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YEAR 15

Moving to Work

A N N U A L P L A N

Original Submission:

[December 19, 2012](#)

HUD Approval Received:

[April 17, 2013](#)

Amendment I Submitted:

[May 10, 2013](#)



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A new name for the Housing Authority of Portland

YEAR 15

FY2014 Moving to Work

ANNUAL PLAN

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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, the new name for the Housing Authority of Portland, has been designated an MTW agency since 1998. In 2009 we signed a new agreement with HUD that will ensure our participation in the program until 2018, providing a long horizon to implement, test, and assess new initiatives and approaches to our work in support of the MTW program's goals.

Overview of the Agency's MTW goals and objectives for the year

Home Forward continues to focus on the primary goals of the Moving to Work program, as described above. We are proposing a new activity this year to consolidate the various Family Self Sufficiency programs currently in operation at Home Forward into a single, local program known as GOALS. The program will include a managed savings account and preference on the GOALS waiting list for participants engaged in an employment or training program. We are tailoring this local program to efficiently and effectively give incentives to promote economic self-sufficiency in our community.

Our ongoing activities continue to also emphasize reducing cost and achieving greater cost effectiveness, and increasing housing choices for low-income families. We appreciate the opportunity MTW flexibility gives our agency to create local programs and policies, such as Rent Reform, Local Blended Subsidy, and our Local Project-based Voucher Program. These, along with our other activities, allow Home Forward to not only work toward all three of the Moving to Work goals, but also to serve the specific needs of our community.

Overview of Home Forward's MTW Activities

FY2014-P1: GOALS – Home Forward’s family self-sufficiency program.....	13
Home Forward is aligning all of the current self-sufficiency programs into one consolidated program.	
FY2014-P2: Rent Reform.....	16
Home Forward has implemented large scale reform of our rent calculation.	
FY2014-O2: Local Blended Subsidy	23
Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.	
FY2014-O3: Bud Clark Commons	25
Home Forward has modified screening criteria and transfer processes for this development.	
FY2014-O4: Biennial Inspections	27
Home Forward conducts biennial inspections for qualifying Section 8 households.	
FY2014-O5: Alternate inspection requirements for partner-based programs.....	28
Home Forward uses alternate inspection standards for programs where we contract our resources to be administered by partners.	
FY2014-O6: Landlord self-certification of minor repairs.....	29
In cases where there are no more than four minor deficiencies, Home Forward may accept an owner’s certification that repairs were made.	
FY2014-O7: Inspection and rent reasonableness at Home Forward-owned units	30
Home Forward sets rent reasonableness and inspects the unit when a voucher holder selects a unit we own.	
FY2014-O8: Measures to improve the rate of voucher holders who successfully lease-up.....	31
Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the local community.	
FY2014-O9: Local project-based voucher program	32
Home Forward has created a local project-based voucher program that is tailored to meet the needs of the community.	

General Housing Authority Operating Information

Housing Stock Information

Projected number of public housing units (PHUs) as of the beginning of FY2014 (April 1, 2013)

Elderly/Disabled Units	1,201
Family Units	<u>1,444</u>
Total	2,645

Breakdown of Public Housing Units (projected for April 1, 2013)

	Studio/ 1 BR	Bedroom Size			Total Households
		2BR	3BR	4+BR	
Elderly/Disabled Units	1,195	6	0	0	1,201
Family Units	503	534	342	65	1,444
Total	1,698	540	342	65	2,645

Public Housing Units to be added in FY2014

Development	Description	Units
Stephens Creek Crossing	18 one-bedroom, 17 two-bedroom, 71 three-bedroom, and 3 four-bedroom units. Of those, 16 units will be fully accessible, 13 will be adaptable, and 61 will be visitable.	109
Trouton Apartments	Transition 73 project-based units through Local Blended Subsidy (see activity FY2014-O2)	73
Martha Washington	Transition 45 project-based units through LBS	45
The Jeffrey	Transition 29 project-based units through LBS	29
Rockwood Station	Transition 20 project-based units through LBS	20
Total Units to be added in FY2014		276 units

FY2014 Planned Capital Expenditures

Community	Activity	Scattered Sites	MTW Funds	Capital Fund	% of Cap Fund	Total Budget	% of Total Budget
High Rise Towers ¹	Major systems upgrade; see below for more information	\$ 3,000,000	\$ 229,162	\$ 4,770,838	61.49%	\$ 8,000,000	70.87%
Carlton Court	Siding and window replacement	--	--	700,000	9.02%	700,000	6.20%
Hollywood East	Roofing replacement	--	--	550,000	7.09%	550,000	4.87%
Hollywood East	Reline boilers	--	50,000	--	--	50,000	0.45%
Tamarack	Sewer repairs	--	--	350,000	4.51%	350,000	3.10%
Williams Plaza	Tuck pointing and sealing	--	--	250,000	3.22%	250,000	2.21%
Dekum Court	Sewer repairs	--	--	200,000	2.58%	200,000	1.77%
Maple Mallory	Sewer repairs	--	--	200,000	2.58%	200,000	1.77%
Dahlke Manor	Tuck pointing and sealing	--	--	150,000	1.93%	150,000	1.33%
Shrunk Tower	Reline boilers	--	50,000	--	--	50,000	0.44%
Various properties	Public housing portfolio capital needs assessment	--	--	300,000	3.87%	300,000	2.66%
Various properties	Asbestos abatement	--	--	119,092	1.53%	119,092	1.06%
Various properties	Unidentified elevator hard drive upgrades	--	--	40,000	0.52%	40,000	0.36%
Various properties	Building entry systems and fire panels	--	200,000	--	--	200,000	1.77%
Various properties	Unidentified emergency repairs	--	--	128,403	1.66%	128,403	1.14%
Total Capital Expenditure Budget		\$ 3,000,000	\$ 529,162	\$ 7,758,333	100.00%	\$ 11,287,495	100.00%

¹High Rise Towers Capital Expenditures:

The major systems upgrades planned for ten of Home Forward's high rise towers are currently contingent upon the approval of the agency's pending disposition application, submitted March 25, 2011. These projects are scheduled to use project-based voucher funding and/or mixed-finance and are still in the planning phase. The work will be bundled into three to four credit entities and the first phase of upgrades is planned to consist of three or four properties.

Public Housing Units to be removed in FY2014: As part of Home Forward's discussions with HUD about subsidy conversion and renovation for ten public housing high rise towers, we are developing specific plans to be shared with HUD in conjunction with the agency's approval of the ten disposition applications (submitted on March 25, 2011). Due to financial constraints requiring project phasing, we plan to address the buildings with the highest physical needs first. Currently, FY2014 plans include two financing groups, consisting of four properties with 654 units: Gallagher Plaza (OR002000137), Hollywood East (OR002000106), Northwest Tower (OR002000104) and Sellwood Center (OR002000116). As additional financing opportunities develop, work may also begin on the remaining six properties with 574 units: Dahlke Manor (OR002000114), Medallion (OR002000139), Schrunk Plaza (OR002000117), Holgate House (OR002000115), Ruth Haefner Plaza (OR002000140) and Williams Plaza (OR002000118). All properties will be removed through the Section 18 disposition process.

MTW Housing Choice Vouchers units authorized:	7,769 units
Non-MTW Housing Choice Vouchers units authorized:	512 SRO/Mods 305 Veterans Affairs Supportive Housing (VASH) 100 Family Unification Program (FUP)

Housing Choice Vouchers units to be project-based: 1,325 project-based vouchers (projected for April 1, 2013)

High Rise Towers: In FY2014, we anticipate moving forward with plans for subsidy conversion and renovation of our high rise towers. The first financing group includes four properties, with a total of 654 units: Gallagher Plaza, Hollywood East, Northwest Tower and Sellwood Center. We plan to convert subsidy for all 654 units using a customized project-based voucher approach, or develop a local program-based approach, such as Local Blended Subsidy, that would provide similar economic support.

Beech Street Apartments: Beech Street Apartments will provide alcohol- and drug-free housing to support sustainable recovery efforts for graduates of drug- and alcohol-treatment programs. We currently anticipate supporting 31 units with either a customized project-based voucher approach, or development of a local program-based approach that would provide the same economic support.

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Leasing Information

Anticipated public housing leased in FY2014: 97% / 2,645 units (all MTW units)

Description of anticipated issues: Home Forward does not anticipate any issues with public housing lease rates for online units. We will continue to remain in contact with our local HUD office regarding units that need to be taken offline due to capital fund rehabilitation.

Anticipated MTW Housing Choice Vouchers leased in FY2014: 95% / average of 7,381 vouchers

Anticipated non-MTW Housing Choice Vouchers leased in FY2014: SRO/MODS - 97% / average of 497 vouchers

VASH – 97% / average of 296 vouchers

FUP – 95% / average of 95 vouchers

Description of anticipated issues: Home Forward plans to intentionally underlease traditional Housing Choice Vouchers in order to fund alternative forms of rent assistance in the community, as described in Section VII. E. Uses of Single-Fund Flexibility. Home Forward does not anticipate significant issues with reaching the leasing goal of 95% of MTW vouchers.

Leasing rates for non-MTW vouchers will likely remain below 100% in FY2014. Veterans Affairs Supportive Housing (VASH) vouchers are typically slow to lease-up in the first year, and Home Forward received awards of 50 VASH vouchers in summer 2011, and 60 VASH vouchers in April 2012. As of September 1, 2012, 237 of our 305 VASH vouchers are either utilized or issued with veterans seeking housing. There is an aggressive plan in place with the local Veterans Affairs office to increase the pace of lease-ups in the coming months.

Waiting List Information

Anticipated changes in the waiting list for public housing: Home Forward's current waiting list process allows applicants to choose up to three individual sites. In FY2014 we are proposing to eliminate the policy that limits the number of properties applicants can apply to. The new process would allow households to apply to any list that is open. We believe this new system will be easier for applicants to understand, and will better mirror the private market rental property practice.

Home Forward will also add an employment/education preference at eight family properties: Slavin Court, Eliot Square, Celilo Court, Floresta, Maple Mallory, Chateau and Madrona Apartments. Applicants who are currently employed (defined as working an average of 20 hours per week) or are engaged in a training or education program will qualify for the preference. Applicants who are senior or a person with a disability will receive an equal preference at the property.

Anticipated opening and closing and/or changes in number of families on public housing waiting list: Home Forward anticipates opening waiting lists for three elderly/disabled properties and five family properties in FY2014. Home Forward expects these openings will add approximately 3,000 applicants. The other waiting lists will remain closed as the estimated wait time is at least two years. Over the past three years we have had one to two openings every 12 months and anticipate a smooth process.

Anticipated changes in the waiting list for Housing Choice Vouchers (HCV): In November 2012, Home Forward opened the Section 8 waiting list for the first time since 2006. From the total applicant pool, 3,000 households were chosen at random by lottery to be placed on the waiting list.

Of those 3,000 households on the list, position is determined by the number the household was assigned in the lottery process. However, this waiting list includes an additional preference for households that are employed or engaged in a training or education program. As we draw from the list, priority selection will be offered to seniors, people with disabilities, and families who are working or engaged in education or training programs. Households who do not have one of these priority preferences may wait longer to receive their voucher.

Anticipated opening and closing and/or changes in the number of families on the HCV waiting list: The previous waiting list was fully exhausted in August 2012. Of the 3,000 families added to the waiting list from the November 2012 opening, we expect to pull 80-100 households per month in FY2014. This will leave approximately 1,800 families on the waiting list at the end of the fiscal year.

Non-MTW Related Housing Authority Information (Optional)

List planned uses and sources of other HUD or other Federal Funds (excluding HOPE VI)

Home Forward elects not to provide this optional information.

Description of Non-MTW activities proposed by the Agency

Regional Efforts

Over the last three years, 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. Several activities are underway this year under this umbrella:

- Sharing jurisdiction with Clackamas County – Home Forward and the Housing Authority of Clackamas County are testing the impact of sharing jurisdiction. This allows families with vouchers from either housing authority the flexibility to use their voucher within Multnomah County or Clackamas County without going through the portability process. While this effort does not require MTW authority, Home Forward is pursuing this activity with the hope of increasing administrative efficiency by reducing workload related to portability and increasing housing choices for families.
- Developing tools for mobility counseling – Home Forward has been awarded a grant from Metro, a local regional entity, to work collaboratively with the three neighboring housing authorities to develop tools to provide mobility counseling and education to Section 8 participants. This project, once implemented, will educate Section 8 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 various areas. The goal for this project is to reduce the combined housing and transportation costs for Section 8 participants.
- Expanding employment training for housing authority residents – Home Forward, in partnership with the three other local housing authorities and the three local Workforce Investment Boards, received a \$5.5 million, three-year grant from the Department of Labor 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 will receive \$1.1 million of the funds in order to hire case management staff to support 270 residents as they access training and employment opportunities through the local Worksource system in target career areas that are believed to be high demand occupations. Funds will also be available to provide employment supports (such as assistance with transportation and childcare) for participating families.

Beech Street Apartments

Beech Street Apartments will be 32 units of alcohol- and drug-free housing that will serve as a complement to a separate development on the same block. The separate development will be a new home for Project Network, an established residential drug- and alcohol-abuse treatment program for women with children, operated by LifeWorks NW. Their new facility will provide a custom-designed, stable home for the program, which is facing a non-negotiable lease termination at its current facility. By developing Beech Street Apartments along with the new Project Network facility, Home Forward will make permanent housing available that can support sustainable recovery efforts for graduates of Project Network and other drug- and alcohol-treatment programs.

We currently anticipate supporting 31 units with either a customized project-based voucher approach or development of a local program-based approach that would provide the same economic support. (The remaining unit will be a manager's unit.) Financial closing is anticipated to occur in early spring 2013, followed closely by the start of construction. Leasing is scheduled to begin in June 2014.

Stephens Creek Crossing

Formerly known as Hillside Terrace, the 60 units of public housing have been demolished and construction of this HOPE VI redevelopment is underway. The mixed-finance closing occurred on August 30, 2012. Construction is scheduled for completion by December 31, 2013. Outreach to begin leasing activity is anticipated for October 2013.

Employment/Education Preferences

Home Forward's public housing program will add an employment/education preference at eight family properties: Slavin Court, Eliot Square, Celilo Court, Floresta, Maple Mallory, Chateau and Madrona Apartments. Applicants who are currently employed (defined as working an average of 20 hours per week) or are engaged in a training or education program will qualify for the preference. Applicants who are senior or a person with a disability will receive an equal preference at the property.

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 draw from the list, priority selection will be offered to seniors, people with disabilities, and families who are working or engaged in education or training programs. Households who do not have one of these priority preferences may wait longer to receive their voucher.

Long-Term MTW Plan (Optional)

In 2012, building upon the strategic planning work that had taken place in prior years, Home Forward completed further refinement and definition of the Agency's goals, and established objectives intended to guide our work in the coming fiscal year and beyond. Previously identified strategic directions have evolved into a Strategic Operations Plan. The plan is comprised of four goal areas with specific priority initiatives identified within each goal. Goals are structured to be real and achievable, while initiatives will have tangible and measurable outcomes.

This three-year Strategic Operations Plan involves the effort and participation of agency staff on all levels and from all departments. From line staff to managers, directors, executives and the Board of Commissioners, the plan has been vetted, embraced, and put into action. If successful, it will transform the way Home Forward conducts business both internally and externally while continuing to realize the goals of Moving to Work. The four goals and priority initiatives are described below:

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

- Priority Initiative 1 – Implement new waiting list preferences and processes for designated rent assistance and public housing programs.
- Priority Initiative 2 – Improve Home Forward's engagement with systems partners by building necessary infrastructure and by increasing formal relationships, such as through memoranda of understanding and contracts.
- Priority Initiative 3 – Develop and implement at least three different rent assistance programs for work-focused households, in collaboration with community partners.
- Priority Initiative 4 – Add new programs, preferences and priorities that support the community's 10-Year Plan to End Homelessness Reset.

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

- Priority Initiative 1 – Evaluate and reposition existing projects with an emphasis on preserving the public housing high rise properties.
- Priority Initiative 2 – Establish criteria for performance, partnerships and households to be served, then acquire 100 new units of housing.
- Priority Initiative 3 – Establish criteria for performance, partnerships and households to be served, then develop 100 new units of housing.

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.

- Priority Initiative 1 – Develop and implement a community compact with every household.
- Priority Initiative 2 – Implement the Families Forward project with youth and adult-related initiatives.
- Priority Initiative 3 – Implement the Aging at Home initiative.

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

- Priority Initiative 1 – Complete a contracted organizational assessment that identifies potential efficiencies and structural realignment, then implement selected recommendations.
- Priority Initiative 2 – Develop and implement an organizational development plan to support the structural realignment and train staff for new roles and responsibilities.
- Priority Initiative 3 – Develop systems to analyze and pursue opportunities that generate sufficient net revenue and/or advance the mission.

As we work through the tasks set out in this Strategic Operations Plan, we will apply overarching principles of inclusion and equity to our efforts. Home Forward has designed and is implementing our Inclusion Lens, a planning and development tool designed to ensure that decision making groups are diverse, recommendations are inclusive and results and outcomes are equitable - for our clients, for our staff, for our partners and vendors.

Much of this long term work will be accomplished through Home Forward's Moving to Work Initiatives (described in previous plans and discussed further in this plan under Section VII: Single Fund Flexibility). It is precisely the flexibilities afforded by our MTW designation that fostered the creation of innovative programs which allow us to: house more families through Short Term Rent Assistance; to stabilize homeless families and children in attendance at Alder Elementary - the only entire school in the nation designated as a "Dreamer" school by the I Have A Dream Foundation; to create a local subsidy program in support of the preservation and production of additional housing units; to provide our clients with tools that will assist them in locating to neighborhoods within our community which offer greater opportunities; and to engage residents and participants in meaningful ways and through partnerships within the community which will support and encourage them along their path to achieving greater personal success.

Recognizing that we continue to function in a difficult economic climate, that resources continue to be limited, and that the need for housing and supportive services continues to grow, we remain nevertheless resolute in our purpose and in our quest to achieve the goals of MTW and of our Strategic Operations Plan in service to the citizens of our community.

Proposed MTW Activities

FY2014-P1: GOALS – HOME FORWARD’S FAMILY SELF-SUFFICIENCY PROGRAM

Background: As part of the ongoing focus on implementation of our Strategic Directions, Home Forward has developed a workgroup to evaluate our self-sufficiency programs. Currently, there are four different models operating across the public housing and Section 8 programs, each with individual characteristics, driven by different funding sources, programs or properties. As part of our FY2014 Plan, we are proposing to align all of the current self-sufficiency programs into one consolidated program, which we refer to as the GOALS (Greater Opportunities to Advance, Learn and Succeed) program.

Use of MTW Authority and Impact on Statutory Objective(s): Home Forward is using our authority to develop a local family self-sufficiency program that meets the needs of our community and is efficient for staff to administer. With the alignment of all current self-sufficiency programs into GOALS, the use of the Opportunity Housing Initiative (as described in previous plan activities) will sunset. The GOALS program requirements will be the same regardless of funding source, program or property, with a few minor exceptions at site-based properties. Here are the key elements for the consolidated program:

- The Rent Reform calculation (see activity FY2014-P2) will be 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 the preference.
- Home Forward will allow the GOALS contracts to be in the name of any adult member of the household.
- The traditional escrow account that has been part of the HUD FSS program will be 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 will be 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).

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

- 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 at site-based programs where there is mandatory participation (Humboldt Gardens, Fairview and Stephens Creek Crossing) who withdraw from the program prior to graduation will be required to transfer to a non-GOALS property.
- Families graduating from the site-based programs listed above 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.
- 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 a non-subsidized unit. The same safety net will also be provided for Section 8 participants who give up their voucher prior to reaching zero assistance.
- Staff implementing the GOALS program will be funded by a combination of HUD funded Family Self Sufficiency Coordinator money, grant funding and agency budgeting. Family Self Sufficiency Coordinator funds will be used only for Family Self Sufficiency Coordinator salaries, as directed by the respective NOFA's.

In anticipation of requesting escrow calculation changes, all current Family Self Sufficiency program participants have signed an addendum to the FSS Contract of Participation. This addendum explained that the escrow calculation would be changing and ensured that participants understood the transition was expected and that they would receive written notice of such.

Current participants will be given a 60-day notice of the escrow calculation change and will maintain their existing escrow amounts. Escrow amounts will be frozen at the end of the month before the calculation changes. On the first day of the month that the new calculation begins, the escrow will begin to accrue under the new methodology. At the time a family qualifies for graduation, they will receive both amounts of escrow accrued under the separate calculations in one lump sum.

Staff are working with representatives from YARDI, our database system, to develop a system to track the managed savings account earnings. Staff are also creating a strategy for transitioning existing participants to the new program model.

Proposed baselines, benchmarks, and metrics:

Impact	Metric	Baseline	Benchmark
Increase in participant income	Average participant earned income	Average participant income before implementation is \$10,185	10% increase in average participant income
Increase in managed savings account	Average participant managed savings account balance	Average participant managed savings account balance before implementation is \$1,291	10% increase in participant managed savings account balance

Data collection process: Home Forward tracks GOALS participants, their income, and managed savings account balance accumulations through our YARDI database system.

FY2014-P2: RENT REFORM

Identified Year 13, Implemented FY2012, Amended FY2014

Background: 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. Since Home Forward receives around 75% of its funding each year from the US Department of Housing and Urban Development, these cuts have a significant impact on Home Forward and the community we serve. As a result of sequestration, Home Forward is faced with a funding reduction of \$5.3 million, the majority of which are program funds for Section 8 and public housing.

Based on extensive planning with our Board of Commissioners, Resident Advisory Committee and consultation with the larger community (see Appendix II for a description of our public planning process), Home Forward has agreed that we will do everything possible to avoid terminating families from the program, which would force over 600 families into potential homelessness as a result of this funding loss. Instead, we propose to use our MTW flexibility to increase the percentages of gross income used to determine total tenant payment for both population groups. In other words, we are asking our residents and participants to contribute more towards their rent in order to help make up the funding gap. All other elements of Home Forward’s approved rent reform activity remain in place.

For **seniors and people with disabilities**, the total tenant percentage will be increased from the previously approved 27.5% of gross income, to 28.5% of gross income. All other aspects of this calculation remain as previously approved as follows: all deductions are eliminated. This group will have triennial income re-certifications and the age defined as “senior” is lowered from 62 to 55. 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 already used by Home Forward. Minimum rent for this group is \$0 and utility reimbursements will continue to be allowed.

MTW authorization:

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

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

All households that do not fall into the population category above are considered **work-focused households**. As previously approved, the calculation method for this group eliminates all deductions and households have biennial income re-certifications. The percentages of income used to calculate the tenant portion of rent will be increased as follows:

- **Years 1 and 2:** rent is based on 29.5% of gross income, with no minimum rent and utility reimbursements allowed. (Under our initial version of this activity, rent was previously based on 27.5% of gross income).
- **Years 3 and 4:** rent is based on 29.5% of gross income (previously based on 29% of gross income) or \$100 minimum rent, whichever is greater. Utility allowances will be factored in the assistance, but utility reimbursements will not be 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 will not be allowed. (No increase from the approved rent reform calculation is being proposed with the amended activity.)

As previously approved and implemented, 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 will create 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.
- The earned income disallowance is eliminated.
- All Family Self-Sufficiency (FSS) participants will be included in the rent reform calculation. Previously, only public housing FSS participants were included in the rent reform calculation; Section 8 FSS participants remained on the traditional rent calculation. There are currently 191 Section 8 households participating in the HUD FSS program at Home Forward. An impact analysis for converting these households to rent reform is included in the Appendix.

- 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 determining gross income (currently Home Forward includes income from assets valued over \$25,000).
 - 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 (currently the first \$480 of earned income is counted annually for adult full-time students).
 - All adoption assistance payments will be excluded from the rent calculation (currently, only payments in excess of \$480 per adopted child are 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. Currently, Home Forward requires that households provide this information in order to report it to HUD, but it has no bearing on their assistance and Home Forward does not use the information. The exceptions are the few times in Section 8 when a household wants this income considered to determine their ability to rent a unit where the family share of rent is above 30% of their income, but below 70%. In these situations where it is a benefit to the participant, Home Forward will accept the income reporting.
- 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. A committee will consider each household's circumstances on a case-by-case basis. The committee will have a menu of remedies to reduce a qualifying household's rent burden.

Use of MTW Authority: This activity uses Home Forward's rent reform authorizations to impact the statutory objective of achieving greater cost effectiveness of Federal expenditures. Eliminating deductions, simplifying the calculation, and moving to triennial reviews are all projected to save significant staff time in aggregate, as indicated in the benchmarks and metrics that follow.

Additionally, Home Forward exercises 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.

Proposed baselines, benchmarks and metrics:

Impact	Metric	Baseline	Benchmark
SENIORS AND PEOPLE WITH DISABILITIES			
Annual staff time saved	# hours of staff time to complete reviews	Approx. 5,663 seniors and people with disabilities on biennial review cycles require approx. 2,832 hours per year	When all households have transitioned to triennial review cycle, it is projected to save 944 staff hours per year
Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$74,358 is spent annually on staff salary for reviews	When all households have transitioned to triennial review cycle, it is projected to save \$24,800 per year
Maintain stability for this economically vulnerable population	Shelter burden (rent ¹ + utility allowance divided by gross income)	Before implementation, shelter burden is 27%	After implementation, shelter burden will remain below 28%
WORK-FOCUSED HOUSEHOLDS			
Annual staff time saved	# hours of staff time to complete reviews	Approx. 4,232 work-focused households; 783 are on annual review cycles and 3,449 are on biennial review cycles, requiring approx. 2,508 hours per year	When all households have transitioned to biennial review cycle, it is projected to save 392 staff hours per year
Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$65,851 is spent annually on staff salary for reviews	When all households have transitioned to biennial review cycle, it is projected to save \$10,300 per year
Increased employment and earning over time	Average annual earned income	Before implementation, average is \$6,792 per year	Two years after implementation, increase by 15% (to \$7,811)
Increased contribution to rent	Total tenant payment (rent ¹ + utility allowance)	Before implementation: Section 8 average - \$267 Public housing average - \$249	Two years after implementation, increase by 15% Section 8 to \$307 Public Housing to \$286

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

Data collection process: 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.

Agency's Board approval: Board approval is included in Appendix II.

Impact analysis: An impact analysis of the proposed changes to the current rent calculation is included in Appendix II.

Annual reevaluation: Home Forward uses the proposed metrics, an assessment of hardship requests, staff feedback and financial analysis to ensure that rent reform is having the intended effects. Home Forward will propose modifications to the policies in response to unforeseen or unintended negative impacts to residents and participants or to the agency.

Hardship case criteria: All households participating in an MTW eligible program may submit a hardship exemption request.

Households may qualify for a hardship exemption if one of the following criteria is met:

1. Households may qualify for a hardship exemption if the total shelter costs exceed 50 percent of the gross monthly income used to determine household's rent and subsidy. Total shelter costs are defined as rent and utilities paid by the household.
While all households qualify to request a hardship exemption, generally those having the following criteria will not qualify for an exemption:
 - a. Amount of subsidy reduction for mixed families
 - b. Additional amount a household has chosen to pay above the payment standard for an HCV assisted unit.
2. Households that were participating in the PHA's MTW programs on March 31, 2012 and qualified for an automatic phase-in adjustment based on the criteria described in Section 6-III.D may qualify for a hardship exemption if the circumstances that qualified them for an automatic phase-in continue.
These phase-in households may qualify for a hardship exemption without meeting the requirement to pay more than 50 percent of gross monthly income toward shelter costs.
These phase-in households will be required to provide documentation showing that the circumstances that originally qualified them for an automatic phase-in have continued.

See Appendix II for Home Forward's full hardship policy, including information about application and determination.

Transition period: Home Forward's rent reform calculation went into effect for public housing and Section 8 households as of April 1, 2012. Families were sent letters in early January 2012 to provide at least 60 days of notice prior to the rent change. For households whose rent increased dramatically as a result of the rent reform calculation, there was a phase-in policy and a \$100 rent increase cap in effect for the first 12 months after implementation. These transitional adjustments expired on April 1, 2013. In January 1, 2013, households were notified that the phase-in and increase caps would expire, and options to request ongoing hardship accommodations were made available to them as part of the notification.

To transition to the proposed increases in the percentage of income used to calculate rent, Home Forward will notify residents and participants of the upcoming change through a mailing that will be sent out no later than June 28, 2013. Families with questions will be able to contact their property manager or case worker for more information or further explanation. With the exception of VASH voucher holders, Home Forward will transition all households to the new rent calculation beginning August 1, 2013. VASH voucher holders will be transitioned to the proposed changes only after Home Forward receives approval from the HUD Housing Choice Voucher Office.

Existing work-focused households will remain on the current timeline for the progressive rent schedule that began on April 1, 2012, or at their entry to the program if it was after April 1, 2012. In other words, these households will not be reset to Year 1 with this change in rent calculation.

Households that qualified for the phase-in policy at the initial implementation of rent reform in January 2012 were given the opportunity to apply for ongoing hardship accommodation when the phase-in expired. Households approved for ongoing hardship accommodation will retain any associated reduction in rent through these rent calculation changes. Home Forward will not re-introduce a phase-in policy to other households for the proposed increases. Additionally, our impact analysis shows that no household will see an increase of more than \$88. Therefore, the \$100 rent increase cap will not be applicable.

Public process: A description of the public process for the proposed amendment to our rent reform calculation is included in Appendix II.

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Ongoing MTW Activities

FY2014-02: LOCAL BLENDED SUBSIDY PROGRAM

Identified Year 13, Implemented FY2012

Background: 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 in a process that mirrors our local project-based voucher program. This leveraging of resources allows for a more adequate revenue stream and increases the number of households that can be served.

Status Update: Home Forward requested HUD approval to implement the LBS program at two properties in early 2012. Subsidy at Bud Clark Commons has transitioned from 100 units of project-based Section 8 and 30 units of public housing to 130 units of LBS. Residents living at one of Home Forward’s affordable properties, Madrona Place, benefited from a reduction in their rent burden by use of the LBS program for 45 units. Also during FY2013, Home Forward has implemented the LBS program during the financial closings at Stephens Creek Crossing, our HOPE VI redevelopment (formerly known as Hillsdale Terrace). At the time the property is completed and units begin to come on-line at the end of FY2014, 109 public housing units will operate with LBS.

We plan to continue implementation of the LBS program at a number of properties in FY2014. At the Jeffrey, we will transition 29 project-based voucher units. At the Martha Washington Apartments, we plan to transition 45 project-based voucher units. At Trouton, we will transition 73 project-based voucher units to LBS. Lastly, at Rockwood Station, we will transition 20 project-based vouchers to LBS.

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

Reduce cost and achieve greater cost effectiveness in Federal expenditures

Local Blended Subsidy may also be utilized as we move forward with subsidy change and renovation of our public housing high rise towers. We are currently awaiting disposition approval from HUD for 1,232 public housing units in ten high rise towers. Of these, approximately 654 units will receive customized project-based vouchers, or a local program-based approach that would provide similar economic support. The remaining 574 units will be mixed-finance units. We anticipate using a variety of mixed-finance options, including LBS and innovative means, to leverage funds in order to increase revenues for operating subsidies at these properties.

Use of MTW Authority: 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. Additionally, the ability to create local preferences, and admission and continued occupancy policies and procedures allows Home Forward to manage the units in such a way that provides similar protections as public housing, while adapting the rules for efficiency and local needs. In sum, this activity increases housing choice for low-income families by allowing Home Forward to add financially viable, subsidized units back into its portfolio. The ability to create a local program through blended funds provides for the development of streamlined rules and administration, supporting 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 baselines, 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 baselines once LBS is fully implemented.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

FY2014-O3: BUD CLARK COMMONS

Identified Years 9-11, Implemented FY2010

Background: The Bud Clark Commons (formerly known as the Resource Access Center) is a new facility that houses the City of Portland and Multnomah County's primary day access center for people experiencing homelessness, a 90-bed men's shelter serviced by Transition Projects Inc., and 130 units of affordable housing for people with extremely low incomes. Residents are vulnerable, formerly homeless individuals, as screened by four medical clinics using a vulnerability index tool. Home Forward manages the affordable housing in the building and all 130 units serve as Permanent Supportive Housing. An on-site operations team and partner organizations assist residents with case management; medical, mental health, and substance abuse treatment; vocational, employment, and money management services; life skills training; and advocacy.

Status Update: The Bud Clark Commons continues to house extremely vulnerable individuals who were formerly experiencing homelessness. Home Forward implemented Local Blended Subsidy (see activity FY2014-O2: Local Blended Subsidy) at the building on March 1, 2012. Since implementation, the 100 units of project-based vouchers were converted to public housing units, supplemented with the subsidy to the property through the LBS model. We continue to utilize a lowered screening criteria and an alternate transfer policy at the property.

Use of MTW Authority: Home Forward adjusted the public housing screening criteria in order to accommodate the populations that this facility is intended to serve. Additionally, Home Forward modified project-based Section 8 screening criteria for this property, per our Local Project-Based Voucher Program activity (see Activity FY2013-O8). The goal is to establish low intake barriers while insuring that individuals do not have a history of person-to-person crime or drug distribution, which might endanger the safety of other residents or the success of the project. Home Forward developed a tenant selection plan and made changes to the Admissions and Continued Occupancy Policy (ACOP) to set forth the criteria for selection and occupancy, and for admission thresholds suitable to housing this special needs population.

MTW authorization:

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

Attachment C, Section D(4) – Section 8 Waiting List Policies

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

Statutory objective:

Increase housing choice for low-income families

Reduce cost and achieve greater cost effectiveness in Federal expenditures

The transfer process for residents of the Bud Clark Commons differs from other public housing properties. Residents will not be able to transfer to another public housing property unless they are able to pass the general public housing screening criteria. Because the Bud Clark Commons has lowered screening criteria, it would not be consistent with current policies to transfer an individual to a property where they would not qualify for residency. Home Forward will make every effort to accommodate individuals requiring transfer at the Bud Clark Commons within the property. If an individual is in imminent danger due to domestic violence, Home Forward will work with that resident and social service providers to find an alternative unit to maintain their safety. Those residents who have an approved transfer and are able to pass the general public housing screening criteria will be allowed to transfer to any public housing property, as described below.

Residents at the Bud Clark Commons who are in good standing for at least 12 months and are able to pass general public housing screening criteria will have the option of applying to any public housing property waiting list, regardless of whether the list is open or closed. Once approved, their application will be placed on the desired waiting list in the standard order of date and time of approval. Home Forward is proposing this application preference because if a resident living at the Bud Clark Commons no longer requires the intensive services offered at this property, it is a better utilization of resources to transfer that resident to another property, thereby creating the opportunity to offer those services to another vulnerable individual.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

FY2014-O4: BIENNIAL INSPECTIONS

Identified Years 9 & 10, Implemented FY2008

Background: Home Forward has moved to biennial inspections for some Housing Choice Voucher (HCV) households. Initially, participants with tenant-based HCVs who resided in the same unit for a minimum of three years and passed two consecutive annual inspections on the first visit qualified for biennial inspections. In 2010, Home Forward chose to expand the qualifications for biennial inspections to include participants who have lived in a unit for one year and have maintained a clean and safe environment. Additionally, these participants must reside in a rental unit that rates a C+ or above and the owner/landlord must be in good standing with Section 8 requirements.

Last year, Home Forward instituted biennial inspections across the board for all tenant-based HCV participants in the following way:

- Current HCV participants already on a biennial inspection schedule continued on that schedule.
- Any current HCV participant not yet on a biennial inspection schedule moved to a biennial schedule unless:
 - They had two failed inspections in a row in the last two years; OR
 - There was a concerning factor regarding their inspection or unit status; OR
 - They were living in a unit owned or managed by a landlord or property management company with a concerning inspection history.
- All new HCV participants coming onto the program after this change was made were automatically placed on a biennial inspection schedule.
- Participants placed on a biennial schedule now remain on that schedule unless a concern arises, at which point they are placed back on an annual schedule until the concern no longer exists.

Status update: As of March 31, 2012, there were 1,958 households eligible for biennial inspections. Home Forward estimates a cost savings of \$85 per annual inspection, which equates to a savings of \$166,430 per year. This cost savings includes staff time, gasoline, parking, vehicle costs and all other associated costs incurred during the course of conducting inspections.

Use of MTW authority: Home Forward has created a biennial inspection schedule for qualifying Section 8 participants. Fewer inspections per year results in cost savings not only in staff time, but in the other associated costs of conducting inspections.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

MTW authorization:

Attachment D, Section D(2) – Revise
Section 8 Inspection Procedures

Statutory objective:

Reduce cost and achieve greater cost
effectiveness in Federal expenditures

FY2014-05: ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

Identified Year 13, Implemented FY2012

Background: 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.

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

Status Update: Alternate inspection requirements were implemented in October 2011. 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. Home Forward saved \$16,128 related to inspections for qualifying units during the last six months of the fiscal year, and estimates an annual savings of \$32,000.

Use of MTW Authority: 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.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

FY2014-06: LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS

Identified Year 14, Implemented FY2012

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

Status Update: Between April and August of 2012, Home Forward allowed owners to self-certify the completion of repairs 70 times. This saved the agency roughly \$4,400 in re-inspection costs.

Use of MTW Authority and Impact on Statutory Objective(s): 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.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

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

FY2014-07: INSPECTION AND RENT REASONABLENESS AT HOME FORWARD-OWNED UNITS

Identified Year 14, Implemented FY2012

Background: Home Forward owns over 3,000 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 set rent reasonableness. To ensure standards are being met, we hire the Housing Authority of Clackamas County to conduct rent reasonableness testing and quality control testing for inspections at a sample of these units.

Status Update: Home Forward received approval for this activity in July 2012, and we implemented it in August. We are proceeding with inspecting and setting rent reasonableness for properties we own.

We are proposing one modification to this activity. For units we own and manage, Home Forward will continue to contract with the Housing Authority of Clackamas County to conduct quality control on a sample of the unit inspections and rent reasonableness determinations. However, where the units we own are managed by a third party property manager, thus reducing the conflict of interest, Home Forward will not require quality control inspections by the Housing Authority of Clackamas County.

Use of MTW Authority and Impact on Statutory Objective(s): 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 efficiency and administrative time savings for the agency.

Home Forward is not requesting any additions to MTW authorizations. The agency is not currently using outside evaluators.

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

FY2014-08: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE UP

Identified Year 11, Implemented FY2010

Background: Home Forward has implemented two measures to improve landlord acceptance of Section 8 vouchers in our community (and thus improve the ability of voucher holders to successfully lease up) including:

- Piloting a landlord guarantee fund to provide landlords with reimbursements for damages by Section 8 participants, up to a maximum value of two months' rent.
- Providing a vacancy loss payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as a death or skip) and the owners have not received proper notice of the intent to vacate.

Status update: These measures to improve landlord acceptance continue to coincide with higher voucher lease up rates. For households pulled from the waitlist in FY2012 who had their voucher issued for at least 60 days, the lease up rate was 90.6%. For those who had their voucher issued for at least 120 days, the lease up rate was 94.1%. This is up from 83% in FY2011 and 76% at the time these new initiatives were implemented.

The Landlord Guarantee Fund was initially made available to roughly half the households receiving new vouchers in Multnomah County and was then expanded to all households being pulled from the waitlist or porting in. Now, Home Forward is also offering it to transferring households who choose to lease up in a low-poverty area. To date only three claims have been filed.

Home Forward has made a relatively small number of vacancy loss payments, but most requests by landlords of this nature are honored, and landlords are extremely appreciative. During FY2012, 19 vacancy loss payments were made, for a total of \$9,154. In the first half of FY2013, 10 payments were made, for a total of \$6,066.

Use of MTW authority: Funding for these activities was made possible by fungible Section 8 dollars. The policy changes reflect Home Forward's ability to create a local Section 8 Housing Choice Voucher program, with the goal of increasing landlord participation in the program and, therefore, increasing housing choice for low income households.

Home Forward is not requesting any changes or additions to MTW authorizations. The agency is not currently using outside evaluators.

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 choices for low-income families

FY2014-09: LOCAL PROJECT-BASED VOUCHER PROGRAM

Identified Year 13, Implemented FY2012

Background: Home Forward has created a project-based voucher (PBV) program tailored to meet the needs of the local community. We currently administer over 1,300 PBVs in the community via more than 60 separate contracts.

Status Update: Home Forward's local PBV program continues to grow. We added 52 units in the first half of FY2013, and intend to add another nine by the end of the fiscal year. The local PBV program represents one of Home Forward's attempts to coordinate with our jurisdictional partners and enhance the supply of permanent supportive housing for households with barriers to housing (homeless, elderly, disabled, etc).

Use of MTW Authority: The PBV program increases housing choice 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 60 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.

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

Statutory objective:

Increase housing choice for low-income
families

Reduce cost and achieve greater cost
effectiveness in Federal expenditures

- 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 that has received zero subsidy from Home Forward for more than 180 calendar days after the last housing assistance payment to the owner 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 substitute a different unit at the property with the same number of bedrooms.

- The owner of a PBV unit must terminate tenancy if Home Forward terminates the family's assistance for any reason.
- 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 standards 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 that 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. Home Forward will hire the Housing Authority of Clackamas County to conduct quality control testing of inspections and rent reasonableness determinations for a sample of these units. This activity is also described under FY2014-O7: Inspection and Rent Reasonableness at Home Forward-owned Units

Home Forward is not requesting any additions to MTW authorizations. The agency is not currently using outside evaluators.

DISCONTINUED ACTIVITIES

OPPORTUNITY HOUSING INITIATIVE

Home Forward has previously included this activity to describe and request flexibility around our five-year family self-sufficiency program operated at Fairview Oaks, Humboldt Gardens, New Columbia and through a collaborative program with the Department of Human Services. In FY2014, Opportunity Housing Initiative will be replaced with our expanded GOALS program, as described in activity FY2014-P1: GOALS – Home Forward's Family Self-Sufficiency Program.

ALTERNATIVE ESCROW CALCULATION FOR PUBLIC HOUSING HOUSEHOLDS PARTICIPATING IN HUD'S FAMILY SELF-SUFFICIENCY PROGRAM

In previous years, Home Forward has included an activity to use flexibility to adopt a different calculation for the escrow public housing households accumulate in the GOALS program. This activity is also being discontinued, and is instead being included as an aspect of FY2014-P1: GOALS – Home Forward's Family Self-Sufficiency Program.

LIMITING PORTABILITY TO HIGHER COST AREAS

In our FY2013 Plan, we proposed denying requests for households to use portability to move to higher cost areas when the receiving housing authority did not absorb the voucher, but instead billed Home Forward for the monthly assistance. In light of administrative costs to perform this activity, Home Forward is discontinuing this activity, prior to implementation.

Sources and Uses of Funding

Due to the timing of Home Forward's annual budget cycle, the forecasts below are only preliminary. Home Forward's annual budget is presented to the Board for adoption at the March Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in November and then adoption in December. Thus, these preliminary forecasts are projected two months prior to adoption of the budget and often require changes during the budget process.

Sources & Uses of MTW Funds

Sources of Funds	Preliminary Plan
Rental Revenue	\$ 4,520,000
Section 8 Subsidy	63,110,000
Operating Subsidy	9,880,000
HUD Grants	690,000
Other Revenue	1,920,000
HUD Non-Operating Contributions	1,020,000
Total Sources	\$ 81,140,000

Uses of Funds	Preliminary Plan
Housing Assistance Payments	\$ 56,690,000
Administration	9,290,000
Tenant Services	620,000
Maintenance	5,520,000
Utilities	2,170,000
General	480,000
PH Subsidy Transfer	2,110,000
Overhead Allocations	3,010,000
Other	230,000
HUD Capital Expenditures	1,020,000
Total Uses	\$ 81,140,000

Notes

- HUD Grants include Capital Funds used in support of Public Housing operations under Section 226 of the Consolidated Appropriations Act of 2008.
- HUD Non-Operating Contributions reflects Capital Funds contributions.
- ARRA and competitive HUD Grant activity is not included in the Sources & Uses.

Sources & Uses of State and Local Funds

Sources of Funds	Preliminary Plan
State, Local & Other Grants	
State of Oregon	\$ 190,000
Multnomah County	1,920,000
Cities of Portland/Gresham	1,770,000
Urban Institute	380,000
Non-Operating Capital Contributions	
City of Portland	440,000
Total Sources	\$ 4,700,000

Uses of Funds	Preliminary Plan
Housing Assistance Payments (STRA*)	\$ 2,870,000
Administration	310,000
Tenant Services	920,000
Maintenance	-
Utilities	-
General	90,000
Other Personnel Expense	-
PH Subsidy Transfer	-
Central Office Cost Allocations	70,000
Capital Expenditures	440,000
Total Uses	\$ 4,700,000

*Short Term Rent Assistance

Sources & Uses of COCC (If Applicable):

Not applicable. Home Forward uses a cost allocation system.

Allocation Method for Central Office Costs

Home Forward has elected to use an allocation method for central office costs. We have a variety of administrative departments and have developed a method to allocate these departments based on the key drivers of expense. This methodology meets the requirements of OMB A-87.

The allocation method is as follows:

1. Level 1:
 - a. The cost of the administrative office building is allocated to the departments based on space occupied
2. Level 2:
 - a. The executive department is allocated equally to each of the operating groups
 - b. Human Resources, Purchasing and IT are allocated to the operating groups based on FTEs within the operating groups
 - c. Accounting and Finance is allocated to the operating groups based on a combination of operating expenses and fixed assets
3. Level 3:
 - a. Public Housing Administration as well as the central office allocations to public housing are then allocated to the properties based on units
 - b. Rent Assistance Administration (Housing Choice Vouchers and other Rent Assistance Programs) as well as the central office allocations to Rent Assistance are then allocated to the departments within this operating group based on vouchers
 - c. Resident Services Administration as well as the central office allocations to Resident Services are then allocated to the departments within this operating group based on operating expenses

Allocated overhead is reported separately from direct operating costs in the operating group financial reports. The allocations result in a net zero Net Operating Income/Loss for the administrative departments.

Uses of Single-Fund Flexibility

Single-fund flexibility allows for the combination of Housing Choice Voucher funds, public housing capital funds, and public housing operating subsidy into a single fund used to meet MTW objectives. In FY2014, Home Forward plans to use single-fund flexibility in the following ways:

Replacement Housing Factor Funds

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) funds are received by Home Forward as part of the Capital Fund Formula and used to create a new public housing unit. Home Forward utilizes MTW authority to use these RHF funds within its single fund flexibility to create new public housing units within a mixed-finance project. In doing so, these RHF 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 funds to repay construction financing. This would be done without formally pledging the future RHF funds to the lender as collateral.

MTW Initiative Funds

In our FY2012 MTW Plan, Home Forward described the creation of MTW Initiative Funds, comprised of MTW reserve funds in their entirety. This is a funding source to support initiatives that will advance the goals and objectives of MTW, as well as Home Forward's Strategic Operations Plan. The initiatives are included in this Plan with their respective projected budgets for FY2014. Budgets are limited to estimates at this time due to the timing of Home Forward's annual budget cycle. Listed below are descriptions and updates on many of the initiatives.

- Landlord guarantee fund and vacancy loss payments (Ongoing Activity FY2014-08): Home Forward uses fungible Section 8 dollars for measures aimed at increasing landlord participation in the program and improving the rate of voucher holders who successfully lease up. These measures include a landlord guarantee fund to reimburse landlords for damages to units caused by Section 8 participants and a policy that provides payments to owners through the end of the month after move-out, when vacancies are unexpected and owners did not receive proper notice.
- Program Based Assistance: Home Forward is merging two past single-fund activities (Short Term Rent Assistance and Agency Based Assistance) into this single local rent assistance program which will be expanded this year. Home Forward sets aside a pool of flexible rent assistance funds, made available through the under-leasing of the traditional Housing Choice Voucher program, that are administered by the Rent Assistance Department but do not operate like traditional vouchers. The funds serve targeted populations, usually in partnership with one or more local service providers who ensure that the families are receiving the support they need to be stable and successful. Funds may be contracted to partner agencies to administer or may be administered by Home Forward on behalf of partner agencies. In both cases, partner agencies are responsible for identifying participating families and determining the amount and duration of the rental assistance.

This initiative allows Home Forward to reach more households, and sometimes different households, than through the traditional voucher program alone. These households will be included in our count of households served each month.

Target populations for Program Based Assistance are families for whom: 1) success on the Section 8 Housing Choice Voucher would be unlikely; 2) the delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc); or 3) the need for rental subsidy is short term while the client is receiving the support needed to achieve self-sufficiency. Examples of target populations who have been served by Program Based Assistance to date include families who are homeless or at risk of homelessness, families engaged in occupational training or career advancement programs, families with children attending Alder Elementary School (which has one of the highest mobility rates in the County but has been adopted by the I Have a Dream Foundation in order to improve outcomes), families where an adult has recently been released from prison, and chronically homeless, disabled, seniors. Other likely populations include former foster youth and victims of domestic violence.

This year, Home Forward intends to issue an RFP to identify additional partners for the Program Based Assistance program. Each identified partner will work with Home Forward to set up program policies that are specific to the target population they are serving. Home Forward will ensure that policies are clear, equitably managed, and in compliance with Fair Housing laws. However, all programs will have common elements which will 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 will be as low barrier as possible in order to provide housing access for hard-to-serve households. The only limitations on eligibility will be: 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 will be required to write clear policies and procedures for how subsidy amount and duration will be determined; and these policies must be applied to all participants in that partner's program.

Service Requirements: Home Forward is making these funds available to target populations in partnership with one or more partners who are experts in providing the supports families need to remain stably housed and, where appropriate, move towards self-sufficiency. 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.

- 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.
 - Youth Initiatives: Home Forward is exploring partnerships with a number of local systems, including 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, Worksystems, Inc. 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.
 - Economic Opportunity (FSS): Home Forward is exploring partnerships with a number of local systems including State and County Human Services departments, community colleges, the County Library system, the local Workforce Investment Board, and Portland Development Commission to extend economic advancement opportunities to the households we serve. Goals for the program include increases in resident/participant earned income, increases in residents'/participants' contribution to rent, and reaching a living wage when residents/participants exit housing subsidy.

- Action for Prosperity – Workforce Investment Board Partnership: Action for Prosperity 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. Our local Workforce Investment Board just received a 3-year, \$5.5 million Workforce Innovation grant in partnership with Home Forward and the other local housing authorities and Workforce Investment Boards in the Portland Metro area. Over the next three years, Home Forward will receive \$1.1 million to work with our Workforce Investment Board to serve 270 Home Forward residents with intensive training and employment services.

- 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. Over 200 residents have participated in the first two rounds of funded grants, with sixteen resident-led projects that include exercise classes, an afterschool tutoring program, an accessible community garden and the creation of a soccer field and youth sports team. In

FY2013, we also offered the opportunity for site staff to submit applications at properties in need of community building. This resulted in an additional six grant activities, including a youth community gathering place, a community garden and fitness programs.

- Aging at Home Strategies: Home Forward is working to develop and implement policies and procedures to increase independence and community among residents at elderly/disabled properties. We will identify system level partners that provide vital community services to the elderly/disabled population and look to expand our relationships with them to leverage services.
- Landlord incentive fund: Home Forward has implemented a landlord incentive program to attract new landlords to the Housing Choice Voucher program and increase the number of units available to voucher holders. The program offers a one time, \$100 incentive payment for each eligible unit a landlord leases to a Housing Choice Voucher participant. Eligible units must be located in census tracts considered to be low-poverty areas.
- 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 funds of last resort for deposits, to be used only when the service agencies working with these populations are not able to arrange for deposit assistance.
- Inter-jurisdictional transfer program for victims of domestic violence: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward will implement an inter-jurisdictional transfer program to assist participants who are victims of domestic violence. The program will ensure continued access to stable and safe housing when it is deemed necessary that the household move to another jurisdiction to avoid lethal or near-lethal violence. The local domestic violence service system will assess clients for eligibility, refer residents to the program and provide advocacy and assistance with relocation. Additionally, clients will be assigned to a local domestic violence agency in the new jurisdiction for support after their transfer. Home Forward will allocate up to \$2,000 per household for up to five households each year to provide relocation assistance to help participants transfer into the jurisdiction of one of the MTW partner agencies. In addition, Home Forward intends to absorb the vouchers of up to five families referred by partnering MTW agencies.

MTW Initiative Funds (MIF)	FY2014 Estimated Budget*
Local Blended Subsidy	\$ 960,000
Legal expenses for multiple properties to be affected	
Program Based Assistance	610,000
Housing assistance to households that are homeless or at risk of homelessness	
Action for Prosperity	480,000
Leverage partnerships to provide supports for households developing skills to gain employment	
Planning and Evaluation (MTW)	210,000
Administrative and consultant costs	
Families Forward – Economic Opportunity	200,000
Work-focused supports for employment and increased wages	
Families Forward – Youth	200,000
Improve educational and career opportunities; provide employment supports	
Rent Reform	150,000
Offset public housing rent revenue loss during implementation	
Aging at Home	140,000
Evaluate and implement place-based strategies	
Neighbor to Neighbor Grants	90,000
Community building and resident partnership activities	
Security Deposit Assistance	30,000
Security deposit assistance for participants leasing up with VASH and FUP vouchers	
GOALS Safety Net	28,000
Support for families graduating from GOALS and ending assistance	
Resident Communications	26,000
Improve and enhance resident/participant communications	
Inter-jurisdictional Domestic Violence Transfer Program	25,000
Relocation assistance for domestic violence victims transferring to a partnering jurisdiction	
Landlord Incentive Fund	15,000
Incentive payments for landlords leasing to voucher holders for the first time	
Landlord Guarantee Fund & Vacancy Loss Payments	5,000
Measures to increase the rate of voucher holders who successfully lease-up	
Capital Repairs	-
Capital repairs in public and affordable housing sites	
Total Anticipated Cost	\$ 3,169,000

*MTW Initiative Fund figures are preliminary and may require changes during the agency's budget process.

Administrative

Agency-Directed Evaluations

Although Home Forward regularly evaluates MW activities to measure performance against benchmarks and metrics, Home Forward does not have any planned or ongoing Agency-directed evaluations of the full MTW demonstration at this time.

Public Process

Home Forward has taken the steps below to ensure a thorough public process in the development and adoption of the MTW plan.

November 2, 2012:	Draft MTW Plan posted on Home Forward's website for public comment and input
November 4 & 11, 2012:	Public notice published in the Oregonian announcing the public hearing on November 20, 2012; text and Affidavit of Publication included in the following pages
November 7, 2012:	Community stakeholder meeting held; comments included below
November 20, 2012:	Public hearing / Board meeting held; meeting minutes are included in the following pages
November 27, 2012:	Presentation to Home Forward's Resident Advisory Committee; comments included below
December 18, 2012:	Approval by Board of Commissioners; resolution is included in Administrative Section, Part B

Public Comments

FY2014-P1: GOALS – Home Forward's Family Self Sufficiency program

Will some people, particularly those with lower incomes, lose the ability to accrue savings under the new \$350 strike point system?

Yes, participants with lower incomes, who do not yet earn enough to pay more than \$350 in rent, will not accrue savings. These participants will continue to receive services and support to increase their economic independence. People who have acquired escrow under the previous Family Self Sufficiency program will keep their savings, but moving forward will accrue savings based on the \$350 strike point.

Can a GOALS participant access their managed savings without giving up their rent assistance?

All GOALS participants can access managed savings during their participation in the GOALS program for a limited type of expenses related to furthering their ability to participate in education, training, or employment. Once someone successfully graduates from GOALS, they can receive their managed savings in a lump sum without giving up their rent assistance, unless they are graduating from the site-based version of the program at Humboldt Gardens, Fairview or Stephens Creek Crossing. Families at those three properties must move out of their subsidized unit after graduation to access their managed savings account.

Is the proposed GOALS safety net in addition to the managed savings account?

Yes. The safety net will be separate from the funds a family has accrued in their managed savings account.

If a GOALS graduate utilizes the \$1,500 or \$250/month safety net, but encounters a hardship in the first few months before the safety net ends, is there a way for that household to reclaim their Section 8 voucher?

No. In order to access the safety net, a Section 8 voucher holder would have to give up their voucher and would not have the opportunity to reclaim their voucher. The safety net is meant to help with transition after the household consciously chooses to leave housing assistance. We have a separate policy in the Section 8 voucher program, where a family retains their voucher for six months after they move to zero subsidy, before they are moved off the program completely. However, this policy would not apply to a household that utilized the safety net.

Will all current Family Self Sufficiency participants transition to the GOALS program simultaneously?

Yes. People who have acquired escrow under the previous Family Self Sufficiency program will keep their savings.

Will current Family Self Sufficiency participants need to sign new agreements?

Yes. We have already had participants sign addendums to their agreements, explaining that there is a planned transition. Current participants are very aware that this change is approaching.

What if a GOALS participant moves to a different county?

The GOALS participant can work with his or her GOALS coordinator to determine how the move will affect access to their managed savings account and future participation in a family self-sufficiency program.

FY2014-P2: Methodology for setting payment standards (This activity was removed upon revision of the Plan)

How will establishing local payment standards independent from HUD Fair Market Rents impact the number of people who get access to housing?

This will depend on how the local market performs. If it's necessary to significantly raise payment standards in some areas so that our voucher holders are able to access housing, it could impact the number of households we are able to serve. However, if there are local markets where it makes sense

to lower payment standards, we may choose to do that as well. We will carefully consider the balance of serving households and providing adequate subsidy.

FY2014-P3: Waiving recertifications of income at time of unit transfer (This activity was removed upon revision of the Plan)

Comment: I appreciate this activity. It will simplify the process for everyone involved.

FY2014-P4: High performing landlords (This activity was removed upon revision of the Plan)

Comment: This is a good way to cut red tape and still hold landlords accountable.

How many landlords do you expect will initially qualify as "High Performing Landlords"?

We expect approximately 350 landlords to qualify. These landlords account for close to half of the units in our current Section 8 program.

Will landlords of project-based voucher units be able to qualify as "High Performing Landlords"?

Yes, this activity will include project-based voucher units. However, it will not include shelter plus care units.

If a unit owned by a "High Performing Landlord" turns over repeatedly, would it be possible for it to go years without an initial inspection?

If the unit turned over every year, and the other units owned by the landlord were passing inspections, then this could be possible. It is unlikely, however, that a unit would go several years without any inspection. We will still do biennial inspections, as well as quality control inspections on 5% of the qualifying units.

Ongoing Activities

Is the rent reform activity cutting costs and improving efficiencies as planned?

Yes, although we are still early in implementation. We are seeing some gained efficiencies at the staff level, and expect that to continue in the coming years. We have not seen an overwhelming number of hardship requests; however, the rent caps for the first year will end in April 2013, and we expect we may start seeing more hardship requests at that time.

Last year you proposed an activity to limit portability to high cost areas. Has that activity been implemented?

After examining the cost savings versus staff work required to implement that activity, we decided to discontinue it. We are continuing to examine options for portability, and this year we eliminated the boundaries between Clackamas and Multnomah counties to make it easier for voucher holders to transfer between the two.

Comment: The benchmark and metric tables are very helpful for understanding the impact of Home Forward's activities.

Oregonian Public Notice

Home Forward (formerly the Housing Authority of Portland) will hold a public hearing on Tuesday, November 20, 2012 @ 6:15 pm at Home Forward offices, 135 SW Ash Street, Portland, OR 97204. The purpose of this meeting is to inform and seek input from the public, including current and potential residents / participants, concerning initiatives that Home Forward is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). Home Forward's proposed initiatives are outlined in the "Draft FY2014 MTW Annual Plan." The draft plan is available for viewing on Home Forward's website:

<http://www.homeforward.org/home-forward/moving-to-work>

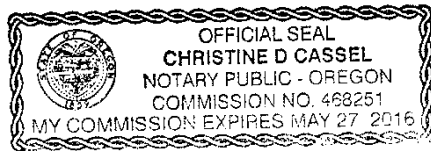
Federal regulations under MTW authority emphasize cost-efficiency, resident self-sufficiency and increased housing choices.

G. Hatter

Affidavit of Publication

I, _____, duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the city of Portland, in Multnomah County, Oregon; that the advertisement was published without interruption in the entire and regular issue of The Oregonian or the issue on the following date(s):

11/4/2012, 11/11/2012



G. Hatter

Principal Clerk of the Publisher:

11-19-12

Subscribed and sworn to before me this date:

Christine D. Cassel

Notary:



BOARD OF COMMISSIONERS MEETING
HOME FORWARD
135 SW ASH STREET, PORTLAND, OR 97204
November 20, 2012

COMMISSIONERS PRESENT

Chair Harriet Cormack, Vice Chair David Widmark, Commissioners Gretchen Kafoury, Benita Legarza, Brian Lessler, and Shelli Romero

STAFF PRESENT

Michael Buonocore, Mike Andrews, Peter Beyer, Robert Dell, Jan Kasameyer, Steven Keenan, Shelley Marchesi, Kitty Miller, Dianne Quast, Jill Riddle, Celia Strauss, Julius Yu

COUNSEL PRESENT

Steve Abel

Chair Harriet Cormack convened the meeting at 6:15 PM.

PUBLIC COMMENT

No attendee requested to make public comments.

MISSION MOMENT

Jan Kasameyer introduced the subject of the meeting's Mission Moment: activities at Home Forward's Northwest Towers property that were enhanced by a Round Two Neighbor to Neighbor grant. She noted that the Neighbor to Neighbor grants were tied in to Goal Three of Home Forward's Strategic Operations Plan. She introduced Steven Keenan, the Resident Service Coordinator at Northwest Towers. Keenan explained that the activities organized through the Rosie's Room program at the property were expanded from sewing, mending, and crocheting. Residents of

Northwest Towers; Leona Pickens, Steven Belk, Kate Lavender, and Joan LoConte; told the board of the activities in which they participated, including cooking, sewing, crafts, and gardening. The residents expressed appreciation for the additional community-building that had been achieved with the help from the Neighbor to Neighbor grant—including intergenerational activities with children from the Northwest Tower Annex building. The Rosie's Room program came to Northwest Towers in 2011. It received a Neighbor to Neighbor grant in 2012. The grant helps to pay for cooking, gardening, and sewing materials. Chair Harriet Cormack and Vice Chair David Widmark commended the program.

CONSENT CALENDAR

RESOLUTION 12-11-02

Authorize Amendment to Professional Service Agreement with The Giving Tree

Resolution 12-11-03

Authorize Action to Purchase the Yards at Union Station.

Chair Harriet Cormack introduced the resolutions on the evening's Consent Calendar. She noted that the members of the Board's Executive Committee had reviewed the resolutions and recommended their passage. Commissioner Shelli Romero moved to adopt the resolutions. Commissioner Benita Legarza seconded the motion.

The vote was as follows:

Chair Harriet Cormack – Aye
Vice Chair David Widmark – Aye
Commissioner Gretchen Kafoury – Aye
Commissioner Benita Legarza – Aye
Commissioner Brian Lessler – Aye
Commissioner Shelli Romero – Aye

MEETING MINUTES

Minutes of October 16, 2012

Commissioner Brian Lessler moved to adopt the minutes of the October 16, 2012, Board of Commissioners meeting, as presented in the evening's materials. Vice Chair David Widmark seconded the motion.

The vote was as follows:

Chair Harriet Cormack – Aye
Vice Chair David Widmark – Aye
Commissioner Gretchen Kafoury – Aye

Commissioner Benita Legarza – Aye
Commissioner Brian Lessler – Aye
Commissioner Shelli Romero – Abstain

REPORT

Executive Director's Report

Michael Buonocore presented the report to the Board. He summarized the evening's agenda, including a public hearing for Home Forward's Moving to Work (MTW) Plan (for which Board approval would be sought in December), an update on the Strategic Operations Plan, an update on Resident Services, a resolution to modify an existing agreement with Multnomah County regarding the development of the eastern portion of Block U, and resolutions to authorize amendments to construction contracts.

Buonocore updated the Board on Home Forward's operations. The big news was the opening and closing of the Section 8 waiting list; roughly 21,000 applications were received—twice the amount received the last time the waiting list was opened. The electronic application process went smoothly, and people who came into the building were served well by staff. Buonocore also pointed out that Home Forward would be contributing \$10,000 to helping veterans overcome hurdles to utilizing VASH (Veterans Affairs Supportive Housing) vouchers. The United Way was among the partner organizations working together on the issue, and the partnership was encouraging.

Buonocore noted that Resolution 12-11-03 authorized the Purchase of the Yards at Union Station property, and he anticipated a similar resolution soon for the Gladstone Square property as part of its Year-15 transaction. He noted that an MTW conference attended by himself, Steve Rudman, Peter Beyer, and Betty Dominguez had been productive. He also noted that the Board would meet in Executive Session at the end of the meeting to discuss a potential real estate transaction.

PUBLIC HEARING

FY2014 Moving to Work Plan

Chair Harriet Cormack declared the assembly a public hearing for the FY2014 MTW Plan. Michael Buonocore informed attendees that the plan had been posted on Home Forward's website since November 2, 2012. It had yet to receive any comment. The Board would be asked to approve the plan in December. Home Forward had also sponsored a presentation of the plan to community stakeholders and partner organizations. The presentation did not produce any suggestions that the plan should be changed. After asking if there were any questions and receiving none, Chair Cormack closed the public hearing.

REPORT

Strategic Operations Plan Update

Michael Buonocore delivered the update to the Board. He pointed out that updates would be provided quarterly, though this initial update covered April through September of 2012. He summarized that the Board adopted the Strategic Operations Plan over the summer, and implementation was underway. Progress had been made for each of the plan's four goals, and development of the equity objectives under Goal 4 was continuing. Buonocore noted that the Goal 4 initiative regarding pursuing revenue was paused while work on Home Forward's organizational assessment concluded.

Regarding Goal 1, Buonocore noted that Home Forward was working with Alder Elementary on new programs to bring before the Board. He also noted that Home Forward was active in the community planning process for the 10-Year Plan to End Homelessness. He anticipated bringing the Board news on steps Home Forward would take to support the plan, such as its collaboration to improve utilization of VASH vouchers, noted above.

Regarding Goal 2, Buonocore reminded the Board of the recent update on the preservation of the public housing high rises.

Regarding Goal 3, Buonocore said that members of the Families Forward planning group had been working with a partner at New Columbia to ensure it was serving the residents. As a result, WorkSource enrollment increased 32%. Vice Chair David Widmark asked to what action the increase was attributed. Kitty Miller responded that it was due to concerted marketing and data collection efforts. Buonocore pointed out how the environment where the service was provided had been made more inviting.

Regarding Goal 3, Buonocore highlighted congregate housing programs such as the one implemented at Home Forward's Rosenbaum Plaza property.

Regarding Goal 4, Home Forward had engaged a consultant to identify how to put staff to work on the Strategic Operations Plan.

Chair Harriet Cormack and Commissioner Brian Lessler expressed appreciation for the reporting tools. Attention of the Board members was drawn to the handout that showed each goal's priority initiatives by year and quarter. It would help establish concrete markers and measure progress. The dashboard report would provide a high-level overview. Board liaisons could spend more time with staff co-leads over the coming year to get comfortable with the reporting tools.

REPORT

Resident Services Update

Dianne Quast and Kitty Miller presented the report to the Board. Quast recalled that Home Forward's Resident Services Department had been integrated into the Rent Assistance and Real Estate Operations Departments in 2009, with the intent to produce a better blend of resident services,

management, and maintenance at sites. It was also hoped that better use of scarce resources would result. Quast said progress had been made since 2009: teams had developed at Home Forward properties, and new software and a new procedures manual would help going forward.

Miller highlighted a housekeeping program that had been developed for Home Forward's high-rise properties. It has resident services staff working together with property management staff to add value to the property. Miller also highlighted a partnership with the Urban Institute to support self-sufficiency and how the Congregate Housing Services Program makes use of partner organizations to provide support to seniors and individuals with disabilities. Miller said that resident services efforts had a rich history and strong track record at Home Forward. Miller anticipated continued progress and pointed out a Resident Services Needs Assessment being developed for use at Home Forward properties.

Buonocore asked Miller to discuss plans for the needs assessment tool. Miller said that she hoped the assessment would provide data that would allow Home Forward to be more thoughtful and intentional about deploying resident services resources. Quast added that the tool could help determine if programs should be directed at individual sites or across multiple sites.

Chair Harriet Cormack asked how resident services were made available to Section 8 participants. Quast said that services were available to participants who enrolled in Home Forward's GOALS program and to participants living at Home Forward properties with resident services programs. Chair Cormack asked where a Section 8 participant could go for help if she or he were struggling. Jill Riddle responded that a participant who had opted into the GOALS program could get services to help with self-sufficiency. She noted that the Rent Assistance Department did not have capacity to provide services beyond that. Commissioner Benita Legarza relayed the ability for residents of Home Forward's Morrison to get services. Quast noted how the Morrison was a Home Forward property with services included as part of its affordable housing scheme. Riddle confirmed for Chair Cormack that half of Section 8 participants were elderly or disabled. Riddle noted that the Rent Assistance Department had built a good referral system, but could otherwise not offer services directly.

RESOLUTION 12-11-04

Authorize Modification of Intergovernmental Agreement between Home Forward and Multnomah County for Block U Work

Mike Andrews presented the resolution to the Board. The resolution would authorize execution of an amendment to an intergovernmental agreement (IGA) regarding development of the Multnomah County Health Department's headquarters on the eastern portion of Block U. The amendment would reflect the ownership structure newly arranged between the County, the City of Portland, and Home Forward, whereby the land will be transferred directly to the County, instead of to the County via Home Forward, and the County will be responsible for obligations arising out of the transfer.

Commissioner Gretchen Kafoury asked if Andrews was happy with the amendment. Andrews responded that he was and that not ever having title to the property would improve Home Forward's risk profile. He noted that the amendment had been reviewed by counsel. The City and County had authorized the disposition and development agreement for the property, and the City and the Portland Development Commission had agreed to accelerate the tax-increment financing that will fund the development.

Commissioner Brian Lessler asked if the revenue Home Forward would receive from the development services it will provide will require any further documentation or agreement. Andrews said that the amended IGA would effectively be a development services agreement, and further documentation should not be needed. Commissioner Lessler appreciated the opportunity to keep Home Forward out of the chain of title.

Andrews noted that an architecture and engineering team was being selected for the development, and staff would bring a recommendation to the Board in December.

Commissioner Lessler asked how many proposals were received from local firms. Andrews replied that each of the fifteen proposals received had included a local partner.

Commissioner Shelli Romero asked how the construction contractor would be involved. Andrews said that a request for proposals for a construction manager/general contractor (CM/GC) would be released in December. Chair Cormack asked if Home Forward or the County would be choosing the CM/GC. Andrews responded that the CM/GC would work for Home Forward, so Board authorization would be required. Andrews confirmed for Commissioner Romero that Home Forward was acting as the County's agent. Andrews said that he expected Home Forward and the County would agree on the recommended CM/GC.

Chair Cormack noted the County's emphasis on equity contracting. Andrews affirmed that the County's and Home Forward's equity goals were very similar.

Vice Chair David Widmark moved to adopt the resolution. Commissioner Brian Lessler seconded the motion.

The vote was as follows:

- Chair Harriet Cormack – Aye**
- Vice Chair David Widmark – Aye**
- Commissioner Gretchen Kafoury – Aye**
- Commissioner Benita Legarza – Aye**
- Commissioner Brian Lessler – Aye**
- Commissioner Shelli Romero – Aye**

RESOLUTION 12-11-05

Authorize and Amendment to the I&E Construction Contract for Building Envelope Rehabilitation at Eastwood Court Apartments

Mike Andrews presented the resolution to the Board. He directed the Board's attention to the pictures included in the meeting's materials that showed the extent of damage discovered. He relayed that the original contract was executed before the full extent of the damage was known. The amendment would add funds to repair the discovered damage. The current contractor was performing satisfactory work.

Chair Harriet Cormack asked the source of the funds for the contract. Andrews said that the funds were from the public housing capital grant. Chair Cormack asked for the expected life of the repairs. Andrews said that the repairs were on the exterior and that he imagined they would last thirty years.

Commissioner Brian Lessler and Andrews discussed the details of the siding at the property. Andrews noted that some damage went beyond just the siding of the buildings. Commissioner Lessler asked if a forensic investigation had been done before sending the project out for bid. He added that it would be frustrating to discover so much unexpected damage after paying for a professional investigation. Andrews said that there would always be a struggle with hard-bid jobs (some ending up lower, some ending up higher) and that he understood Commissioner Lessler's point. Commissioner Lessler recognized that investigations were not a precise science.

Commissioner Brian Lessler moved to adopt the resolution; Commissioner Gretchen Kafoury seconded the motion.

The vote was as follows:

- Chair Harriet Cormack – Aye**
- Vice Chair David Widmark – Aye**
- Commissioner Gretchen Kafoury – Aye**
- Commissioner Benita Legarza – Aye**
- Commissioner Brian Lessler – Aye**
- Commissioner Shelli Romero – Aye**

RESOLUTION 12-11-06

Authorize and Amendment to the Applied Restoration, Inc. Contract for Building Envelope Rehabilitation at Dahlke Manor Apartments

Mike Andrews presented the resolution to the Board. The resolution would authorize an amendment to add \$50,000 to a contract for work repairing concrete at Home Forward's Dahlke Manor property. The project was bid after an initial investigation, but more damage had been found after the work began. The additional funds would be from the public housing capital grant. Decisions on the scope of work had been made in consultation with

Home Forward's Real Estate Operations staff.

Commissioner Gretchen Kafoury asked for Commissioner Brian Lessler's opinion of the work. Commissioner Lessler said the concrete structure was harder for him to evaluate and that he would not second-guess staff. Andrews helped to clarify that the additional funds would be used on the exterior of the building; it would not be used to repair the building's sunshades. Commissioner Lessler expressed his frustration with the lack of liability of forensic professionals. Commissioner Kafoury asked if the initial work had been bid out. Andrews said that Home Forward staff has less experience with reinforced concrete. Staff does push for certainty, but also does not want to pay for an extensive investigation. He explained that projects were approached with the goal of efficient use of resources, which would sometimes lead to needing to add funds to contracts. Board attention would not often be needed for projects that use less money than expected or come in on budget.

Chair Harriet Cormack asked if the work at Dahlke Manor was tied to the across-the board needs assessments completed some years ago. Andrews said that Eastwood Court's need was acute, and he did not recall how the scope of work for Dahlke Manor originated. Chair Cormack appreciated the work being done to preserve Home Forward's properties.

Commissioner Gretchen Kafoury moved to adopt the resolution; Vice Chair David Widmark seconded.

The vote was as follows:

- Chair Harriet Cormack – Aye**
- Vice Chair David Widmark – Aye**
- Commissioner Gretchen Kafoury – Aye**
- Commissioner Benita Legarza – Aye**
- Commissioner Brian Lessler – Aye**
- Commissioner Shelli Romero – Aye**

Vice Chair David Widmark announced that the Gresham City Council had approved Commissioner Brian Lessler's remaining on the Home Forward Board of Commissioners for another term.

ADJOURN

There being no further business, Chair Harriet Cormack adjourned the meeting at 7:28 PM.

EXECUTIVE SESSION

The Board of Commissioners of Home Forward did meet in Executive Session pursuant to ORS 192.660(2).

Attached to the Official Minutes of Home Forward are all Resolutions adopted at this meeting, together with copies of memoranda and material submitted to the Commissioners and considered by them when adopting the foregoing resolutions.

Celia M. Strauss
Recorder, on behalf of
Steven D. Rudman, Secretary

ADOPTED: DECEMBER 18, 2012

Attest:

Home Forward:

Steven D. Rudman, Secretary

Harriet Cormack, Chair

Board Resolution



STAFF REPORT

To: Board of Commissioners

Date: December 18, 2012

From: Betty Dominguez, Program Director Policy & Planning

Subject: Authorize Home Forward to submit the Fifteenth-Year Annual Moving to Work (MTW) Plan to the Department of Housing and Urban Development (HUD)

The Board of Commissioners is requested to authorize staff to submit the Fifteenth-Year MTW Annual Plan to the Department of Housing and Urban Development. This year's plan corresponds to Home Forward's fiscal year 2014.

ISSUE

Since 1999, Home Forward's designation as an MTW agency grants regulatory relief in the administration of Section 8 and Public Housing operating subsidies and capital allocations, as well as the ability to waive certain HUD regulations in favor of locally developed policies and initiatives for the benefit of our residents, participants and community. All activities that use MTW authority must support at least one of three MTW objectives: (1) reduce costs and increase efficiencies, (2) increase housing choice for low-income families and, (3) provide incentives to families to become economically self-sufficient. Four years ago Home Forward signed a ten year agreement with HUD that will preserve our MTW designation until 2018.

This year's Plan has been presented to community stakeholders, the Resident Advisory Committee and the Board of Commissioners at a public hearing. All feedback and Home Forward responses are included for your reference and will be provided to HUD as part of our MTW Plan submission. Home Forward staff will continue to work closely with clients and stakeholders as this year's proposed initiatives are inaugurated and implemented, and as existing initiatives continue.



RESOLUTION 12-12-02

RESOLUTION 12-12-02 AUTHORIZES HOME FORWARD STAFF TO SUBMIT THE FIFTEENTH-YEAR ANNUAL MOVING TO WORK PLAN (MTW) TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

WHEREAS, the MTW plan provides Home Forward with the authority to adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

WHEREAS, on November 7, 2012 Home Forward staff met with community partners to review the draft MTW plan; and

WHEREAS, on November 20, 2012 the Home Forward Board of Commissioners conducted a public hearing on the draft MTW plan; and

WHEREAS, on November 27, 2012 Home Forward staff met with members of the Resident Advisory Committee to review the draft plan; and

WHEREAS, HUD has requested that the Home Forward Board of Commissioners authorize the execution of its Fifteenth-Year MTW Annual Plan,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward that the Chair of the Board of Commissioners is authorized to enter into and execute the Fifteenth-Year MTW Annual Plan with the Department of Housing and Urban Development.

ADOPTED: DECEMBER 18, 2012

Attest:



Steven D. Rudman, Secretary

HOME FORWARD



Harriet Cormack, Chair

**Annual Moving to Work Plan
Certifications of Compliance**

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

**Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 04/01/2013, hereinafter referred to as “the Plan”, of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction’s initiatives to affirmatively further fair housing that require the PHA’s involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by the Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

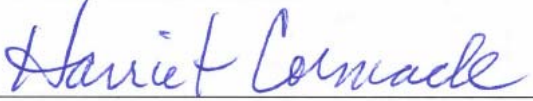
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Home Forward (Housing Authority of Portland)
PHA Name

OR002
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1012; 31 U.S.C. 3729, 3802)

Harriet Cormack
Name of Authorized Official


Signature

Board Chair
Title


Date

Appendix

RENT REFORM – IMPACT ANALYSIS

Section 8 Family Self Sufficiency Participants under Rent Reform

The following is an analysis of calculating rent for Section 8 Family Self Sufficiency (FSS) program participants under rent reform. These households were previously kept at the traditional rent calculation.

About the Households – Section 8 FSS Participants

	ALL S8 FSS Households	% of ALL S8 FSS Households	# of Work-Focused	% of Work-Focused	# of Seniors/PWD	% of Seniors/PWD
ALL Section 8 FSS Households	191	100%	162	100%	29	100%
Gross income < \$5000	23	12%	21	13%	2	7%
Zero income	12	6%	11	7%	1	3%
Receive utility reimbursement	18	9%	16	10%	2	7%
Children in household	157	82%	144	89%	13	45%
Single parents	122	64%	115	71%	7	24%
Female head of household	159	83%	139	86%	20	69%
Four or more dependents	39	20%	35	22%	4	14%
Claim childcare expenses > \$2000	18	9%	18	11%	0	0%
Claim medical expenses > \$2000	0	0%	0	0%	0	0%
<u>Additional household information</u>						
Average household gross income	15,284		15,349		14,923	
Households pay rent ≥ \$100	45	24%	42	26%	3	10%

Household Impact: Rent Changes

All S8 FSS Household Rent Changes	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	91	48%	38	20%	22	12%
Rent increases	87	45%	151	79%	162	87%
No change in rent	13	7%	2	1%	2	1%
TOTAL S8 FSS HOUSEHOLDS	191	100%	191	100%	191	100%
All S8 FSS Household Rent Increase Increments	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	62	32%	70	37%	21	11%
\$25 to \$50	9 ¹	5%	23	12%	36	19%
\$50 to \$100	8 ¹	4%	27	14%	47	24%
\$100 to \$200	8 ¹	4%	27	14%	41	21%
> \$200	0	0%	4	2%	22	12%
TOTAL RENT INCREASES	87	45%	151	79%	167	87%

¹Of the 25 households who have a rent increase above \$25 in Year 1, 24 of those households would qualify for a hardship consideration due to high out-of-pocket childcare expenses or four or more dependents at the time of the transition to the rent reform calculation.

Household Impact: Shelter Burden²

Populations	Shelter burdens		
	Year 1	Year 3	Year 5
All S8 FSS Households	27.5%	35.5%	43.1%
Work-Focused S8 FSS Households	27.5%	37.0%	46.0%
Senior/PWD S8 FSS Households	27.6%	27.6%	27.6%
Populations	Shelter burden changes vs baseline		
	Year 1	Year 3	Year 5
All S8 FSS Households	+0.6%	+8.6%	+16.3%
Work-Focused S8 FSS Households	+0.9%	+10.4%	+19.4%
Senior/PWD S8 FSS Households	-0.6%	-0.6%	-0.6%

²For the purposes of rent reform, shelter burden is defined as rent + utility allowance (capped at payment standard) divided by gross income.

Household Impact: Work-focused Section 8 FSS Participants

Work-Focused S8 FSS Household Rent Changes	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	71	44%	18	11%	2	1%
Rent increases	80	50%	144	89%	160	99%
No change in rent	11	6%	0	0%	0	0%
TOTAL S8 FSS HOUSEHOLDS	162	100%	162	100%	162	100%
Work-Focused S8 FSS Household Rent Increase Increments	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	55	34%	63	39%	14	9%
\$25 to \$50	9	6%	23	14%	36	22%
\$50 to \$100	8	5%	27	17%	47	29%
\$100 to \$200	8	5%	27	17%	41	25%
> \$200	0	0%	4	2%	22	14%
TOTAL RENT INCREASES	80	50%	144	89%	160	99%

Household Impact: Seniors/People with Disabilities Section 8 FSS Participants

Seniors/PWD S8 FSS Household Rent Changes	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent decreases	20	69%	20	69%	20	69%
Rent increases	2	7%	7	24%	7	24%
No change in rent	7	24%	2	7%	2	7%
TOTAL S8 FSS HOUSEHOLDS	29	100%	29	100%	29	100%
Seniors/PWD S8 FSS Household Rent Increase Increments	Year 1		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
< \$25	7	24%	7	24%	7	24%
\$25 to \$50	0	0%	0	0%	0	0%
\$50 to \$100	0	0%	0	0%	0	0%
\$100 to \$200	0	0%	0	0%	0	0%
> \$200	0	0%	0	0%	0	0%
TOTAL RENT INCREASES	7	24%	7	24%	7	24%

Impact by Race: All Section 8 FSS Participant Households

CURRENT RACE PROFILE: ALL HOUSEHOLDS							
	White	Black	Amer Ind	Asian	Pac Islander	Hispanic	Mixed
# Households	60	96	2	5	0	21	7
% Households	31%	50%	1%	3%	0%	11%	4%
Shelter burden (current)	26.9%	26.8%	29.3%	28.2%	--	26.6%	26.4%
Year 1 Impact by Race							
% Rent increase	38%	50%	0%	20%	--	43%	86%
% Rent decrease	50%	46%	100%	80%	--	52%	0%
Shelter burden (expected)	27.5%	27.5%	27.5%	27.5%	--	27.5%	27.9%
Year 3 Impact by Race							
% Rent increase	78%	82%	50%	60%	--	71%	86%
% Rent decrease	20%	18%	50%	40%	--	29%	0%
Shelter burden (expected)	38.4%	35.5%	29%	28.4%	--	31.6%	30.1%
Year 5 Impact by Race							
% Rent increase	83%	93%	100%	60%	--	81%	86%
% Rent decrease	15%	7%	0%	40%	--	19%	0%
Shelter burden (expected)	45%	44.2%	31%	29.6%	--	38.4%	39.4%

Overall Financial Impact

Overall Financial Impact	Year 1	Year 2	Year 3	Year 5
Section 8 Housing Assistance Payment change ¹	- \$8,376	- \$8,376	- \$90,996	-\$197,172
% Housing Assistance Payment change	- 0.02%	- 0.02%	- 0.17%	-.37%

¹ Housing Assistance Payments are made to landlords by Section 8, so negative numbers show reduced Section 8 expenditures.

Appendix II

AMENDMENT I – BOARD APPROVAL



MEMORANDUM

To: Board of Commissioners

Date: May 10, 2013

From: Melissa Sonsalla,
MTW Coordinator

Subject: Authorize Home Forward to Submit Amendment I
to the FY2014 Moving to Work Plan
Resolution 13-05-01

The Board of Commissioners is requested to authorize staff to submit Amendment I to the FY2014 Moving to Work Annual Plan.

ISSUE

Home Forward's FY2014 Moving to Work Annual Plan was approved by HUD on April 17, 2013. In order to manage the effects of funding cuts due to sequestration, Home Forward is proposing to change our rent reform calculation as described in the Plan, and increase the percentage of gross income used to determine total tenant payment. All other elements of our current rent reform activity would remain in place.

For seniors and people with disabilities, we propose increasing the total payment percentage from 27.5% of gross income, to 28.5% of gross income. Minimum rent for this group is \$0 and utility reimbursements will continue to be allowed.

For work-focused households, we propose the following:

- In years 1 and 2, we propose increasing the total tenant payment percentage from 27.5% of gross income, to 29.5% of gross income. In the first two years, work-focused households also have no minimum rent, and utility reimbursements are allowed.
- In years 3 and 4, the total tenant payment percentage will remain at 29.5%, and a \$100 minimum rent will be instituted. Utility allowances will be factored into assistance, but utility reimbursements will not be allowed. (The existing rent reform policy calculates the total tenant payment at 29% of gross income in years 3 and 4, so this represents a 0.5% increase).
- In years 5 and beyond, we are not proposing any changes to the existing rent reform policy. 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 will not be allowed.

These changes are expected to be effective no earlier than July 2013, and will yield a reduction of housing assistance expense of \$0.8 million and an increase in public housing rents of \$0.2 million for Home Forward's fiscal year 2014. These amounts, along with the additional savings now anticipated from the original rent reform plan and other administrative and personnel expense reductions will enable Home Forward to address the shortfall created by sequestration.

As required, we have made the proposed amendment available for public review and comments. The draft amendment was posted on the Home Forward website on April 9, 2013 and remained posted for 30 days. A public hearing was held before the Board of Commissioner on April 16, 2013. All public comment received is included in the attached amendment.

ATTACHMENTS

Amendment I to FY2014 Moving to Work Annual Plan



RESOLUTION 13-05-01

RESOLUTION 13-05-01 AUTHORIZES HOME FORWARD STAFF TO SUBMIT TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AMENDMENT I TO THE FY2014 MOVING TO WORK (MTW) ANNUAL PLAN

WHEREAS, the Home Forward Board of Commissioners previously adopted and approved the FY2014 Moving to Work (MTW) Annual Plan which was approved by HUD on April 17, 2013; and

WHEREAS, Home Forward desires to amend its FY2014 MTW Annual Plan to reflect those modifications to our rent reform activity, as outlined in Amendment I to FY2014 MTW Plan; and

WHEREAS, on April 16, 2013, the Home Forward Board of Commissioners conducted a public hearing on the draft amendment to the FY2014 MTW Annual Plan; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Home Forward that the Chair of Home Forward is authorized to enter into and execute Amendment I to the FY2014 MTW Annual Plan with the Department of Housing and Urban Development.

ADOPTED: MAY 10, 2013

Attest:



Steven D. Rudman, Secretary

Home Forward:



Harriet Cormack, Chair

AMENDMENT I – IMPACT ANALYSIS

The following is an analysis of increasing the total tenant payment percentages for households in public housing and Section 8. Data of current resident characteristics is taken as of April 15, 2013.

About the Households¹

	ALL Households	% of ALL Households	# of Work-Focused	% of Work-Focused	# of Seniors/PWD ²	% of Seniors/PWD
ALL Households	10,792	100%	4,211	100%	6,581	100%
Gross income < \$5000	1,512	14%	808	19%	704	11%
Zero income	860	8%	408	10%	452	7%
Receive utility reimbursement	1,010	9%	631	15%	379	6%
Households with children	4,275	40%	3,323	79%	952	14%
Single parents	3,413	32%	2,722	65%	691	10%
Female head of household	7,347	68%	3,497	83%	3,850	59%
Four or more dependents	741	7%	649	15%	92	1%
<u>Additional household information</u>						
Average household gross income	\$10,984	-	\$11,964	-	\$10,357	-
Households pay rent less than \$100	2,880	27%	1,689	40%	1,191	18%

¹Households may fall into multiple categories on this chart.

²People with disabilities

Household Impact: Rent Changes¹

All Household Rent Changes	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent increases	9,751	90%	10,164	94%	10,182	94%
No change in rent	1,041	10%	628	6%	610	6%
TOTAL HOUSEHOLDS	10,792	100%	10,792	100%	10,792	100%

All Household Rent Increase Increments	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
\$1 to \$25	8,537	79%	7,422	69%	6,223	57%
\$26 to \$50	1,017	9%	1,245	12%	877	8%
\$51 to \$100	197	2%	815	7%	1,242	12%
\$101 to \$200	0	0%	529	5%	1,158	11%
> \$200	0	0%	153	1%	682	6%
TOTAL RENT INCREASES	9,751	90%	10,164	94%	10,182	94%

Household Impact: Shelter Burden²

Populations	Shelter burdens		
	August 1, 2013	Year 3	Year 5
All Households	28.8%	36.7%	44.4%
Work-Focused Households	29.3%	47.9% ³	67.5% ³
Senior/PWD Households	28.4%	28.4%	28.4%

Populations	Shelter burden changes vs baseline		
	August 1, 2013	Year 3	Year 5
All Households	+1.0%	+8.9%	+16.6%
Work-Focused Households	+1.0%	+19.6%	+39.2%
Senior/PWD Households	+0.9%	+0.9%	+0.9%

¹All calculations of rent changes are based on comparison to households' current rent calculation (as of April 15, 2013.)

²For the purposes of rent reform, shelter burden is defined as rent + utility allowance (capped at payment standard) divided by gross income.

³The shelter burden calculations for work-focused households in Year 3 and Year 5 include those who currently receive a utility reimbursement payment, which will be discontinued in those years. The shelter burden calculations for work-focused households who are not currently receiving a utility reimbursement payment are 33.8% in Year 3, and 44.3% in Year 5.

Household Impact: Work-focused Population

Work-Focused Household Rent Changes	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent increases	3,725	88%	4,138	98%	4,156	99%
No change in rent	486	12%	73	2%	55	1%
TOTAL HOUSEHOLDS	4,211	100%	4,211	100%	4,211	100%
Work-Focused Household Rent Increase Increments	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
\$1 to \$25	2,550	60%	1,435	34%	236	6%
\$26 to \$50	978	23%	1,206	29%	838	20%
\$51 to \$100	197	5%	815	19%	1,242	29%
\$101 to \$200	0	0%	529	12%	1,158	28%
> \$200	0	0%	153	4%	682	16%
TOTAL RENT INCREASES	3,725	88%	4,138	98%	4,156	99%

Household Impact: Seniors/People with Disabilities Population

Seniors/People with Disabilities Household Rent Changes	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
Rent increases	6,026	92%	6,026	92%	6,026	92%
No change in rent	555	8%	555	8%	555	8%
TOTAL HOUSEHOLDS	6,581	100%	6,581	100%	6,581	100%
Seniors/People with Disabilities Household Rent Increase Increments	August 1, 2013		Year 3		Year 5	
	By Household	By Percentage	By Household	By Percentage	By Household	By Percentage
\$1 to \$25	5,964	91%	5,964	91%	5,964	91%
\$26 to \$50	62	1%	62	1%	62	1%
\$51 to \$100	0	0%	0	0%	0	0%
\$101 to \$200	0	0%	0	0%	0	0%
> \$200	0	0%	0	0%	0	0%
TOTAL RENT INCREASES	6,026	92%	6,026	92%	6,026	92%

Impact by Race: All Households

CURRENT RACE PROFILE: ALL HOUSEHOLDS							
	White	Black	Amer Ind	Asian	Pac Islander	Hispanic	Multi-Racial
# Households	5,673	3,241	225	465	59	727	402
% Households	52.6%	30.0%	2.1%	4.3%	0.5%	6.7%	3.7%
Shelter burden (current)	27.4%	27.4%	27.4%	27.4%	27.1%	25.8%	27.4%
August 1, 2013 Impact by Race							
% No change in rent	10.5%	9.5%	9.7%	3.2%	6.8%	7.7%	9.5%
% Rent increase	89.5%	90.5%	90.3%	96.8%	93.2%	92.3%	90.5%
Shelter burden (expected)	28.6%	28.9%	28.8%	28.7%	29.1%	29.0%	28.9%
Year 3 Impact by Race							
% No change in rent	7.2%	4.4%	5.8%	2.2%	5.1%	4.5%	4.7%
% Rent increase	92.8%	95.6%	94.2%	97.8%	94.9%	95.3%	95.3%
Shelter burden (expected)	36.4%	35.6%	35.5%	30.2%	35.9%	36.3%	33.8%
Year 5 Impact by Race							
% No change in rent	7.0%	4.1%	5.3%	2.2%	5.1%	4.4%	4.7%
% Rent increase	93.0%	95.9%	94.7%	97.8%	94.9%	95.5%	95.3%
Shelter burden (expected)	43.1%	43.0%	41.5%	32.3%	42.4%	43.9%	41.4%

Overall Financial Impact

Overall Financial Impact	August 1, 2013	Year 3	Year 5
Section 8 Housing Assistance Payment annual change ¹	- \$1,302,672	- \$2,627,208	- \$4,861,116
% Housing Assistance Payment annual change	- 2.26%	- 4.55%	- 8.42%
Public Housing rent annual change	\$353,004	\$913,692	\$1,583,988
% Public Housing rent annual change	6.44%	16.66%	28.89%

¹ Housing Assistance Payments are made to landlords by Section 8, so negative numbers show reduced Section 8 expenditures.

AMENDMENT I – PUBLIC PROCESS

Home Forward engaged in an intensive communication process with our Board of Commissioners, our Resident Advisory Committee and the larger community in planning our actions in response to the funding cuts, as well as vetting the amendment to the rent reform activity.

- March 6, 2013 Board of Commissioners work session – Staff previewed the possible financial impacts of sequestration, introduced guiding principles for Home Forward’s response, and discussed potential options to address the shortfall.
- March 12, 2013 Community Partner meeting – Representatives from community partner agencies and organizations attended a meeting at Home Forward regarding sequestration. Staff presented the financial impacts and discussed potential options including raising the percentage of rent used to calculate resident income.
- March 13, 2013 Resident Advisory Committee meeting – Staff presented information about sequestration and the impacts to the agency. Staff and the committee discussed the possibility of raising the percentage of rent used to calculate resident income.
- March 19, 2013 Board of Commissioners meeting and public hearing – At this meeting, Home Forward staff presented information on the funding cuts expected because of sequestration, as well as initial plans for changes that will impact staff and residents. Public attendees were invited to give comment.

Four members of the Resident Advisory Committee presented comments. Committee members expressed appreciation for the focus on not losing existing households, and that staff were willing to share the burden of cuts.

One resident said another increase in his rent would be very difficult because of his high medical expenses. He asked the Board to consider that there are residents who cannot handle another increase in rent.

One resident said that while she understands that funding is limited, residents have very little say in their contract negotiations, and do not have the opportunity to change the lease at their whim the way the agency does.

One commenter said programs offered by Home Forward are very important to many people, and encouraged the Board and staff to consider what can be done to make the agency more efficient and productive.

One commenter member expressed support for the Rent Well program, and encouraged Home Forward to continue to support the program going forward.

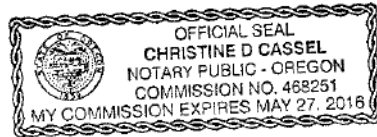
April 7 & 14, 2013 Public Notice was published in the Oregonian announcing the public hearing to be held on April 16, 2013. PUBLIC HEARING: Home Forward is proposing an amendment to its FY2014 MTW Plan. A public hearing to inform and seek input on the amendment will be held on Tuesday, April 16, 2013 @ 6:15 pm at 1605 NE 45th Ave, Portland, OR 97213. The proposed amendment includes changes to current rent calculation policies and is available for review online at www.homeforward.org/home-forward/moving-to-work. Home Forward will be accepting written comments regarding the proposed amendment until Friday, May 10. Please submit written comments to the following address: Home Forward, Attn: Melissa Sonsalla, 135 SW Ash Street, Portland, OR 97204. Comments can also be emailed to Melissa.Sonsalla@homeforward.org.

G. Hatter

Affidavit of Publication

I, _____, duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the city of Portland, in Multnomah County, Oregon; that the advertisement was published without interruption in the entire and regular issue of The Oregonian on the following date(s):

4/7/2013, 4/14/2013



G. Hatter
Principal Clerk of the Publisher:
4-22-13
Subscribed and sworn to before me this date:
Christine D. Cassel
Notary:

April 9, 2013 Draft Amendment was posted on Home Forward's website for public comment and input.

April 16, 2013 Public hearing on the draft FY2014 MTW Plan Amendment was held at the April Board of Commissioners meeting.

One commenter applauded the principle of not eliminating vouchers for current participants. He expressed appreciation for the clear presentation of the issue to the community, and for the opportunity for public input. He said he felt that Home Forward was on track for keeping rent increases as small as possible, and praised the work done to adapt to sequestration.

April 23, 2013 Resident Advisory Committee – Staff presented the draft FY2014 MTW Plan Amendment and explained the increases in the percentage of income used to calculate rent.

May 10, 2013 Board of Commissioners approved submission of the FY2014 MTW Plan Amendment to HUD.

HOME FORWARD'S HARDSHIP POLICY

All households participating in an MTW eligible program may submit a hardship exemption request.

Households may qualify for a hardship exemption if one of the following criteria is met:

1. Households may qualify for a hardship exemption if the total shelter costs exceed 50 percent of the gross monthly income used to determine household's rent and subsidy. Total shelter costs are defined as rent and utilities paid by the household.

While all households qualify to request a hardship exemption, generally those having the following criteria will not qualify for an exemption:

- a. Amount of subsidy reduction for mixed families
 - b. Additional amount a household has chosen to pay above the payment standard for an HCV assisted unit.
2. Households that were participating in the PHA's MTW programs on March 31, 2012 and qualified for an automatic phase-in adjustment based on the criteria described in Section 6-III.D may qualify for a hardship exemption if the circumstances that qualified them for an automatic phase-in continue.

These phase-in households may qualify for a hardship exemption without meeting the requirement to pay more than 50 percent of gross monthly income toward shelter costs.

These phase-in households will be required to provide documentation showing that the circumstances that originally qualified them for an automatic phase-in have continued.

Applying for a Hardship Exemption

All hardship exemption requests must be made in writing and submitted to the appropriate PHA office. Requests must be received by the 15th of each month to be eligible for a revised rent effective on the first of the next month. Hardship exemption requests / adjustments will not be retroactive.

Only hardships expected to last longer than 90 calendar days will be considered.

Households applying for a hardship exemption are strongly encouraged to include the following documents / verifications with their request, as applicable:

- For households who have recently lost earned income – proof of application for unemployment;
- For households with children – proof of application for TANF and / or child support;

- Proof of application through WorkSource;
- Proof of application / participation in one of the PHA's self-sufficiency programs;
- Proof of application for low-income energy assistance through an external community agency.

Determination of Hardship Exemptions

A hardship committee with representatives from the PHA staff will review hardship requests on a monthly basis. The committee has the authorization to implement an agreed upon exemption / remedy. If the committee cannot reach consensus regarding a hardship request, the majority vote will rule.

The committee will consider each household's circumstances on a case-by-case basis. The committee will have a menu of remedies to reduce a qualifying household's rent burden. These choices may include, but are not limited to, the following:

- Set tenant rent to \$0 for a specific period of time. This option would not include a utility reimbursement to the family.
- Extend a utility reimbursement for a specific period of time.
- Cap total shelter costs to not exceed 50 percent of gross monthly income or other appropriate percentage for a specific period of time.
- Reduce the amount of tenant rent.
- Remove minimum tenant rent for a specific period of time. Any combination of the above remedies.

The hardship exemptions will be granted to eligible households for a minimum of 3 months and a maximum of 12 months. Households may apply for another exemption once their exemption expires.

In cases when the committee recommends denial of a hardship request, the Director or Assistant Director of Rent Assistance will make the final determination.

In extraordinary cases, the hardship committee may make a final recommendation to the Director or Assistant Director of Rent Assistance who will have final approval when circumstances call for a deviation from hardship policy.

Notice of Hardship Exemption or Denial of Exemption

In cases when the committee grants a hardship exemption, the PHA will notify the owner and the family of the effective date, the new HAP payment and tenant rent, and the expiration date of the exemption.

If the hardship exemption is denied, the family will be notified of a decision in writing within 15 business days of the determination.

Additional Information for Phase-in Households

After the first 12 month phase-in (April 1, 2012 – March 31, 2013) households that qualified for phase-in due to high medical / childcare expense or because of a large number of dependents and request a hardship exemption will be required to provide documentation that circumstances still exist (i.e. receipts for medical bills, receipts for childcare payments, etc.).

Based on the amount of receipts provided and / or the number of dependents still in the household, the total amount of “lost” allowances / deductions will be calculated and the following chart will be used to assess the rent reduction:

Total Loss of Allowances / Deductions	Amount of Rent Reduction
\$10,000 +	\$200
\$9,000 - \$9,999	\$175
\$8,000 - \$8,999	\$150
\$7,000 - \$7,999	\$125
\$6,000 - \$6,999	\$100
\$5,000 - \$5,999	\$75
\$4,000 - \$4,999	\$50
\$3,000 - \$3,999	\$25
\$1,920 - \$2,999	\$0

**Table previously posted was incorrect. This amended table reflects correct rent reduction amounts (posted effective January 2013).*

A household’s rent amount may result in a credit or utility reimbursement payment however the amount the households receive will never be more than the utility allowance for their unit.