 2016 each housing authority gave an introduction of the tool box to community partners who work directly with participants and help them with their housing search. Finally, the researchers who worked on this project with the housing authorities had an article published in Housing Policy Debate, "*Moving to Location Affordability? Housing Choice Vouchers and Residential Relocation in the Portland, Oregon, Region.*"

Expanding Employment and Training for Housing Authority Residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards in our region, received a \$5.5 million, three-year grant from the Department of Labor in 2012 to provide training and employment opportunities to housing authority residents. This grant builds upon a model that Home

Forward and Worksystems, Inc. have been operating for several years. Home Forward is receiving \$1.1 million to fund case management staff to support 270 residents as they access training and employment opportunities through the local Worksource system in high demand occupations. Funds are also available to provide employment supports (such as assistance with transportation and childcare) for participating families. The grant was originally scheduled to end in October 2015, but was renewed for three of the four participating regional housing authorities (one housing authority decided to not seek renewal) through the end of April 2016.

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

### **Employment/Education Preferences**

Home Forward's public housing program added the employment/education and training preference at nine family properties: New Columbia, Slavin Court, Eliot Square, Celilo Court, Floresta, Maple Mallory, Chateau, Madrona Apartments and Stephens Creek Crossing. Applicants who are currently employed (defined as working an average of 30 hours per month) or are engaged in a training or education program qualify for the preference. Applicants who are senior or a person with a disability receive an equal preference at the property. An informational mailing went out to applicants on all of Home Forward's waiting lists in February 2014 that allowed them to switch to or from a site with the preference.

The Section 8 waiting list mirrors the above preference. The waiting list includes a preference for households that are employed or engaged in a training or education program. As we pull from the list, priority selection is offered to seniors, people with disabilities, and families who qualify for the preference. Households who do not have one of these priority preferences may wait longer to receive their voucher.

### **Stephens Creek Crossing**

Formerly known as Hillside Terrace, the 60 units of public housing at that site were demolished and construction of this HOPE VI redevelopment was completed in FY2015. Stephens Creek Crossing includes 109 subsidized units, an additional 13 units for families with incomes below 60% of area median. New residents receive an extensive orientation to the community, including a "Community Compact" which represents an agreement between residents and staff to establish a relationship based on mutual respect and trust. Senior and/or disabled households have a choice to participate as well. Lease up was completed by May 31, 2014. The new Children's Center opened in September 2014 and houses three Head Start classrooms and early childhood education programs for young children and parents. A close partnership between Home Forward and Neighborhood House (a non-profit located in the adjacent neighborhood) has made the completion of this facility possible. During FY 2016, seven new homes for first-time homebuyers were completed on property adjacent to Stephens Creek Crossing by Habitat for Humanity.

### **High Rise Preservation Efforts: 85 Stories**

As part of our second Strategic Operations Plan goal to increase the number of housing units for our community through preservation, development and acquisition, Home Forward is focusing on renovating the agency's ten high-rise public housing buildings. The ten high-rises provide 1,232 housing units, which account for almost half of Home Forward's total public housing supply. They serve some of our most

vulnerable community members: seniors and persons with disabilities. The buildings are well located and worthy of preservation. They are, however, in critical need of \$80 million in capital improvements if they are to continue to provide safe, decent, and affordable homes. A special webpage highlighting some of our residents at these properties who eloquently describe their personal stories can be found at <http://homeforward.org/development/85-stories>.

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

Phase 1: HUD approved our proposal to change the operating subsidy at four of the buildings from public housing to project-based Section 8 funding. This subsidy change occurred during September 2013 and transfer to the LIHTC partnership (and the accompanying affordable housing lease up) occurred during FY2015. As of March 2016, the Phase 1 budget was \$124.7 million: \$44.5 million in acquisition costs, \$50.2 million in construction (capital) costs and \$30 million in development costs. Because of the great importance of this work, the agency has contributed a significant amount of its own resources to Phase 1: \$13.6 million 11% of the total funding).

Construction was approximately 95% complete by the end of FY2016 at each of the first four properties (Northwest Tower & Annex, Gallagher Plaza, Hollywood East, and Sellwood Center). During construction, temporary relocation was necessary for many residents. To accommodate this need, 56 units at two properties were taken off-line in order to serve as temporary “hotels” for residents in their respective buildings who may need to stay up to 30 days while work occurred in their permanent units. For residents in ADA units or larger families needing additional room, off-property private hotels with kitchen accommodations were available.

Phase 2: The campaign to preserve the remaining six high-rise buildings has been underway during FY 2016. Home Forward submitted an application for the Rental Assistance Demonstration (RAD) program as part of its Phase 2 strategy. RAD 1 and RAD 2 are described in the following “Public Housing Strategy” (section added as Amendment 1 to the FY2016 MTW Plan).

## **Public Housing Strategy**

(This section added via Amendment I to FY2016 MTW Plan.)

Home Forward operates nearly 2,100 apartment homes as public housing, a specific subset of affordable housing that receives federal operating subsidy and capital funding. The buildings, and the deep rent subsidies they provide, are an important resource for Home Forward and the people we serve. Unfortunately, given waning federal support, mounting capital needs, and growing demand for affordable housing, the public housing program itself severely limits our ability to reinvest in these homes and meet the preservation challenges each apartment community faces. The reality is that the ongoing viability of this community resource is in jeopardy.

It is in the best interests of our residents, and the properties they call home, for Home Forward to pursue a transition from public housing subsidy to a type of Section 8 rent assistance for all of Home Forward's public housing communities. Section 8 provides more stable operating funding and allows Home Forward to use a conventional real estate model that leverages equity and debt to make vital and significant capital improvements while still continuing to serve the same population.

The process to convert public housing properties to Section 8 began with our 85 Stories effort to preserve our high-rise public housing communities. During FY 2016 we have been developing plans to make the change for the rest of our public housing portfolio. Home Forward has considered two options in converting the public housing properties to Section 8 rent assistance: HUD's Section 18 demolition and disposition process; and the Rental Assistance Demonstration (RAD), which could transition properties to either project-based vouchers or project-based rental assistance. The attached chart summarizes the direction and phasing Home Forward has taken with our remaining public housing properties.

Several important policies continue to guide us as we undertake this complex and challenging initiative. We have developed these policies as a result of our work over the last 16 years, starting with our first HOPE VI redevelopment, to preserve this vital community resource.

### Policy Guidelines for Subsidy Conversion

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

The following table lists all properties currently utilizing public housing subsidy. They are organized into three grouping: 1) RAD 1 (HUD approval received); 2) RAD 2 with applications submitted, awaiting Congressional budget authorization; 3) potential Section 18 Disposition.

PIC Development No.	Development Name	Units
<b>RAD 1</b>		
OR002000060	Rockwood Station	25
OR002000061	The Jeffrey	20
OR002000062	Martha Washington	25
OR002000063	Bud Clark Commons	130
OR002000064	Madrona Place	45
OR002000320	Fairview Oaks & Woods	40
<b>RAD 2</b>		
OR002000058	Humboldt Gardens	100
OR002000065	Stephens Creek Crossing South	45
OR002000066	Stephens Creek Crossing North	64
OR002000121	Fir Acres	32
OR002000122	Townhouse Terrace	32
OR002000123	Stark Manor	30
OR002000124	Lexington Court	20
OR002000125	Eastwood Court	32
OR002000126	Carlton Court	24
OR002000131	Slavin Court	24
OR002000132	Demar Downs	18
OR002000138	Eliot Square	30
OR002000142	Celilo Square	28
OR002000151	Tillicum South	12
OR002000152	Harold Lee Village	10
OR002000153	Floresta	20
OR002000203	Maple Mallory	48
OR002000232	Bel Park	10

OR002000236	Winchell Court	10
OR002000237	Powellhurst	34
OR002000251	Tillicum North	18
OR002000252	Hunters Run	10
OR002000305	Haven Limited Partnership (NC)	29
OR002000310	Cecelia Limited Partnership (NC)	72
OR002000315	Trouton Limited Partnership (NC)	125
OR002000325	Woolsey Limited Partnership (NC)	71
OR002000332	Camelia Court	14
OR002000336	Cora Park	10
OR002000337	Alderwood	20
OR002000436	Chateau Apartments	10
OR002000705	Scattered East A	7
<b>Potential for Section 18 Disposition</b>		
OR002000108	Peaceful Villa	70
OR002000111	Dekum Court	40
OR002000113	Tamarack	120
OR002000114	Dahlke Manor	115*
OR002000115	Holgate House	80*
OR002000117	Schrunk Riverview Tower	118*
OR002000118	Williams Plaza	101*
OR002000139	Medallion Apartments	90*
OR002000140	Ruth Haefner Apartments	73*
<p>* These 6 properties represent Phase II of the original 85 Stories campaign. Approved along with RAD 1, they already have CHAPS approval from HUD to proceed. A switch in programs is proposed and a Section 18 disposition application is anticipated in early FY 2017.</p>		

### **Saint Francis Park Apartments**

Home Forward entered into a development agreement with a local non-profit, Catholic Charities, and a local parish to build affordable housing on land formerly owned by the parish. Home Forward is serving as project developer and Catholic Charities will be the owner and operator upon completion. 102 units, affordable to households below 60% MFI, will be made available in this highly desirable neighborhood located in inner southeast Portland, close to jobs, transportation and neighborhood amenities. Programming by Catholic Charities will also ensure services for approximately 25 of the households, including supports for women and children who have experienced homelessness and/or domestic violence. Construction began during FY 2016. In February 2016, Home Forward allocated nine units of Project-based Section 8 subsidy after approval via HUD's subsidy layering review process.

### **VASH Households**

Veterans Affairs Supportive Housing (VASH) vouchers are an important and valuable resource for homeless veterans in our community. Since our original award of 70 vouchers in FY2009, Home Forward has received additional awards representing an increase of 650%. Most recently, Home Forward was awarded 79 new VASH vouchers in April 2015 with an effective date of June 1, 2015. With this additional award our total will be 525 vouchers. We are proud to administer these vouchers for the veteran men and women in our community.

Our March 2016 VASH utilization level went up to 93% from a low of 67.6% in June 2015 when the most recent award of VASH became effective. This quick increase in utilization in the face of an incredibly tight rental market is testament to the success of our partnership with the local Veterans Administration Medical Center, Multnomah County, the City of Portland and a host of non-profit agencies including Transition Projects, our communities Supportive Services for Veteran Families recipient. Throughout FY2016, Home Forward continued to provide security deposit assistance, and Multnomah County funded additional flexible placement and retention assistance which could be used for any costs related to removing barriers related to lease-up, such as application fees, utility and housing debt, and transportation costs associated with housing search.

Early in calendar year 2015, Portland Mayor Charlie Hales and Multnomah County Chair Deborah Kafoury signed on to the Mayors Challenge to End Veteran Homelessness. To achieve this goal, our community is creating a well-coordinated system designed to assure that veteran homelessness is rare, brief, and non-recurring, and no veteran is forced to live on the street and that every newly discovered veteran living on the streets is offered immediate access to shelter and crisis services, while permanent stable housing and appropriate supports are being secured. Key to our plan to end veteran homelessness has been the full utilization of VASH, and to that end, Home Forward worked with our partners to implement the following strategies:

- Development and refinement of a dynamic "name registry" of veterans experiencing homelessness in order to facilitate outreach and connection to appropriate housing programs. The registry is continually updated, and our community has held two registry weeks during which volunteers and outreach workers connected with people experiencing homelessness to identify veterans and add them to the registry.



- Targeted efforts to recruit landlords, led by Portland Mayor Hales and Multnomah County Chair Kafoury coupled with increased support for housing providers renting to veterans exiting homelessness. These new supports include a landlord guarantee and a retention program that will provide after-hours support to landlords and veterans placed through our efforts.
- Home Forward provided priority access to more than 90 units within our affordable housing portfolio, as they become vacant, for veterans with VASH vouchers or other veteran assistance, such as Supportive Services for Veteran Families.
- Work with partners to utilize rapid rehousing programs, including Supportive Services for Veteran Families, as a bridge to VASH.

In fall of 2014 we requested authorization from the HUD Voucher Office to include VASH voucher holders in the application of approved MTW activities. In November and December 2014, we received approval to apply the requested MTW activities to VASH voucher holders.

### **A Home for Everyone**

A Home for Everyone is a community-wide effort to better assist people experiencing homelessness in Multnomah County. Established through a charter adopted by Home Forward, Multnomah County and the cities of Portland and Gresham, A Home for Everyone is led by an executive committee comprised of jurisdictional and funding partners and supported by a coordinating board comprised of a diverse set of community, non-profit and government stakeholders. By charter, Home Forward has a seat on the Home for Everyone Executive Committee.

In 2014, the Home for Everyone Coordinating Board developed staged action plans related to community efforts to address homelessness. This included an actionable plan to end veteran homelessness, an assessment of housing needs and gaps for people experiencing homelessness, and a plan to reduce the gap by 50% by July 2017. In response to action plans developed by a Home for Everyone, Home Forward has committed to new targeting of Housing Choice Vouchers in two areas:

1. A limited preference for up to fifty vouchers for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers. As of April 2016, thirty families leased-up under this preference with an additional twenty-five in the housing search process;
2. A limited preference for up to 200 vouchers for families assisted through Multnomah County's Homeless Family System of Care. As of April 2016, seventy-six families are leased up under this preference with an additional ninety-two in the housing search process.

# General Housing Authority Operating Information

## Housing Stock Information

### MTW Public Housing Units

Public housing units at beginning FY2016	2,101*	
Public housing units added	0	
Public housing units removed	<u>0**</u>	
<b>Public housing units at end of FY2016</b>	<b>2,101</b>	
Cumulative Change	0	(0%)

\*Includes 12 non-dwelling units counted on ACC (8 for community use and 4 for offices)

\*\*Anticipated disposition of 40 units at Dekum Court did not occur

### MTW Housing Choice Vouchers (HCV) Units

MTW HCV at beginning FY2016	8,418	
Add/Remove	<u>0</u>	
<b>MTW HCV at end of FY2016</b>	<b>8,418</b>	
Cumulative Change	0	(0%)

### Non-MTW Housing Choice Vouchers units authorized: as of 3/31/2016

Voucher Type	Units Authorized
SRO/MODS	512
Veterans Affairs Supportive Housing (VASH)	525
Family Unification Program	100
Opt-Out vouchers	-

**Housing Choice Vouchers – total project-based units in FY2016:**

Project-based units at the beginning of FY2016	2,000
Project-based units added (see below)	0
Project-based units removed	<u>0</u>
<b>Project-based units at end of FY2016</b>	<b>2,000</b>

**New Housing Choice Vouchers that were 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
Station 162	17	0	The project called Station 162 is still under construction in this fiscal year. They encountered some construction delays and the building is not due to come on line until October 2016 (FY2017). No new units were added.

Anticipated Total Number of New Vouchers to be Project-Based \*

**17**

Actual Total Number of New Vouchers that were Project-Based

**0**

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

**2,017**

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

**1,956**

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

**2,000**

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

**1,946**

\*From the Plan

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

Home Forward held 56 project-based voucher units off line for part of FY2016 as “temporary apartments” for residents at Hollywood East and Northwest Tower.

All public housing units were on line during FY2016 and there were no other changes to our public housing stock.

Units at the four High-rise buildings which have been converted to Project-based vouchers that were being used as “temporary apartments” for residents that had to transition during the rehab work being done to their unit have all now been returned to full occupancy. The 56 units were brought back on line starting in November 2015 thru December, with all units being fully leased by the end of December 2015.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

## General Description of Actual Capital Fund Expenditures During the Plan Year

Community	Activity	Capital Fund Expended	Percentage of Capital Fund
Madrona Place	Plumbing/Crawlspace Replacement	\$324,522	13.63%
Dekum Court	Sewer Repairs	\$4,895	0.21%
Tamarack	Staircase Repairs	\$14,416	0.61%
Tamarack	Roof & Ventilation Repair	\$24,904	1.05%
Tamarack	Mold Remediation	\$1,749	0.07%
Holgate House	Building Entry System Replacement	\$31,017	1.30%
Holgate House	Exterior Seal Repair	\$55,567	2.33%
Schrunk Tower	Fencing	\$7,170	0.30%
Fir Acres	Security Camera Installation	\$35,454	1.49%
Lexington Court	Security Cameras Installation	\$46,440	1.95%
Lexington Court	New Playground Tiles	\$10,754	0.45%
Eastwood Court	Security Cameras Installation	\$42,984	1.81%
Carlton Court	Siding Repairs	\$55	0.00%
Eliot Square	Exterior Brick Repair/Replacement	\$82,146	3.45%
Medallion	Water Intrusion Repairs	\$26,195	1.10%
Harold Lee	Comprehensive Rehabilitation	\$18,312	0.77%
Floresta	Ridgecap Replacement/Mold Remediation	\$34,949	1.47%
Floresta	Roof Replacement	\$1,586	0.07%
Maple Mallory	Exterior Brick Repair/Replacement	\$88,670	3.73%
Bud Clark Commons	RAD Conversion	\$6,050	0.25%
Gallagher Plaza	Property Rehabilitation (85 Stories G1)	\$113,684	4.78%
Northwest Tower	Property Rehabilitation (85 Stories G1)	\$113,684	4.78%
Hollywood East	Property Rehabilitation (85 Stories G2)	\$113,684	4.78%
Sellwood Center	Property Rehabilitation (85 Stories G2)	\$113,684	4.78%
Trouton	Debt Service Payments	\$494,080	20.76%
Management Improvement	15% Operating Overhead	\$523,389	21.99%
Various	Portfolio wide garbage containers	\$15,300	0.64%
Various	Portfolio Wide Needs Assessments	\$34,921	1.47%
	<b>Total Capital Expenditures Budget</b>	<b>\$2,380,261</b>	<b>100%</b>

In addition to Home Forward's rent assistance and public housing programs, our agency operates over 4,000 units of affordable housing. This portfolio includes properties acquired and built using diverse public and private funding sources, including low-income housing tax credits (LIHTC), tax-exempt bonds, private mortgage financing, grants, federal and state funds. By virtue of such funding sources, our affordable housing units are set aside to serve thousands of low-income families in our community.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End		
Housing Program *	Total Units	Overview of the Program
Tax-Credit	1,787	Properties developed with Low-Income Housing Tax Credits
State Funded	500	Properties developed with Oregon Housing Tax Credits and Oregon TRUST funding
Locally Funded	1,639	Properties developed with assistance from local funding sources, such as Portland Housing Bureau
Non-MTW HUD Funded	349	Properties operated using HUD Section 236 funding
<b>Total Other Housing Owned and/or Managed</b>	<b>4,275</b>	
<p>* <b>Select Housing Program from:</b> Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.</p> <p>If Other, please describe: <input type="text" value="-"/></p>		

## Leasing Information

**Total number of MTW public housing units leased in FY2016:** 2,101 units

Home Forward continues to have an occupancy rate of 98% in its public housing units.

**Description of issues:** There have been no issues maintaining our budgeted occupancy of 97% and we continue to average between 98-99% occupancy for our public housing units each month.

### **Total number of MTW HCV units leased in FY2016:**

8,418 units authorized (average of the total number of units authorized throughout FY2016)

7,871 units leased

94% utilization

### **Total number of non-MTW HCV units leased in FY2016:**

Voucher	Units Authorized (total at year end)	Units Leased (average)	Utilization (average)
SRO/MODS	512	496	97%
Veteran Affairs Supportive Housing*	525	411	80%
Family Unification Program Vouchers	100	100	100%

\*Because 79 new VASH vouchers were awarded during FY 2016, the VASH voucher utilization shown is here is calculated using the average units leased (411) divided by the average units authorized over the course of the fiscal year (512).

**Description of issues:** The low average utilization for VASH is a result of the time it takes to fully lease up large new awards of vouchers combined with the challenges all voucher holders face leasing up in our historically tight rental market. Our April 2015 VASH voucher utilization was 78% as we started the fiscal year still working to lease up the 86 VASH vouchers awarded in October 2014. Monthly utilization dropped to 68% in June 2015 with the addition of 79 more vouchers. We've worked diligently with the VA and partners to approach full utilization, and our monthly utilization for March 2016 was 93%.



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

<b>Program-based Assistance and Port-In Vouchers</b>	<b>Number of Households Served<sup>1</sup></b>	
	<b>Planned</b>	<b>Actual</b>
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs <sup>2</sup>	5	4
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs <sup>2</sup>	165	214
Port-In Vouchers (not absorbed)	N/A	287
<b>Total Projected and Actual Households Served</b>	<b>170</b>	<b>505</b>
	<b>Unit Months Occupied/Leased<sup>4</sup></b>	
	<b>Planned</b>	<b>Actual</b>
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs <sup>3</sup>	72	53
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs <sup>3</sup>	1,986	2,570
Port-In Vouchers (not absorbed)	N/A	3,440
<b>Total Projected and Annual Unit Months Occupied/Leased</b>	<b>2,058</b>	<b>6,063</b>

Home Forward's Property-Based, Local Non-Traditional program is the New Doors house for former foster youth. Projections were based on a 5-bedroom house, occupied for the entire year. Due to turnover, the house was not at full occupancy for the year.

Home Forward's Tenant-Based, Local No-Traditional programs include a several projects where assistance is contracted through partners. The estimate for per unit month cost for these programs that we used to build our projections for the 2016 plan were in line with actuals, but the amount of contracted funding that was spent in Home Forward's fiscal year was greater than anticipated. Additionally, Home Forward implemented a new, Economic Opportunity Program, that contracts rent assistance through a partner for individuals that are homeless or at risk of homelessness and are participating in our Workforce Investment Board's employment training programs.

<sup>1</sup> Calculated by dividing the planned/actual number of unit months occupied/leased by 12.  
<sup>2</sup> In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.  
<sup>3</sup> In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served.

<sup>4</sup> Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.

**Households Served through Local Non-Traditional Services Only**

Average number of households served per month: 0

Total number of households served during this year: 0

**Statutory Requirement Reporting: At least 75% of families assisted are very low-income**

	Public Housing	MTW HCV	Total
Total households assisted	2,096	9,291	11,387
Households below 50% of Area Median Income (AMI)	2,012	9,144	11,156
Percentage of households below 50% of AMI	96.0%	98.4%	98.0%

(Data as of March 31, 2016)

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

HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

<b>Fiscal Year:</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Total Number of Local, Non-Traditional MTW Households Assisted	<b>665</b>	<b>418</b>	<b>473</b>	-	-
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	<b>665</b>	<b>418</b>	<b>473</b>	-	-
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	<b>100%</b>	<b>100%</b>	<b>100%</b>	-	-

**Statutory Requirement Reporting: Maintain comparable mix of families served**

**Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix**

In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the PHA will provide information in the following formats:

**Baseline for the Mix of Family Sizes Served**

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA 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
<b>1 Person</b>	1,411	1,964	-	3,375	42.4%
<b>2 Person</b>	410	1,296	-	1,705	21.4%
<b>3 Person</b>	342	925	-	1,267	15.9%
<b>4 Person</b>	232	608	-	840	10.5%
<b>5 Person</b>	136	292	-	428	5.4%
<b>6+ Person</b>	97	254	-	352	4.4%
<b>Totals</b>	2,628	5,339	0	7,967	100.0%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized

No baseline adjustments

**Mix of Family Sizes Served**

	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained**	42.4%	21.4%	15.9%	10.5%	5.4%	4.4%	100.0%
Number of Households Served by Family Size this Fiscal Year***	5722	1924	1250	878	513	579	10,866
Percentages of Households Served by Household Size this Fiscal Year****	52.7%	17.7%	11.5%	8.1%	4.7%	5.3%	100.0%
Percentage Change	24.3%	-17.9%	-27.7%	-12.3%	-13%	20.5%	-

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages

Over the last 16 years of Home Forward's designation as an MTW agency, a number of factors have created slight changes to the mixes of family sizes we serve. We have increased our project-based vouchers, primarily in partnership with community agencies serving highly vulnerable people and in line with our community's 10-Year Plan to End Homelessness. We have converted public housing to project-based vouchers, in an effort to preserve that housing for our vulnerable seniors and people with disabilities. These actions have resulted in a shift in demographics and an increase in our one-person households.

We have also seen an increase in our largest households with six or more members. This is likely due to African refugee families who began immigrating to Portland around 2001. The increase in these two family size types (1 person and 6 or more people) account for decreases in the rest of the family sizes.

\* "Non-MTW adjustments to the distribution of family sizes" are defined as factors that are outside the control of the PHA. Acceptable "non-MTW adjustments" include, but are not limited to, demographic changes in the community's population. If the PHA includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

\*\* The numbers in this row will be the same numbers in the chart above listed under the column "Baseline percentages of family sizes to be maintained."

\*\*\* The methodology used to obtain these figures will be the same methodology used to determine the "Occupied number of Public Housing units by family size when PHA entered MTW" and "Utilized number of Section 8 Vouchers by family size when PHA entered MTW" in the table immediately above.

\*\*\*\* The "Percentages of families served by family size this fiscal year" will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

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

**Housing Program**

**Description of Leasing Issues and Solutions**

Public Housing
MTW Housing Choice Voucher
Local, Non-Traditional Units

<p>There have been no issues with the leasing of Public Housing units during FY2016. Over the past year we have focused on keeping our average lease-up time to less than 30 days. We achieved this rate by focusing both on the physical turnover of the unit and establishing applicant reserves, so when a unit is rent ready, a household is ready to move in within 5-7 days.</p>
<p>With the current rental market's low vacancy rates, participants continue to face barriers in utilizing their voucher; 71% of voucher holders were able to successfully utilize their voucher. Of those successfully able to utilize their voucher, 74.5% were able to do so in the initial 120 days provided by Home Forward. In early 2016, HUD adopted new Fair Market Rents that allowed Home Forward to increase payment standards for a seventh time in five years in an attempt to increase leasing success. Additionally Home Forward piloted two programs in the past year to help participants pay for Security Deposits; one program was a tenant education class which provided a one-time payment toward a security deposit and the other is a loan program available to households making more than 30% AMI.</p>
<p>There were no leasing issues in local, non-traditional units in FY2016.</p>

**Number of Households Transitioned To Self-Sufficiency by Fiscal Year End**

<b>Activity Name/#</b>	<b>Number of Households Transitioned *</b>	<b>Agency Definition of Self Sufficiency</b>
01 Rent Reform	606 Households	Household has earned or permanent income that results in area median income (AMI) above 50% and/or has voluntarily exited housing assistance
02 GOALS	56 Households	

<b>Households Duplicated Across Activities/Definitions</b>	56 Households
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<b>ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY</b>	550 Households
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**\* The number provided here should match the outcome reported where metric SS #8 is used.**

## Wait List Information

Wait List 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 Opened During the Fiscal Year
MTW Public Housing	Site-Based	12,238	Partially Open	Yes
MTW Housing Choice Voucher	Community-Wide	522	Partially Open	Yes
MTW Housing Choice Voucher	Site-Based	11,149	Partially Open	Yes
Tenant-Based Local, Non-Traditional MTW Program	Other	0	Closed	Yes
Project-Based Local, Non-Traditional MTW Program	Site-Based	0	Closed	Yes

\* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

\*\* *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).



\*\*\* For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

MTW Public Housing: We opened one waitlist with units for families. In addition, our public housing waiting list has two preferences and one waiting list that are open continuously. The two preferences are open to households needing an ADA accessible unit or applicants who have a documented terminal illness with a life expectancy of less than 12 months. The waiting list that is open continuously is at the Bud Clark Commons; this wait list has a preference system that is based on vulnerability assessment. As new applicants complete the vulnerability assessment, their names are added to the waiting list with the most vulnerable applicants going to the top of the waiting list. For this reason, the list is continuously open to allow more vulnerable applicants to apply.

MTW Housing Choice Voucher – Community-Wide: Our MTW Housing Choice Voucher, tenant-based waiting list is community-wide, and is closed except for applicants to the Family Unification Program; those who have a documented terminal illness with a life expectancy of less than 12 months; and those referred by partners under three limited preferences adopted during the year— 1) A limited preference for up to fifty vouchers leased for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers; 2) A limited preference for up to 200 vouchers leased for families assisted through Multnomah County’s Homeless Family System of Care; and 3) A limited preference for up to 60 vouchers leased for families that are at risk of displacement and referred by selected partners.

MTW Housing Choice Voucher – Site-Based: Our MTW Housing Choice Voucher project-based voucher waiting lists are site-based and are partially open. We have over 70 lists in the community, maintained by each building with its own preferences. Some of these lists are currently open, some are closed, and some are closed except to applicants who a documented terminal illness with a life expectancy of less than 12 months.

If Local, Non-Traditional Program, please describe:

Tenant-Based Local, Non-Traditional MTW Program: Our Program Based Assistance program contracts funds to 18 partner agencies, which then manage the participant selection process, sometimes in partnership with Home Forward. This is further described in Activity 14.

Project-Based Local, Non-Traditional MTW Program: Home Forward’s New Doors program is program-based assistance in a shared house for former foster youth who are working or are in school. Rent assistance is contracted to a non-profit that specializes in working with homeless youth. Because this program houses only five people, the waiting list opens only when a vacancy is projected, and remains open for two weeks.

If Other Wait List Type, please describe:

Our Program Based Assistance partner agencies use a total of four different methods for participant selection, but all program target families who are homeless or at risk of homelessness.

- 2 agencies typically utilize waitlists open to the public, but they don’t have anyone on the waiting lists at this time. They have worked through existing waitlists and are waiting to re-open waitlists pending funding decisions for the coming year
- 1 agency, Multnomah County Developmental Disabilities, utilizes a rent assistance wait list for persons who are already receiving services within their agency.
- 3 agencies offer rent assistance on a first-come-first-served basis to applicants who are already receiving services within their agencies. When funds become available, the next eligible household to inquire receives the resources. (NARA, Cascadia, CCC)

- At 12 agencies, when funds become available, they screen new applicants on a first-come-first-served basis, regardless of whether they are currently receiving services within the agency.

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

Home Forward adopted three limited, "set-aside" preferences for our Housing Choice Voucher waitlist during FY 16. 1) A limited preference for up to fifty vouchers leased for veteran families that are ineligible for Veterans Affairs Supportive Housing vouchers; 2) A limited preference for up to 200 vouchers leased for families assisted through Multnomah County's Homeless Family System of Care; and 3) A limited preference for up to 60 vouchers leased for families that are at risk of displacement and referred by selected partners. Home Forward's Board of Commissioners approved changes to the Section 8 Administrative Plan adopting these changes April 21, 2015.

# Proposed MTW Activities

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

# Approved MTW Activities

## Implemented Activities

### 01 RENT REFORM

Approved FY2012, Implemented FY2012, Amended FY2014 & FY2015

In FY2012, Home Forward implemented a large-scale reform of rent calculation methods, applicable to all MTW public housing and Section 8 households, as well as VASH voucher holders. The simplified method distinguishes between the populations of seniors / people with disabilities and “work-focused” households. The fundamental premise is that deductions are eliminated from the subsidy calculation and the total tenant payment is determined using a percentage of gross income.

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

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

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

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent. Utility reimbursements are allowed.

#### **MTW authorization:**

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

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

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

#### **Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

- **Years 3 and 4:** rent is based on 29.5% of gross income or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.
- **Years 5 and 6, and biennially thereafter:** rent is based on 31% of gross income or \$200 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements are not allowed.

The following policies apply to all households:

- Zero-income households meet with their public housing site manager or Section 8 case manager every six months, so that staff can provide referrals to community service providers and check on progress towards obtaining an income source
- The proration of subsidy for mixed-families is simplified so that a flat \$100 monthly reduction in assistance is applied to the household, regardless of the number of ineligible members.
- The ceiling rent for public housing is now automatically set to match Section 8 payment standards. There will be no flat-rent option.
- Home Forward has created a separate “release of information” form to supplement the HUD Form 9886, in order to obtain a release of information that covers the appropriate biennial or triennial review cycle.
- For Section 8 households where the gross rent of the unit exceeds the applicable payment standard, Home Forward will approve the tenancy at initial occupancy so long as the household share does not exceed 70 percent of the household’s gross income.
- When a Section 8 household is approved to move and the identified unit has a gross rent that exceeds the payment standard, Home Forward will use the existing income verification on file to test for affordability. Home Forward will not require a re-examination to verify income for this purpose, unless the family requests it.
- When a Section 8 household reports a change in family size, if the household has resided in their unit for at least 12 months, Home Forward will require an interim review. Any changes to voucher size, payment standard and subsidy calculation will be effective 120 days after the interim review. (FY2015 Modification)
- The earned income disallowance is eliminated.
- All Family Self-Sufficiency (FSS) participants are included in the rent reform calculation.
- Home Forward will use actual past income to determine annual income for participant families. (FY2015 Modification)
- All income sources used to determine a household’s public housing rent or Section 8 assistance will be the same as currently defined by HUD, with the following exceptions:
  - The value of any asset or the value of any income derived from that asset will not be used in the rent calculation, except when the asset makes regular payments (quarterly or more often) to the resident or participant. However, the value of assets or the value of

any income derived from assets will be used to determine initial eligibility. Home Forward will allow households to self-certify assets with a net value of \$5,000 or less. (FY2015 Modification)

- All earned income of full-time students age 18 and over will be excluded from the rent calculation, unless they are the head, co-head or spouse of the household.
- Student financial assistance will be considered only for the purpose of determining eligibility. Student financial assistance will not be used to determine annual income for rent and subsidy calculation.
- All adoption assistance payments will be excluded from the rent calculation.
- Households will have the option to not report income that is not used in the rent calculation, such as foster care payments. However, Home Forward will accept income reporting of such sources for use in determining affordability of a unit. Home Forward permits families to rent units where the family share is up to 70% of their gross income.
- Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. Section 8 participants who choose to rent housing where the total shelter costs exceed 50% of total monthly income at the time of initial lease-up in that unit will not generally qualify for hardship review; however, all households have the right to request a hardship and exceptions may be made. The committee will have a menu of remedies to reduce a qualifying household's burden.

Rent reform has been fully implemented. At this time, all MTW public housing and Section 8 households, as well as VASH voucher holders, are on the rent reform calculation. The earliest group of work-focused households has transitioned to the second level of rent payment beginning in FY2015, and will be subject to the \$100 minimum rent payment. Home Forward continues to monitor hardship requests, household and agency financial impacts and staff feedback to prepare for any changes that may need to be made to the activity.

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	FY2011: \$140,228	FY2016: \$104,200	FY2016: \$88,733	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2011: 5,340 hours	FY2016: 3,968 hours	FY2016: 3,379	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				

Average error rate in completing task	FY2015: 7.5%	FY2016: 7.5% or less	FY2016: 12%	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: CE#5)				
Total annual tenant share of rent	FY2012: \$25,342,942	FY2016: \$29,435,827	FY2016: \$33,156,018	Benchmark achieved
Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2011: \$3,324	FY2016: \$3,374	FY2016: \$4,156	Benchmark achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) Note: Because Home Forward has implemented biennial and triennial review schedules, the number of households who report an increase in earned income each year is reduced.				
Number of heads of households who: 6) Other (defined as having an increase in earned income)	FY2011: 866 heads of households	FY2016: 500 heads of households	FY2016: 794 heads of households	Benchmark achieved
Percent of work-focused households who: 6) Other (defined as having an increase in earned income)	FY2011: 16% of work-focused households	FY2016: 16% of work-focused households	FY2016: 18.5%	Benchmark achieved
Households Removed from Temporary Assistance for Needy Families (TANF) (Standard Metric: SS#4)				
Number of households receiving TANF assistance	FY2012: 1,859 households receiving TANF (17.7%)	FY2016: 1,770 households receiving TANF (17.0%)	FY2016: 1,630 households receiving TANF (14%)	Benchmark achieved
Reducing the per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2012: \$524 per household	FY2016: \$524 per household	FY2016: \$560 per household	Benchmark not achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self-sufficiency	FY2014: 521 households	FY2016: 500 households	FY2016: 606 households	Benchmark achieved

Displacement prevention (Standard Metric: HC#4)				
Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2011: 233 households	FY2016: 0 households	FY2016: 0 households	Benchmark achieved
Increase in resident mobility (Standard Metric: HC#5) Home Forward does not believe this metric is an accurate measure of this activity, but we have included it at HUD's request.				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 16%)	FY2013: 3,092 (28.4%) households lived in better neighborhoods	FY2016: 3,100 (30%) households	FY2016: 1,856 (17.1%) households	Benchmark not achieved
Maintain stability for seniors and people with disabilities				
Shelter burden (rent <sup>1</sup> + utility allowance divided by gross income) for seniors and people with disabilities	Before implementation, shelter burden was 27%	FY2016: Shelter burden will remain below 29%	FY2016: 28.5%	Benchmark achieved
Increased contribution to rent				
Total tenant payment (rent <sup>1</sup> + utility allowance) for work-focused households	Before implementation: Section 8 average - \$267 Public housing average - \$249	FY2016: Section 8 average - \$307 Public housing average - \$286	FY2016: Section 8 average - \$339 Public housing average - \$328	Benchmark achieved
Hardship requests				



Home Forward has two types of hardships that are considered for the rent calculation:

1) At the time of implementation, Home Forward offered a “phase-in” hardship for households who had high medical or childcare costs or had a large number of dependents. On an annual basis, those households have the opportunity to apply for an extension to the phase-in hardship, which if approved, reduces their rent portion in proportion to the amount of expenses or number of dependents. In FY2016, 42 households requested an extension of the phase-in hardship, and 41 were approved. The annual cost to the agency of the phase-in hardship is approximately \$24,300.

2) Households may apply for a hardship review if their total monthly shelter costs exceed 50% of the total monthly income used to determine their rent subsidy. In FY2016, 375 households applied for applied for a hardship review and 206 requests were granted. The annual cost to the agency of these hardship adjustments is approximately \$59,126.

<sup>1</sup> For purposes of these metrics, Section 8 rents are calculated with gross rent capped at payment standard.

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

#### **MTW Flexibility:**

Home Forward has used our MTW flexibility to structure our rent reform calculation with a number of aspects that differ from the standard calculation (described above). This includes eliminating deductions, changing the percentage of income used to calculate rent, simplifying the calculation and moving to triennial reviews save significant staff time. Additionally, Home Forward has exercised its authority to amend the definition of an elderly family to age 55. This supports the statutory objective of creating incentives for self-sufficiency by ensuring that households defined as work-focused can be reasonably expected to increase employment and earnings over time.

#### **Explanation of Benchmarks Not Achieved**

The error rate of files audited for rent calculation errors was higher in FY2016 than the previous fiscal year. The rent assistance department again has brought on a significant number of new staff in FY2016, and as part of the training process, 100% of those staff members' files are audited and corrected during their first six months on the job. As training is completed, error rates continue to decrease. Home Forward continues to monitor error rates and will consider if further action is needed.

The decrease in resident mobility to low-poverty census tracts is a reflection of the overall affordability trends that have impacted the Portland metro area for the past several years. Since the baseline year of FY2013 to FY2016, Multnomah County low-poverty census tracts increased from 98 to 101 of the 21 of the 171 census tracts in Multnomah County. 13 census tracts went from being categorized as high-poverty to low-

poverty, while 10 went from low-poverty to high-poverty. While low-poverty census tracts increased, this coupled with an average 10% increase in rents and the low vacancy rate of an average 3.5% in the Portland metro area <sup>1</sup> has contributed to decreasing housing choice and resident mobility to access

low-poverty census tract neighborhoods in FY2016.

Additionally, in an effort to try to keep pace with the market and to ensure our voucher holders are able to find housing throughout our community, Home Forward raised payment standards in March 2015 and in February 2016. This has raised the average subsidy for our households, but is a necessary step to continue to provide stable housing in this market. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

<sup>1</sup> Spring 2016 The Apartment Report by MultiFamily NW, The Association Promoting Quality Rental Housing

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

Approved FY2014, Implemented FY2014

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

The key elements of the GOALS program are as follows:

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

**MTW authorization:**

Attachment C, Section E – Family Self Sufficiency Programs

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

**Statutory objective:**

Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient

Families who decide not to give up their subsidy may still withdraw funds from their managed savings accounts for approved purposes, including, but not limited to, training or employment needs, helping children achieve in school, and housing stability.

- The site- based program transitioned from mandatory to voluntary participation, effective September 1, 2015. Home Forward compared outcomes of mandatory and voluntary site based program households and found more positive outcomes for households that participated in GOALS voluntarily.
- When funding is available, a safety net of \$1,500 (either in lump sum or \$250/month for six months) will be provided through MTW flexible funds for public housing families graduating from the site-based programs who move to non-subsidized units. The same safety net will be provided for Section 8 participants who give up their voucher prior to reaching zero assistance. Due to sequestration funding cuts, this safety net has not yet been announced or made available to families.
- Staff implementing the GOALS program will be funded by a combination of HUD-funded FSS Coordinator money, grant funding and agency budgeting. FSS Coordinator funds will be used only for FSS Coordinator salaries, as directed by the respective NOFAs.

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1) <sup>1</sup> Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2013: \$186,400	FY2016: \$317,500	FY2016: \$202,129	Benchmark achieved
Staff time savings (Standard Metric: CE#2) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save staff time through this activity, but we have included it at HUD's request.				
Total time to complete task	FY2013: 6,240	FY2016: 10,400	FY2016: 8,320	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2015: 2%	FY2016: 2%	FY2016: 2%	Benchmark achieved
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	FY2013: \$0	FY2016: \$317,500	FY2016: \$283,418	Benchmark not achieved

Increase in household income (Standard Metric: SS#1)				
Average earned income of households	FY2013: \$9,277	FY2016: \$9,370	FY2016: \$11,109	Benchmark achieved
Increase in household savings (Standard Metric: SS#2)				
Average amount of escrow of households	FY2013: \$1,292	FY2016: \$1,305	FY2016: \$935	Benchmark not achieved
Increase in positive outcomes in employment status (Standard Metric: SS#3) <sup>2</sup>				
Number of heads of households:	FY2013:	FY2016:	FY2016:	Benchmark not achieved
1) Employed full-time	1) 283	1) 180	1) 196	
2) Employed part-time <sup>3</sup>	2) N/A	2) 145	2) 90	
3) Enrolled in an educational program	3) 113	3) 125	3) 126	
4) Enrolled in a job-training program	4) 69	4) 75	4) 80	
5) Unemployed	5) 291	5) 275	5) 159	
6) Other (defined as having completed an education or job training program)	6) 38	6) 40	6) 52	
Percentage of work-able households:	FY2013:	FY2016:	FY2016:	Benchmark not achieved
1) Employed full-time	1) 53%	1) 32%	1) 48%	
2) Employed part-time <sup>3</sup>	2) N/A	2) 23%	2) 18%	
3) Enrolled in an educational program	3) 20%	3) 20%	3) 35%	
4) Enrolled in a job-training program	4) 12%	4) 15%	4) 22%	
5) Unemployed	5) 52%	5) 45%	5) 34%	
6) Other (defined as having completed an education or job training program)	6) 6%	6) 8%	6) 14%	
Households removed from TANF (Standard Metric: SS#4)				

Number of households receiving TANF assistance	FY2013: 126 households	FY2016: 125 households	FY2016: 106 households	Benchmark achieved
Households assisted by services that increase self-sufficiency (Standard Metric: SS#5)				
Number of households enrolled in GOALS	FY2013: 564 households	FY2016: 600 households	FY2016: 445 households	Benchmark not achieved
Reducing per unit subsidy costs for participating households (Standard Metric: SS#6)				
Average amount of subsidy per household	FY2013: \$490.65 per household	FY2016: \$490 per household	FY2016: \$529 per household	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: SS#7)				
Tenant share of rent	FY2013: \$986,971	FY2016: \$1,100,000	FY2016: \$2,019,334	Benchmark achieved
Households transitioned to self-sufficiency (Standard Metric: SS#8)				
Number of households transitioned to self-sufficiency	FY2014: 30 households	FY2016: 30 households	FY2016: 56 households	Benchmark achieved
Increase in average income for exiting participants				
Increase in average participant earned income between enrollment and exit	Average earned income at time of GOALS enrollment for all current GOALS participants = \$8,745	Average earned income for all participants exiting (for any reason) in FY2016 - \$10,000  Average earned income for all participants successfully <u>graduating</u> in FY2016 - \$21,000	Average earned income for all participants exiting (for any reason) in FY2016 - \$13,292  Average earned income for all participants successfully graduating in FY2016- \$37,666	Benchmark achieved
Increase in average savings for exiting participants				
Increase in average participant managed savings account balance at exit from GOALS	Average managed savings account balance at entry to GOALS = \$0	Average managed savings balance disbursed to all participants exiting (for any reason) in FY2016 - \$3,000	Average managed savings balance disbursed to all participants exiting (for any reason) in FY2016- \$2,229	Benchmark not achieved

		Average managed savings balance disbursed to graduating participants in FY2016 - \$7,500	Average managed savings balance disbursed to graduating participants in FY2016- \$7,655	
Increase in positive outcomes for exiting participants				
Percentage of households:	For 81 households exited in FY2013:	For FY2016 exiting households:	For FY2016 exiting households:	Benchmark achieved
1) Employed full-time	1) 50%	1) 40%	1) 42%	
2) Employed part-time	2) N/A	2) 20%	2) 21%	
3) Enrolled in educational program	3) 9%	3) 10%	3) 24%	
4) Enrolled in job training program	4) 2%	4) 2%	4) 12%	
5) Unemployed	5) 50%	5) 40%	5) 37%	
6) Other (defined as having completed an educational or job training program)	6) 14%	6) 14%	6) 15%	
Exiting participants removed from TANF				
Percent of households giving up TANF at exit	FY2013: 24% of households who had TANF during participation had given up TANF at exit	FY2016: 30% of households <sup>4</sup>	FY2016: 55% of households	Benchmark achieved

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

<sup>2</sup>Households may be counted in more than one category in the employment statuses shown above. For example, a household may be considered unemployed while enrolled in an educational program.

<sup>3</sup>Home Forward does not currently track full-time vs part-time employment. For the purposes of this year's metrics, all employed households are counted as employed full-time. Part-time employment will be tracked going forward.

<sup>4</sup>Households are required to give up TANF benefits in order to graduate. The percentage of households is pulled down due to families exiting the program without graduating.

### **MTW Flexibility:**

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

### **Explanation of Benchmarks Not Achieved**

The benchmark for resources leveraged was not achieved because Home Forward restructured the work assignments at GOALS site-based properties to better serve the needs of the residents at those properties. As a result, one GOALS site-based coordinator position was reclassified into a Resident Community Services Coordinator position. This internal restructure reduced the total number of 5 GOALS site-based coordinators to 4. Subsequently, these benchmarks were affected by this change.

The benchmark for household assisted by services that increase self-sufficiency of maintaining enrollment of at least 600 households per year was not met. As of March 31, 2016, 445 households were enrolled in GOALS. However, through the year there were 610 households in the program and 652 participants in those households. During the past year, one of the GOALS pilot project, Housing Works (see Sources and Uses of MTW Funds) was scheduled to expire and many participants either graduated or exited the program (165 households exited the program compared to 81 households who exited in FY2013). Home Forward continuously fills slots for GOALS participation that have opened as others have graduated or left the program.

Although the benchmarks were not met for number of heads of households with full or part time employment, overall the benchmarks were achieved for Increase in Positive Outcomes in Employment Status. Combined, 286 heads of households were employed full-time or part-time, short of the benchmark of 325. However, a high percentage of workable households were employed than the proposed benchmark; 66% of households were employed as compared to the benchmark of 55%. The number of unemployed heads of households was drastically reduced; 159 head of households were unemployed compared to 275 as compared to the benchmark. This measure is also evident with work able households; 34% of work able households were unemployed compared to the benchmark of 45%.

During FY2016, we noticed a decrease in managed savings disbursement requests overall. A significant number of GOALS participants were co-enrolled in the Housing Works grants which provided supportive services/incentives to assist participants with reducing and removing barriers related with job training and employment. Having access to these funds reduced the need to access the managed savings accounts, resulting in a decrease in overall escrow disbursement to participating households.

The total amount of escrow savings of households is directly affected by increases in households' income and higher rent contributions. Usually there are not significant increases to GOALS households' income or rent contributions in the first two years of program participation. In FY2016, the majority of GOALS program participants were in the first or second year, thus resulting in lowered overall average of escrow of households.

The subsidy per household increase in FY2016 falls in line with the rental market trends; an average 10% increase in rents and the low vacancy rate of an average 3.5% in the Portland metro area <sup>1</sup>. In an effort to try to keep pace with the market and to ensure our voucher holders are able



to find housing throughout our community, Home Forward raised payment standards in March 2015 and in February 2016. This has raised the average subsidy for our households, but is a necessary step to continue to provide stable housing in this market. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

<sup>1</sup> Spring 2016 The Apartment Report by MultiFamily NW, The Association Promoting Quality Rental Housing

### 03 LOCAL BLENDED SUBSIDY

Approved FY2012, Implemented FY2012

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

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

**MTW authorization:**

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

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

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

**Statutory objective:**

Increase housing choice for low-income families

As of FY2016, Home Forward has utilized the LBS program for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing.

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units made available	FY2016: 239 units made available	FY2016: 239 units	Benchmark achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of housing units preserved for households at or below 80% AMI	Before implementation, 0 units preserved	FY2016: 45 units preserved	FY2016: 45 units	Benchmark achieved
Metric	Baseline	Benchmark	Outcome	Benchmark Achieved

Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 16%)	Before implementation, 0 households	FY2016: 109 households	FY2016: 109 households	Benchmark achieved
Increase in resources leveraged (Standard Metric: CE#4)				
Amount of funds leveraged	Before implementation, \$0	\$11,145,307 in leveraged debt, equity and increased services	FY2016: \$11,145,307	Benchmark achieved

**MTW Flexibility:**

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

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

**Changes to Metrics:**

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

## 06 ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Approved FY2012, Implemented FY2012

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

**MTW authorization:**

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

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$35,500	\$0	FY2016: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Before implementation, 500 hours	0 hours	FY2016: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2014: 4%	FY2016: Less than 5%	FY2016: 0%	Benchmark achieved

**MTW Flexibility:**

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

**Changes to Metrics**

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

## 07 LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Approved FY2013, Implemented FY2013

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

In FY2016 inspectors continued to use the option for landlords to self-certify minor repairs rather than completing a reinspection by an inspector. The option continued to be used at the inspector's discretion. Out of 1,622 reinspections, 147 were completed with a landlord self-certification for minor repairs.

### MTW authorization:

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

### Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

### Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$140,092	FY2016: \$119,078	FY2016: \$110, 214	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	FY2012: 1,326 hours	FY2016: 950 hours	FY2016:1,475 hours	Benchmark not achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2015: 0%	FY2016: Less than 5%	FY2016: Less than 1%	Benchmark achieved

### MTW Flexibility:

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

**Explanation of Benchmarks Not Achieved**

In FY2016 there was a decrease in landlord self-certifications due to the transition to biennial inspections and accounts for the reduction in landlord self-certifications. In the future, we may consider broadening the list of minor repairs that landlords can self-certify in order to allow for more time and cost savings in this activity.

**Changes to Metrics**

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

## 08 INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

Approved FY2013, Implemented FY2013

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

In cases where Home Forward both owns and manages the unit, we hire a third party to conduct quality control inspections and rent reasonableness testing at a sample of these units. This ensures standards are being met while mitigating any conflict of interest. There have been no reported issues with units or rent reasonableness at these properties.

### MTW authorization:

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

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

### Statutory objective:

Reduce cost and achieve greater cost effectiveness in Federal expenditures

### Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Prior to implementation, \$17,750	FY2016: \$0	FY2016: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 370 hours	FY2016: 0	FY2016: 0 hours	Benchmark achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing a task	FY2015: 0%	FY2016: Less than 5%	FY2016: 3.2%	Benchmark achieved

### MTW Flexibility:

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

### Changes to Metrics

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

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

Approved FY2010, Implemented FY2010

Since 2010, Home Forward has implemented a variety of measures to improve landlord acceptance of Housing Choice Vouchers in our community and the ability of voucher holders to successfully lease up. As reported in the FY2016 MTW Plan, per the passage of HB2639 by the Oregon state legislature, Home Forward no longer manages a Landlord Guarantee Fund. Landlords who rent to voucher holders now have access to a Landlord Guarantee Fund managed by the state.

The following MTW initiatives focused on improving the lease-up rate of voucher holders:

- We provided 32 vacancy loss payments of one additional Housing Assistance Payment (HAP) to owners after the move-out month when vacancies were unforeseen or unexpected (such as a death or skip) and the owners had not received proper notice of the intent to vacate. The vacancy loss payments have been appreciated by landlords in these unforeseen circumstances.
- We provided 222 one-time \$200 Landlord Incentive Payments to landlords who had not rented to a voucher holder within the past two years as an incentive to participate in the program. This incentive is offered to encourage new landlords to open their properties to voucher holders.

In FY2016 we began a new single-fund activity to assist voucher holders with a one-time payment of up to \$200 toward a security deposit. Participants are eligible for this deposit assistance after they complete a tenant education class taught by a community-based tenant education provider, the Community Alliance of Tenants (CAT). The class is designed to support voucher holders to understand their rights and responsibilities as renters, increase awareness of their protection from discrimination under Oregon's expanded source of income provision under HB2639, and provide practical tips for securing and maintaining rental housing. In FY2016, 253 participants took the tenant education class and \$22,100 was paid out in deposit assistance. Along with the incentives above, with the implementation of HB2639, all housing authorities in Oregon began to accept initial lease terms of less than 12-months as long as it is the landlord's practice for all their tenants with or without vouchers. This was agreed upon alignment of lease requirements for voucher holders with common market practice in Oregon's rental markets.

### **MTW authorization:**

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

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

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

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

### **Statutory objective:**

Increase housing choice for low-income families



**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Households assisted by services that increase housing choice (Standard Metric: HC#7)				
Number of households receiving services aimed at increasing housing choice	Before implementation, 0 households	FY2016: 180 households	FY2016: 222	Benchmark achieved
Improve voucher success rate				
Issued voucher success rate	FY2009: 74%	FY2016: 82.5%	FY2016: 71%	Benchmark not achieved
Decrease in lease-up time				
Average number of days for a voucher holder to lease up	Before implementation, 51 days	FY2016: 50 days	FY2016: 77 days	Benchmark not achieved

**MTW Flexibility:**

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

**Explanation of Benchmarks Not Achieved**

During FY2016 the rental market remained extremely competitive. According to *The Apartment Report*, Spring 2016 edition, the current vacancy rate in our jurisdiction is around 3.5% with an annualized 10% increase to rents in the Portland metro area. The lease up rate has been trending downward since August 2014 and FY2016 shows this continued downward trend which resulted in not reaching the benchmark.

In an effort to improve the lease-up rate and give participants as much choice as possible in the rental market, the payment standards were increased in February 2016 after a previous payment standard increase in March 2015. Home Forward continues to issue vouchers with an initial 120 days to search, in recognition of the competitive market and the length of time it is taking to lease up.

The decreasing success rate is largely attributable to the tight rental market and the pace at which rents have been increasing. Even with our ability to set payment standards up to 120% of FMR, using HUD's standard methodology for establishing FMRs, Home Forward has been unable to set payment standards at levels that give voucher holders the ability to compete in many neighborhoods in Portland. Recognizing this challenge, Home Forward, in partnership with the Portland Housing Bureau and other Public Housing Authorities in the region commissioned

Washington State University to conduct a Portland-Vancouver-Hillsboro Fair Market Rent Survey. HUD accepted the results of this survey, and as a result the FY2016 FMRs for our area were increased; the FY2016 two-bedroom FMR increased 28% from FY2015. Utilizing these increased FMRs, Home Forward adopted payment standards, effective April 1, 2016, which are pegged to actual market rents in most neighborhoods.

In addition, Home Forward in partnership with the Portland Housing Bureau, is creating a Voucher Success Fund that will assist some participants with lease-up in FY2017. The Voucher Success Fund includes two components:

- Funding for a low-barrier, low-interest security deposit loan program. This program will allow participants to apply for loans up to \$1,200 at a low-interest rate of 5% with a 24-month repayment period. The program will be administered by a non-profit lender and gives participants an opportunity to build credit and participate in financial education classes.
- Housing barrier and housing search assistance through housing navigators placed at community non-profits focused on helping people to address their barriers and secure stable housing.

While we did not meet the benchmark of less than 50 days to lease up, there was only a one-day increase to the outcome from the FY2015 MTW Report. This is in line with the continued challenges to lease up due to a tight rental market in the Portland metro area.

### **Changes to Metrics**

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

## 10 LOCAL PROJECT-BASED VOUCHER PROGRAM

Approved FY2012, Implemented FY2012, Amended FY2015

Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 2,000 PBVs in the community via more than 60 separate contracts. The program continues to represent our focus on coordinating with jurisdictional partners and enhancing the supply of permanent supportive housing for households with barriers to housing.

In FY2015, Home Forward changed the operating subsidy at four high-rise buildings from public housing to project-based Section 8 funding, as part of our preservation strategy to renovate the buildings. These four buildings accounted for 654 units and serve seniors and persons with disabilities. The initial work to rehab each of these properties is close to completion. All interior work has been completed and we have fully leased all the units at each location. The flexibility to place project-based vouchers at these buildings, as well as in other buildings through service provider and jurisdictional partnerships, ensures that affordable housing remains available to some of the most vulnerable households in our community.

### MTW authorization:

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

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

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

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

### Statutory objective:

Increase housing choice for low-income  
families

Reduce cost and achieve greater cost  
effectiveness in Federal expenditures

### Activity Metrics:

Metric	Baseline	Benchmark	Outcome	Benchmark achieved
Additional units of housing made available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	FY2011: 1,100 units	FY2016: 1,363 units made available	FY2016: 1,332 units	Benchmark not achieved
Units of housing preserved (Standard Metric: HC#2)				
Number of units preserved for households at or below 80% AMI that would otherwise not be available	Prior to implementation: 0 units	FY2016: 654 units preserved	FY2016: 654 units preserved	Benchmark achieved

Decrease in wait list time (Standard Metric: HC#3) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Average applicant time on wait list in months	FY2014: 15 months	FY2016: 15 months	FY2016: 19 months	Benchmark not achieved
Displacement prevention (Standard metric: HC#4) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				
Number of households at or below 80% AMI that would lose assistance or need to move	FY2015: 904	FY2016:904	FY2016: 904	Benchmark achieved
Increase in Resident Mobility (Standard Metric: HC#5)				
Number of households able to move to a better unit and/or neighborhood of opportunity (defined as low poverty census tracts where poverty is below 16%)	FY2011: 93 households	FY2016: 400 households	FY2016: 269 households	Benchmark not achieved
Agency Cost Savings (Standard Metric: CE#1)				
Total cost of task in dollars	Prior to implementation: \$30,720	FY2016: \$5,025	FY2016: \$12,920	Benchmark not achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete the task	Prior to implementation, 917 hours	FY2016: 150 hours	FY2016: 500 hours	Benchmark not achieved
Decrease in error rate of task execution (Standard Metric: CE#3)				
Average error rate in completing task	FY2015: 2%	FY2016: Less than 5%	FY2016: 7.9%	Benchmark not achieved
Increase in tenant share of rent (Standard Metric: CE#5) Note: Because Home Forward does not have a pre-implementation baseline for this metric, we are not able to show the historical impact of this activity				

Total annual tenant share of rent	FY2014: \$3,570,859	FY2016: \$3,500,000	FY2016: \$4,482,505	Benchmark achieved
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**MTW Flexibility:**

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

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

The local competitive process may be waived and PBVs may be awarded based on a formal approval and resolution process by Home Forward’s Board of Commissioners within the following parameters:

- 1) Jurisdictional partners (defined as the cities of Portland and/or Gresham or Multnomah County) formally request for Home Forward to rehabilitate, acquire, or develop housing as a part of a community-wide initiative to meet local priorities and
  - 2) The intended PBV units will be owned directly or indirectly and/or managed by Home Forward.
- Home Forward has adopted the local city and county site selection standards for PBV units in order to ensure alignment with jurisdictional partners in regards to site selection for low-income housing aimed at ending homelessness. Site selection standards are designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations of 20% or less.
  - Home Forward has modified subsidy standards regarding under- and over-housing in order to ensure full utilization of PBV units. Subsidy standards are the same for PBVs as those used for tenant-based vouchers, but exceptions are granted when there are no appropriately sized households on the waiting list to fill a vacant unit.
  - Home Forward has modified lease terms, renewal options, and termination policies to limit owners' ability to terminate tenancy without cause, maximizing housing choice for the families in those units. After the initial term, PBV leases convert to a month-to-month agreement unless owners and tenants agree to a longer term, and owners may not refuse to renew leases without cause. Owners of PBV units may not terminate tenancy without cause, except as follows:
    - The owner of a PBV unit may terminate tenancy for a family if Home Forward terminates the family's assistance for any reason in order to ensure that another low-income applicant can be served. However, instead of terminating tenancy, the owner may request Home Forward's approval to amend the PBV contract to remove a unit occupied by a zero subsidy family or amend the PBV contract to substitute a different unit with the same number of bedrooms in the same building.
  - Home Forward modified the way contract rents are determined for PBV units by limiting PBV contract rents to a maximum of the payment standard less any applicable tenant paid utility allowance, ensuring that PBV units are affordable even to zero-income households.
  - Home Forward adapted the timing of applying payment standard adjustments for PBV participants. Any increase in payment standards to the PBV units is applied on the next anniversary date of the PBV Housing Assistance Payments Contract, following the effective date of the increase. Any decrease in payment standards to the unit is applied beginning on the second anniversary date of the PBV Housing Assistance Payments Contract following the effective date of the decrease.
  - Home Forward uses an alternate rent setting policy that allows the Rent Assistance Director, with Board approval, to set exception payment standards that are greater than 110% of Fair Market Rents for service-enriched buildings entering into new project-based voucher contracts, without requesting HUD approval. The payment standard granted applies to any unit under the project-based voucher contract serving a highly vulnerable population with intensive services. Data is required of the owner to verify the value of the services being provided, and this cost will not be included when conducting rent reasonableness tests.

- Home Forward allows Home Forward staff to conduct inspections, set rents and determine rent reasonableness for Home Forward-owned units that utilize PBVs. When Home Forward both owns and manages the unit, it hires a third party to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under Activity 08: Inspection and Rent Reasonableness at Home Forward-Owned Units.
- Home Forward has eliminated the cap limiting project-basing to up to 20% of the amount of budget authority allocated to the agency by HUD in the voucher program.

### **Explanation of Benchmarks Not Achieved**

The project base voucher program has seen some changes over the course of the last year. The current state of the housing market in the Portland metro region is at a crisis point. With the average vacancy rate around 3.5% there are very limited housing options for applicants. Applicants on project based voucher waiting lists at various properties are waiting longer for available units as current residents are staying in their units longer and this adds to less turnover. If there is not movement from the various properties or turnover, it limits how many available units get turned at each individual property. Thus applicants across the project base voucher program are waiting longer on waiting list. We hope over time this trend will improve and there will be greater access to units as people move on and through our housing programs.

There continues to be a struggle with staff turnover at some of the PBV buildings, and this results in new staff learning and completing recertification reviews. Auditing time increased due to the many intakes that occurred as units were released from being held offline during the 85 Stories renovation work. Additionally, there was an overhaul to the auditing of waitlists, which included creating a standard format to be used by PBV building staff, who are third party providers, meaning additional time for coordinating training along with additional training due to turnover. Home Forward expects standardizing waitlists and processes on training will result in fewer errors and reduced time spent on processing unit turnovers for third party providers. Home Forward has taken a more detailed approach to working with the third party management companies for each of the Project Based voucher properties to ensure they are in compliance with HUD and Home Forward program policy and wait list requirements. This approach has added time to our audit functions of the overall program in making sure new staff are trained, have the technical skills needed while we continue to focus on serving those most in need. Our program currently has over 60 project based voucher contracts and we audit and review every building wait list for compliance with our policies.

The decrease in resident mobility to low-poverty census tracts is a reflection of the overall affordability trends that have impacted the Portland metro area for the past several years. The decrease in resident mobility to low-poverty census tracts is a reflection of the overall affordability trends that have impacted the Portland metro area for the past several years. Since the baseline year of FY2013 to FY2016, Multnomah County low-poverty census tracts increased from 98 to 101 of the 21 of the 171 census tracts in Multnomah County. 13 census tracts went from being categorized as high-poverty to low-poverty, while 10 went from low-poverty to high-poverty. While low-poverty census tracts increased, this

coupled with an average 10% increase in rents and the low vacancy rate of an average 3.5% in the Portland metro area<sup>1</sup>, has contributed to decreasing housing choice and resident mobility to access low-poverty census tract neighborhoods in FY2016. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible.

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<sup>1</sup> Spring 2016 The Apartment Report by MultiFamily NW, The Association Promoting Quality Rental Housing



## 11 ALIGN UTILITY ALLOWANCE ADJUSTMENT PROCEDURES

Approved FY2011, Implemented FY2011

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

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

**MTW authorization:**

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

**Statutory objective:**

Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Agency cost savings (Standard Metric: CE#1)				
Total cost of task	Before implementation, \$8,000 per year	FY2016: \$0	FY2016: \$0	Benchmark achieved
Staff time savings (Standard Metric: CE#2)				
Total time to complete task	Before implementation, approximately 393 hours	FY2016: 0 hours	FY2016: 0 hours	Benchmark achieved

**MTW Flexibility:**

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

**Changes to Metrics:**

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

### 13 BROADEN RANGE OF APPROVED PAYMENT STANDARDS

Approved FY2015, Implemented FY2015

Regulations require that payment standards are set between 90% and 110% of Fair Market Rents, as defined by HUD for the geographic area in which the housing authority is operating. Multnomah County is a large geographic area with rents that differ throughout several submarkets. When rental market conditions tighten, it is not uncommon for 110% of Fair Market Rent to fall short of what is needed to rent a quality unit in large, and often higher opportunity, areas of Multnomah County. In addition, payment standards that are too high in particular neighborhoods can create concentrations of poverty.

**MTW authorization:**

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

**Statutory objective:**

Increase housing choice for low-income families

In order to ensure that payment standards are sufficient to allow Housing Choice Voucher participants reasonable choice in neighborhoods, Home Forward has used MTW authority to broaden its “base range” for payment standards to between 80% and 120% of the Fair Market Rents without prior HUD approval. Home Forward has also been authorized to approve Exception Payment Standards up to 120% of Fair Market Rents in low poverty areas or as a reasonable accommodation for a family that includes a person with disabilities. There were twelve<sup>1</sup> requests for exception payment standards to 120% of Fair Market Rents during FY2016, an increase from 1 request in FY2015.

Home Forward updated its payment standards using this authorization in March 2015 and again in February 2016, following these parameters:

- Payment standards are broken down by nine separate neighborhoods as defined by ZIP codes. Each of these neighborhood payment standards is broken down by bedroom size.
- In four high-opportunity neighborhoods payment standards are set at the market rate plus the average tenant paid utility allowance, within the range of 90% to 118% of Fair Market Rents. These areas offer increased access to transportation options, family wage jobs, education and healthy living. A maximum threshold of 118%, instead of 120%, ensures we will not be forced to be immediately reactive if HUD reduces the Fair Market Rents by a small percentage.
- In the other five neighborhoods, payment standards are set at the market rate alone within the range of 90% to 118% of Fair Market Rents.
- Because data shows that market rents for three-bedroom apartments fall well below 90% of Fair Market Rents, payment standards for three-bedroom apartments are set a market rate within a range of 85% to 118% of Fair Market Rents. Home Forward has established a separate payment standard for single family three-bedroom duplexes and homes within the range of 90% to 118% of Fair Market Rents.

Given the continued increase to rents in our jurisdiction the payments standards effective 3/01/2015 continued to limit participant's choice in the market. Even with our ability to set payment standards up to 120% of FMR, using HUD's standard methodology for establishing FMRs, Home

<sup>1</sup> Approximate based on YARDI data collection. A separate tracking system has been created and will be used for future fiscal years for data recording.

Forward has been unable to set payment standards at levels that gave voucher holders the ability to compete in many neighborhoods in Portland. Recognizing this challenge, Home Forward, in partnership with the Portland Housing Bureau and other Public Housing Authorities in the region commissioned Washington State University to conduct a Portland-Vancouver-Hillsboro Fair Market Rent Survey. HUD accepted the results of this survey, and as a result the FY2016 FMRs for our area were increased; the FY2016 two-bedroom FMR increased 28% from FY2015. Utilizing these increased FMRs, Home Forward adopted payment standards, effective 2/03/2016 to bring the lower payment standards into compliance with 80% of FMR and effective 4/01/2016 there was a comprehensive increase to all payment standard areas based on the new FMRs, which are closer to actual market rents in most neighborhoods.

For households in the Housing Choice program at the time of the payment standard changes, payment standard increases were applied at the time of their full recertification or when they moved. Households in areas where payment standards decreased retained their current payment standard, unless they moved. This implementation schedule, as well as setting payment standards within the specified range even when market rents may be lower than that range, helped to ensure that current households were not harmed and that zero-income participants were able to find affordable housing and pay utilities.

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Increase in resident mobility (Standard Metric: HC#5)				
Number of households living in better neighborhoods (defined as low poverty census tracts where poverty is below 16%)	FY2013: 1,896 (30%) households lived in better neighborhoods	FY2016: 1,926 (30%) households	FY2016: 1,227 (18%) households	Benchmark not achieved
Agency cost savings (Standard Metric: CE#1) Note: This is a standard reporting metric used by HUD to measure impacts across agencies on a national level. Home Forward does not save costs through this activity, but we have included it at HUD's request.				
Total cost of task	FY2014: \$58,082,840	FY2016: \$50,560,897	FY2016: \$63,211,603	Benchmark not achieved
Average Housing Assistance Payment expense				
Average annual HAP expense by household	FY2014: \$6,690	FY2016: \$7,150	FY2016: \$7,227	Benchmark not achieved

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

**MTW Flexibility:**

Home Forward uses our MTW authority to expand the range for which Home Forward may set payment standards across the various submarkets of Multnomah County to between 80% and 120% of HUD-established Fair Market Rents, and to establish exception payment standards up to 120% of Fair Market Rents, without HUD approval. The goal will be to ensure that payment standards are sufficient to allow all families, including those that need a reasonable accommodation, to choose to rent units in all nine of the defined areas in Multnomah County (so long as Housing Choice Voucher funding is sufficient to permit this). Home Forward may also choose to reduce payment standards in areas with lower market rents.

**Explanation of Benchmarks Not Achieved**

For FY2016 resident mobility was not retained as projected with only 18% of households, rather than the projected 30%, living in low-poverty census tracts defined as census tracts where less than 16% of households are at the federal poverty level.

In addition, of the 1,551 households that moved during FY2016, only 23% of those households moved to low-poverty census tracts and 77% to high-poverty census tracts. The low-poverty census tracts in Multnomah County are in high opportunity neighborhoods, which are desirable neighborhoods for everyone; therefore, the rents are higher and the competition to secure a rental unit is much greater.

To address this, Home Forward set higher payment standards for these neighborhoods; however, we are not seeing a significant number of households move to these areas. The evaluation data from the Mobility Project mentioned in the Non-MTW Regional Activities, showed the top four factors influencing choice of home when moving to be 1) neighborhood feels safe, 2) property and unit well maintained, 3) helpful property manager, and 4) cheaper rent and utilities. To find cheaper rent and utilities, coupled with the other factors, can explain at least some of why we are seeing fewer households moving to the high opportunity neighborhoods despite the higher payment standards.

Additionally, even with our ability to set payment standards up to 120% of FMR, using HUD's standard methodology for establishing FMRs, Home Forward has been unable to set payment standards at levels that give voucher holders the ability to compete in many neighborhoods in Portland, along with an average 10% increase in rents and the low vacancy rate of an average 3.5% in the Portland metro area<sup>1</sup>, has contributed to decreasing housing choice and resident mobility in FY2016. At this time we are not considering a change of strategy, but will continue to maintain our payment standard structure to reflect the market as much as possible. According to *The Apartment Report* there are signs that the supply of new housing is starting to catch up with demand, which would help to create a more balanced market for voucher holders in the future.

The metric of total cost of task was not met, due to payment standard increases in March 2015 and February 2016 which is reflected in the total HAP spent. Increasing the payment standards has been necessary to allow participants the most flexibility in the current market of Multnomah County.

<sup>1</sup> Spring 2016 The Apartment Report by MultiFamily NW, The Association Promoting Quality Rental Housing

The increase to average annual HAP expense by household was greater than anticipated due to the increase in payment standards and an increase in landlord rent increase requests. There was an 83% increase in landlord rent increase requests in FY2016 from FY2015 of which 20% of those increases resulted in an increased HAP for FY2016.

## 14 PROGRAM BASED ASSISTANCE

Approved FY2015, Implemented FY2015

The need for rental assistance in Multnomah County far outstrips the supply. When Home Forward opened the Section 8 waiting list in 2012 for the first time in 6 years, over 21,000 households applied for 3,000 waiting list slots.

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

To administer Program Based Assistance, Home Forward sets aside a pool of flexible rent assistance funds to serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. Target populations for Program Based Assistance are families for whom: 1) success on the Housing Choice Voucher program would be unlikely; 2) the delay in accessing rent assistance due to the voucher waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc.); or 3) the need for rental subsidy is short term while the client is receiving the support needed to stabilize in permanent housing. Examples of target populations include families who are homeless or at risk of homelessness, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County and was adopted by the I Have a Dream Foundation in order to improve outcomes), former foster youth, survivors of domestic violence, and families with an adult who has recently been released from prison.

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

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

*Eligibility:* Eligibility for Program Based Assistance is as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility are: 1) the household must include at least one person who is a U.S. citizen, U.S. national, or noncitizen with eligible immigration status; 2) the household may not include any member who is subject to lifetime registration as a sex offender or has been

convicted of production/manufacture of methamphetamine on premises of federally assisted housing; 3) no one in the household may owe Home Forward money; and 4) annual gross income cannot exceed 50% of area median income.

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

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

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

**Activity Metrics:**

Metric	Baseline	Benchmark	Outcome	Benchmark Achieved
Additional Units of Housing Made Available (Standard Metric: HC#1)				
Number of new housing units made available for households at or below 80% AMI	Before implementation, 0 units	FY2016: 5 units	FY2016: 5 units	Benchmark achieved
Increase in Resident Mobility (Standard Metric: HC #5)				
Number of households able to move to a better unit and/or neighborhood of opportunity	Before implementation, 0 households	FY2016: 110 households	FY2016: 83 households	Benchmark not achieved
Households Assisted by Services that Increase Housing Choice (Standard Metric: HC #7)				
Number of households receiving services aimed to increase housing choice	Before implementation, 0 households	FY2016: 270 households	FY2016: 473 households	Benchmark achieved

Home Forward will track this information through a combination of our YARDI database system, reporting by partner agencies, and the community's Homeless Management Information System (HMIS) software.

**MTW Flexibility:**

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

**If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explaining the challenges, and if possible, identify potential new strategies that might be more effective**

Home Forward fell short of the benchmark for households moving to a better unit or neighborhood of opportunity, but this is due to how this metric is calculated. For the Program Based Assistance program, households served fall into one of two categories: homeless households who are placed into a new unit and households receiving services to prevent eviction. Given this, it is the homeless households that are reflected in the resident mobility metric, as 100% of those households are moving into a better housing situation. To benchmark this metric, Home Forward has to project the number of homeless households served nearly a year in advance and before the budgets for the programs have been established.

Additionally, much of Home Forward's program based assistance is contracted as part of our community's larger Short Term Rent Assistance program that consolidates funding from a number of sources to achieve a consolidated set of shared goals. STRA funds are contracted with the goal of 25% of the funds across the system supporting families leaving homelessness. In the last year, the STRA system saw an increase in funds that had to be used to serve families experiencing homelessness, and as a result, a greater proportion of Home Forward's more flexible MTW funds were used to assist with Homelessness Prevention activities.

Although Home Forward fell short of the projected 110 households, we do not see the need to adjust the benchmark going forward.

**Changes to Metrics:**

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



## Not Yet Implemented Activities

### 12 ALTERNATIVE INITIAL HOUSING ASSISTANCE PAYMENT POLICY

Approved FY2015, Not Yet Implemented

Multnomah County is experiencing a fiercely competitive rental market, with only around a 3.5% vacancy rate and rapidly rising rents. It is often unlikely that our Housing Choice Voucher (HCV) holders – with extra paperwork and inspection requirements that delay initial move-in and payment effective dates – can compete successfully with unsubsidized renters who can move into a unit and begin payment immediately.

In an effort to improve housing choice for voucher holders and to increase the number of landlords who participate in the program, particularly in low-poverty neighborhoods, this activity allows Home Forward to enter into a HAP contract with a landlord with an effective date prior to the initial inspection date. This enables landlords to lease to voucher holders without losing valuable rental income while waiting for an inspection.

Home Forward will create a local HAP contract, including an addendum informing the landlord of Housing Quality Standard unit requirements and requiring their certification that the unit will meet those standards. The tenant will move in when they are approved by the landlord and when Home Forward has approved rent reasonableness and the affordability test. The initial inspection will take place within 15 business days of the effective date of the HAP contract, and if the unit does not pass, landlords will be provided an additional 15 business days to make repairs. In the event of a life-threatening deficiency, landlords will be given 24 hours to make repairs. Once the unit has passed inspection, initial payments will be remitted and will be retroactive to the HAP contract date. No payments will be made until the unit passes inspection, and the contract will include a provision for Home Forward to back out at any point if the unit does not pass inspection. If a unit does not pass inspection, no payments will be made and tenants will be released of their obligation to the unit.

Using our single-fund flexibility, we will create a moving assistance fund of \$5,000 to assist households in making deposit payments in the event that a landlord fails to make the necessary repairs and the family has to find a new unit. Because of the high quality of rental housing in Multnomah County, we anticipate a low rate of landlords failing re-inspection in this pilot program. During FY2016, 82% of initial inspections passed on the first visit.

During the initial year as a pilot program, Home Forward will use this alternative policy at its discretion. The alternative policy will not be used:

- If a unit was built prior to 1978 and the family moving in includes a pregnant woman or children under the age of six; or
- If a landlord has a history of subpar units, a poor or non-compliant repair record, or an otherwise questionable history.

**MTW authorization:**

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

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

**Statutory objective:**

Increase housing choice for low-income  
families

Although this activity was approved beginning FY2015, Home Forward did not implement it immediately due to two significant changes in leadership for the voucher program in FY2015: the retirement of the Inspections Supervisor and the promotion of the Department's Director to Chief Operating Officer of the agency. Since then, Home Forward formed a workgroup in April 2015 to create the process and documents to pilot the Alternative Initial Housing Assistance Payment policy. The workgroup consisted of staff knowledgeable in HQS inspections and compliance, and those responsible for supervising who will be administering the program. The workgroup met with an attorney in November 2015 to discuss potential issues and impediments to implementing the process. For example, landlords may have issue with having to waive the right to collect a lease break fee if they have already entered into a lease agreement with the tenant, but the unit does not pass inspection or if the Request for Tenancy Approval is not approved. The workgroup also discussed the complexities of having staff learn and administer two different Housing Assistance Payment policies. The workgroup continually met throughout December 2015 through April 2016 to discuss logistics of staff training and a landlord/unit certification process.

The intention of the Alternative Initial Housing Assistance Payment policy was to improve landlord relationships and speed up the process of lease up. However, the workgroup expressed concern that this policy may be an administrative burden and may cause unintentional delays. Landlords have not reported concerns about Home Forward's inspection time; Home Forward is generally able to conduct initial inspections within 3-5 business days of receiving the Request for Tenancy Approval. The workgroup will continue to assess if the Alternative Initial Housing Assistance Payment policy is beneficial for landlords and the families that Home Forward serves and has outlined the following fiscal year 2017 to meet with legal counsel to review and finalize policy and documents for this activity prior to implementation.

**MTW Flexibility:**

Current regulations require that Home Forward conduct initial inspections before the effective date of the HAP contract and lease. This activity allows Home Forward to conduct initial inspections up to 15 days after the effective date of a HAP contract, and to make payments effective as of that contract date.

### Activities Closed in Previous Years

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

# Sources and Uses of Funding

## Sources and Uses of MTW Funds

### Actual Sources and Uses of MTW Funding for the Fiscal Year

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

### Describe the Activities that Used Only MTW Single Fund Flexibility

#### **Replacement Housing Factor Funds /Demolition or Disposition Transitional Funding**

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

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

For our 2016 Capital Fund Program grant, Home Forward received one year and anticipates receiving four additional years of DDTF funds for these units, and may utilize its MTW authority to determine the future use of these funds based upon the amount of the award and timing in which funds are received. To date, none of the 2016 DDTF funds have been expended.

### **MTW Initiative Funds**

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

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

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

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

The Housing Works program ended on April 30, 2016, one month past the fiscal year end for this report. The program offered unified, seamless service delivery to participant where training and employment services were delivered using a coaching approach tailored to the needs of individual participants. Service components included access to coaching; career and resource planning; ongoing access to career pathways; trainings linked to high-growth industries; job preparation; job-attachment services; and employment retention services. System change was addressed through core program components including growing organizational capacity to more fully align resources and policy, co-investment of resources, and unified seamless service delivery.

The program served 314 individuals, of whom 145 earned industry-recognized credential; 62 completed internships; 70 obtained

employment that were not employed prior to entering the program; 48% of participants remained employed for at least 9 months. All participants had access to support service funds which provided financial support to participants to reduce and/or remove identified barriers to successful job training completion, job search and retention.

The Housing Works team created and strengthened partnerships with local community colleges, the local WorkSource system, and other local job training providers in the region. This regional alliance, also involving three other local housing authorities, has created new opportunities and will continue to collaborate in meaningful ways that benefit the organizations and our mutual participants.

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

- Families Forward: Families Forward is the umbrella name for our strategic initiatives designed to help youth attain education success in order to alleviate or exit poverty, and to help adults make economic progress, with the ultimate goal of exiting poverty for those who are able.
  - For adults, the current priority is to create a single framework for all of the agency's Economic Opportunity efforts, integrating the following four strategies: collecting information about families through an Employment and Training Interest Inventory; align existing self-sufficiency programs into a single program called GOALS, with site-based and non-site based components; facilitate the hiring of low-income (Section 3) residents and participants by Home Forward and contractors; and integrating Housing Works/Aligned Partner Network (mentioned above) into economic opportunity work. During FY2016, as part of our Opportunity Workers Initiative under this umbrella, 18 residents were employed for staging units for relocation, for part of the 85 Stories renovation project. The feedback from residents involved was positive. Ultimately, the goals for this initiative include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and residents/participants reaching a living wage if they exit housing subsidy.
  - Youth Initiatives: Home Forward is exploring partnerships with a number of local systems, including Worksystems, Inc., the six school districts in Multnomah County, the Schools Uniting Neighborhood network of school-based programming, the County's Linkages system targeting kindergarten readiness and enrollment, and Portland's Cradle to Career initiative to improve educational and career outcomes for youth. Goals include supporting kindergarten readiness, enrollment and attendance; improving access to parenting education and early childhood education programs for our families; and creating early childhood centers at two of our HOPE VI properties. For older children, goals include increasing college exposure and providing work readiness opportunities for high school and post-secondary youth, and continuing to invest in structured work experiences at Home Forward and ongoing internship activities. Specific youth initiatives have varied from year to year and have included summer employment opportunities for 12-15 year olds, summer internships for high school students, scholarships for youth living in Home Forward housing and outreach to parents of incoming kindergarteners

- Aging at Home Strategies: Home Forward is developing and implementing initiatives to increase independence and a sense of community at our properties that serve seniors and people with disabilities. A priority strategy is to explore systems alignment with multiple partners such as Aging & Disability Services at the state and county level, Multnomah County Developmental Disabilities, Cedar Sinai Park, Care Oregon, Health Share and Family Care. Strategies also include developing standards for renovating common areas and units to make them more accessible, developing new branding and marketing for the Congregate Housing Services Program (CHSP) in order to increase participation, and expanding and deepening available services based on consumer need.
- Staff Training: To support the Community Compact, Families Forward and Aging at Home initiatives, which are part of Home Forward's Strategic Operations Plan goal to strengthen our relationship with the people we serve, Home Forward is developing a new training program for staff. Training will include understanding the crisis of poverty and will provide staff with a basic overview of the components of motivational interviewing, strengths based case management, and trauma-informed care. The goal is to provide staff with knowledge and tools to better support residents in achieving their goals.
- Neighbor-to-Neighbor Grant Program: Home Forward has created a pilot grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values. Past resident-led projects have included exercise classes, afterschool tutoring, an accessible community garden and the creation of a soccer field and youth sports team.
- Security Deposit Assistance: Home Forward uses single-fund flexibility to offer security deposit assistance to two populations in our community: participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, and foster youth leasing up with Family Unification Program (FUP) vouchers. For homeless veterans, a lack of funds for security deposits is a serious barrier to successful use of VASH vouchers. Similarly, youth aging out of the foster care system often do not have the resources to pay for security deposits when trying to utilize FUP vouchers. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. Home Forward's funds are to be used only when the service agencies working with these populations are not able to otherwise arrange for deposit assistance.
- Tenant Education Class and Deposit Assistance: During FY2016, Home Forward entered into a contract with a community-based tenant advocate organization, the Community Alliance of Tenants (CAT), to teach new and transferring HCV voucher holders about their rights and responsibilities as applicants and tenants in the rental market. Upon completing the class, voucher holders are given one-time access to up to \$200 in security deposit assistance for their housing search. This partnership grew out of concern that in the current, competitive rental market, and with the recent changes in Oregon landlord/tenant law, voucher holders

needed more education about how to be successful applicants and tenants. In FY2016, 253 participants took the class and 122 participants received the deposit assistance to help with securing a unit with their voucher.

- Landlord Incentive Fund: Home Forward has implemented a landlord incentive payment to attract new landlords to the Housing Choice Voucher (HCV) program and increase the number of units available to voucher holders. In FY2016 Home Forward issued 222 payments of \$200 to landlords who were new to the HCV program. Home Forward will continue to make a one-time payment of \$200 to new landlords, defined as those who have not worked in partnership with us for the past two years. This aligns with Oregon State HB 2639, which prohibits discrimination against renters and also recruits new landlords to the Housing Choice voucher program.
- Inter-jurisdictional Transfer Program for Survivors of Domestic Violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are survivors of domestic violence. The program ensures continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction to avoid violence that is likely to become lethal or near-lethal. A local domestic violence service provider has assigned two full-time advocates to work on-site with Home Forward residents in public housing and Housing Choice Voucher participants. The advocates can recommend residents and participants to this transfer program and provide advocacy and assistance with relocation to the new jurisdiction. Clients are connected with a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward allocates up to \$2,000 per household, for up to five households each year. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies. At this time, no households have accessed this Transfer Program.
- MTW Operating Reserve: Home Forward will set aside funds each year, as determined by the Board of Commissioners, towards building an Operating Reserve sufficient to fund four months of Operating Expenses plus one month of Housing Assistance Payments.



## Local Asset Management Plan

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

	No
Yes	

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

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

Has the PHA provided a LAMP in the appendix?

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

# Administrative

## Reviews, Audits and Physical Inspections

Public Housing – The chart below lists the Public Housing properties that had REAC inspections in FY2016. Because most of our properties received scores of 80-90 in past years, we are on a biennial/triennial cycle.

Property	Score
Bud Clark Commons	69
Carlton Court	85
Fairview Oaks and Woods	82
Stephen's Creek North	98
Rockwood Station	88
Scattered Site (PH705)	99
Stephen's Creek South	94
Townhouse Terrace	76
Trouton Limited	91

Annual Program/Financial A-133 Audit – Home Forward’s Board of Commissioners accepted and approved the independent audit findings for FY2015 in September 2015. There were no compliance or internal control findings.

## Agency-Directed Evaluations

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

The partnership behind the program consists of a consortium of workforce investment boards (WIBs) and public housing authorities across Multnomah, Washington, and Clackamas counties in Oregon, and Clark County in Washington. The lessons learned from various prior regional workforce development efforts have been applied in building the model for this program. The current program brings to scale a pilot that Home

Forward and Worksystems, Inc. tested several years ago with funds from the Paul G. Allen Family Foundation and expands the geographic span of activities, increasing the number of housing authority residents and industries served, and aligning the formula funding from the lead agencies.

The Housing Works program was designed to provide residents the opportunity to enhance their skills to gain and retain employment in high-demand industries and to increase their employment income. Participants accessed case management and supports across each stage of the program: career and resource planning; skill development and occupational skills training; job preparation and soft skills development; job attachment services; and employment retention services. This multi-faceted program was also crafted to create system changes in the WIBs and housing authorities by aligning policies and encouraging the co-investment of resources. The approach to workforce development in this model was substantially altered to incorporate a role for housing authorities as case managers and coaches to assist participants in navigating the array of workforce services and supports. The essential components of this model that speak to systems change consist of growing organizational capacity to more fully align resources and policy; co-investment of resources; and unified service delivery that is seamless to participants.

The design and implementation of the Housing Works program evaluation is led by Public Policy Associates, Inc. The evaluation design was crafted in partnership with the Housing Works leadership, and the implementation of the evaluation activities will be conducted in close collaboration with the Housing Works staff and partners. The evaluation design is two-pronged, including both an implementation study and an impact study. The evaluation team monitored the progress being made toward the overarching goals of the program, offered feedback on the fidelity of program implementation, assessed indications of systems change, the results of service delivery on participants, and the cost efficiency of the program approach. The evaluation is a rigorous quasi-experimental evaluation designed to assess the impacts to program participants. The purpose of the evaluation is to determine the extent to which the implementation study and the impact study achieved their goals, but also why and how those results were achieved and how they are valued by stakeholders. A final evaluation report is due early in 2017 and will provide a greater depth of analysis and new data on income, housing subsidies, and employment.

### **Certification of Compliance with Statutory Requirements**

Home Forward hereby certifies that it has met the three statutory requirements under the MTW Demonstration Program.

**1) Home Forward ensures that at least 75 percent of families assisted are very low-income families.** As described on page 21 of the FY2016 MTW

Report, 98% of the families served by Home Forward in FY2016 were below 50% of Area Median Income.

**2) Home Forward continues to assist substantially the same total number of eligible low-income families under MTW, as would have been served**

**absent the demonstration.** HUD has approved a baseline calculation tool that determines if MTW housing authorities are meeting this criteria. We will submit final data for this calculation after HUD approves this year's MTW Report. Preliminary data provided by HUD for FY2013 finds Home Forward compliant, serving approximately 107% of our baseline household calculation.

**3) Home Forward has maintained a comparable mix of families (by family size) as would have been served absent the demonstration.** As described on page 22 of the FY2016 MTW Report, Home Forward continues to serve a comparable mix of families by family size, as was served at the beginning of the demonstration in 1999.

# Appendix

## Local Asset Management Plan

### **Home Forward Asset Management Program**

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

#### **Home Forward's Local Asset Management Program**

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

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

### **Home Forward's Cost Objectives**

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

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

### **Home Forward's Treatment of Certain Costs**

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective.

Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Home Forward has identified all of its direct costs and segregated all its costs into pools, as either a direct, direct allocated, or indirect allocated. We have further divided the indirect allocated pool to assign costs based on a relevant metric, as described in Attachment 1.

- CORE Maintenance: Home Forward is committed to a cost effective approach to managing our public housing assets. As such, Home Forward has developed a balance of on-site capacity to perform property manager functions and basic maintenance/handyman services, with more skilled services performed by a centralized group of trades and specialty staff (CORE maintenance). CORE maintenance performs services covering plumbing and electrical repairs, painting and pest control, as well as garbage and recycling. Although these maintenance functions are performed centrally, the decisions and control remains at the property level as it is the property manager and/or housing program manager who determines the level of service required from the CORE maintenance group. All services are provided on a fee for service basis.
- Procurement: Home Forward has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization to site staff for purchases under \$5,000. Purchases greater than this limit require engaging central procurement. The Procurement staff is well trained in the special requirements of procuring goods and services for a federal program and provides necessary contract reporting requirements as well. Central procurement services are part of Home Forward's indirect overhead allocation.
- Human Resources: Along with the public housing program and its Section 8 voucher program, Home Forward has non-federal affordable properties, a development group, and locally funded rent assistance programs. Home Forward's Human Resources department serves the

entire agency and certain human resource activities that HUD would consider a direct cost, such as recruitment and pre-employment drug testing and screening, are centralized and are part of Home Forward's indirect overhead allocation. Home Forward has determined that the cost of keeping extremely detailed records of HR activity for direct cost assignment exceeds the value received from such effort.

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

#### **Home Forward's Treatment of Public Housing Operating Subsidy**

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

#### **Home Forward's Indirect Cost Allocations**

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

#### ***Home Forward Indirect Costs***

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

- Executive
- Policy & Planning
- Accounting & Finance

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

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

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

- HUD’s asset management system and fee for service is limited in focusing only on a fee for service at the Public Housing (PH) property level and voucher program. Home Forward has implemented an indirect allocation methodology that is much more comprehensive than HUD’s asset management system which includes all of Home Forward’s cost objectives listed above.
- Home Forward has defined the treatment of direct and indirect costs differently than HUD’s asset management program. From the agency perspective, we view the program operations management as direct costs of the program.
- These differences include, but are not limited to:
  - HUD Indirect/Home Forward Direct:
    - Portfolio and program (“regional”) management, including hiring, supervision and termination of frontline staff is considered a direct cost. These costs are pooled and then allocated to each property based on units, vouchers, or other relevant metrics. Work with auditors and audit preparation by HCV and PH staff is considered a direct expense. Executive management is considered an indirect cost.
    - Storage of HCV and PH records and adherence to federal and/or state records retention requirements will be considered a direct cost of the program.
    - Development and oversight of office furniture, equipment and vehicle replacement plans will be considered a direct cost of the program.
    - Advertising (notification) costs specific to HCV, including applicants and landlords, will be considered a direct expense.
  - HUD Direct/Home Forward Indirect:
    - Advertising for new hires will be considered indirect and allocated to the program and properties.
    - Staff recruiting and background checks, etc. will be considered indirect and allocated to the program and properties.
  - Other:



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

***Balance sheet accounts***

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

- Cash
- Restricted Cash

- Petty Cash
- Investments
- Selected Prepaid Expenses and Deferred Charges
- Selected Accrued Liabilities
- Payroll Liabilities
- Compensated Absences
- Other Post-Employment Benefits (OPEB) Liability
- Unrestricted and Restricted Net Assets

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

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

# Home Forward Allocation Process

## Process Flow Diagram

