



**homeforward**

hope. access. potential.

YEAR 14

# Moving to Work

ANNUAL REPORT

Original Submission:

June 25, 2013

HUD Approval Received:

May 25, 2016



## Home Forward Board of Commissioners

Harriet Cormack, Chair  
David Widmark, Vice Chair  
James Smith, Treasurer  
Lee Moore, Chair Emeritus  
Jorge Guzman  
David Kelleher  
Benita Legarza  
Brian Lessler  
Katie Such

## Home Forward Executive Staff

Steve Rudman, Executive Director  
Michael Buonocore, Deputy Executive Director  
Michael Andrews, Director, Development and Community Revitalization  
Peter Beyer, Chief Financial Officer  
Rebecca Gabriel, Director, Business Services  
Shelley Marchesi, Director, Public Affairs  
Rodger Moore, Director, Property Management  
Jill Riddle, Director, Rent Assistance  
Molly Rogers, Director, Asset Management

## Home Forward Moving to Work Staff

Melissa Sonsalla, MTW Coordinator



**home**forward

hope. access. potential.

A new name for the Housing Authority of Portland

YEAR 14

# FY2013 Moving to Work ANNUAL REPORT

April 1, 2012 – March 31, 2013

# Table of Contents

Introduction	1
Introduction and Overview.....	1
General Housing Authority Operating Information	3
Housing Stock Information.....	3
Leasing Information.....	9
Waiting List Information.....	11
Non-MTW Related Housing Authority Information	13
Long-Term MTW Plan	15
Proposed MTW Activities	17
FY2013-P2: Limiting portability in higher cost areas.....	17
Ongoing MTW Activities	18
FY2013-P1: Landlord self-certification of minor repairs.....	18
FY2013-P3: Alternative escrow calculation for public housing FSS participants.....	19
FY2013-P4: Inspections and rent reasonableness at Home Forward-owned properties.....	20
FY2013-O1: Rent reform.....	21
FY2013-O2: Opportunity Housing Initiative.....	23

FY2013-O3: Local Blended Subsidy program .....	25
FY2013-O4: Bud Clark Commons .....	26
FY2013-O5: Biennial inspections .....	27
FY2013-O6: Alternate inspection requirements for partner-based programs.....	28
FY2013-O7: Measures to improve the rate of voucher holders who successfully lease up .....	29
FY2013-O8: Local project-based voucher program .....	30

**Sources and Uses of Funding** **31**

---

Sources and Uses of MTW Funds.....	31
Sources and Uses of State & Local Funds .....	32
Sources and Uses of COCC .....	N/A
Alternative Fee and/or Cost Allocations .....	33
Use of Single-Fund Flexibility.....	34

**Administrative** **38**

---

Correction of Observed Deficiencies .....	38
Agency-Directed Evaluations.....	N/A
Performance and Evaluation Report for capital fund activities not included in the MTW block grant .....	39
Certifications / Board Resolution .....	40



# Introduction

Moving to Work (MTW) is a demonstration program that offers public housing authorities 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 housing authorities 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 housing authorities and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish three primary objectives:

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

Home Forward has been designated an MTW agency since 1998. In 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 ongoing MTW goals and objectives

Home Forward combines the MTW objectives described above with the goals defined in our Strategic Operations Plan:

- Goal 1: We will deploy resources with greater intentionality and alignment with other systems while increasing the number of households served.
- Goal 2: We will increase the number of housing units for our community through preservation, development and acquisition.
- 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.
- Goal 4: We will increase efficiency and embrace our new identity by transforming the organizational structure and culture.

The Strategic Operations Plan goals align closely with the MTW objectives, and together define the work the agency does to create innovative, locally-tailored programs to serve the needs of our community. This work is done through our MTW activities, initiatives funded through MTW single-fund flexibility, and priority initiatives that may or may not require MTW flexibility. The Long-Term MTW Plan section of this report includes more information about how these actions come together to achieve the goals and objectives we have defined.

## Overview of Home Forward's MTW Activities

FY2013-P2: Limiting portability in higher cost areas .....	17
Home Forward did not implement this activity.	
FY2013-P1: Landlord self-certification of minor repairs .....	18
In certain cases of minor deficiencies, Home Forward may accept an owner's certification that repairs were made.	
FY2013-P3: Alternative escrow calculation for public housing FSS participants .....	19
Home Forward uses a strike point escrow calculation for public housing households participating in the HUD family self-sufficiency program.	
FY2013-P4: Inspections and rent reasonableness at Home Forward-owned units.....	20
Home Forward inspects and sets rent reasonableness when a Section 8 voucher holder chooses to rent a unit Home Forward owns.	
FY2013-O1 Rent reform.....	21
Home Forward has implemented large-scale reform of our rent calculation methods.	
FY2013-O2: Opportunity Housing Initiative.....	23
Home Forward operates OHI at Humboldt Gardens and New Columbia.	
FY2013-O3: Local Blended Subsidy Program.....	25
Home Forward has created a local blended subsidy program, blending Section 8 and public housing funds to subsidize units.	
FY2013-O4: Bud Clark Commons .....	26
Home Forward has modified screening criteria and transfer processes for this development.	
FY2013-O5: Biennial Inspections .....	27
Home Forward conducts biennial inspections for qualifying Section 8 households.	
FY2013-O6: Alternate inspection requirements for partner-based programs.....	28
Home Forward uses alternate inspection standards for programs where we contract out resources to be administered by partners.	
FY2013-O7: Measures to improve the rate of voucher holders who successfully lease up .....	29
Home Forward has implemented measures to improve landlord acceptance of Section 8 vouchers in the local community.	
FY2013-O8: Local project-based voucher program .....	30
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

### MTW Public Housing Units:

Public housing units at beginning FY2013	2,604	
Public housing units added	105	
Public housing units removed	<u>(60)</u>	
Public housing units at end of FY2013	2,649	
Cumulative Change	45	(1.8%)

### Breakdown of Public Housing Units at the end of FY2013

	Bedroom Size				Total Households
	Studio/ 1 BR	2BR	3BR	4+BR	
Elderly/Disabled Units	1,241	6	0	0	1,247
Family Units	459	534	344	65	1,402
Total	1,700	540	344	65	2,649

### Overview of other housing managed by the Agency

	Number of Properties	Number of Physical Units
Affordable Owned with project-based assistance subsidy	6	496
Affordable Owned without project-based assistance subsidy	<u>13</u>	<u>1,190</u>
Total Affordable Owned Housing	19	1,686
Tax Credit Partnerships	<u>19</u>	<u>2,266</u>
Total Affordable Housing	38	3,952
Duplicated Public Housing Properties/Units	-10	-637
Special Needs (Master Leased)	32	278

Units added in FY2013

Development	Description	Units
Bud Clark Commons	100 studio elderly/disabled units (transitioned from project-based Section 8 to Local Blended Subsidy)	100
The Jeffrey	5 one-bedroom elderly/disabled units	5
Total Units added in FY2013		105 units

Units removed in FY2013

Development	Justification	Units
Hillsdale Terrace	60 3-bedroom units demolished as part of HOPE VI Stephens Creek Crossing revitalization	60
Total Units removed in FY2013		60 units

Planned vs. actual changes to housing units:

We anticipated adding 30 units at The Jeffrey, and 45 units at Martha Washington through conversion from project-based Section 8 to Local Blended Subsidy. These conversions were put on hold pending resolution of the agency's Attachment A interpretation with HUD.

We anticipated adding 109 units at Stephens Creek Crossing (formerly Hillsdale Terrace) in FY2013. Those units are under construction and are now schedule for completion during FY2014. The intention to use Local Blended Subsidy for those units was included in contractual documents during the financial closing process.

The 100 units added at Bud Clark Commons through conversion from project-based Section 8 to Local Blended Subsidy were originally anticipated to be added in FY2012. There was a delay in the approval process, and those units were created in FY2013.

Five units were added at The Jeffrey, as Section 8 voucher holders move out and those units are converted to public housing.

We anticipated removing 1,232 public housing high rise units in ten properties through a Section 18 Disposition. HUD approval for the disposition was received February 28, 2013 and staff submitted the application for Section 8 vouchers shortly thereafter. Disposition for phase 1 of the project (654 units) is now scheduled during FY2014.

The 60 units removed for the redevelopment of the HOPE VI Stephens Creek Crossing property were originally anticipated to be disposed of in FY2012, but the units were not formally removed from inventory until FY2013.

## FY2013 Capital Expenditures

Community	Activity	Scattered Sites	MTW Funds	Capital Fund	% of Cap Fund	Total Expended	% of Total Expended
Eastwood Court	Siding replacement	-	\$ 503,641	-	-	\$ 503,641	19.90%
Holgate House	Re-roof project, emergency generator, boiler repairs	-	409,423	15,608	1.56%	425,030	16.80%
Hollywood East	Training room improvements, re-roof project	-	313,725	11,569	1.16%	325,294	12.85%
Dekum Court	Siding replacement	-	186,115	6,654	0.67%	192,769	7.62%
Dahlke Manor	Painting	-	83,349	-	-	83,349	3.29%
Schrunk Tower	Fire panels	-	-	82,121	8.21%	82,121	3.25%
Lexington Court	Siding replacement	33,959	-	-	-	33,959	1.34%
Northwest Tower	Boiler Repair	-	-	26,742	2.67%	26,742	1.06%
Tamarack	Sewer repairs, roofing ridge vent	-	-	17,224	1.72%	17,224	0.68%
Medallion	Elevator hard drive replacement	-	-	13,927	1.39%	13,927	0.55%
Eliot Square	Community Garden	-	-	11,730	1.17%	11,730	0.46%
Carlton Court	Siding replacement	-	602	9,362	0.94%	9,965	0.39%
Maple Mallory	Sewer repairs	-	-	3,268	0.33%	3,268	0.13%
Management improvement	20% operating overhead	-	-	753,079	75.32%	753,079	29.76%
Various	Portfolio wide asbestos abatement	-	-	45,179	4.52%	45,179	1.79%
Various	Portfolio wide lead-based paint removal	-	-	3,335	0.33%	3,335	0.13%
Total Capital Expenditures		\$33,959	\$1,496,855	\$999,800	100%	\$2,530,614	100%

### Planned vs. actual capital expenditures

Home Forward did not begin comprehensive renovation work at the public housing high rise buildings (Gallagher, Medallion and Williams Plaza) due to delayed receipt of disposition approval. Because of this, \$4,289,016 of planned capital expenditures were unspent.

Home Forward received Replacement Housing Factor grant funding to cover the planned New Columbia bond payment in full. As a result, the \$157,435 was not paid from capital funds as previously planned.

Home Forward allocated \$1,496,855 in MTW Initiative Funds (see Section VII – Uses of Single Fund Flexibility) to public housing capital activity. These activities would have otherwise not been funded by capital funds.

MTW Housing Choice Vouchers (HCV) units authorized:

MTW HCV at beginning FY2013	7,764*
5 Opt Out vouchers transitioned to MTW 8/1/2012	<u>+5</u>
MTW HCV at end of FY2013	7,769
Cumulative Change	+5 (+.06%)

\*Our FY2013 Plan mistakenly stated that we had 7,859 MTW vouchers authorized. This erroneous account included 100 FUP vouchers (which should not be reported as MTW vouchers) and omitted 5 Disaster Housing Assistance Program vouchers. We have corrected the number of MTW vouchers authorized at the beginning of FY2013 in the chart above.

Non-MTW Housing Choice Vouchers units authorized:

SRO/MODS at beginning of FY2013	512
SRO/MODS added or removed	<u>0</u>
SRO/MODS at end of FY2013	512
Veteran Affairs Supportive Housing at beginning of FY2013	245
Veteran Affairs Supportive Housing added 4/1/2012	<u>+60</u>
Veteran Affairs Supportive Housing at end of FY2013	305
Cumulative Change	+60 (+24%)
Family Unification Program vouchers at beginning of FY2013	100
Family Unification Program vouchers added or removed	<u>0</u>
Family Unification Program vouchers at end of FY2013	100
Opt-Out vouchers at beginning of FY2013	5
Opt-Out vouchers transitioned to MTW 7/31/2012	<u>-5</u>
Opt-Out at end of FY2013	0

Discuss changes over 10%: Home Forward received a new award of 60 Veterans Affairs Supportive Housing (VASH) vouchers effective April 1, 2012, increasing our total VASH vouchers by 24%. The Pine Apartments Opt-Out vouchers transitioned to MTW on August 1, 2012, resulting in a 100% reduction in Opt-Out vouchers.

Housing Choice Vouchers – total project-based units in FY2013:

Project-based units at the beginning of FY2013	1,355
Project-based units added (see below)	61
Project-based units at Bud Clark Commons converted to LBS	<u>(100)</u>
Project-based units at end of FY2013	1,316

Units project-based in FY2013

Project	Initial Leasing Date	Units	Target Population	Service Provider
Los Jardines Hacienda	5/1/2012	10	Multi-bedroom units for families	Hacienda CDC
Gray's Landing (formerly Block 49)	12/1/2012	42	Homeless veterans	Building is operated by REACH CDC. Services are provided by the Veteran's Administration, as well as by a full-time REACH resident services coordinator.
Kah San Chako Haws (formerly Holgate House)	3/15/2013	9	Multi-bedroom units for families	Native American Youth and Family Center

This page intentionally left blank.

## Leasing Information

Total number of MTW public housing units leased in FY2013: 2,649 units  
Home Forward continues to have an occupancy rate of 98.5% in its public housing units.

Total number of Non-MTW public housing units leased in FY2013:  
Home Forward does not have any non-MTW public housing units.

Description of issues: There were no issues maintaining occupancy in FY2013.

---

Total number of MTW HCV units leased in FY2013:

7,769 units authorized (average of the total number of units authorized throughout FY2013)

7,506 units leased

96.6% utilization

Total number of non-MTW HCV units leased in FY2013:

Voucher	Units Authorized (total at year end)	Units Leased (average)	Utilization (average)
SRO/MODS	512	483	94.3%
Veteran Affairs Supportive Housing	305	218	71.5%
Family Unification Program Vouchers	100	92	92%

Description of issues: There were no issues in MTW voucher utilization in FY2013.

Veteran Affairs Supportive Housing (VASH) voucher utilization continued to increase, but due to the award of 60 additional vouchers this year, Home Forward still does not have 100% utilization. 91% of our original VASH vouchers were utilized this year, and Home Forward leases up VASH applicants quickly when referrals are received from the Veterans Administration. As in prior years, the initial lease up of newly awarded vouchers is delayed in part due to a lag time between the award of VASH vouchers, and when the Veterans Administration hires staff to identify and coordinate with VASH participants. As of the writing of this report, 100% of all 305 VASH vouchers are utilized, and Home Forward has been notified of an additional award of VASH vouchers for FY2014.

Number of Project-Based Vouchers committed/in use: 1,316 vouchers in use, 31 additional vouchers committed

Description of projects where new vouchers are placed:

(Vouchers committed, but did not begin leasing in FY2013)

Project	Date Committed	PBVs Committed	Project Description
Beech Street Apartments	12/18/2012	31	Units are targeted to provide alcohol- and drug-free housing to support sustainable recovery, in partnership with Lifeworks NW



## Waiting List Information

Public Housing households on the waiting lists at the end of FY2013

	Bedroom Size				Total Households	Percent Households
	Studio/ 1 BR	2BR	3BR	4+BR		
Elderly/Disabled Units	2,155	18	0	0	2,173	26.98%
Family Units	2,408	2,508	586	380	5,882	73.02%
Total	4,563	2,526	586	380	8,055	100%

Description of waiting lists and any changes made: Home Forward's current waiting list process allows applicants to choose up to three individual lists, and allows one change to the waiting list choices while a household is waiting. In FY2014, we are planning to eliminate the policy that limits the number of properties applicants can apply to, as well as eliminating the option for a change except in the case of reasonable accommodation or changes to family composition. The new process will allow households to apply to any list that is open. We believe the new system will be easier for applicants to understand and will better mirror the private market rental practice.

Home Forward had two public housing waiting list openings in FY2013. In June 2012, we opened the lists for all bedroom sizes at New Columbia, and received 2,930 applicants. In July 2012 we opened four senior/disabled waiting lists and received 1,320 applicants.

---

Section 8 / Housing Choice Voucher (HCV) households on the waiting lists at the end of FY2013

At the end of FY2013, there were 3,009 households on the HCV waiting list:

Family Type (members)	1	2	3	4	5	6	7+	Total
No. on waiting list	1,480	656	409	230	120	55	59	3,009

Description of waiting lists and any changes made: Home Forward exhausted the Housing Choice Voucher tenant-based waiting list in FY2013, pulling 1,008 households throughout the year. In early summer, when forecasting indicated we would exhaust the list by the end of the fiscal year, we immediately began plans to reopen the waiting list for the first time since 2006. The opening was held from November 1 – November 10, 2012 and was widely publicized. For the first time, the waiting list opening was done entirely online, with an option for households to request a paper application.

We received 21,149 applications during that ten day period. As publicized, we then held a lottery and randomly selected 3,000 applicants to place on the waiting list. The balance of over 18,000 people received a letter informing them that they had not been placed on the waiting list. There have been no pulls from the new waiting list, but nine terminally ill applicants have been added, as our waiting list remains open at all times for this population.

Home Forward also amended its administrative plan to reconfigure preferences for the new waiting list. The administrative plan includes preferences as follows:

Preferences ranked #1:

Families that are currently served in another permanent housing assistance program administered by Home Forward and experiencing domestic violence with a high risk of lethality, as certified by a domestic violence service provider, who cannot be accommodated safely within their current housing program.

Families that are currently served (or have been certified or have reached the top of the waiting list) in another permanent housing assistance program administered by Home Forward when the other program is unable to serve the family and when such assistance is necessary for Home Forward to appropriately house the family.

Youth currently served with Home Forward Family Unification Program (FUP) vouchers who are both disabled and whose FUP vouchers are expiring due to the 18-month statutory time limit (provided they lack a stable alternative for housing).

Preferences ranked #2:

Families with a member who has a documented terminal illness with life expectancy of 12 months or less.

Preferences ranked #3:

Households in which the head, spouse, or co-head is age 55 or older or is a person with disabilities

Households qualifying for the employment / education / training preference (employed 30+ hours/month or actively engaged in an approved employment, education, or training program)

Households with no preference will be ranked #4 and will be selected from the waiting list for 20% of turnover vouchers.

Description of other waiting lists: Project-based waiting lists are site-based and maintained by management at each of the properties where project-based vouchers are placed. Nearly half of the project-based vouchers are in buildings with waiting list preferences for senior or disabled households. Many of the buildings that do not offer a senior or disabled household preference offer a preference for homeless households. Home Forward audits waiting list maintenance at each site to ensure that lists are kept in accordance with project-based voucher regulations.

# Non-MTW Related Housing Authority Information (Optional)

Description of non-MTW activities implemented by the Agency

## Regional Efforts

Home Forward has worked closely with our three neighboring housing authorities, as well as 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.

Sharing jurisdiction with Clackamas County: Effective July 1, 2012, Home Forward and the Housing Authority of Clackamas County began testing the impact of sharing jurisdiction. Families are able to use vouchers from either housing authority to lease up in Multnomah County or Clackamas County without going through the portability process. This effort does not require MTW authority, but Home Forward is pursuing this activity with the hope of increasing housing choice for families and increasing administrative efficiency by reducing workload related to portability. Both housing authorities wanted to ensure as little burden on families and landlords as possible, so a great deal of work was done to align payment standards, utility allowances, and rent reasonableness methodologies as closely as possible under current market conditions. Both agencies are currently conducting a survey of family and landlord satisfaction with the new policy, as well as an analysis of cost savings.

Developing tools for mobility counseling: Home Forward was awarded a grant from Metro to work collaboratively with the three neighboring housing authorities to develop tools to provide mobility counseling to Housing Choice Voucher (HCV) 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 goals for this project include reducing the combined housing and transportation costs for HCV participants, reducing the "Vehicle Miles Traveled" by participants, and increasing the number of households choosing location-efficient neighborhoods.

Collaborations between workforce agencies and housing authorities: In July 2012, Worksystems, Inc. (the Workforce Investment Board for Multnomah County), in partnership with Home Forward and the other Portland/Vancouver area housing authorities and Workforce Investment Boards, was awarded a \$5.5 million federal Department of Labor grant to help housing authority residents gain the life and employment skills they need for self-sufficiency. The work will expand a successful 2010 collaboration between Home Forward and Worksystems, Inc. that provided a host of workforce development services and training to help Home Forward residents move into living wage jobs. The grant will serve 480 residents of the four housing authorities, including 270 from Home Forward's public housing and Section 8 programs. All partners will seek to develop a sustainable model that can be extended beyond the three-year grant and beyond the Portland area.

### Revitalization of Distressed Public Housing Properties

Stephens Creek Crossing: Our HOPE VI redevelopment project (formerly Hillsdale Terrace) is under construction and scheduled for initial occupancy in January 2014. Upon completion, 109 units will be Local Blended Subsidy and 13 units will be affordable to households at or below 60% of median family income.

High-rise properties: In order to address extensive capital needs at ten high-rise public housing properties, with 1,232 units that support very low-income senior and disabled households, Home Forward has designed a mixed-finance strategy involving subsidy change. The necessary Section 18 disposition approval was received from HUD on February 28, 2013. HUD approval for Home Forward's application for Section 8 vouchers for Phase 1 (4 properties, totaling 654 units) was received shortly thereafter. Subsidy change from public housing to project-based Section 8 for residents in Phase 1 units will occur during FY2014. Financial closings and the start of construction for to address Phase 1 capital needs is scheduled for early FY2015.

# Long-Term MTW Plan (Optional)

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

## StrategicOperationsPlanGoals

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

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

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

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

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

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

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

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

Home Forward works to achieve these goals through our MTW activities, initiatives funded through MTW single-fund flexibility, and priority initiatives that may or may not require MTW authority. Examples of related MTW activities include Rent Reform (Ongoing Activity FY2013-O1), which has not only changed the way we calculate rents, but the way we interact with our residents and participants. Activity FY2013-O3: Local Blended Subsidy Program is playing a key role in our ability to meet Goal 2, increasing our number of housing units.

Initiatives funded through our MTW single-fund flexibility continue to directly support our Strategic Operations Plan goals. Known as our MTW Initiatives Fund, this budget finances resident engagement strategies, family self-sufficiency programs, youth initiatives and other innovative programs. These activities are further described in Section VII, E. Use of Single-Fund Flexibility.

Even in times of federal funding reductions, Home Forward continues to focus on these goals, and strives to be innovative and deliberate in the way we provide housing and services to our local community. In some instances, funding challenges have changed the timing of planned initiatives, or altered aspects of an activity to account for tighter budgeting. Still, staff continue to think critically and creatively about the work we do and how we can achieve our broader mission within the framework of reduced resources. Home Forward looks to our Strategic Operating Goals, as well as the flexibility and opportunity provided by the Moving to Work program, to find ways to better meet the needs of our clients and our community.

# Proposed MTW Activities

## FY2013-P2: LIMITING PORTABILITY IN HIGHER COST AREAS

### A. List activities that were proposed in the Plan, approved by HUD, but not implemented:

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.

### B. Discuss why the activity was not implemented

In light of administrative costs to perform this activity, Home Forward discontinued the initiative before implementation.

# Ongoing MTW Activities

FY2013-P1: LANDLORD SELF-CERTIFICATION OF MINOR REPAIRS  
 (Identified in Plan Year FY2013; Implemented FY2013)

A. List activities continued from the prior Plan year(s)

When a unit fails an initial or annual inspection as a result of four or fewer minor deficiencies, Home Forward allows the owner to provide written certification that the deficiencies have been corrected.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Annual cost savings for re-inspections	Number of re-inspections waived via self-certification, and resultant cost savings	Average of \$140,092 spent annually on re-inspections for 2,210 failed inspections	15% of re-inspections waived, for annual cost savings of \$21,014	153 (8%) re-inspections waived. At \$63.39 per re-inspection, this is a cost savings of \$9,700

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

The number of re-inspections waived in the first year of this activity was significantly lower than projected. This is due in part to the fact that the option to allow a landlord to self-certify a minor repair is left to the inspector’s discretion, and inspectors were extremely cautious in this. Additionally, there were a number of units that might have qualified, but the inspectors felt the landlord’s repair history was not high enough to merit the option. For FY2014 there will be an increased focus on how inspectors determine where to allow this option, with a hope of increasing the number of re-inspections waived for landlords when there is a solid repair history.

D. Identify any new indicators if benchmarks or metrics have been revised

Home Forward is revising both the baseline and benchmark for this activity. The baseline is being adjusted to account for an adjusted cost per re-inspection. In the plan, we estimated re-inspection costs at \$38 each, which underestimated the average time a re-inspection takes and did not appropriately account for the overhead costs. Therefore, the cost per re-inspection has been adjusted to \$63.39. This adjustment resulted in increasing the amount spent annually on re-inspections from \$83,980 to \$140,092.

The benchmark is being reduced from a 20% of re-inspections waived to 15% of re-inspections waived. This revision appears to be a more reasonable target after analyzing the first year of the activity.

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



FY2013-P3: ALTERNATIVE ESCROW CALCULATION FOR PUBLIC HOUSING HOUSEHOLDS PARTICIPATING IN HUD'S FAMILY SELF-SUFFICIENCY PROGRAM (GOALS)

(Identified in Plan Years FY2013; Implemented FY2013)

A. List activities continued from the prior Plan year(s)

Home Forward uses a strike point model to calculate escrow for public housing participants in HUD's traditional Family Self Sufficiency program, known locally as GOALS.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Increase in public housing households enrolled in the GOALS program	Number of public housing households enrolled in GOALS	74 public housing households enrolled in GOALS	By 2014, 130 public households enrolled in GOALS	At the end of FY2013, there were 136 public housing households enrolled in GOALS
Increase in public housing households with earned income at entry to GOALS program	Portion of public housing households with earned income at entry to GOALS program	42% of households had earned income at entry to the GOALS program	By 2014, 60% of public housing households have earned income at entry to the GOALS program	At the end of FY2013, 50% of public housing household had earned income at entry to the GOALS program
Increase in participant income	Average participant earned income for those with earnings	\$18,309 average earned income for those with earnings	5% annual increase: \$19,224 by FY2014 \$20,185 by FY2015 \$21,194 by FY2016	At the end of FY2013, the average earned income for those with earnings was \$16,555

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

It was necessary to make changes to our data and accounting systems before fully implementing this activity. Those changes were delayed, resulting in a slower than anticipated implementation. As a result, our ability to market the alternative escrow calculation as an incentive for working families has not yet been fully utilized.

We also saw a decrease in average participant earned income in FY2013. This is largely the result of enrolling new participants, who have a lower entry income, as well as households with a higher average earned income leaving the program. We will continue to monitor this metric.

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

FY2013-P4: INSPECTIONS AND RENT REASONABLENESS AT HOME FORWARD-OWNED PROPERTIES

(Identified in Plan Years FY2013; Implemented FY2013)

A. List activities continued from the prior Plan year(s)

Home Forward conducts inspections and sets rent reasonableness when a voucher holder chooses to rent a unit that Home Forward owns.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Home Forward-owned units have similar pass/fail rates as units that Home Forward does not own	Percent of Home Forward-owned units passing initial and annual inspections on the first visit	78% initial inspection pass rate for entire HCV program	78-85% initial pass rate for Home Forward owned units	94.6% initial pass rate for Home Forward owned units
		78% annual inspection pass rate for entire HCV program	78% annual inspection pass rate for Home Forward owned units	87% annual inspection pass rate for Home Forward owned units

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

Pass rates for initial inspections for the Housing Choice Voucher program increased on the whole this year, including for non-Home Forward owned units which increased to 85.8%. Pass rates for Home Forward-owned units exceeded rates for buildings not owned by Home Forward. In further analysis, Home Forward’s units tend to be newer than units rented by voucher holders in the private market. The combination of age difference and Home Forward’s mission to provide high quality housing to low-income households has resulted in a higher pass rates at units we own. Home Forward will continue to monitor these rates and conduct quality control inspections.

D. Identify any new indicators if benchmarks or metrics have been revised

Home Forward previously included a metric around staff time saved from coordinating the third party inspections or rent reasonableness requests. We are re-evaluating this metric and its accuracy, and will propose a more appropriate metric in future MTW Plans.

No changes have been made to data collection methodology or authorizations.

## FY2013-O1: RENT REFORM

(Identified in Plan Year FY2012; Implemented FY2012)

### A. List activities continued from the prior Plan year(s)

In FY2012, Home Forward proposed 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. Complete descriptions of the Rent Reform activity can be found in Home Forward’s annual MTW Plan.

### B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
<b>SENIORS AND PEOPLE WITH DISABILITIES</b>				
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	Staff completed 2,452 annual reviews in FY2013, requiring 2,452 hours. This is a savings of 380 staff hours.
Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$74,358 was 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	\$64,380 was spent on staff salary for reviews in FY2013. This is a savings of \$9,978.
Maintain stability for this economically vulnerable population	Shelter burden (rent <sup>1</sup> + utility allowance divided by gross income)	Before implementation, shelter burden is 27%	After implementation, shelter burden will remain below 28%	Average shelter burden is 27.47%
<b>WORK-FOCUSED HOUSEHOLDS</b>				
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	Staff completed 2,015 annual reviews in FY2013, requiring 2,015 hours. This is a savings of 493 staff hours.

Annual staff salary saved	\$\$ of staff salary spent on reviews	Before implementation, an average of approx. \$65,851 was 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	\$52,906 was spent on staff salary for reviews in FY2013. This is a savings of \$12,945.
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)	This metric will be reported next year, two years after implementation.
Increased contribution to rent	Total tenant payment (rent <sup>1</sup> + 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	This metric will be reported next year, two years after implementation.

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

Result of hardship requests: There were 270 households who requested a hardship in FY2013. All of these households previously qualified for a phase-in rent cap when rent reform was implemented on April 1, 2012. Of the 270 household who requested a hardship, 246 were approved and 24 denied. Of those denied, 20 were unable to provide sufficient expenses and 4 did not meet qualifications for the hardship request. For the 246 households who were approved, the average rent reduction was approximately \$20 per month. In total, the financial impact to the agency for hardships approved in FY2013 is approximately \$60,300.

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

When rent reform was implemented on April 1, 2012, staff only re-scheduled reviews that occurred on or after July 1, 2012 (reviews were re-scheduled to even out caseloads in the switch to biennial or triennial reviews). Because of the delay in re-scheduling reviews, staff time and salaries saved due to shifting seniors and people with disabilities to a triennial review schedule were lower than anticipated.

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

FY2013-O2: OPPORTUNITY HOUSING INITIATIVE (OHI)  
 (Identified in Plan Years FY2008-FY2010; Implemented FY2008-FY2010)

A. List activities continued from the prior Plan year(s)

Home Forward operates OHI self-sufficiency programs site-based at Humboldt Gardens and New Columbia.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
<b>Humboldt Gardens – Benchmark Year 4</b>				
Maintain enrollment	Households served	57 households	57 households	71 households in FY2013 (includes households entering and exiting the program)
Successfully graduate participants	Participants successfully graduated	0	75% / 43 participants after 5 years (FY2014)	2 participants graduated in FY2013
Increase participant income	Average participant earned income	\$6,756 average income at program entry	5% annual increase \$7,094 by FY2010 \$7,449 by FY2011 \$7,821 by FY2012 \$8,212 by FY2013 100% at graduation \$13,512 by FY2014	FY2013 average earned income for all participants was \$10,761  FY2013 average earned income for only participants with earnings was \$21,830
Increase employment/work opportunity	Participants receiving employment or promotion	0	75% / 43 participants in FY2014	42 participants employed in FY2013
Increase escrow accumulation	Average dollars in escrow	\$0 at entry	\$5000 upon graduation (FY2014)	35 participants have begun earning escrow with an average accumulation of \$2,947
<b>New Columbia – Benchmark Year 4</b>				
Increase enrollment	Households served	0 households served before activity began	50 households enrolled in FY2011	97 households enrolled in FY2013 (includes households exiting and entering the program)

Successfully graduate participants	Participants successfully graduated	0	75% / 38 participants after 5 years (FY2014)	2 participants graduated in FY2013
Increase participant income	Average participant earned income	\$10,023 beginning average income for those enrolled in FY2010	5% annual increase \$10,524 by FY2010 \$11,050 by FY2011 \$11,603 by FY2012 \$12,183 by FY2013 100% at graduation \$20,046 by FY2014	FY2013 average earned income for all participants was \$11,718 FY2013 average earned income for only participants with earnings was \$23,177
Increase employment/work opportunity	Participants receiving employment or promotion	0	75% / 38 participants by 2014	45 participants employed in FY2013
Increase escrow accumulation	Average dollars in escrow	\$0 at entry	\$5,000 upon graduation (FY2014)	29 participants have begun earning escrow, with an average accumulation of \$3,062

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

In FY2012, Home Forward was the recipient of a grant from the Urban Institute, providing an enhanced OHI program at New Columbia and Humboldt Gardens. Grant funding allowed for Home Forward to increase the caseload at New Columbia. Because of the significant number of new enrollees in FY2012, the combined average income for all participants is lower than the proposed benchmark for FY2013. However, participants are progressing in income; in FY2013, average income for households was \$11,718, which is an increase from the FY2012 average of \$10,389.

D. Identify any new indicators if benchmarks or metrics have been revised

In April 2013, Fairview Oaks changed from being a site-based OHI program to a traditional HUD Family Self Sufficiency program. Metrics for public housing residents who live at Fairview Oaks and participate in the program are now included in the metrics of activity FY2013-P3: Alternative escrow calculation for public housing households participating in HUD's Family Self-Sufficiency programs (GOALS).

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

**FY2013-O3: LOCAL BLENDED SUBSIDY**

(Identified in Plan Years FY2012; Implemented FY2012)

**A. List activities continued from the prior Plan year(s)**

Home Forward has created a Local Blended Subsidy (LBS) program, which blends MTW Section 8 funds and public housing funds to subsidize units reserved for families earning 80 percent or below of area median income. One property, Bud Clark Commons, implemented 130 units of LBS during FY2013 (30 units of former public housing and 100 units of former project-based Section 8). During FY2013, Home Forward completed financial closings for Stephens Creek Crossing. These contractual documents identify 109 LBS units that will be placed in service during FY2014 when construction is complete.

**B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics**

Impact	Metric	Baseline	Benchmark	Outcome
Convert units to Local Blended Subsidy (LBS)	LBS units brought online	0 LBS units before implementation	295 LBS units	175 LBS units were online in FY2013
Funds for additional households	Freed funds due to adding banked public housing subsidy to the LBS blend	0 freed funds before implementation	\$151,000 in freed funds after all units have been converted	N/A (all units have not yet been converted)

**C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective**

As of FY2013, we have implemented 175 LBS units: 45 at Madrona Place in FY2012 and 130 at Bud Clark Commons in FY2013. The additional 120 units have been put on hold until final resolution of the Attachment A interpretation with HUD.

**D. Identify any new indicators if benchmarks or metrics have been revised**

Home Forward is currently in the process of re-evaluating where we choose to place units funded with Local Blended Subsidy, as well as how many units to convert. As a part of this, we are re-calculating the anticipated freed funds for the agency upon full implementation. We will report on any changes to these metrics in future MTW Plans or Reports.

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

FY2013-O4: BUD CLARK COMMONS DEVELOPMENT (FORMERLY KNOWN AS RESOURCE ACCESS CENTER)  
 (Identified in Plan Years FY2008-FY2010; Implemented FY2010)

A. List activities continued from the prior Plan year(s)

Home Forward has modified screening criteria and transfer processes for this development, which houses the City of Portland and Multnomah County’s primary day access center for people experiencing homelessness, a 90-bed men’s shelter and 130 units of affordable housing for people with very low incomes.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Increase public housing units	Public housing units at Bud Clark Commons (BCC)	0 units attributable to the BCC before the activity began	30 additional PH units attributable to the BCC by end of FY2012	30 PH units were allocated and successfully leased up in FY2012.
Increase project-based voucher (PBV) units	PBV units at BCC	0 PBV units attributable to the BCC before the activity began	100 PBV units allocated at the BCC by FY2012	100 PBV units were allocated and successfully leased up in FY2012.

Benchmarks were achieved. No changes have been made to benchmarks or metrics, data collection methodology, or authorizations.



**FY2013-O5: BIENNIAL INSPECTIONS**

(Identified in Plan Years FY2008-FY2009; Implemented FY2008)

**A. List activities continued from the prior Plan year(s)**

Home Forward conducts biennial inspections for qualifying Section 8 households. This year, we expanded this activity and moved all tenant-based HCV households to a biennial schedule unless: 1) they had two consecutive failed inspections in the last two years; 2) there is a concerning factor regarding their inspection or unit status; or 3) they are living in a unit owned or managed by an entity with a concerning inspection history.

**B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics**

Impact	Metric	Baseline	Benchmark	Outcome
Annual cost savings for Section 8 qualifying participants	Qualifying participants	1,043 qualifying participants, resulting in cost savings of approximately \$52,150	2-5% annual increase	4,060 qualifying households in FY2013 (389% increase) At \$84.52 per inspection, the resulting cost savings is approximately \$171,576.

**D. Identify any new indicators if benchmarks or metrics have been revised**

The cost of an annual inspection was adjusted from \$75, as reported last year, to \$84.52, as a result of an updated analysis of inspection costs.

Benchmarks were achieved. No changes have been made to data collection methodology, or authorizations.

FY2013-O6: ALTERNATE INSPECTION REQUIREMENTS FOR PARTNER-BASED PROGRAMS

(Identified in Plan Years FY2012; Implemented FY2012)

A. List activities continued from the prior Plan year(s)

Home Forward allows alternate inspection requirements for units assisted with rent assistance that Home Forward had contracted to community partners. Requirements are modeled after HUD’s Homelessness Prevention and Rapid Rehousing Program (HPRP) inspection requirements.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Annual cost savings related to inspections for qualifying units	Inspection cost for qualifying units	Before implementation, annual inspection costs of \$35,500 for qualifying units	Annual savings of at least \$35,000 related to inspections for qualifying units	Home Forward saved \$64,236 related to inspections for qualifying units in FY2013.

Benchmarks were achieved. No changes have been made to benchmarks or metrics, data collection methodology, or authorizations.

FY2013-O7: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP

(Identified in Plan Year FY2010; Implemented FY2010)

A. List activities continued from the prior Plan year(s)

Home Forward has implemented a variety of measures to improve lease-up rates for Section 8 Housing Choice Voucher holders in the community, including increased efforts by Home Forward staff to support voucher holders in their housing search. The two activities that utilize MTW flexibility are:

Landlord Guarantee Fund – a fund to provide landlords with reimbursements for any damage to units caused by voucher holders, up to a maximum of two months’ rent;

Vacancy Loss Payments – payments made to owners for the month after a move-out when vacancies are unforeseen or unexpected (such as death or skip) and the owners have not received proper notice of the intent to vacate

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Improve voucher success rate	Issued voucher success rate	74% in FY2009	85%	For households pulled from the waitlist in FY2013 who had their voucher issued for: at least 60 days, the success rate is 80.5%. at least 120 days, the rate is 80.7%.
Decrease lease-up time	Average number of days for a voucher holder to lease up	51 days	Less than 50 days	53.6 days (median is 47 days)

C. Provide a narrative explanation if benchmarks were not achieved or if the activity was determined ineffective

Although both the Landlord Guarantee Fund and the Vacancy Loss Payments are appreciated by landlords and relatively inexpensive to Home Forward (only four guarantee fund claims and 14 vacancy loss payments were made in FY2013), the rental market in Multnomah County has become significantly tighter over the last year. Rental vacancy rates are currently at 3.55% for the County as a whole, and well below 3% in many areas within the County. This, combined with rising rents and the fact that Oregon does not have protections for voucher holders, has resulted in voucher holders having a difficult time finding units.

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

FY2013-O8: LOCAL PROJECT-BASED VOUCHER PROGRAM

(Identified in Plan Years FY2012; Implemented FY2012)

A. List activities continued from the prior Plan year(s)

Home Forward has created a project-based voucher program tailored to meet the needs of the local community.

B. Provide detailed information on the impact of the activity, compared against the proposed benchmarks and metrics

Impact	Metric	Baseline	Benchmark	Outcome
Increased housing choice	# of PBV units	In FY2011, Home Forward administered 1,100 PBV units	At least 1,100 units	In FY2013, Home Forward administered an average of 1,277 PBV units
Increased housing choice for at-risk households	# of zero-income households served	In FY2011, zero-income households accounted for 11.6% of project-based voucher households, as compared with 4.9% of tenant based vouchers	Zero-income households will account for at least 5% of project-based voucher households, and will continue to account for a larger percentage of project-based voucher households than tenant based households	In FY2013, zero-income households accounted for 14.1% of project-based voucher households, as compared to only 5.3% of tenant based households
Annual staff time saved by maintaining site-based PBV waitlists	# of hours of staff time associated with maintaining waitlists for PBVs	Est. of approx. 917 hours of staff time annually to maintain waiting lists at Home Forward	917 hours saved	917 hours saved
Equitable access for households on the tenant-based voucher waiting list	# of PBV households who would request transfer and receive preference without activity	Est. of 70% of PBV households would request transfer or 572 households in FY2011	0 PBV households will get a preference on the tenant based waiting list	0 PBV households received a preference on the tenant based waiting list, despite an estimate of 983 who would have been eligible

Benchmarks were achieved. No changes have been made to benchmarks or metrics, data collection methodology, or authorizations.

# Sources and Uses of Funding

Due to the timing of Home Forward's fiscal year end audit, actual activity presented below is preliminary and unaudited.

## Sources & Uses of MTW Funds

Sources of Funds	Actual	Budget as Adopted	Preliminary Plan <sup>1</sup>
Rental Revenue	\$ 4,336,549	\$ 4,514,718	\$ 4,738,520
Section 8 Subsidy	64,259,336	61,270,671	61,597,180
Operating Subsidy	8,756,705	9,437,927	9,433,000
HUD Grants <sup>2</sup>	820,408	753,079	998,268
Other Revenue	2,160,627	1,782,434	367,576
Other MTW Funds	1,573,788	3,319,975	-
HUD Non-Operating Contributions <sup>3</sup>	3,353,616	8,267,531	2,948,383
<b>Total Sources</b>	<b>\$ 85,261,029</b>	<b>\$ 89,346,335</b>	<b>\$ 80,082,927</b>

Uses of Funds	Actual	Budget as Adopted	Preliminary Plan <sup>1</sup>
Housing Assistance Payments <sup>4</sup>	\$ 57,707,865	\$ 56,875,627	\$ 55,119,733
Administration	7,981,915	7,954,789	7,818,303
Tenant Services	1,072,721	1,305,610	597,592
Maintenance	5,616,715	5,883,990	5,397,845
Utilities	2,389,341	2,293,561	2,162,145
General	2,179,713	1,856,524	512,327
PH Subsidy Transfer	1,791,729	1,772,229	1,867,539
Overhead Allocations	3,167,414	3,136,474	3,255,407
HUD Capital Expenditures	3,353,616	8,267,531	2,948,384
<b>Total Uses</b>	<b>\$ 85,261,029</b>	<b>\$ 89,346,335</b>	<b>\$ 79,679,275</b>

<sup>1</sup>As submitted in MTW Plan (prepared January 2012); final budget adopted March 2012.

<sup>2</sup>HUD Grants reflects Capital Fund used in support of Public Housing operations under Section 226 of the Consolidated Appropriations Act of 2008.

<sup>3</sup>HUD Non-Operating Contributions reflect Capital Fund contributions and use of proceeds from the sale of scattered site public housing units.

<sup>4</sup>The difference in sources versus uses results from Section 8 subsidy exceeding Housing Assistance Payment on a per-unit basis. The positive variance is placed in reserves.

## Sources & Uses of State and Local Funds

Sources of Funds	Actual	Budget as Adopted	Preliminary Plan <sup>1</sup>
<b>State, Local &amp; Other Grants</b>			
Cities of Portland/Gresham	\$ 2,062,471	\$ 2,132,533	\$ 1,719,211
Multnomah County	1,716,414	1,332,544	1,013,761
State of Oregon	241,765	248,754	168,193
<b>Non-Operating Capital Contributions</b>			
City of Portland	68,000	-	1,575,324
Multnomah County	-	-	-
State of Oregon	145,645	725,703	-
<b>Total Sources</b>	<b>\$ 4,234,295</b>	<b>\$ 4,439,534</b>	<b>\$ 4,476,489</b>

Uses of Funds	Actual	Budget as Adopted	Preliminary Plan <sup>1</sup>
Housing Assistance Payments (STRA) <sup>2</sup>	\$ 2,965,522	\$ 2,605,156	\$ 1,902,799
Administration	223,003	202,178	277,173
Tenant Services	681,082	685,411	519,759
Maintenance	10,763	76,217	17,402
Utilities	-	-	-
General	-	-	64,505
Other Personnel Expense	54,088	48,727	-
PH Subsidy Transfer	-	-	-
Central Office Cost Allocations	86,192	96,142	119,527
Capital Expenditures	213,645	725,703	1,575,324
<b>Total Uses</b>	<b>\$ 4,234,295</b>	<b>\$ 4,439,534</b>	<b>\$ 4,476,489</b>

<sup>1</sup>As submitted in MTW Plan (prepared January 2012); final budget adopted March 2012.

<sup>2</sup>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 FY2013, Home Forward used single-fund flexibility in the following ways:

ReplacementHousingFactorFunds - 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 is done without formally pledging the future RHF funds to the lender as collateral.

HousingAssistanceandSubsidy – Home Forward uses its single-fund flexibility to provide housing assistance to units funded through our Local Blended Subsidy program (Ongoing Activity FY2013-O3). Single-fund flexibility is also used to backfill shortfalls in public housing subsidy.

MTWInitiativeFunds – In our FY2012 MTW Plan, Home Forward described the creation of MTW Initiative Funds, a funding source to support initiatives that will advance goals and objectives of MTW and our Strategic Operations Plan (see the Long-Term MTW Plan section for more information about these goals). In FY2013, we continued to implement these initiatives, although many saw significant changes in the budgeted versus actual expenditures, due to the onset of reduced federal funding.

**Short Term Rent Assistance:** Home Forward sets aside a pool of rent assistance funds that are administered by the Rent Assistance department, but do not operate like traditional vouchers. Partner agencies administer the housing assistance and/or determine which households are eligible for housing. Partner agencies also provide ongoing support services for families, creating additional stability. In FY2013, our Board of Commissioners granted an additional \$1.5 million in funding to be dedicated to this program, which plays a key role in preventing homelessness in our community. The most recent reporting has shown that twelve months after the end of this short term rent assistance, 78% of all households have retained housing stability.

**Capital Repairs:** Home Forward allocates MIF funding to capital improvements in public housing, which would otherwise not be funded by the capital funds.

**Action for Prosperity:** Action for Prosperity is a partnership between Home Forward, Worksystems, Inc., the Multnomah County Anti-Poverty system, and the State Department of Human Resources. Each system leverages its resources by delivering core services and utilizing the other systems to provide wrap-around supports, providing households with stable housing, the appropriate level of case management, and



priority access to workforce services. Home Forward provides funding for short term rental assistance for families served by Multnomah County, and co-funds an employee to serve as a liaison between the partners. The liaison provides technical assistance to staff, coordinates tracking of certain outcomes, and supports efforts to ensure clients are able to fully utilize WorkSource services.

Families Forward – Economic Opportunity: Home Forward works in partnership with a number of organizations 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. Home Forward originally budgeted over \$400,000 for this initiative. However, when it became clear that ongoing funding could not be sustained, staff instead focused planning efforts on strategies that would not require significant ongoing investment.

Families Forward – Youth: Home Forward works in partnership with our school districts, 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; creating early childhood centers at two of our HOPE VI properties; and increasing college exposure and providing work experience opportunities for high school and post-secondary youth.

Aging at Home Strategies: Home Forward is working to develop a place-based strategy for progressive care and additional supports for our aging/disabled population. The objective is to help our elderly and disabled population age-in-place, while maintaining their quality of life without having to move to more expensive assisted care environments. In FY2013, Home Forward invested in capital improvements to the community kitchens at two of our buildings, in support of the Congregate Housing Services Program.

Rent Reform: With the implementation of rent reform, Home Forward anticipated a loss in public housing rent revenue for the first two years. While developing phase-in policies for the change in calculation, Home Forward placed a one-year cap of \$100 on rent increases, in order to mitigate the impact on households who had previously been at ceiling rent. Because of this, expenditures to offset the rent revenue loss were greater than budgeted in FY2013.

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. In FY2013, Home Forward awarded grants ranging from \$510 to \$5,000 at twelve of our properties.

Local Blended Subsidy – Legal expenses: Home Forward budgets MIF funding to support legal expenses for our Local Blended Subsidy program, further described in Activity FY2013-O3: Local Blended Subsidy Program. In FY2013, spending was delayed while Home Forward awaited HUD resolution to move forward with converting properties to this funding stream.

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. Security deposit assistance is a key support to finding housing for veterans and youth leasing up in units requiring deposits. In FY2013, Home Forward devoted additional funds to this, as part of a community effort to complete the lease-up of our VASH vouchers.

Landlord Guarantee Fund and Vacancy Loss Payments: Home Forward has created 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. This is further described in Ongoing Activity FY2013-O7: Measures to improve the rates of voucher holders who successfully lease up. Claims rates thus far have remained low at no more than four per year.

Resident Communications: As part of our Strategic Operations Plan goals, Home Forward is working to improve and enhance our communications with residents and participants. This includes improvements to newsletters, our website and other media accessed by our clients.

Landlord Incentive Fund: Home Forward implemented a landlord incentive program to attract new landlords and units in low poverty areas to the Housing Choice Voucher program. The program offers a one time, \$100 incentive payment for each eligible unit a landlord leases to a Housing Choice Voucher participant.

Inter-jurisdictional domestic violence transfer program: In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, Home Forward has implemented an inter-jurisdictional transfer program to assist participants who are facing potentially lethal domestic violence. The local domestic violence service system refers residents to the program and provides advocacy and assistance with relocation, while Home Forward allocates up to \$2,000 per household to provide relocation assistance to help participants transfer. This was not fully implemented until late in FY2013, and no families accessed the program this year.

MTW Initiative Funds	Initial FY2013 Allocation	Final FY2013 Budget	Actual FY2013 Expenditures
Short Term Rent Assistance (STRA)			
Housing assistance to households who are homeless or at risk of homelessness	\$ 545,000	\$ 572,250	\$ 1,897,686
Capital Repairs			
Capital repairs in public and affordable housing sites	2,000,000	2,100,000	1,571,698
Action for Prosperity			
Leverage to provide supports for households gaining skills	614,000	644,700	518,948
Families Forward – Economic Opportunity			
Work-focused supports for employment and increased wages	168,194	439,104	158,470
Families Forward – Youth			
Improved educational and career opportunities; employment supports	215,000	225,750	110,232
Aging at Home			
Evaluate and implement place-based strategies	200,000	210,000	137,012
Rent Reform			
Offset public housing rent revenue loss during implementation	91,500	96,075	211,621
Neighbor to Neighbor Grants			
Community building and resident partnership activities	100,000	94,669	62,656
Local Blended Subsidy			
Legal expenses for multiple properties	76,500	52,500	17,927
Security Deposit Assistance			
Security deposit assistance for participants leasing up with VASH or FUP vouchers	50,000	52,500	79,688
Landlord Guarantee Fund and Vacancy Loss Payments			
Measures to increase the rate of voucher holders who successfully lease-up	50,000	52,500	2,886
Resident Communications			
Improve and enhance resident/participant communications	20,000	26,250	26,479
Landlord Incentive Fund			
Incentive payments for landlords leasing to voucher holders for the first time	20,000	21,000	38,115
Inter-jurisdictional Domestic Violence Transfer Program			
Relocation assistance for domestic violence victims	10,000	10,500	-
Planning and Evaluation (MTW)			
Administrative and consultant costs	200,000	169,546	189,646
<b>Total Direct Costs of Initiatives</b>	<b>\$ 4,360,194</b>	<b>\$ 4,767,344</b>	<b>\$ 5,023,064</b>

# Administrative

## Correction of Observed Deficiencies

HUD conducted an MTW site visit by phone in November 2012. There were no major observed deficiencies.

In June and July of 2012, REAC inspections were conducted at 15 Home Forward public housing properties. Of the properties inspected, nine passed with a score of 80 or higher, and six had a score below 80 points. All deficiencies at these properties have been remedied.

There were no findings in our annual program and financial/A-133 audits.

## Agency-Directed Evaluations, as applicable

N/A

# Performance and Evaluation Report for capital fund activities not included in the MIW block grant

## Actual Development Cost Certificate

U.S. Department of Housing  
and Urban Development

OMB Approval No. 2577-0157  
exp. 01/31/2014)

Public Reporting Burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this collection of information is mandatory to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. HUD may not conduct or sponsor, and person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Name of Public Housing Agency (PHA) \_\_\_\_\_  
Annual Contributions Contract Number \_\_\_\_\_ | Project Number \_\_\_\_\_

Home Forward, Formerly Known as Housing  
Authority of Portland

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of the Development Cost (herein called the "Actual Development Cost") of the Project is \$ 3,278,370.00, which amount is shown in detail on the attached Statement of Actual Development Cost;
2. That all development work in connection with the Project has been completed;
3. That the entire Development Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such Project on file in any public office where the same should be filed in order to be valid against such Project; and
5. That the time in which such liens could be filed has expired.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Submitted By \_\_\_\_\_  
Name of Official Authorized to Sign for PHA  
Title \_\_\_\_\_  
Signature \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

**For HUD Use Only**

Recommended for Approval By \_\_\_\_\_  
Name of Authorized Official  
Title \_\_\_\_\_  
Signature \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

Approved By \_\_\_\_\_  
Name of Authorized Official  
Title \_\_\_\_\_  
Signature \_\_\_\_\_ Date (mm/dd/yyyy) \_\_\_\_\_

Previous editions are obsolete form HUD-52427 (2/93)  
ref. Handbook 7417.1



MEMORANDUM

To: **Board of Commissioners**

Date: **June 18, 2013**

From: **Melissa Sonsalla,  
MTW Coordinator**

Subject: **Authorization to Submit Moving to  
Work Fourteenth-Year Annual Report  
Resolution 13-06-04**

---

The Board of Commissioners is requested to authorize Home Forward to submit the Moving to Work (MTW) Fourteenth-Year Annual Report to the Department of Housing and Urban Development (HUD).

**ISSUE**

As a housing authority with the MTW designation, Home Forward is obligated to submit an annual report detailing its progress toward objectives proposed in its prior year's annual MTW plan. This year's report corresponds to Home Forward's fiscal year 2013 (April 1, 2012-March 31, 2013). The report demonstrates that Home Forward continues to utilize its MTW flexibilities to reduce costs, increase housing choices for low-income families, and help move households toward self-sufficiency.

This year's report follows the format prescribed in Home Forward's 10-year agreement with HUD, which requires certifications to ensure the agency serves primarily the same population of people as it would absent the MTW flexibility. These are incorporated in the resolution.

**ATTACHMENTS**

FY2013 Annual MTW Report

MTW Report Certifications – Supporting Information

Attachment: MTW Report Certifications - Supporting Information

1) Home Forward certifies that more than 75% of families assisted by the agency are very low-income families. 97% of families assisted by Home Forward have incomes that are less than 50% of Portland’s Area Median Family Income (MFI).

	Percentage of Households
0-30% MFI	81%
31-50% MFI	16%
51-80% MFI	3%
Above 80% MFI	0%

2) Home Forward certifies that it continues to assist substantially the same total number of eligible low-income families as would have been served without MTW.

HUD has approved a baseline calculation tool that determines if MTW housing authorities are meeting this criteria. We will submit final data for this calculation after HUD approves this year’s MTW report. Our most recent baseline submission was for FY2011, and HUD found Home Forward compliant, serving approximately 101% of our baseline household calculation.

3) Home Forward certifies that it maintains a comparable mix of families by family size as would have been served had the agency not participated in the MTW demonstration.

Public Housing and Section 8 track family size differently. The following tables demonstrate that Home Forward continues to serve a comparable mix of families by family size, as was served at the beginning of the demonstration in 1999.

Public Housing (by bedroom size)

	Studio/1 BR	2 BR	3 BR	4+ BR
1999	56%	22%	19%	3%
April 2013	64%	20%	14%	2%

Housing Choice Vouchers (by family size)

	1 Member	2 Members	3 Members	4 Members	5+ Members
1999	33%	25%	18%	12%	11%
April 2013	45%	20%	14%	10%	11%



**RESOLUTION 13-06-04**

**RESOLUTION 13-06-04 AUTHORIZES HOME FORWARD STAFF TO SUBMIT THE MOVING TO WORK FOURTEENTH-YEAR ANNUAL REPORT, WITH CERTIFICATIONS, TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**WHEREAS**, Home Forward is obligated by its MTW agreement with HUD to submit an annual report detailing its progress toward objectives proposed in its prior year's annual MTW plan; and

**WHEREAS**, as part of its MTW reporting obligation, Home Forward certifies that more than 75% of families assisted by the Agency are very low-income families; that it continues to assist substantially the same total number of eligible low-income families as would have been served without MTW; and that it maintains a comparable mix of families as would have been served had the agency not participated in the MTW demonstration.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of Home Forward that staff is directed to submit this approved Moving to Work Fourteenth Year Annual Report to the Department of Housing and Urban Development.

**ADOPTED: JUNE 18, 2013**

Page 41

Atte

**Home Forward:**

-  
\_\_\_\_\_  
Harriet Cormack, Chair

Moving to Work