



# Housing Authority of Portland

YEAR 11  
HUD's "Moving to Work"  
(MTW) Demonstration Program

Annual Plan  
FY2010

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## I. 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 costs 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.

HAP has been designated an MTW agency for the past ten years. As we begin our 11<sup>th</sup> year in the program, we enter a new agreement with HUD that ensures our participation for an additional decade. This is our first annual plan to be submitted in the format prescribed by HUD under the terms of the new agreement.

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

Proposed Activities	Page
<p><b>P1: Subsidy change to preserve public housing units</b></p> <p>HAP staff will submit a request to HUD to change the funding for our public housing properties to Project-Based Section 8 subsidy. This will result in process efficiencies and the opportunity to develop locally defined programs, while minimizing impact on families involved.</p>	11
<p><b>P2: Opportunity Housing Initiative at New Columbia</b></p> <p>We will implement a five-year family self-sufficiency program for 50 families living either in public housing or receiving Section 8 at New Columbia. Program elements include case management, workshops and training, a savings account and peer support.</p>	13
<p><b>P3: Program-based rent assistance project with local non-profits</b></p> <p>As part of our efforts to align our housing resources with services of jurisdictional and community partners while maximizing impact and efficiency, we will allocate a small pool of vouchers to be administered by SE Works and Northwest Pilot Project. Each agency will serve a distinct group of participants and augment the housing subsidy with targeted services to increase their likelihood of success.</p>	14
<p><b>P4: Measures to improve the rate of voucher holders who successfully lease-up</b></p> <p>HAP will implement a variety of measures to improve landlord acceptance of Section 8 vouchers in our community including a landlord guarantee fund to provide landlords with reimbursements for damages; a 12-hour tenant education course for those on the waiting list who have rental barriers; termination of assistance for identity theft; and payment to owners through the end of the month after the move-out month when vacancies are unforeseen.</p>	16
<p><b>P5: Limits for zero-subsidy participants</b></p> <p>When a participant family achieves adequate income levels to pay their full rent and the housing assistance payment reduces to zero, the family will retain their voucher for 180 days with no subsidy. The program will establish limits for families that have a pattern of lowering income after subsidy ends, while providing a reasonable safety net to work-able participants who are challenged with obtaining and keeping living wage employment.</p>	17

<p><b>P6: Family eligibility for Project-Based Voucher assistance</b></p> <p>HAP will determine an applicant’s eligibility for a specific PBV property based upon the capacity of the service provider contracted to manage, or owning, the property. The modified screening criteria will allow participants who would otherwise be ineligible to access housing and services.</p>	<p>18</p>
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Ongoing Activities	Page
<p><b>O1: Resource Access Center Development</b></p> <p>HAP is serving as the master developer for this new facility to house the City of Portland / Multnomah County primary day access center for people experiencing homelessness, a 90-bed men’s shelter and approximately 130 units of affordable housing for people with very low incomes.</p>	<p>20</p>
<p><b>O2: Potential redevelopment of Hillsdale Terrace</b></p> <p>Working with a contracted architectural-engineering team, HAP staff is preparing an analysis for presentation to HAP’s Board of Commissioners in February 2009. The analysis will result in a recommendation of how best to redevelop the site.</p>	<p>21</p>
<p><b>O3: Redevelopment of Sears Military Base</b></p> <p>This activity has been discontinued. Although HAP submitted an application during the early stage of the base closure process, another non-profit community development corporation was chosen by the City of Portland to serve as the master developer of affordable housing at this site.</p>	<p>22</p>
<p><b>O4: Addition of Public Housing Operating Subsidy at Affordable Housing Sites</b></p> <p>Utilizing public housing operating subsidy at HAP’s affordable properties allows for one-to-one replacement of public housing subsidy lost due to the sale of scattered sites and may allow for additional units to be brought back from the formerly “banked units.” This year’s plan includes additions at Rockwood Station and Pine Square.</p>	<p>22</p>

<p><b>O5: New Affordable Housing</b></p> <p>As outlined in the FY 2009 MTW Plan, HAP's acquisition efforts are intended to closely align with the housing goals of our jurisdictional partners, while meeting our expressed intention to preserve our community's public housing stock. This year's plan includes two downtown properties: the Jeffrey and the Martha Washington.</p>	23
<p><b>O6: Redevelopment of University Place</b></p> <p>University Place redevelopment will provide housing for the relocation of Multnomah County's Bridgeview Program via 48 Single Room Occupancy units.</p>	24
<p><b>O7: Opportunity Housing Initiative</b></p> <p>We are implementing Opportunity Housing Initiative (OHI) activities in three previously described program models: the Fairview Conversion Project, the DHS Voucher Program and the Humboldt Gardens OHI Pilot.</p>	25
<p><b>O8: Biennial Reviews – Rent Reform Activity</b></p> <p>In Section 8, biennial reviews have been implemented for all MTW voucher holders with the exception of those on the GOALS (FSS) program. In public housing, we have 1076 residents who have qualified for biennial reviews. This move has resulted in significant time savings for staff.</p>	26
<p><b>O9: Biennial Inspections – Rent Reform Activity</b></p> <p>A program for biennial inspections has been implemented in Section 8 with 1926 current participants, achieving cost and time savings for HAP. Public housing has elected not to implement biennial inspections, but has achieved efficiency through a preventive maintenance strategy and site-based inspections with site managers.</p>	27
<p><b>O10: Simplified administrative procedures – Rent Reform Activity</b></p> <p>Measures have been implemented to relieve administrative burden and reduce intrusiveness with residents and participants. Procedure changes include accepting hand-carried third-party income verifications, disregarding income related to assets valued at less than \$25,000, eliminating interim interviews, and changes to Earned Income Disallowance.</p>	28

## II. General Housing Authority Operating Information

### A. Housing Stock Information

#### Projected number of public housing units (PHUs) as of the beginning of FY 2010 (April 1, 2009)

Elderly/Disabled Units	1,345
Family Units	<u>1,273</u>
<b>Total</b>	<b>2,618</b>
Units to be added during FY2010	115
Units to be removed during FY2010	<u>(46)</u>
<b>Projected number of PHUs at the end of FY 2010</b>	<b>2,687</b>

#### Breakdown of Public Housing Units (as of Nov 25, 2008)

	Bedroom Size				Total Households
	Studio/ 1 BR	2BR	3BR	4+BR	
Elderly/Disabled Units	1,331	14	0	0	1,345
Family Units	189	501	463	120	1,273
<b>Total</b>	<b>1,520</b>	<b>515</b>	<b>463</b>	<b>120</b>	<b>2,618</b>

#### Planned Capital Expenditures\*

Community	Activity	Budget
Cora Park	Flooring, heating, misc upgrades	\$ 237,633
Chateau Apartments	Kitchen remodel, misc upgrades	213,544
Bel Park	Kitchen remodel, heating, plumbing, energy improvements, misc upgrades	366,505
Camelia Court	Kitchen remodel, heating, plumbing, energy improvements, misc upgrades	458,224
Winchell Court	Energy improvements, misc upgrades	97,094
Tillicum North	Energy improvements, misc upgrades	11,280
Tillicum South	Energy improvements, misc upgrades	79,703
Hunter's Run	Energy improvements, misc upgrades	66,469
Harold Lee Village	Energy improvements, misc upgrades	66,469
Alderwood	Comprehensive renovation	574,404
Powellhurst Woods	Comprehensive renovation	976,488
Various properties	Misc abatement	100,000
Various properties	Roof repairs	50,000
Various properties	Hazardous material surveys	<u>80,000</u>
<b>Total Capital Expenditures Budget</b>		<b>\$ 3,377,813</b>

\*The Housing Authority of Portland has amended the FY2010 Planned Capital Expenditures. Please see the FY2010 MTW Plan Amendment on page 56 for more information.



**Units to be added in FY 2010**

	Description	Units
<b>FY 2010 Q1</b>		
No planned additions		0
<b>FY 2010 Q2</b>		
No planned additions		0
<b>FY 2010 Q3</b>		
The Jeffrey	20 Studio Apartments; at least 1 will be an accessible unit	20
Resource Access Center	30 Studio Apartments projected; all will be adaptable and at least 10 will be accessible	30
Martha Washington	25 Studio Apartments; number of accessible units TBD	25
<b>FY 2010 Q4</b>		
Rockwood Station	25 Two Bedroom Apartments; 3 will be accessible units	25
Pine Square	13 Two Bedroom & 2 Three Bedroom Apts	15
	<b>Total Units to be added</b>	<b>115 units</b>

**Units to be removed through disposition in FY 2010**

- FY 2010 Q1 ..... 8 units
  - 8 Single Family Units
- FY 2010 Q2 ..... 12 units
  - 9 Single Family Units
  - 1 Four-plex
- FY 2010 Q3 ..... 15 units
  - 8 Single Family Units
  - 1 Seven-plex
- FY 2010 Q4 ..... 11 units
  - 7 Single Family Units
  - 2 Duplexes

**Total Units to be removed ..... 46 units; all are scattered sites identified in previous plan years for disposition.**

**MTW Housing Choice Vouchers units authorized: 7,704**  
**Non-MTW Housing Choice Vouchers units authorized: 562 SRO/MODS**

**Housing Choice Vouchers – units to be project-based:** None are programmed to go online this plan year, although a commitment of PBS8 to the Resource Access Center (RAC) and The Jeffrey is anticipated. The number of units is currently projected to be **100** at the RAC and **30** at The Jeffrey.

**B. Leasing Information**

**Anticipated public housing leased: 97%**

**Description of anticipated issues:** The transition to site-based management has allowed public housing site staff to take a more proactive role in filling vacant

units. Site staff has the ability to select an applicant from the wait list immediately upon receiving notice to move from a current resident, as well as to keep a small pre-approved "reserve" pool to fill a vacant unit the day it becomes available. This has significantly reduced the overall vacancy rate and allowed HAP to exceed its targeted occupancy. Prior to implementation of site-based management, overall occupancy sometimes dropped below 92%.

Over the past year, public housing has been trending an occupancy rate of 98%. This is due to staff ability to manage their vacancies, but is also partly related to the downturn in the economy that has caused a decrease in the number of people moving out of housing. **Over the course of the FY 2010 MTW plan, public housing will budget for 97% occupancy.**

**Anticipated HCV leased: 100%**

**Description of anticipated issues:** None anticipated.

### **C. Waiting List Information**

#### **Anticipated changes in waiting list:**

**Public Housing and Section 8:** We do not plan on making any changes to the way we organize our wait list in this plan year for either program. HAP currently has site-based waiting lists in addition to a "first available" option for those public housing units that are operated by HAP staff. Applicants have the option of choosing up to three individual properties (with open waiting lists) or selecting the first available option.

Our two HOPE VI properties, Humboldt Gardens and New Columbia (which are managed by private property management companies) maintain separate site-based waiting lists. Similarly, as we have activated previously banked public housing units by putting them into non-public housing developments, those sites will also manage their own wait list. This currently includes Fairview Oaks, and over the next year will also include The Jeffrey and Rockwood Station.

#### **Anticipated changes in number of families on waiting list and/or opening/closing of waiting lists:**

**Public Housing:** Based on the current wait time, we expect to open the majority of the wait lists for our elderly/disabled sites. There are only three elderly disabled sites that likely will not open, as the current wait time is over three years (Dahlke Manor, Gallagher Plaza and Holgate House.)

The wait at our family sites continues to be longer than the wait at the elderly/disabled sites. Several locations have lists that we expect to remain closed over the next year. Of the 28 family sites, only 15 currently have lists that are likely to open.

**Section 8:** Our current waiting list should be adequate for a 12-month period, with approximately 3000 families on the list.

### III. Non-MTW Related Housing Authority Information (Optional)

In our Year 10 Moving to Work plan, we indicated our intention to explore a smoke-free housing policy in our public and affordable housing portfolios. After careful research and consultation with the American Lung Association, we have decided to make this move and to implement the policy during the upcoming plan year. While doing so does not require MTW authority, we have overlapped our public outreach strategy with this year's MTW plan development, briefing community stakeholders at our January 14th session. We are in the process of extensive informational and educational outreach to residents and tenants throughout our housing portfolio, and anticipate implementation to roll out over the course of the next year.

### IV. Long-term MTW Plan (Optional)

As an organization that has been in existence for almost 70 years, we recognize that the way people live and work, the economy, and the needs of those who seek our housing have all evolved. HAP is proud of our success at adapting to the world around us over the first decade of our status as an MTW agency, and is energized at the prospect of continuing to be an innovating leader over the next 10 years. We will work closely with our residents, participants, board and partners to leverage our MTW authority for the benefit of our community in the following areas:

#### SYSTEMS AND RESOURCE ALIGNMENT

In recent years, HAP and other leaders in Multnomah County have laid the groundwork to "strengthen the bridge between housing and services, and provide a more strategic response to needs and opportunities that arise."<sup>1</sup> We consider this effort with a renewed sense of urgency as the economy compels us to act even more collaboratively and efficiently to meet our community's affordable housing needs.

We recognize that *housing stability* for our most vulnerable citizens and *self-sufficiency* for working-able families require coordination of services and a depth of support that our housing staff cannot provide alone. Our jurisdictional partners and community-based organizations share an interest in combining our resources and expertise to maximum benefit, particularly in cases where we may be serving the same people, but in isolation and without an overarching strategy.

Over the next year, we will test the use of Section 8 vouchers as one approach to accomplish this. As indicated in the proposed activities section of this plan, we will program-base a small pool of rent assistance funds with partners who will administer them and enrich the value of the housing subsidy with their own services, such as workforce development. At the Resource Access Center,

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<sup>1</sup> Transformation of the Social Housing and Community Service System in Portland and Multnomah County, Phase I Report, July 2008. Clegg & Assoc., Inc.

which will provide day and night shelter as well as permanent supportive housing, we will project-base units with service-enriched vouchers, allowing part of the Housing Assistance Payment to subsidize intensive service provision to a very high-needs population.

We anticipate that the lessons learned in these initial collaborations will inform our alignment efforts over the next ten years. At the end of that period, we envision Multnomah County as a model for efficacy in its provision of housing and services, with HAP at the forefront of partnership and innovation.

At the same time, we will maintain our commitment to housing people at equivalent income levels as we would regardless of our MTW status, and ensure that the majority of our public housing and Section 8 subsidies are made available to applicants receiving assistance through the waiting list process.

## HOUSING DEVELOPMENT

Multnomah County, like communities across the country, faces a greater demand for subsidized and affordable housing than there is supply. Even as we work to preserve our current housing stock, we want to end the next decade with more affordable housing in this community than we started. While we are faced today with difficult choices for spreading the resource as widely as possible to house the most vulnerable on our streets, we recognize that the cycle of rampant homelessness will continue until there is a safe, decent place for all of our citizens to live.

HAP is increasingly recognized as an accountable and effective developer of affordable housing. This lends itself to maximizing possibilities in resource and systems alignment, and better positions us to make systemic impacts on the housing deficit in this community.

One such project is the aforementioned Resource Access Center (RAC). HAP's role as developer has helped to assure a strong public process that brings citizens, nonprofit and jurisdictional partners to the table, combining funds, services and expertise. When finished, the RAC will serve as a hub for critical shelter beds, day access and approximately 130 units of housing for very low-income and homeless people. Completion of the project is anticipated in two years and we expect that, given its significance to our community, it will provide a strong center of gravity for related efforts to address homelessness in the next ten years.

## SUSTAINABILITY

HAP increasingly demonstrates commitment to green building, to include achieving LEED certification in our last two major development projects: Humboldt Gardens and the Morrison. We are designing the Resource Access Center with the same goal in mind.

Similarly, in our Public Housing Preservation Initiative, we are working to conserve resources as we update our buildings, such as installing low-flow toilets. We recognize the interconnectedness of the health and well being of families to the place they live, and will continue to support our community through smart management of properties and resources.

## RENT POLICY REFINEMENT

Both the methods and the standards of determining rents paid by residents and participants of public housing and Section 8 are problematic on a number of levels. We know the current system causes significant confusion for residents and participants, creates disincentives to increasing employment, and lends to errors in calculations and income reporting.

We can do better. We also know that careful analysis, thoughtful planning and broad community involvement are keys to developing the right approach. We will spend the next year engaged in a thorough process to do just that, after which we expect to implement policy refinements that improve our customer service, strengthen our relationships with residents and participants, and eliminate disincentives to work. Over the course of the next decade, we will track the impacts of these efforts and stay in dialogue with our community to adapt where needed.

## OPPORTUNITY HOUSING

People living in deep poverty often experience multiple and significant barriers to meaningful employment and living wage jobs. Stable housing provides a platform from which families can move forward into economic independence, but taking the next steps can be daunting.

In the next decade, HAP will integrate the lessons learned from our FSS program (GOALS), our HOPE VI case management strategies, and leading work in the field of self-sufficiency to increase the amount of support and expectation for work-able families to take those steps and achieve independence from public subsidy, including housing.

The Opportunity Housing Initiative (OHI) pilot programs – described in previous and current MTW plans - have laid the groundwork for this evolution. Moving forward, Opportunity Housing will become the overarching concept for all of our self-sufficiency efforts, supported by unified rent policy and escrow models, with each of our operating units actively involved in the process.

To the extent that our MTW authority provides opportunities to be nimble and flexible in all of these efforts, we will leverage it to its fullest potential.

## V. Proposed MTW Activities: HUD approval requested

### P1: SUBSIDY CHANGE TO PRESERVE PUBLIC HOUSING UNITS

#### A. Describe each proposed MTW activity:

HAP staff will submit a request to HUD to switch the funding for our public housing properties to Project-based Section 8 subsidy. The intent is to only change the funding stream and not to make a wholesale change in control of operations for any public housing property.

This change in subsidy stream is being considered as a strategy to finance large-scale capital improvements throughout our portfolio in support of our Public Housing Preservation Initiative. This will result in project-based assistance exceeding 25% of the overall voucher allocation.

We have committed to minimizing any impact this might have on residents. Staff members have completed early analysis on the differences in rent calculations and note that, while ongoing analysis will continue, few families in public housing would be negatively impacted. HAP has the ability, using its MTW authority, to work with families who might see their rents rise. Implementation of the plan will take place over months, if not years, providing staff with ample time to assess and mitigate impacts to existing and future residents.

#### B. Describe how each proposed activity relates to at least one of the three statutory objectives:

*Reduce cost and achieve greater costs effectiveness in Federal expenditures:*  
The ideal way to arrange resources for capital improvements is a long-term function. With a more reliable funding stream, we could build capital fund plans that extend 5-10 years out, potentially saving time and money by bundling projects and contracts. Implementation of the subsidy change plan would include a detailed strategy to accomplish large-scale, phased capital improvements based on geographic proximity of sites and similarity of need.

Under the current capital grant, there is ongoing uncertainty related to the level of funding that will be provided and irregular timing of the notification of funding levels. This binds us more to planning our capital expenditures on a year-to-year basis and being more reactionary than visionary. The timing of Section 8 funding from HUD is more reliable and the nature of the contracts between HAP and the project-based developments provides for reliable revenue assumptions on a predictable schedule. This will help us achieve efficiency and accuracy in our budgeting processes.

We anticipate that this subsidy stream will also provide administrative efficiencies, such as relieving our need to manage the capital fund and its system of drawing down money.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

Process efficiencies are anticipated to reduce overall costs and achieve greater cost effectiveness in capital repairs and organizational budgeting.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baselines:

- There are 36 public housing properties that will be considered for subsidy change.
- Implementation of the subsidy change will occur after a lengthy planning process, during which we will determine appropriate baselines to measure ourselves against, particularly as we hone our capital improvement strategy. In this plan year, the application to HUD and administrative processes will occur – we anticipate implementation to take place over subsequent plan years.

Proposed benchmarks and metrics:

- We will assess the viability of subsidy change for all 36 public housing properties and, assuming approval by our Board of Commissioners during this plan year, will identify the appropriate number for subsidy change and submit an application to HUD.
- By the end of the first full fiscal year after the subsidy change, we will assess and report on the projected reduction of staff hours & cost associated with managing the capital grant.
- We will determine other key metrics in relationship to the baselines when they are developed.

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

Data will be gathered in our operating units and finance department and submitted in a report to our Board of Commissioners and in the application to HUD.

Our finance and accounting department will conduct an internal assessment of hours saved related to capital grant management, in direct support of the statutory objective to reduce costs.

Other data collection processes will be determined with the associated metrics.

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment C, Section D(1)e; Attachment D, Mixed Finance Flexibilities

## P2: OPPORTUNITY HOUSING INITIATIVE AT NEW COLUMBIA

### **A. Describe each proposed MTW activity:**

This activity includes:

- Providing a five-year family-self sufficiency program for 50 families living either in public housing or receiving Section 8. Program elements include case management, workshops and training, a savings account and peer support. Graduation includes returning the housing subsidy and moving from public housing or Section 8.
- Developing a savings program for participating families modeled on a strike point. The savings program is a set-aside for each family based on the amount of rent paid to the Housing Authority. Every dollar above a monthly rent of a certain amount (or strike point) is redirected to an account that families can use to meet their self-sufficiency goals while in the program or can use once they graduate from the program.
- Considering the use of a portion of the savings set-aside to support the cost of administering the OHI program.
- Coordinating services closely with local Workforce partners to better support employment outcomes of participating families and optimizing use of the New Columbia Opportunity Center.

### **B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*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:* This self-sufficiency program is focused on assisting families to successfully leave subsidized housing while developing new community expectations and norms around work and employment.

### **C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

We anticipate that OHI participants at New Columbia will make strides toward employment and self-sufficiency similar to those participating in our Fairview program (discussed in the "Ongoing Activities" section). These include improved employment, completion of financial literacy training, enrollment in educational programs and increased escrow savings.

### **D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: We will start the program with 50 families from New Columbia, each with zero escrow account balances. We will assess each family's current income, employment status and education level at program entry.



Proposed benchmarks and metrics:

- In the first year, at least 25 participating individuals will have completed one or more of the following workshops: Financial Literacy, Housing Mobility, or Career Enhancement.
- At least 5 participating individuals will enroll in a vocational or post-secondary educational program.

We are in the process of developing longer-term outcome measurements for years two through five of the program.

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

HAP will continue to use Tracking at a Glance, a web-based system that will track employment, income, education, training and exit information. This will be tracked on a monthly basis, reviewed on a quarterly basis and audited for data integrity.

Our proposed benchmarks and metrics align with the intention of the statutory objective identified in (B) above.

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment C, Section E

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**P3: PROGRAM-BASED RENT ASSISTANCE PROJECT WITH LOCAL NON-PROFITS**

**A. Describe each proposed MTW activity:**

As part of our efforts to align our housing resources with services of jurisdictional and community partners while maximizing impact and efficiency, we will allocate a small pool of rent assistance funds to be administered by SE Works and Northwest Pilot Project (NWPP). Each agency will serve a distinct group of participants and augment the housing subsidy with targeted services to increase their likelihood of success.

**SE Works:** This program provides rent assistance to individuals coming out of jail who are participating in the Portland Partners Re-entry Initiative (PPRI) or Community Partners Reinvestment Project (CPR). Both are employment-centered programs that incorporate mentoring, job training and other comprehensive transitional services in order to reduce recidivism by helping inmates find work when they return to their communities. SE Works plans to serve a minimum of 20 participants per year, prioritizing those who are reuniting with families or who have identified and prepared for a training program. Participants may move into transitional or permanent housing, depending on their needs, and SE Works will provide up to 18 months of rent assistance, decreasing over time, based on the household's income, budget and unit size.

Funding for workforce development services comes from the Department of Labor.

**NWPP:** This program provides rent assistance and services to homeless individuals who are elderly, disabled, have zero income, and have barriers that reduce the likelihood of their success in the traditional tenant-based Section 8 program. In addition to receiving housing search, housing retention, and ongoing support services, all participants will be referred to Central City Concern's Benefits and Entitlement Specialist Team for expedited acquisition of federal benefits/entitlements (SSI/SSDI).

**B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*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(***SE Works***):* The agency will provide job training and retention supports for work-able participants.

*Increase housing choices for low-income families(***NWPP and SE Works***):* There is significant evidence in this and other communities that landlords are more willing to rent to people with imperfect rental histories when services are linked to the rent assistance.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

**SE Works:** The primary goal in this program is stabilizing individuals being released from prison into housing so they can address the other pressing issues they must face as they return to their communities. SE Works will target assistance to individuals interested in attending training programs or increasing skills so they can attain living-wage employment. Additionally, participants may receive assistance to pay off fines and fees, repair credit histories, and begin saving for permanent housing. By alleviating the financial burden of paying for housing, participants will be able to spend their limited resources on improving their financial situations.

**NWPP & SE Works:** These programs will increase the choices and ability to be housed for distinct populations with multiple barriers.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: NWPP and SE Works will each serve 20 households in year 1.

Proposed benchmarks and metrics:

**SE Works:**

- 75% of individuals will retain employment for at least 9 months after services end and at least 6 months after housing assistance ends

- 75% will remain in permanent housing 12 months after placement and at least 60% will remain permanently housed for at least 6 months after end of housing assistance

**NWPP:**

- 90% of participants will remain successfully housed after two years
- 70% of participants will be receiving disability income within two years

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

Quarterly and annual reports detailing these outcomes will be required of each organization.

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment C, Section B(2); Section D(2)d., Section D(4).

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**P4: MEASURES TO IMPROVE THE RATE OF VOUCHER HOLDERS WHO SUCCESSFULLY LEASE-UP**

**A. Describe each proposed MTW activity:**

HAP will implement a variety of measures to improve landlord acceptance of Section 8 vouchers in our community including:

- Piloting a landlord guarantee fund to provide landlords with reimbursements for damages by Section 8 tenants, up to a maximum of two months' rent.
- Teaching a 12-hour tenant education course to applicants on the Section 8 waiting list who have rental barriers prior to these applicants receiving a voucher.
- Terminating rental assistance for identity theft.
- Providing payment to owners through the end of the month after the move-out month when vacancies are unforeseen or unexpected (such as death or skip) and the owners have not received proper notice of intent to vacate.

**B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*Increase housing choices for low-income families:* Additional private landlords will be willing to accept renters with vouchers.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

Safeguards to mitigate potential losses and assurances that participants will be held to strict but reasonable standards may increase the willingness of

landlords to accept vouchers. In effect, families will have more selection in their housing and may be able to move into more economically diverse neighborhoods.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: Current voucher lease-up rate is 74%.

Proposed benchmarks and metrics:

- 11% increase in success rate for leasing up (to 85%)
- Increase in number of new landlords who accept Section 8 compared to previous years

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

Section 8 staff members will track:

- Lease-up rate for new voucher holders
- Landlord participation levels
- Count of new participating landlords

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment C, Section D(1)d; Section D(3)b; Section D(4) and Attachment D, Section D, Establishment of a Local Section 8 / Housing Choice Voucher Program

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P5: LIMITS FOR ZERO-SUBSIDY PARTICIPANTS

**A. Describe each proposed MTW activity:**

When a participant family achieves adequate income levels to pay their full rent and the housing assistance payment reduces to zero, the family will retain their voucher for 180 days with no subsidy. If, during the 180-day timeframe, the family income reduces and their assistance begins again, this signals a potential pattern. The family will be allowed to repeat this pattern a maximum of two times during their participation in the program. If the family reaches an adequate income level to result in zero housing assistance payment a third time, the family will be terminated from the program at the end of the six months of zero-subsidy, regardless of potential income changes.

**B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*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:* Clear standards for expectations of work in participants who are capable of earning income supports individual self-sufficiency efforts, as well as community values to that end.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

Work-able participants will have a generous safety net that recognizes the challenges of obtaining and keeping living wage-employment, at the same time that reasonable expectations for achieving self-sufficiency are established.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: HAP will measure the number of participants leaving the program in year one through the income ceiling and the number of zero-subsidy participants cycling back onto housing assistance payments. It will take longer than one plan year to measure how many participants repeat the cycle three times and then term out of the program.

Proposed benchmarks and metrics: When the baseline has been established, we will propose a goal for an appropriate increase in the number of participants leaving the program through the income ceiling with fewer re-triggered housing assistance payments.

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

Section 8 staff will track the data in Yardi, HAP's database system. The eventual decrease in re-triggered housing assistance payments will demonstrate an overall improvement in stability while striving for self-sufficiency by participants.

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment D, Section D, Establishment of a Local Section 8 / Housing Choice Voucher Program

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P6: FAMILY ELIGIBILITY FOR PROJECT-BASED VOUCHER (PBV) ASSISTANCE

**A. Describe each proposed MTW activity:**

In order to provide greater access to low-income families with barriers, screening and eligibility requirements may differ from traditional criteria at certain PBV properties. HAP will determine an applicant's eligibility for a

specific PBV property based upon the capacity of the service provider contracted to manage, or owning, the property. For example, if the service provider's expertise is in helping criminals convicted of drug-related activity to overcome their addiction and move into training and employment, the drug-related criminal activity eligibility criterion may be waived for participants who would reside at that property. The specific services to be offered, as well as agreed-upon goals and performance indicators, will be identified in the PBV contract and the Memorandum of Understanding with the owner, manager and the identified service provider.

**B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*Increase housing choices for low-income families:* The activity is designed specifically to support this objective.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

The modified screening criteria will allow participants who would otherwise be ineligible to access housing and services.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: Each of our PBV properties currently has standard eligibility criteria.

Proposed benchmarks and metrics:

- In this plan year, we will negotiate at least one new Memorandum of Understanding in support of this activity.
- Agreements with each provider will contain specific metrics related to housing stability of program participants who would have otherwise been denied housing.

**E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives:**

Contracted service providers will be required to submit semi-annual reports showing agreed-upon outcomes for participants who received special screening consideration.

**F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity:**

Attachment C, Section D(4)

## VI. Ongoing MTW Activities: HUD approval previously granted

### O1: RESOURCE ACCESS CENTER DEVELOPMENT (PLAN YEAR 10)

#### **A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

HAP is serving as the master developer for this new facility to house the City of Portland / Multnomah County primary day access center for people experiencing homelessness, a 90-bed men's shelter and approximately 130 units of affordable housing for people with very low incomes.

#### **B. Provide an update on the status of the activity:**

After the site in Portland's Old Town was secured last spring, a community design process was completed with the assistance of an architectural firm under contract and a construction manager/ general contractor (CMGC). Due to downturns in the financial markets, lower than originally anticipated estimates of tax credit equity have led to a consolidation of the current development proposal onto half the available block during Phase 1. HAP anticipates developing Phase II in the next few years with additional affordable housing and ground floor retail.

During Phase 1 (with construction anticipated to begin by November 2009), all rental units will be targeted to very low income individuals and those experiencing homelessness. This is anticipated to include blended subsidy funding equivalent to 30 units of public housing (PH) subsidy and 100 units of project-based Section 8 (PBS8) subsidy. HAP's MTW authority will be invoked in order to utilize a higher number of project-based Section 8 units in one building than are normally sanctioned by HUD. MTW authority also enables HAP to consider both PH and PBS8 to be fungible operating subsidies, otherwise termed "MTW funds".

Utilizing MTW authority, HAP anticipates potential adjustments to public housing and Section 8 screening criteria in order to accommodate the populations that this facility is intended to serve. The goal is to establish low intake barriers while ensuring that individuals do not have a history of person-to-person crime or drug distribution that might endanger the safety of other residents or the success of the project.

HAP will develop a tenant selection plan (TSP) and Admissions and Continued Occupancy Policy (ACOP) that will set forth the criteria for selection and occupancy. These may include preferences for a designated number of units for (a) the chronically homeless, (b) other homeless, formerly homeless and/or persons at high risk for homelessness, and (c) persons who need housing as part of a homelessness prevention strategy. The TSP and ACOP will set forth screening criteria for admission suitable to housing this special needs population. The TSP and ACOP may also include a requirement that homelessness or risk of homelessness be verified by a social service provider as part of the initial application process. HAP will ensure that these programs do

not have a disparate impact on protected classes and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. No resident will be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

In Plan Year 10, HAP anticipated serving only as the developer for the project, invoking Attachment D, Section A (Mixed Finance Flexibilities).

Given the impact of the economic downturn on the City's budget for operations in the project, HAP now intends to support the Resource Access Center with housing subsidy as described above – this was not anticipated in Plan Year 10. This requires the additional use of the following authorizations:

- Attachment C, Sections C(2); C(10); D(3)b; and D(4)
- Attachment D, Section B – Single Fund Budget with Full Flexibility

**D. Describe if the Agency is using outside evaluators:**

N/A

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**O2: POTENTIAL REDEVELOPMENT OF HILLSDALE TERRACE (PLAN YEARS 9 & 10)**

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

Our intention to redevelop Hillside Terrace, a physically distressed and socially isolated 60-unit public housing development in southwest Portland, has been identified in the past two MTW Plans (FY 2008 and FY 2009).

**B. Provide an update on the status of the activity:**

Working with a contracted architectural-engineering team, HAP staff is preparing an analysis for presentation to HAP's Board of Commissioners in February 2009. The analysis will result in a recommendation of how best to redevelop the site. If the HAP Board determines that a full redevelopment of the site is the most cost-effective approach, the staff team anticipates submitting a HOPE VI application. If HUD releases a HOPE VI Request for Proposals during FY 2010, HAP will be positioned to respond in a timely manner.

In addition, staff has developed a Memorandum of Understanding with a local non-profit that is looking to redevelop an existing property and adjacent parcel of land within half a mile of the Hillside Terrace site. With any potential redevelopment scenarios concerning the two sites, packaging of the two proposals will be considered.



**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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O3: REDEVELOPMENT OF SEARS MILITARY BASE (PLAN YEAR 10)

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

In our FY 2009 MTW Plan, HAP identified our intention to submit a proposal to the Portland Development Commission for redevelopment of the Sears military base.

**B. Provide an update on the status of the activity:**

Discontinued. Although HAP submitted an application during the early stage of the base closure process, another non-profit community development corporation was chosen by the City of Portland to serve as the master developer of affordable housing at this site. Located within a mile of HAP's Hillside Terrace public housing development, close coordination between service providers and design teams will continue to occur. However, at this time there are no plans for public housing or Project-Based Section 8 associated with the base site.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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O4: ADDITION OF PUBLIC HOUSING OPERATING SUBSIDY AT AFFORDABLE HOUSING SITES (PLAN YEARS 8 – 10)

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

This concept, first described as an element of HAP's attempt to "reconfigure public housing," originally appeared in the FY 2007 MTW Plan. Through

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subsequent years and the current FY 2010 MTW Plan, the concept remains one of the key components of HAP's Public Housing Preservation Initiative. Utilizing public housing operating subsidy at HAP's affordable properties allows for one-to-one replacement of public housing subsidy lost due to the sale of scattered sites and may allow for additional units to be brought back from the formerly "banked units." This approach has been successfully piloted as the Fairview Conversion Project (originally described in the FY 2008 MTW Plan.)

**B. Provide an update on the status of the activity:**

- **Rockwood Station** - HAP anticipates an April 2009 Mixed Finance Operating Subsidy Only closing with HUD in order to begin offering public housing subsidy for 25 households (two-bedroom units) at this 195-unit Gresham property.
- **Pine Square** - Although the FY 2009 MTW Plan identified this affordable property as another potential site for the addition of public housing units, the current downturn of the financial markets has made refinancing with tax credits unrealistic at this time. Since HAP and the City of Gresham amended their Cooperative Agreement to allow for this in the future, HAP remains committed to the project as markets improve. Current assumptions include 15 units of public housing.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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O5: NEW AFFORDABLE HOUSING – PUBLIC HOUSING PRESERVATION INITIATIVE  
(PLAN YEARS 9 & 10)

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

As outlined in the FY 2009 MTW Plan, HAP's acquisition efforts are intended to closely align with the housing goals of our jurisdictional partners, while meeting our expressed intention to preserve our community's public housing stock.

**B. Provide an update on the status of the activity:**

The following properties will add new affordable housing (including public housing and Section 8 subsidies) in downtown Portland:

- **The Jeffrey** - Multnomah County has requested that HAP assume the general partner role in an existing limited partnership. Located in downtown

Portland, The Jeffrey is a new six-floor development with 80 units, built in 2008. The property is fully leased and managed by a private property management firm. Twenty-five units are designated as Permanent Supportive Housing (PSH) with case management services provided by three non-profit agencies that specialize in meeting the City's PSH goals to address homelessness.

Operational subsidies are projected to include 30 project-based Section 8 units and 20 public housing units. The public housing units (20 studio apartments) will support PSH residents.

HAP anticipates financial closings by early summer 2009. HAP's affordable housing asset managers will assume oversight of the property and the property management firm shortly thereafter.

- **Martha Washington Apartments** - Located next door to The Jeffrey, this historic property with 131 SRO units has been vacant for the past several years. Multnomah County asked HAP to assume the role of general partner in a new mixed-finance, tax credit partnership. After historic renovation, current plans would result in approximately 108 studio and one-bedroom units. HAP anticipates a summer 2009 closing, followed by a ten-month construction season, with the opportunity for new residents to be housed by spring 2010.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

As with the addition of housing subsidy at the RAC, HAP will invoke additional authority above the original use of Mixed-Finance Authority, including Attachment C, Sections C(2); C(10); D(3)b; and D(4).

**D. Describe if the Agency is using outside evaluators:**

N/A

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**O6: REDEVELOPMENT OF UNIVERSITY PLACE (PLAN YEAR 10)**

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

In the FY 2009 MTW Plan, HAP identified our intention to redevelop this 28-unit building located in downtown's west end near Portland State University.

**B. Provide an update on the status of the activity:**

Although HAP's FY 2009 MTW Plan projected that approximately 15 public housing units would be incorporated into the redevelopment of this affordable housing property, HAP's plans changed after additional discussion with our local jurisdictions. In particular, Multnomah County requested HAP's assistance with the relocation of their Bridgeview Program, which houses chronically

homeless persons with severe mental illness. The University Place redevelopment will now provide this housing via 48 Single Room Occupancy units (SRO's) to serve very low-income residents. These units will be managed through a master lease to the service provider (under contract to Multnomah County) to administer the Bridgeview Program.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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**O7: OPPORTUNITY HOUSING INITIATIVE (PLAN YEARS 9 & 10)**

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

In previous plan years, we have described the Opportunity Housing Initiative (OHI) and three distinct models for implementation: the Fairview Conversion Project, the DHS Voucher Program and the Humboldt Gardens OHI Pilot.

**B. Provide an update on the status of the activity:**

Fairview Conversion Project. This is the most evolved of our three current initiatives, which has been active long enough to demonstrate the following interim results for the 53 individuals presently enrolled:

Employment

13 are currently employed  
10 have employment plans  
4 have received job development services

Education

1 has completed Adult Basic Education courses  
1 has completed and 2 are enrolled in GED courses  
4 are enrolled in ESL classes  
4 are enrolled in short-term vocational training  
2 are enrolled in 2-year degree courses

Training

27 have completed Financial Literacy Training Workshops  
26 have completed Housing Mobility Workshops  
25 have completed Career Enhancement Training Workshops  
1 has completed Homeownership Training

Finally, one of these participants has already graduated to home ownership!

DHS Voucher Program. Implemented in fall of 2008, we have provided vouchers for 22 families who will receive case management assistance from DHS and will be enrolled in the HAP FSS program in order to participate in workshops, trainings and to receive escrow. HAP will also assist families with their housing search and Section 8 utilization. This program will use the traditional Family Self-Sufficiency escrow model.

Humboldt Gardens OHI Pilot. We have enrolled 54 families who are participating in case management services, workshops and trainings, peer support and a savings account program. All participating families have agreed to transition from subsidized housing as part of their graduation process or transfer to another public housing community.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

As part of the Opportunity Housing Initiative, HAP intends to assess its pilots in the near term, including site-based programs. Currently we are considering an assessment of the overall goals and initial results, while contemplating a more long-range and statistical external evaluation of the program in years to come.

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O8: BIENNIAL REVIEWS – RENT REFORM ACTIVITY (PLAN YEARS 9 & 10)

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

In our FY 2008 and FY 2009 MTW Plans, HAP outlined our intention to implement an alternate review schedule for recertification, a simplification measure designed to lead to MTW cost-effectiveness through a decrease in staff workload.

**B. Provide an update on the status of the activity:**

**Section 8:** Biennial reviews have been implemented for all MTW voucher holders with the exception of those on the GOALS (FSS) program. GOALS participants benefit when their annual review demonstrates increased income, since the corresponding rent increase is re-allocated as additional escrow in their savings account with HAP.

We are conducting an average of 290 fewer annual reviews per month. This time savings equates to an additional 3.7 hours per week that the case management staff can spend working with participants to improve customer service and to focus on assisting them with self-sufficiency activities.

**Public Housing:** We currently have 1076 residents who qualify for biennial reviews, translating to 500 fewer reviews that staff members are completing each year. Since Section 8 conducts so many more reviews than public housing, this hasn't produced comparable time savings, but it has meant that staff members who would normally be doing these reviews have been freed up to do other tasks and have contributed to the more efficient management of properties. Early indications suggest that we are losing more revenue than expected by reducing the number of reviews, and our newly hired Compliance Specialist will analyze this impact more fully over the next year.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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**O9: BIENNIAL INSPECTIONS – RENT REFORM ACTIVITY (PLAN YEARS 9 & 10)**

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

In our FY 2008 and FY 2009 MTW Plans, HAP identified strategies to improve and streamline inspections by moving toward biennial inspections for Section 8 households and site-based inspections for public housing properties.

**B. Provide an update on the status of the activity:**

**Section 8:** Participants residing in the same unit for a minimum of three years and who pass two consecutive annual inspections on the first visit qualify for biennial inspections.

The biennial inspection system acts as a reward to those who are stable tenants and have a history of taking care of their unit. Effective December 2008, 1926 households qualify for biennial inspections, an increase of 399 additional participants over 2007.

HAP estimates a cost savings of \$100 per inspection, which equates to a savings of \$192,600 a year, or \$16,050 per month for 2008. This cost savings includes staff time, gasoline, parking, vehicle and all other associated costs incurred during the course of conducting inspections.

**Public Housing:** We have achieved greater efficiency and efficacy by switching to site-based inspections with site managers and their maintenance mechanics. These staff members were all trained in Uniform Physical Condition

Standards (UPCS), resulting in an exceptional Real Estate Assessment Center (REAC) inspection.

We are also increasing our focus on developing preventive maintenance plans for all sites, with a goal of 60% of completed work orders for planned or preventive maintenance. While this does not reduce interactions with residents, it does create a more positive and proactive relationship around apartment maintenance.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

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O10: SIMPLIFIED ADMINISTRATIVE PROCEDURES – RENT REFORM ACTIVITY (PLAN YEARS 9 & 10)

**A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented:**

The following measures were implemented in April 2007:

- Accept hand-carried third-party income verifications
- Disregard income related to assets valued at less than \$25,000
- Eliminate interim reviews for income increases (except in cases with an increase from zero income) and income decreases that have yet to be effective for 45 days
- Streamline Earned Income Disallowance (EID) for qualifying clients
- Eliminate EID for new GOALS participants

**B. Provide an update on the status of the activity:**

All above procedures are in place and continue to relieve administrative burden in public housing and Section 8, while reducing intrusive interactions with residents and participants.

**C. For the Plan year, indicate if the Agency anticipates any changes, modification, or additions to Attachment C authorizations:**

N/A

**D. Describe if the Agency is using outside evaluators:**

N/A

## VII. Sources and Uses of Funding

Note: Due to the timing of HAP's annual budget cycle, the budget figures below are only PRELIMINARY. HAP's annual budget is presented to the Board of Commissioners for adoption at their March meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in January and then adoption in February. Thus, these preliminary budgets are projected three months prior to adoption and often require changes during the budget process.

### A. Sources & Uses of MTW Funds

#### FY2010 PLANNED SOURCES

	Public Housing	Section 8 MTW	MTW Consolidated
Rental Revenue	4,874,163	-	4,874,163
Section 8 Subsidy	-	58,740,624	58,740,624
Operating Subsidy	8,443,195	-	8,443,195
HUD Grants	976,162	-	976,162
Other Revenue	433,971	197,302	631,273
HUD NonOperating Contributions	3,550,762	-	3,550,762
<b>Total Sources</b>	<b>18,278,254</b>	<b>58,937,926</b>	<b>77,216,180</b>

#### FY2010 PLANNED EXPENDITURES

	Public Housing	Section 8 MTW	MTW Consolidated
PH Subsidy Transfer	951,123	-	951,123
Housing Assistance Payments	414	52,323,958	52,324,373
Administration	3,604,226	3,403,688	7,007,914
Tenant Services	65,961	-	65,961
Maintenance	6,202,119	-	6,202,119
Utilities	2,058,535	-	2,058,535
General	393,684	13,647	407,331
Central Office Cost Allocations	1,467,166	931,528	2,398,695
HUD Capital Expenditures	3,550,762	-	3,550,762
<b>Total Expenditures</b>	<b>18,293,991</b>	<b>56,672,822</b>	<b>74,966,813</b>



## B. Sources & Uses of State and Local Funds

### FY2010 PLANNED SOURCES

	Non-MTW Consolidated
Rental Revenue	7,221,910
Section 8 Subsidy	5,855,358
Operating Subsidy	545,594
HUD Grants	4,689,364
Development Fee	714,799
Non-HUD Grants	2,823,899
Other Revenue	2,793,873
HUD NonOperating Contributions	-
Other NonOperating Contributions	253,530
<b>Total Sources</b>	<b>24,898,328</b>

## C. Sources & Uses of COCC

### FY 2010 PLANNED EXPENDITURES

PH Subsidy Transfer	-
Housing Assistance Payments	-
Administration	4,665,696
Tenant Services	-
Maintenance	128,310
Utilities	75,202
General	43,782
Depreciation	293,436
Central Office Cost Allocations	(5,206,426)
HUD Capital Expenditures	-
<b>Total Expenditures</b>	<b>-</b>

## **D. Allocation Method for Central Office Costs**

The Housing Authority of Portland 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.

## **E. Uses of Single-Fund Flexibility**

Our use of single-fund flexibility is referenced in Ongoing Activity #1, the Resource Access Center Development (plan page 20). Regarding the use of single fund budget authority, the PH units and PBS8 units in this project are interchangeable for purposes of resident admission, making it easier for residents, but potentially creating more work for HAP and the entity managing the property. In order to create a relatively seamless admissions process for residents and to minimize administrative burdens, we will consider the units to be supported with "MTW funds", without tying them to a specific subsidy. This will enable us to fund the cost from either or both PH or PBS8 accounts in any given year in any proportion. We intend to further explore the use of MTW funds in future projects in order to provide maximum flexibility and responsiveness to our community's needs.

## VIII. Administrative

### A. Public Process

The following steps were taken by HAP to ensure a thorough public process in the development and adoption of the MTW plan:

- Thurs. Jan 5: First draft reviewed at the Board of Commissioners work session
- Sun. Jan 4 & 11: Public notice published in the Oregonian announcing the public hearing on January 20; text and Affidavit of Publication included in the Appendix
- Mon. Jan 12: Draft of the plan posted on HAP's website; flyers posted at public housing buildings and Section 8 offices about the availability of the plan; hard copies mailed to interested residents and participants
- Wed. Jan 14: Community stakeholder meeting held; list of attendees, comments and responses noted in the Appendix
- Tues. Jan. 20: Public hearing / Board meeting held; meeting minutes & written correspondence submitted to the Board included in the Appendix
- Thurs. Jan. 29: Meeting with jurisdictional partners conducted; comments and responses noted in the Appendix
- Thurs. Feb 5: Meeting with 504 Board for input and questions; comments and responses noted in the Appendix
- Tues. Feb 17: Approval by Board of Commissioners – Resolution included in Administrative Section, Part B



## MEMORANDUM

**SUBJECT: RESOLUTION 09-02-04  
AUTHORIZING THE HOUSING AUTHORITY OF PORTLAND  
(HAP) TO SUBMIT THE MOVING TO WORK (MTW) ELEVENTH  
YEAR ANNUAL PLAN (FY 2010) TO THE DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT (HUD)**

**TO: BOARD OF COMMISSIONERS**

**FROM: Steven D. Rudman 503.802.8501 [stever@hapdx.org](mailto:stever@hapdx.org)  
Contact: Michael Buonocore 503.802.8546 [michaelb@hapdx.org](mailto:michaelb@hapdx.org)**

**DATE: February 10, 2009**

**ISSUE:**

Resolution 09-02-04 authorizes the Housing Authority of Portland (HAP) to submit the Moving to Work (MTW) Eleventh Year Annual Plan to the Department of Housing and Urban Development (HUD). The plan corresponds to HAP's fiscal year 2010.

**BACKGROUND:**

Since becoming an MTW agency in 1999, HAP has been allowed to intermingle operating subsidies and capital allocations and to waive certain HUD regulations in favor of locally developed policies aimed at the needs of our residents, participants and community. We recently signed a ten year agreement with HUD that will preserve our MTW designation for the next decade.

This year's proposed activities include the subsidy change to Project-based Section 8 for our traditional public housing portfolio, an Opportunity Housing Initiative at New Columbia, and several initiatives to develop a more responsive Rent Assistance program that meets local needs. Information about our implementation of the non-smoking policy has been included in the optional section for non-MTW activities, reflecting its significance to the community.

All feedback and our responses made during the public comment period have been included in the appendix for your reference. HAP will continue to work with the community as the initiatives contained in this plan move forward, especially as it relates to the subsidy change for public housing.

**RECOMMENDATION:**

Staff recommends approval of resolution 09-02-04.



## RESOLUTION 09-02-04

### **RESOLUTION 09-02-04 AUTHORIZES HOUSING AUTHORITY OF PORTLAND STAFF TO SUBMIT THE MOVING TO WORK (MTW) ELEVENTH YEAR ANNUAL PLAN TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**WHEREAS**, this agreement provides HAP with the authority to investigate and adopt new policies and to flexibly use HUD funding to maximize the effectiveness of this important resource; and

**WHEREAS**, on January 14, 2009, HAP staff met with community partners to review the draft MTW plan; and

**WHEREAS**, on January 20, 2009, the HAP Board of Commissioners conducted a public hearing on the draft MTW plan; and

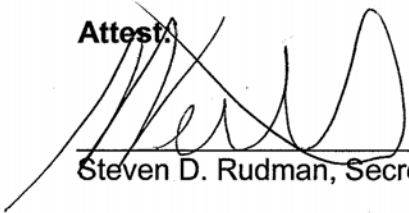
**WHEREAS**, HUD has requested that the Housing Authority of Portland Board of Commissioners authorize the execution of its MTW Eleventh Year Annual Plan.

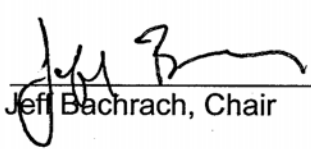
**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute the MTW Eleventh Year Annual Plan with the Department of Housing and Urban Development.

**Adopted: February 17, 2009**

**HOUSING AUTHORITY OF PORTLAND**

**Attest:**

  
Steven D. Rudman, Secretary

  
Jeff Bachrach, Chair

Appendix

PUBLIC NOTICE

**The Oregonian**  
EST. 1839

Practically Indispensable.

1320 SW Broadway, Portland, OR 97201-3499

Affidavit of Publication

I, Michelle Harris, 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):

1/4/2009, 1/11/2009



Michelle Harris

Principal Clerk of the Publisher:

JAN 12 2009

Subscribed and sworn to before me this date:

Rebecca Seid

Notary:

Ad Order Number: 0002711626

**PUBLIC HEARING**

The Housing Authority of Portland (HAP) will hold a public hearing on Tuesday, January 20, 2009 @ 6:15 pm at the Multnomah County Building, 501 SE Hawthorne Blvd, Portland, OR. The purpose of this meeting is to inform and seek input from the public, including current and potential residents / participants, concerning initiatives that HAP is proposing under the Federal Department of Housing and Urban Development's national demonstration program called "Moving to Work" (MTW). HAP's proposed initiatives, including new developments in our Public Housing Preservation Initiative, a program that ties rent assistance vouchers to community-based services, and other major policy initiatives we plan on undertaking in the upcoming year, are outlined in the "Draft MTW Annual Plan." On January 12, the draft plan will be posted on HAP's website: <http://www.hapdx.org/newsroom/pdfs/MTW-FY2010-Draft-Plan.pdf>

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

## PUBLIC MEETINGS

WED. JAN 14 – COMMUNITY STAKEHOLDER MEETING

### Attendees

Rose Bak	Multnomah County
Christina Dirks	Legal Aid Services of Oregon
Charles Funches	Portland Community Reinvestment Initiative, Inc.
Annette Gandy	Lifeworks NW
Rachel Hestmark	Portland Community Reinvestment Initiative, Inc.
Toi Hopson	Portland Community Reinvestment Initiative, Inc.
Liv Jenssen	Multnomah County
Seth Lyon	Multnomah County
Abdul Majidi	Portland Community College
Deborah Mann	US Dept of Housing & Urban Development
Kimberley Mason	Portland Community Reinvestment Initiative, Inc.
Joy McCray	US Dept of Housing & Urban Development
Richard Nitti	Neighborhood House
Dan Pierce	Senior Housing & Retirement Enterprises
Micky Ryan	Attorney at Law
Terri Silvis	Catholic Charities
Martin Soloway	Central City Concern
Tiffany Tucker	Insights Teen Parent Program
Deborah Turner	Portland Community Reinvestment Initiative, Inc.
Renata Wilson	Portland Impact

PUBLIC COMMENTS (from community stakeholders, jurisdictional partners, residents and HAP's 504 Board)

### Topic: Subsidy change to preserve public housing units

Comment: Two commenters expressed concern that new applicants wouldn't have the same rights & protection as residents currently do in public housing.

Response: New tenants will have their rent computed under the Section 8 method. Research indicates that very few tenants would have an increase in rent under this calculation method. Other than the change in rent calculation, new applicants would have the same rights as tenants had under public housing.

Comment: Two commenters asked for clarification about funding vouchers and how vouchers would be funded in the future.

Response: The process involves two steps: dissolving public housing and then applying for additional vouchers. Under MTW, we can project-base those vouchers to ensure affordability. Once the vouchers become part of our base, they become a part of funding through tenant-based vouchers. We're not intending to do this in such a way that we would deplete our tenant-based



vouchers or usurp the goals and purpose of the Section 8 program and the partnerships we have there. This would essentially be a public housing project-based voucher program.

Comment: One commenter expressed concern about the risk of relying entirely on Section 8 subsidy.

Response: There is always a risk, but looking back over the last 15 years, the public housing program has been in decline. Our intent is to financially stabilize the portfolio. If at some point, if it is prudent to stop this track, we will.

Comment: One commenter expressed concern that project-based tenants are not able to participate in Resident Advisory Boards.

Response: We are in the process of working with tenants to form a Residential Advisory Council that will include representation from across all of our housing types, to include Project-based Section 8.

Comment: One commenter asked if there would be an opportunity for participants to request a tenant-based voucher after the subsidy change occurs.

Response: With MTW authority, we have decided not to provide participants an opportunity to request tenant-based vouchers. If participants would like to do so, they would need to wait until the tenant-based voucher list is open.

Comment: One commenter asked how this change would affect occupancy policies.

Response: How we determine occupancy levels before the subsidy change will remain the same afterwards.

Comment: One commenter expressed concern that by changing subsidy, HAP will be losing out on other opportunities to expand.

Response: We feel that this is a very important time for the country in terms of what public housing will become and how it will continue to help our most frail participants. In the past, a public housing asset hasn't been treated as an asset and making this change will help us to do that. We believe many housing authorities will make similar changes, and we'd like to be at the head of the queue.

Comment: One commenter asked if HAP would be putting the same amount of PUPM aside for capital expenses out of the PBA subsidy to pay for capital, and if large deferred capital expenses would necessitate borrowing against the properties in the future.

Response: Part of the subsidy change is the opportunity to develop both property-based operating and capital reserves. With the change in operating subsidy, it would be our intention to establish and annually fund both property-based operating and capital reserves. We plan on identifying which buildings should or could carry debt, what kind of debt, and what deferred maintenance could be afforded by each of these properties.

Comment: One commenter asked if HAP still plans to replace the banked vouchers in mixed income projects and wondered if HAP had considered working with local CDCs to get banked subsidies in service.

Response: It is indeed one of goals under the Preservation Initiative to bring back the units that are currently in our "bank". We have a couple of projects where a mix of Project-based Section 8 and public housing subsidy is being planned.

To date, we have not discussed making public housing subsidy available in properties where HAP is neither the general partner nor the owner. Because of compliance issues, we need to be certain of a strong position in the day-to-day operations to ensure we meet all requirements that are unique to public housing. However, we are exploring additional flexibilities with our MTW authority that could allow for broader use of our public housing subsidy.

### **Topic: Opportunity Housing Initiative at New Columbia**

Comment: One commenter asked for clarification on how the program would acquire participants.

Response: We will engage in outreach to our existing residents to encourage participation on a voluntary basis. We've seen a lot of interest in the program at Humboldt Gardens, and believe there will be interest in the New Columbia program as well. It's also possible that new tenants will be incoming during the recruitment phase and could participate in the program.

Comment: One commenter expressed concern that lease amendments and time limits would be more stringent than at Humboldt Gardens.

Response: The lease amendments for the New Columbia OHI program will be similar to those of Humboldt Gardens. We are still exploring time limits, but the focus is on the opportunities provided for the families to get out of poverty. Like our current lease amendments, the time limits at New Columbia will not allow us to terminate participation in public housing after 5 years.

Comment: Two commenters asked how firm we will be about term limits in the OHI programs and the pilot with SE Works, especially considering outside factors like the economy.

Response: In the OHI program, people are asked to leave behind their housing subsidy voluntarily in order to graduate from the program; they are not terminated from their assistance. In the program with SE Works, it is designed to be an 18-month program and the agency is very successful with job placement. However, we expect that they will work with participants who are doing their best in extenuating circumstances.

**Topic: Program-based rent assistance project with local non-profits**

Comment: One commenter asked for clarification on the initial and future funding for the program.

Response: Initial funding comes from additional money in rent assistance that we have not spent. The funding is one-time money that we would intend to continue, depending on the success of this 3-5 year pilot program. If the program is successful, we would consider using a portion of our Section 8 pool to fund the program.

Comment: One commenter asked whether participants would have to be converted to different vouchers if the pilot program ended.

Response: We are still negotiating those aspects with the partnering non-profits. NWPP has asked that participants in their program not lose housing assistance, and it is not our intention to put people at risk of homelessness if the pilot program ends. SE Works has a level of comfort that they will have people transition out of the need for the program.

Comment: One commenter asked if participants in these programs would have the same admissions and termination rights as participants in other rent assistance programs.

Response: Participants will always have the right to a hearing. Admission requirements will be reduced depending on what supports service providers can offer. We are still in the development phase of these programs and some aspects, such as who will conduct hearings, have not been finalized.

Comment: Two commenters asked how we chose providers for the program-based rent assistance activity.

Response: We chose two well-regarded providers that each serve distinct populations and address specific barriers to housing.

Comment: One commenter asked about our commitment to these two partners and what the process would be if we make this a bigger program.

Response: We are testing this concept with a small amount of rent assistance. We will assess the providers' ability to deliver the agreed-upon outcomes when considering whether to continue the partnership(s). If we expand program-

based rent assistance beyond a very small resource allocation, we will develop an RFP process.

**Topic: Measures to improve successful lease-up**

Comment: One commenter asked what the consequences would be for a participant if their landlord used the mitigation fund.

Response: This process has not been finalized, but if damage was extensive, the participant may be asked to pay back HAP the funds that were paid to the landlord.

Comment: One commenter asked if there would be a process for the tenant to dispute the damages.

Response: There will be a process for tenants to dispute damages.

Comment: One commenter asked how terminating for identity theft will help to increase landlord acceptance of vouchers.

Response: We meet regularly with a Landlord Advisory Committee that shares their concerns about renting to voucher holders. We have attempted to be responsive to what we have heard from them in designing these policies.

Micky Ryan

2817 NE 20th Ave.  
Portland , OR 97212  
503 2848673  
[mryanolc@yahoo.com](mailto:mryanolc@yahoo.com)

January 20, 2009

Housing Authority of Portland Board of Commissioners  
135 SW Ash  
Portland, Oregon

RE: Moving to Work Year 11 Annual Plan

Dear Commissioners,

I submit these comments on HAP's MTW Year 11 Annual Plan on behalf of Oregon Law Center. My comments will be brief today and they may be supplemented before the February deadline for comments.

1. Converting public housing to project –based housing.

The natural first concern with this idea is that creating debt can put public housing at risk. Debt free public housing has meant that public housing has not been at risk when much of our other subsidized housing has been. But most people don't see debt in the same way as they did when public housing was created. And it is important that this housing be a permanent resource for the community and if debt is created, it should be at low or no risk.

Another concern is that HAP will miss out on federal funding opportunities if HAP keeps little or no public housing. I believe that there is talk of capital funds for public housing in the current stimulus package. We can't predict the future and over time, the federal government has favored different kinds of housing at different times. Whether HOPE VI continues or other programs directed to public housing are launched by the federal government, a change such as HAP is considering means that HAP may miss out on funding opportunities if it has no public housing.

The third concern is for new public housing tenants. I believe that it is HAP's position that current tenants will not pay more than 30% of their income for rent and utilities, but that future tenants may pay more. Higher rents make harder for the lowest income tenants to avoid losing their subsidy and puts them at risk of becoming homeless.

## 2. Use of the Section 8 surplus for new program based vouchers.

The programs that have been selected for program basing Section 8 money are excellent programs. The question is whether this is the best use for \$600,000 when Section 8 voucher acceptance rate is still so low.

Advocates have suggested a number of ideas for increasing voucher acceptance rates. Those include the hiring of housing specialists to work with individual families in order that they might overcome barriers to the use of Section 8. A fund for loans of deposits and other moving costs has also been suggested. Finding ways for HAP to pay a bigger subsidy might also help voucher acceptance rates. Until those and other suggestions have been ruled out, it seems premature to spend the one time surplus of \$600,000 on new vouchers, when it might be needed to increase voucher acceptance rates.

Could that money be spent on other HAP funding needs? For public housing capital needs? Does MTW allow it, or could HAP ask HUD to allow that? Or can it be used to bring back the unused public housing subsidies? Both of these are clear HAP funding priorities that rank above creating new subsidies.

The programs are worthy ones but there is another problem in that this money is one-time money. It appears that the program based vouchers created for SE Works will be time limited but it is unlikely that the Northwest Pilot project vouchers would be time limited. How will those vouchers be funded when the \$600,000 runs out?

The program based vouchers raise concerns about fair access to public subsidy. It is not clear how people will know about the availability of this resource, how participants will be chosen, and what HAP's role will be in protecting applicants and participants if they are denied a subsidy or threatened with eviction.

If HAP wants to program base vouchers, perhaps that can be done by reprogramming some of the project based vouchers that are now under utilized in the buildings where they are based. It is encouraging that HAP is having an outside evaluation of the ongoing problem of under utilization of these building based subsidies.

Sincerely,

Micky Ryan



# LEGAL AID SERVICES OF OREGON

MULTNOMAH COUNTY OFFICE

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HANNAH CALLAGHAN  
[Hannah.Callaghan@lasoregon.org](mailto:Hannah.Callaghan@lasoregon.org)

February 3, 2009

Michael Buonocore  
Housing Authority of Portland  
135 SW Ash Street  
Portland, OR 97204

RE: MTW Plan Comments

Dear Mr. Buonocore:

Thank you first for inviting our comments. We appreciate being part of HAP's Community Partners.

We join Micky Ryan's comments in her January 20<sup>th</sup> letter to the Board on our natural concerns about converting public housing to project-based housing. It is our understanding, however, that you will continue the due process rights for public housing tenants such as the grievance procedure. We request that you apply your entire Statement of Policy for Public Housing to these 2000 units.

In addition, in order to make it very clear, we request that you put this commitment in writing, so in the future, as staff changes, there can be no misunderstanding of this commitment. (This same issue caused multiple problems at New Columbia.) We appreciate that HAP will continue to manage these converted units, which should enable a smoother transition for low rent housing to project-based assistance.

HAP has a reputation in the community as well as with our organization of being open to listening to tenants' concerns. We are certain that you have heard the issues about the Residents Advisory Council. In order for this to be an effective body, the tenants have to believe that this group can be a direct link to communicating with the powers that be at HAP. Our concern is that if all the members are selected by HAP, and they have no voting power, the appearance is that it may well be just an organization that rubber-stamps everything HAP does. Is there some way that HAP could nominate the members and let the tenants vote on them?

We look forward to continue to work with you in the future. Please distribute our comments to the full Board.

Sincerely,



Hannah Callaghan  
Attorney at Law



Christina Dirks  
Attorney at Law

cc: Steve Rudman  
Jill Riddle  
Katie Such  
Diane Quast





**HOUSING AUTHORITY OF PORTLAND  
BOARD OF COMMISSIONERS MEETING MINUTES**

**January 20, 2009**

**Housing Authority of Portland  
135 SW Ash Street, Portland, OR 97204**

**COMMISSIONERS PRESENT**

Chair Jeff Bachrach, Vice Chair Lee Moore, Treasurer Harriet Cormack, Commissioners Gretchen Kafoury, Shelli Romero, Jim Smith, Gavin Thayer, and David Widmark

**STAFF PRESENT**

Steve Rudman, Mike Andrews, Martha Armstrong, Peter Beyer, Michael Buonocore, Brenda Carpenter, Robert Dell, Betty Dominguez, Rachael Duke, Caroline Fitchett, Rebecca Gabriel, Jeff Klatke, John Manson, Shelley Marchesi, Dianne Quast, Jill Riddle, Julie Satterwhite, Veronica Sherman-King, Celia Strauss, Katie Such, Jerry Walker, Cinna'mon Williams

**LEGAL COUNSEL**

Steve Abel

**PUBLIC COMMENTORS**

Micky Ryan

Chair Bachrach called the meeting to order at 6:15 PM, noting the historic occasion of the inauguration of President Barack Obama that morning. During the initial items on the agenda, Bachrach introduced the newest member of HAP's Board of Commissioners, David Widmark.

**RESOLUTION 09-01-01**

**Recognition of departing Human Resources and Administration Director Brenda Carpenter**

Chair Bachrach called departing Human Resources and Administration Director Brenda Carpenter before the Board and read Resolution 09-01-01, recognizing her years of service. Carpenter expressed her gratitude for the recognition, Steve Rudman's direction, her career as a public servant, and the excellence of HAP's leadership team. Chair Bachrach presents Carpenter with a framed copy of the resolution. Commissioner Kafoury moved to adopt the resolution; Commissioner Thayer seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye  
Vice Chair Moore – Aye  
Treasurer Cormack – Aye  
Commissioner Kafoury – Aye  
Commissioner Romero – Aye  
Commissioner Smith – Aye  
Commissioner Thayer – Aye  
Commissioner Widmark – Aye**

**MEETING MINUTES**

Chair Bachrach called for a motion to adopt the minutes of the regular November 18, 2008, Board of Commissioners meeting. Commissioner Romero moved to adopt, and Commissioner Kafoury seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Abstained**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Abstained**

Chair Bachrach called for a motion to adopt the minutes of the December 16, 2008, Board of Commissioners meeting-via-conference-call. Commissioner Romero moved to adopt, and Commissioner Kafoury seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Abstained**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Abstained**  
**Commissioner Widmark – Abstained**

**RESOLUTION 09-01-02**

**Banking Transaction Signature Authority**

Chair Bachrach called for a motion to adopt the resolution on the Consent Calendar. Commissioner Romero moved; Treasurer Cormack seconded.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

**REPORT – Executive Director’s Report**

Executive Director Steve Rudman was hopeful that affordable housing would have a higher profile with the new federal executive administration. Rudman greeted Commissioner Widmark and praised his work to represent Gresham. Rudman expressed his gratitude for the time Brenda Carpenter spent at HAP, noting that the organization is healthier and labor-management relations are much better. He introduced Rebecca Gabriel who will be the new Human Resources and Administration Director.

Executive Director Rudman noted that the Board would be presented with information on the Year Eleven Moving-To-Work (MTW) Plan as part of the public hearing for the plan. He noted that HAP is close to signing an MTW agreement to carry through the next ten years, and he hoped the agency would never need to operate without an MTW agreement unless nationwide change makes it desirable. Rudman highlighted how the public housing preservation initiative and administrative efficiencies achieved in the Rent Assistance Department were tied to the three MTW goals (self-sufficiency, housing choice, and cost effectiveness).

Regarding the subsidy change, Rudman noted that the item on the night's agenda was simply asking for approval to further study the option and prepare for a possible application this summer, which would require further approval by the Board. HAP's goal would be for the change to have no impact on residents. Rudman also noted that the Board would be presented with information on program-based vouchers with SE Works and Northwest Pilot Project.

Executive Director Rudman pointed to HAP's involvement with the Martha Washington redevelopment as an example of other agencies asking HAP to step in and get the job done. The Board would also see CM/GC reports for the Grove and Humboldt Gardens projects. Rudman said Humboldt Gardens hit every cylinder, especially for its target business goals; the co-general contractor arrangement organization, advocated by Lee Moore, helped make it possible. Rudman expressed appreciation for the work of John Manson, Jerry Walker and Mike Andrews on the projects.

Rudman pointed out that the creation of the Resident Advisory Committee would help the Board get input from residents. He also noted that the Board retreat would take place on February 6 and 7, and its topics would include approaches to better Board procedures. Chair Bachrach noted that Commissioner Teske was re-appointed to the Board when Commissioner Widmark was appointed.

Lastly, Rudman noted that, last week, the Executive Committee authorized him to sign the Disposition and Development and Intergovernmental Agreements regarding the Resource Access Center Development. The agreements would be presented to the City Council and Portland Development Commission on January 28 for their approval, which should move us toward building the project.

#### **REPORT AND PUBLIC HEARING – Year-Eleven Moving-to-Work Plan**

Deputy Executive Director Katie Such and Planning and Policy Manager Michael Buonocore presented the Year-Eleven MTW Plan (Plan). HAP was ready to sign a new ten-year agreement with HUD to maintain its MTW status. Buonocore noted that the Plan looks different than previous ones because it was designed using guidance from the new agreement. That agreement requires presentation of only those programs for which MTW authority is needed. It also requires success of each program be measured by progress toward three MTW goals (self-sufficiency, housing choice, and cost effectiveness). As part of the public process required for the Plan, it has been posted on the HAP website, and HAP has performed both broad and targeted outreach to make the Plan available to residents and community stakeholders.

Treasurer Cormack asked what was different between the Plan distributed at the meeting and the draft distributed at the Board's work session. Such explained that the reprogramming of Ash Creek was removed per a decision to maintain it with its Section 8 subsidy rather than switch it to public-housing subsidy (because simply switching a subsidy would not produce the ideal one-for-one replacement of lost public housing). Treasurer Cormack noted that the larger units available at Ash Creek were appealing. Real Estate Operations Director Dianne Quast noted that the decision could be revisited in four to five years, and reprogramming might proceed if fewer residents are using Section 8 vouchers.

Commissioner Kafoury asked whether the materials included financial information that was not available during the Board's work session. Buonocore stated that financial information had been included, but HAP's budget was still being finalized, so the information could change. Manager of Planning, Analysis and Finance Julie Satterwhite noted that the information was estimated from current-year actuals and that she would have better numbers by the end of the month.

Micky Ryan of the Oregon Law Center delivered public testimony. Ryan distributed copies of a letter to the HAP Board of Commissioners. She highlighted her concerns over the potential that HAP would change the subsidy of traditional public housing projects to project-based Section 8. Ryan was concerned that the change would introduce debt to the projects, and risk would flow

from that where none had been before. She asked that HAP be prudent in introducing any debt. Ryan was also concerned that HAP would lose opportunities that are limited to public housing, such as HOPE VI and potential funds from economic stimulus legislation. She was also concerned that new subsidy would no longer limit rent and utilities to 30% of a tenant's income, which could increase the risk of some tenants becoming homeless.

Ryan also registered her doubts about the benefits of using Section 8 surplus funds for program-based vouchers. She was concerned that the money could be better used to address capital needs, or it could be directed to increase voucher acceptance rates. Beyond that, assigning vouchers to programs made Ryan question whether the entire public had fair access to the funds.

Chair Bachrach commented that the subsidy change was not certain yet and so many other housing authorities determined it was the best choice that he doubted HAP would be mistaken to consider it. Further, the change would occur over time, and some properties would not have a subsidy change at all (such as high-rises and Hillsdale Terrace). Also, when the agency chose to try program-based vouchers the Board had raised some of the same questions that Ryan did.

Bobby Weinstock of Northwest Pilot Project delivered public testimony. Weinstock noted that the chief difficulty in ending homelessness for people over 55 was that individuals often had no income at all—many of whom were waiting for Social Security procedures to be completed. Weinstock noted that HAP staff (naming Jill Riddle and Katie Such) have made the Section 8 program work for people in such situations, and commended that. Weinstock identified the second group of hard-to-help seniors were those with blemished records (bad credit, criminal history, bad rental record). He commended all that has been and will be done at project-based Section 8 properties to lessen the rigidity of screening criteria. Weinstock felt it was good that the MTW Plan acknowledged that some individuals needed reduced screening criteria. Weinstock also thanked HAP for what it was doing to develop the Martha Washington, as opposed to leaving it vacant.

Commissioner Thayer asked Weinstock if, in Weinstock's experience, admissions standards were more relaxed for project-based Section 8 properties. Weinstock said the Plan's indication that there will be greater flexibility in the future was what he wanted to commend. Jill Riddle noted that the Administrative Plan let service providers that HAP partners with at particular properties relax some screening criteria, and that is now reflected in the MTW Plan.

Buonocore noted that discussion on the subsidy change was the next item on the agenda, and it could be removed from the MWT Plan should the discussion result in that course of action. Commissioner Thayer asked if the Plan would contain details on lowered admission standards. Buonocore said that the relevant admission requests were being evaluated by those service providers that specialized in the population for which standards would need to be relaxed and with whom HAP had a working relationship. Treasurer Cormack noted a revision of Item C on page 16 would help her understanding of the Plan's message. Buonocore stated that he would review the text. Public Affairs Director Shelley Marchesi noted that the Board would not vote on the Plan until next month. Chair Bachrach asked whether the landlord guarantee fund had been created. Such said that it had and information about it would be included in a February staff report. Chair Bachrach confirmed that Board members could send Such and Buonocore questions about the Plan any time during the month before the vote.

### **RESOLUTION 09-01-03**

#### **Adoption of Policies Related to Public Housing Preservation and Preferred Subsidy Alternatives**

Mike Andrews and Dianne Quast presented information on the study of a subsidy change at traditional public housing properties. Andrews pointed out that the change would build on the efforts of HAP's Public Housing Preservation Initiative. The purpose of both was to create a sustainable portfolio of properties that HAP owns or controls. The resolution would be the Board's direction to continue studying and planning a subsidy change up to preparation of a

submission to HUD requesting that HAP be allowed to do so. Actual submission of such a request would need Board approval, and could be scheduled as early as July. The resolution also specified the policies that would guide the investigation into a subsidy change.

Quast noted that HAP's number of units would not decrease. The subsidy change would create an additional \$3.4 million with which to operate those units. The additional funds would be directed to capital needs and resident services. Further, HAP could hold current residents harmless from any altered rights or obligations resulting from the subsidy change. Noting that Micky Ryan had been concerned over putting all of HAP's eggs in one basket, Quast pointed out that the properties to undergo the change would not be identified until July, at which time it would be easier to discern any shift in federal support for public housing. Also, HAP should expect the entire process to take two years or more, so it would be prudent to keep the momentum going.

Commissioner Thayer noted that the amount of information provided for the Board's decision could be overwhelming. He asked whether rent reviews, application processes, and utility payments would remain the same under the changed subsidy. Quast indicated that they would, though discussions regarding the utility allowance may affect residents as a separate matter.

Chair Bachrach registered that it is good for Commissioners to note concerns early, but specific details on the subsidy change would not be available at this phase of the process.

Vice Chair Moore noted that Commissioners could meet one-on-one with staff to ask questions. He asked whether a tenant who moves from one HAP property to another would still be held harmless to any changes. Quast responded that properties would be more stand-alone than with the public housing system, but HAP would still be free to manage them as the Board likes. Moore asked what, if anything, would make a resident a "new tenant." Quast replied that the tenant would have to move out of HAP Property, but noted that factors such as utility allowances might change if a resident moved from one HAP property to another.

Treasurer Cormack noted that it was very important to maintain a stable inventory and that she appreciated the commitment to own or control the property with an ability to reinvest in them. She stated that the information given the Board made her more comfortable with continuing the analysis.

Commissioner Romero proposed adding to the resolution a clause that limited it to the summer of 2009. Chair Bachrach pointed out that the resolution at hand was primarily a policy marker and stated that there would be Board approval before the next step. Deputy Executive Director Such noted that the resolution also supports inclusion of the subsidy change in the MTW Plan. The next approval sought from the Board would likely group properties for proceeding with an application to HUD; the Board would have even more input before specific operational details for the properties would be settled. Commissioner Romero accepted this in lieu of the proposed new clause. Vice Chair Moore indicated that he would appreciate a detailed presentation to the Board in advance of approving an application and even if the application is ultimately not pursued. Such noted that the resolution at hand would allow HAP to invest staff time and engage consultants, which would result in more information. Chair Bachrach noted that he had spoken with a HUD official that verified this as a good use of staff time. Commissioner Kafoury added that national public housing advocates also indicate that changing to a Section 8 subsidy would be wise. Such noted that this could be expected given the broad political support for Section 8.

Commissioner Smith moved to adopt the resolution. Commissioner Thayer seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**

**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

#### **RESOLUTION 09-01-04**

##### **Authorization to Revise HAP's Public Contracting Rules**

Purchasing Manager Jerry Walker and Development Director Mike Andrews presented the resolution to the Board. Walker stated that the resolution would change HAP's definition of "emergency" to mirror that of the State of Oregon. Further, Walker noted that HAP had followed procedure for changing procurement rules, including a public meeting at which no member of the public appeared. Vice Chair Moore pointed out to the Commissioners that his own experience with contracting and discussions he had with HAP procurement staff led to his approval of the resolution. Commissioner Romero concurred and moved to adopt the resolution. Vice Chair Moore seconded the motion. Chair Bachrach added that advice from contracted legal counsel also indicated that the Board should approve the resolution.

##### **The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

#### **REPORT – Emergency Declaration to Engage in Developer Services for the Martha Washington**

Development Director Andrews presented the report to the Board. Andrews summarized the Martha Washington project. The property is owned by Multnomah County, who made it available for redevelopment and selected Cascadia and the development team through a competitive process. Cascadia's financial troubles caused the County and investor to stop the development as it was ready to solicit for bids. HAP was asked to take the place of Cascadia. After Board approval to step in, HAP staff sought to make use of the development team that had already begun work. State procurement rules had a definition of "emergency" that would fit the situation. After consultation with contracted legal counsel, staff presented Resolution 09-01-04 to appropriately change HAP's procurement rules to mirror the State definition of "emergency." Additional Board approval would be sought for associated declaration of emergency and execution of appropriate contracts.

Vice Chair Moore noted that he had discussed the situation with HAP staff and that the situation fits the new definition of "emergency," as it could not have been foreseen, time is of the essence, and it would keep good faith among the parties that have been involved to date. Commissioner Thayer asked when the Board would discuss the design of the project. Andrews replied that staff could respond to questions during the presentation of the next resolution (09-01-05). Steve Abel noted that the planned course of action seemed legally appropriate. Commissioner Romero commented that her knowledge of the property leads her to think that its redevelopment would be good and would help people who are mentally ill and need services.

#### **RESOLUTION 09-01-05**

##### **Authorization to Submit Financing Application for the Martha Washington**

Director Andrews and Assistant Director of Development Betty Dominguez presented the resolution to the Board. Andrews pointed out that HAP must re-submit applications for financing that Cascadia had previously arranged for the Martha Washington redevelopment. Andrews also noted that current plans called for 108 units, instead of 80. He also added that the resolution



authorized signing of applications, not financing documents, so further Board approval would be requested. Vice Chair Moore asked that the Board be given details on the programming for which the Martha Washington will be redeveloped, when that information is available.

Dominguez noted that HAP's ability to step in to the project and help mentally ill potential residents is appreciated. HAP staff met with the current development team, stakeholders, and funders in evaluating whether HAP should step in to the project. With the revised plan to include 108 units, it would be feasible (common-use space had also been reconfigured). The construction contractor has agreed that the new design can be built with the project's original financing. Dominguez stated that the next step was to ensure the original financing was still available. Investigation found that bonds are still available. Tax credits would yield less investment than originally expected, but HAP can find additional sources of funds. HAP must receive approval of applications by May 31, 2009 to maintain the funds promised by Oregon Housing and Community Services. Dominguez pointed out that no definite program changes or financial commitments would be entered into without further approval from the Board.

Commissioner Thayer asked if units would comply with the Americans with Disabilities Act. Dominguez responded that ADA-compliant units would be required by the public-housing subsidy that is included in the project.

Treasurer Cormack asked about a letter from Joanne Fuller that called for a fully executed development agreement by February 2009. Steve Rudman responded that the deadline was not reasonable, so discussions are still underway. Dominguez affirmed that all partners were aware of the deadline for state funding and should be ready to move forward.

Commissioner Romero moved to adopt the resolution. Treasurer Cormack seconded the motion. Chair Bachrach asked why the estimated yield from tax credits was higher than for the Resource Access Center Development (RAC). Andrews noted that the Martha Washington project includes first-year historic tax credits that combine with its low-income housing tax credits to provide the investor with the same return as the lower estimate for the RAC's low-income housing tax credits would.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

**REPORT – CM/GC Close Out for The Grove Hotel and Humboldt Gardens**

Development Director Mike Andrews and Construction Manager John Manson presented the reports to the Board. Andrews noted that HAP elects to use a Construction Manager/General Contractor (CM/GC), rather than a low-bid form of procurement, when it will further our goals and not hinder competition. Doing so obligates HAP to produce the following reports.

Manson delivered a summary of the report on the Grove Hotel project. HAP had been requested to take on the project by the City of Portland (City). At the time, half of the units in the building had been red-tagged by the City. HAP was to correct code violations and extend the life of the building by five years. Challenges included on-site residents, the physical constraints of the building and site, and the need to limit work to what would extend the life of the building for only five years. HAP started with an \$800,000 budget and spent \$840,000—the difference partly due to a change in what service provider and population would occupy the building. The CM/GC arrangement allowed HAP to limit costs to what would constitute a five-year life extension. It also

resulted in higher target-business participation than expected (28% vs. 20%). Selection of the CM/GC was competitive, as were the selections at the contractor level.

Vice Chair Moore appreciated that the project was within 5% of its budget. Commissioner Romero added that being so close to budget and on time despite program changes was commendable.

Manson summarized the report on the Humboldt Gardens project. HAP was on time, on budget, and mission for the project. An independent cost estimator provided estimates that were within 1% of those provided by the CM/GC during the entire project. Change orders totaled \$900,000, which was less than what the changes would have cost the low-bid procurement process. Most changes were for additions ordered by the owner or for unforeseen code requirement. Having the CM/GC as part of the development team allowed the inclusion of a public-private storm water system. Cost savings were \$570,000. The development team also benefited from having just finished the New Columbia project before proceeding to the smaller Humboldt Gardens project. The project saw good economic participation and good management.

Vice Chair Moore recalled that Board members who had been reluctant to embrace the CM/GC arrangement when HAP began using it were concerned that it would add to costs. These results showed that staff could keep costs under control while working with the CM/GC arrangement. He also noted that feedback from the community had been positive. Commissioner Romero thanked Vice Chair Moore for his work and leadership on the project.

Andrews requested the Board accept both reports by motion. Vice Chair Moore moved to accept the reports. Commissioner Smith seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

**RESOLUTION 09-01-06**

**Authorization to Create a Resident Advisory Committee**

Resident Services Director Veronica Sherman-King and Resident Relations Liaison Caroline Fitchett present the resolution to the Board. Sherman-King noted that Fitchett had conducted extensive research on the feasibility of a Resident Advisory Committee (Committee). HAP often has meetings with residents and will include residents on bodies for particular projects. Creating a Committee is the next step. It would formalize a resident-based body that can provide input on policy and other agency-wide matters. Sherman-King thanked Commissioner Thayer for working with Fitchett during her research.

Fitchett thanked Commissioner Thayer and other staff that helped her develop this plan. She noted the goals of the Committee: incorporation into annual planning processes, strengthen relationships between HAP and residents, and provide avenue for resident input into major policy decisions. Members would be appointed so as to represent HAP clients (appropriate ratios from Section 8, public housing, etc.) and would serve staggered two-year terms. The committee would have ten to twenty members and would be co-chaired by a resident and the resident Board Commissioner. Meetings would be open to the public and publicized through HAP communication avenues so that residents could attend. Fitchett would be the Committee staff member. Committee members would report to the Board quarterly.



Sherman-King noted a change from the materials provided the Board. The existing public housing Resident Advisory Board and 504-D Board would not nominate Committee members, but would be provided with applications for Committee appointment. She added that Committee operations may change as HAP gains experience with the body.

Commissioner Widmark asked how information delivered to the Committee will get to other residents. Fitchett replied that any resident could view notes from HAP's website or register to have those notes mailed to them. A newsletter may be considered in the future. Sherman-King added that Committee notes will also keep residents up-to-date on items considered by HAP's Board of Commissioners since Fitchett will be reporting those to the Committee. Commissioner Widmark asked how many residents have internet access. Sherman-King responded that HAP is seeking to provide more access, and for those who do not, Resident Services will promote receiving notes by mail and will work with property managers to post notices and include information in newsletters.

Vice Chair Moore suggested formalizing a way for the Board to send information to the Committee. He added that many residents may overlook lengthy written text, so follow-up may be required to ensure communication. Deputy Executive Director Such noted that the Committee would be focused on policy, as opposed to property issues, communication need not include information unrelated to policy. Sherman-King added that one Committee meeting per year would let attendees present individual issues to the Committee.

Micky Ryan was invited by Chair Bachrach to comment on the plan. She applauded the effort and suggested coordinating transportation and childcare. Ryan also suggested providing an orientation or training for Committee members, and pointed out that service on the Committee would help with job skills. She asked HAP to consider having Committee members elected and letting the Committee control its operations. Ryan felt that two-year terms were too short if the Committee meets only quarterly. Fitchett explained that meetings would be at least quarterly, but could be held up to ten times a year. Such added that training was included in the committee's budget; she expects refinements to Committee operations as it proceeds.

Commissioner Smith moved to adopt the resolution. Commissioner Romero seconded the motion. Commissioner Thayer registered his hope that residents would appreciate the opportunity the Committee offered and that recruitment would be face to face—rather than anonymous postings.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

**RESOLUTION 09-01-07**

**Authorization to Program Fungible Section 8 Resources**

Deputy Executive Director Katie Such presented the resolution to the Board. The funds were available because the actual cost of the Section 8 voucher was less than what HUD approved. The Board had asked for specific information on use of the funds. Such noted that the intent was to use them for program-based vouchers. This would be a pilot program. Additional Board approval would be sought to extend the programs if they are successful. Such reminded the Board that the program-based vouchers serve high-barrier participants who would not be successful going through waiting lists. The best program is provided through Central City Concern, which is included in a revised resolution that was not part the original Board packet.

Commissioner Kafoury moved to adopt the resolution. Treasurer Cormack seconded the motion.

**The vote was as follows:**

**Chair Bachrach – Aye**  
**Vice Chair Moore – Aye**  
**Treasurer Cormack – Aye**  
**Commissioner Kafoury – Aye**  
**Commissioner Romero – Aye**  
**Commissioner Smith – Aye**  
**Commissioner Thayer – Aye**  
**Commissioner Widmark – Aye**

**ADJOURN**

Steve Rudman distributed a new list of Commissioner information. Commissioner Romero noted her term (the remainder of Katie Such's term) will expire soon and hoped to be reappointed. Rudman noted that his sabbatical would last from March 6 to May 2. There being no further business, Chair Bachrach adjourned the meeting at 8:20pm.

**EXECUTIVE SESSION**

The Board of Commissioners of the Housing Authority of Portland did not meet in Executive Session pursuant to ORS 192.660(2)(c).

**Attached to the Official Minutes of the Housing Authority of Portland 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. A taped recording of the proceedings is also kept on file.**

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

**ADOPTED: February 17, 2009**

**HOUSING AUTHORITY OF PORTLAND**

\_\_\_\_\_  
Jeff Bachrach, Chair

**ATTEST:**

\_\_\_\_\_  
Steven D. Rudman, Secretary

## Housing Authority of Portland (HAP) FY2010 MTW Plan Amendment

April 8, 2009

This document amends HAP's previously adopted FY2010 MTW Plan in the section titled "Planned Capital Expenditures." Specifically, this amendment replaces the table (located on page five the adopted plan) that previously included only improvement projects with construction start dates planned to begin before the end of FY2010 (March 31, 2010). Roughly \$3.4 million in capital expenditure had been identified out of an estimated \$50 million in total deferred maintenance needs.

**Five year forecast** - A more comprehensive look is gained from HAP's five year forecast of capital improvement projects. This forecast totals approximately \$30 million. As initially planned, these properties were to be the beneficiary of yearly HUD capital fund allocations, proceeds from the sales of HAP's scattered sites, and/or mixed finance opportunities over the next five years. This approach has been identified in HAP's previous annual MTW Plans and Reports as a key element in HAP's "Public Housing Preservation Initiative."

Improvements range from major renovations (building envelopes, roofing, floors, windows, plumbing and electrical) to weatherization and energy-efficient appliance improvements. The initial properties requiring \$30 million in improvements are grouped in four general categories:

- 1) Small to mid-sized family properties (the "Sweet 16" with 296 units) - The 16 public housing properties in this group, due to number of units, location, or similar work scopes, offer opportunities for bundling more than one site in a construction project, thereby maximizing efficiency and expediting schedule. It is assumed the work will be completed in 7 or 8 construction releases. Total costs are estimated at \$8.3 million.
- 2) Mid-sized family properties (the "Family 4" with 102 units) - This work is planned as two construction contracts. Three of these properties are the same unit design and the remaining site is of similar size. Total costs are estimated at \$3.1 million.
- 3) Larger properties housing seniors or disabled residents (the "Tower 5" with 468 units) - These properties were originally grouped as potential candidates for mixed financing. Until the tax credit markets improve, this financing option needs to wait. However, the work here could be prioritized quickly if new funding sources were to be available. Total costs are estimated at \$17.7 million.
- 4) Misc. on-going upgrades - These consist of typical repair needs such as paving, roofing, abatement, and surveys of hazardous materials. In addition, one of the high rise properties (Hollywood East) is a potential site for new energy-efficient window replacement with the help of Multnomah County funds. Total misc. upgrade costs are estimated at \$1.2 million.

**American Recovery and Reinvestment Act investments** - In order to seize the opportunity to utilize federal stimulus dollars (allocations under the American Recovery and Reinvestment Act - ARRA), this amendment outlines the projects

currently in the agency's five year forecast for capital improvements. HAP will receive a formula-based \$6.3 million in ARRA funding for "shovel ready" public housing capital expenditures. HAP also anticipates applying for additional funds in HUD's competitive award process (anticipated in late April 2009) for additional properties as well.

Along with creating shovel ready jobs for members of the local community, use of stimulus dollars will allow additional public housing properties more timely improvements than originally planned. Although ARRA will not fund new acquisitions, these additional stimulus funds provide HAP the ability to stretch existing resources (specifically, the proceeds from the sale of scattered site housing) for use at additional properties and/or provide the opportunity for the acquisition of new affordable housing units for very low income residents.

**\$6.3 million allocation of initial ARRA funds** - Depending upon the final published guidelines, reporting requirements, and potential funding limitations, HAP will allocate stimulus funds for work to be completed within ARRA's three year limitation at the most appropriate public housing site(s). Current plans are to work down the list of projects, allocate ARRA funds to the "Sweet 16" projects and utilize the funds within two years:

- 104 units will be completed by November 2009 (Bel Park, Camelia and Winchell Courts, Chateau, Cora Park, Tillicum North & South, Hunter's Run and Harold Lee Village).
- 192 units will be completed by November 2010 (Alderwood, Powellhurst Woods, Demar Downs, Fir Acres, Stark Manor, Townhouse Terrace and Eliot Square).

**Potential ARRA competitive funds allocation** - Although guidelines have yet to be published for the competitive round, HAP anticipates an emphasis on green building, weatherization and the ability to leverage additional funds. Given these criteria, three properties are currently under consideration:

- The Martha Washington - As stated on pages 6 & 24 of HAP's adopted FY 2010 MTW Plan, this mixed-finance historic preservation development will include both new public housing and Project-based Section 8.
- Gallagher Plaza - This is an existing 85-unit public housing tower building for seniors and/or disabled households. Currently included in HAP's five year forecast as one of the "Tower 5" projects, additional ARRA funds could help move this project up the priority list.
- Hollywood East - This is an existing 286-unit public housing tower building for seniors and/or disabled households. Currently included in HAP's five year forecast as one of the Misc. Update projects, additional ARRA funds could help move this project up the priority list.

HAP will consider one (or a combination) of these properties in preparation of a competitive application. If an opportunity were to present itself that makes one of HAP's other public housing properties more appropriate for the use of the stimulus funds, HAP's Board of Commissioners would review staff recommendations and vote upon the change at a regularly scheduled Commission meeting. Agendas for these meetings are posted on HAP's website one week prior to the meeting date.

Properties by Grouping	City	Units	Budget (rounded to nearest 100)	Activities
<b>Small to mid-sized family properties (Sweet16)</b>				
Camella Court	Portland	14	656,400	new plumbing and electrical systems, energy improvements, kitchen upgrades, flooring and paint, misc exterior improvements
Bel Park	Portland	10	506,400	new plumbing and electrical systems, energy improvements, kitchen upgrades, flooring and paint, misc exterior improvements
Winchell Court	Portland	10	312,600	new plumbing, flooring, upgrade electrical panels, abate popcorn ceiling, energy upgrades, misc exterior maintenance/improvements
Cora Park Apartments	Portland	10	513,300	new plumbing, new flooring, energy upgrades, upgrade kitchens and baths, convert one unit to accessible, misc site improvements
Chateau Apartments	Portland	10	374,600	new plumbing, kitchen improvements, water heater upgrades, ventilation and energy improvements, new heaters, misc site improvements
Tillicum North	Gresham	18	111,300	replace exterior window sills; repaint exteriors; energy upgrades; add rubber play surface; misc exterior improvements
Tillicum South	Gresham	12	79,800	replace exterior window sills; repaint exteriors; energy upgrades; add rubber play surface; misc exterior improvements
Hunter's Run	Portland	10	66,500	replace exterior window sills; repaint exteriors; energy upgrades; add rubber play surface; misc exterior improvements
Harold Lee Village	Portland	10	66,500	replace exterior window sills; repaint exteriors; energy upgrades; add rubber play surface; misc exterior improvements
Alderwood	Portland	20	905,600	plumbing and electrical upgrades; new exterior doors; new flooring, appliances; energy upgrades; misc site improvements
Powellhurst	Portland	34	976,500	new furnaces, exterior doors, flooring, kitchen and bath renovations, energy upgrades, paving and playground upgrades
Demar Downs	Portland	18	391,000	kitchen and bath renovations, new flooring, upgrade interior doors; energy upgrades; misc stewart repairs
Fir Acres	Gresham	30	382,200	plumbing and electrical upgrades; new flooring; energy upgrades; new playground equip and misc site improvements
Stark Manor	Gresham	30	448,300	kitchen and bath renovations; new flooring; energy upgrades; new exterior doors; new playground equip and misc site improvements
Townhouse Terrace	Portland	30	1,055,300	electrical and plumbing upgrades, kitchens and flooring, energy upgrades, new kitchens, entry doors, misc site improvements
Eliot Square	Portland	30	689,200	kitchen and bath renovations; new flooring, energy upgrades; new playground equip and misc site improvements
subtotal			7,535,500	
Sweet16 Contingency			719,400	
<b>Sweet16 Total</b>		<b>296</b>	<b>8,254,900</b>	
<b>Mid-sized family properties (Fam4)</b>				
Lexington Court	Portland	20	1,076,000	comprehensive remodel to include energy upgrades
Carlton Court	Portland	24	741,700	comprehensive remodel to include energy upgrades
Celilo Court	Portland	28	433,300	comprehensive remodel to include energy upgrades
Eastwood Court	Portland	30	875,900	comprehensive remodel to include energy upgrades
<b>Fam4 Total</b>		<b>102</b>	<b>3,126,900</b>	
<b>Larger properties housing seniors/disabled (Tower5)</b>				
Williams Plaza	Portland	101	2,728,400	comprehensive remodel to include energy upgrades
Gallagher Plaza	Portland	85	4,490,700	comprehensive remodel to include energy upgrades (including new envelope, siding, windows)
Medallion	Portland	90	2,007,900	comprehensive remodel to include energy upgrades
Sellwood Center	Portland	112	6,535,300	comprehensive remodel to include energy upgrades
Holgate House	Portland	80	1,909,700	comprehensive remodel to include energy upgrades
<b>Tower5 Total</b>		<b>468</b>	<b>17,666,000</b>	
<b>Misc. upgrades</b>				
Williams Plaza (needed prior to Tower5 timeline)	Portland	incl. Above	75,200	add scooter path, repair parking lot; masonry - repair and seal cracks
Hollywood East	Portland	286	722,000	booster pump replacement, plumbing maintenance and window replacement
Generator upgrades - misc. sites	Portland	misc.	125,000	generator maintenance, selective replacement
Medallion	Portland	incl. Above	40,000	testing and soft costs to support Mult Co window replacement
Gallagher Plaza (needed prior to Tower5 timeline)	Portland	incl. Above	15,000	roof repair
Holgate House (needed prior to Tower5 timeline)	Portland	incl. Above	85,000	masonry seal - entire building and roof repair
Misc. abatement	Portland	misc.	100,000	various properties
Misc. hazardous material surveys	Portland	misc.	80,000	various properties
<b>Misc. upgrade Total</b>		<b>286</b>	<b>1,242,200</b>	
<b>Total 5-year capital improvement plan</b>		<b>1152</b>	<b>30,290,000</b>	

PUBLIC NOTICE

# The Oregonian

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Affidavit of Publication

I, **M. HARRIS**, 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):

3/29/2009



*M. Harris*

Principal Clerk of the Publisher:

*3/30/9*

Subscribed and sworn to before me this date:

*Alan B. Collins*

Notary:

Ad Order Number: 0002757389

**PUBLIC REVIEW NOTICE**

The Housing Authority of Portland (HAP) is proposing an amendment to its FY2010 MTW Plan regarding planned capital expenditures for the fiscal year based on an award of funds from the American Recovery and Reinvestment Act. A public hearing to inform and seek input on the amendment will be held on Wednesday, April 8, 2009 @ 4:00 pm at HAP, 135 SW Ash Street, 8th Floor, Portland, OR. The proposed amendment is available for review online at [www.hapdx.org/mtw](http://www.hapdx.org/mtw) beginning March 29, 2009. HAP will be accepting written comments regarding the proposed amendment from March 29, 2009 □ April 7, 2009. Please submit written comments to the following address: Housing Authority of Portland, Attn: Michael Buonocore, 135 SW Ash Street, Portland, OR 97204. Comments can also be emailed to [michaelb@hapdx.org](mailto:michaelb@hapdx.org).

BOARD RESOLUTION

M E M O R A N D U M



DATE: **April 8, 2009**

TO: Board of Commissioners

FROM: **Michael Buonocore  
Michael Andrews  
Dianne Quast**

SUBJECT: **MTW Plan Amendment and HUD Capital Fund Form 50075.1  
outlining use of federal stimulus funds**

The purpose of this briefing is to:

- Update the agency's FY2010 MTW Plan with an amendment to the section describing planned capital expenditures.
- Provide an opportunity for public comment via a public hearing (advertised a minimum of ten days prior via public notice in the Sunday Oregonian, 3-29-09).
- Meet legal or statutory requirements of HUD for receipt of federal stimulus funds (specifically, submittal of HUD Capital Fund Form 50075.1).

The Board of Commissioners is specifically requested to:

- Approve Resolution 09-04-01

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**Background:**

The Housing Authority of Portland (HAP) will receive \$6.3 million in federal stimulus funds (allocations under the American Recovery and Reinvestment Act - ARRA) for capital improvements. The Board of Commissioners (BOC) approved Resolution 09-03-01 on March 17, 2009 to formally accept these funds. Intended to stimulate the economy and jobs with "shovel ready" projects, these funds



dovetail perfectly with HAP's efforts to implement the multi-year Public Housing Preservation Initiative (PHPI).

In order to comply with federal timelines to process funds, HAP must submit to the local field office of the US Department of Housing and Urban Development (HUD) the following materials no later than April 10, 2009: an amendment to our MTW Plan (proposed amendment attached), HUD's Capital Fund Form 50075.1, and a signed Board resolution approving the two documents.

ARRA requirements include a commitment to timely utilization of funds; i.e. HAP will be required to:

- 1) obligate 100% of the ARRA capital fund grant within one year;
- 2) expend at least 60% within two years; and
- 3) expend 100% within three years.

HAP's work on the PHPI has positioned the agency to respond quickly with shovel ready projects that meet these requirements.

In order to meet the goals of PHPI, HAP staff had been working on construction scopes of work and an initial five-year forecast that outlines improvements to over 1152 units for a cost of approximately \$30 million. Improvements range from major building renovations (building envelopes, roofing, floors, windows, plumbing and electrical) to weatherization and energy-efficient appliance improvements.

The first properties on the five year list are referred to as the "Sweet 16" and are listed in the MTW Plan amendment. Working down the list and incorporating opportunities for timing of strategic geographic groupings of properties, the beneficiaries of the initial \$6.3 million in stimulus funds include all but a portion of Townhouse Terrace and Elliot Square (which will still be completed by November 2010). The table which follows on page four summarizes the allocation of stimulus funds.

Although guidelines have yet to be published for the competitive round, HAP anticipates applying for additional funds that will emphasize green building, weatherization and the ability to leverage additional funds. Given these criteria, three properties are currently under consideration (The Martha Washington, Gallagher Plaza, and Hollywood East). HAP will consider one (or a combination) of these properties in preparation of a competitive application. If an opportunity were to present itself that makes one of HAP's other public housing properties more appropriate for the use of the stimulus funds, the Board of Commissioners will be consulted.

### Policy Implications

Utilization of federal stimulus dollars will expedite HAP's ability to fully implement the "Public Housing Preservation Initiative." Use of these dedicated funds for public housing capital expenditures will allow funding from other sources (annual capital fund allocations, proceeds from the sales of scattered sites, and potential



mixed financing opportunities) to be used for improvements at other HAP public housing properties and increase the potential to acquire new public housing for very low income households (i.e. implementing HAP's commitment to one-to-one replacement of scattered site public housing units).

### Budget Implications and Financial Impact on HAP

The MTW amendment anticipates receipt of approximately \$6.3 million in stimulus funds via the HUD formula-driven allocation. In addition, it outlines work that might be anticipated in a competitive application. All funds must be expended on capital projects; there are no operating support funds.

Construction services staff are developing realistic timelines that anticipate staff workload and use of on-call consultants to properly implement these projects. Given these projections, staff is confident that we can deliver on the stimulus projects "on time and on budget". In addition, staff is prepared to track these properties and prepare required quarterly reports in a manner that ensures compliance with ARRA's goals of transparency and timeliness.

### Risks and Opportunities

All major construction projects include the inherent risk of unknown conditions leading to cost overruns. HAP will mitigate this risk with appropriate use of professional development teams, contingency and budget discipline.

Although our residents are the ultimate beneficiaries of these improvements, an inherent risk involves the short-term disruption residents will be asked to experience. Whenever construction involves entry into personal living space, it creates an impact in our public housing communities, whether or not temporary or permanent relocation is involved. For many of our elderly and disabled residents, construction necessitates special accommodations and problem-solving by our Construction Communications Specialist.

The communication process and potential relocation efforts involve close coordination between our development and public housing staff, plus construction crews. This process is never entirely painless, regardless of how much staff time is invested. Yet we are confident that we have the staff expertise to assist residents in a caring, seamless and professional manner.

Communication and resident outreach is already underway at the first three properties (Camelia Court, Bel Park, and Winchell Court) and will soon expand to meetings at the next two properties (Cora Park and Chateau). The Construction Communications Specialist is actively participating in construction and design meetings.

During the week of March 30<sup>th</sup>, staff mailed an initial outreach letter to all residents of the "Sweet 16" properties describing the improvements, and temporary disruptions, they may soon experience.

Conclusion/Recommendation

Staff recommends approval of the attached resolution in order to submit necessary materials to HUD by the April 10, 2009 deadline.



## RESOLUTION 09-04-01

**RESOLUTION 09-04-01 AUTHORIZES HOUSING AUTHORITY OF PORTLAND (HAP) STAFF TO SUBMIT AN AMENDMENT TO THE MOVING TO WORK (MTW) ELEVENTH YEAR ANNUAL PLAN AND FORM 50075.1 REGARDING CAPITAL FUND ALLOCATIONS TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**WHEREAS**, the 2009 American Recovery and Reinvestment Act, ARRA, (referred to herein as federal stimulus funds), has allocated capital improvement funds via formula grants to Public Housing Authorities;

**WHEREAS**, HAP will receive an award of \$6,267,739 from the formula grants and may receive another yet to be determined amount in an upcoming competitive grant cycle of federal stimulus funds;

**WHEREAS**, this amendment documents HAP's plans to utilize federal stimulus funds which were not yet identified at the time the Eleventh Year Annual Plan was adopted by the HAP Board of Commissioners on February 17, 2009; and

**WHEREAS**, on April 8, 2009, the HAP Board of Commissioners conducted a public hearing on the draft amendment to the Eleventh Year Annual Plan and the corresponding HUD Form 50075.1; and

**WHEREAS**, HUD has requested that the Housing Authority of Portland Board of Commissioners authorize the execution of an amendment to the MTW Eleventh Year Annual Plan and the corresponding HUD Form 50075.1;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Commissioners of the Housing Authority of Portland that the Chair of the Housing Authority of Portland is authorized to enter into and execute the Amendment to the MTW Eleventh Year Annual Plan with the Department of Housing and Urban Development and to submit the corresponding HUD Form 50075.1 regarding use of federal stimulus funds.

**Adopted: April 8, 2009**

**HOUSING AUTHORITY OF PORTLAND**

  
\_\_\_\_\_  
Jeff Bachrach, Chair

**Attest:**

  
\_\_\_\_\_  
Steven D. Rudman, Secretary

## HUD REVIEW RESPONSE

June 29, 2009

On June 4, 2009, HAP received correspondence from the US Department of Housing and Urban Development regarding their review of HAP's FY2010 MTW Plan. Below is a response, containing additional information and clarifications as requested.

### Section II – General Housing Authority Operating Information

#### B. Leasing Information

*HUD requests the anticipated number of public housing units to be leased and the numbers of anticipated MTW and non-MTW vouchers that will be utilized.*

Public Housing: In addition to the information provided, HAP anticipates leasing 2,606 public housing units in FY2010.

Section 8: In addition to the information provided, HAP projects utilization of 7,709 MTW vouchers from April through June 2009. In July 2009, we anticipate one terminated SRO/MOD project of 50 units to be added to the MTW voucher pool; utilization of MTW vouchers from July 2009 through March 2010 increases therefore to 7,759. (Assumes 100% lease-up as the Plan projects.)

For non-MTW vouchers, we anticipate 562 SRO/MOD vouchers utilized from April through June 2009 and 512 SRO/MOD vouchers utilized from July 2009 through March 2010. Also, 70 VASH vouchers are assumed to be 100% leased up by the end of the fiscal year.

#### C. Waiting List Information

*HUD requests projection of anticipated increase in applicants on the newly opened list & projection of impact on staff.*

HAP anticipates opening the wait lists for all but three of our elderly/disabled sites, and for up to 15 of our family sites. HAP projects an increase of approximately 2,000 applicants on the newly opened lists. However, due to relatively rapid changes in the economy and increasing unemployment rates in Oregon, the projection for the increase in applicants may be low. HAP staff is accustomed to periodically opening wait lists and we do not anticipate any difficulties with the process.

### Section V – Proposed MTW Activities: HUD approval requested

#### P1: Subsidy change to preserve public housing units

*HUD does not think this flexibility extends to mixed-finance projects that are governed by other legal documents and that HAP is in reality, looking at a less aggressive schedule for the remaining non-mixed-finance projects.*

HAP incorrectly cited Mixed Finance flexibility in this activity. We would, if approved, exercise authority delineated in Attachment C, Section D (1) e, related to determining the percentage of housing voucher assistance we are permitted to project base.

## **P2: Opportunity Housing Initiative at New Columbia**

*HUD does not think HAP clearly indicates if all participants must graduate in 5 years or give up housing. Does HAP consider this a Rent Reform or FSS activity?*

HAP has expressed previously that there are no term limits associated with our OHI initiatives, but did not affirm this important distinction in this year's plan. Receipt of participants' savings account (from deferred rent) is contingent upon graduation. All participants are expected to voluntarily graduate within 5 years, but there is no termination of housing subsidy for failure to complete the program.

## **P3: Program-based rent assistance projects with local non-profits**

*HAP does not confirm that HAP HCV policies will be followed. HUD requests additional narrative regarding the use of HAP funding – if funding is not specifically vouchers, what are the experience and current policies of the providers regarding housing? What is the shape of the formal agreement between providers and HAP (i.e. MOU)?*

Formerly referred to as Program-based Rent Assistance, the Agency Based Assistance (ABA) program is designed to deliver tenant based rent assistance in a manner that meets the following two guiding principles:

- ABA should provide service-enriched rental assistance to households who would meet one of the following criteria:
  - Would be unlikely to succeed on the Section 8 Housing Choice Voucher program.
  - The delay in accessing rent assistance due to the Section 8 waitlist would most likely have devastating results (recidivism, relapse, death, homelessness, etc).
  - The need for rental subsidy is short term while the client is receiving the support needed to achieve self-sufficiency.
- ABA should demonstrate the success of service-enriched rent assistance for the assisted populations, as evidenced by:
  - Successful lease-up (lower turn-back rate than same population coming from HAP waitlist)
  - Longevity of housing stability
  - Increased income and/or self-sufficiency (if appropriate)

Funds are contracted to selected service providers which have demonstrated experience using rental assistance dollars in combination with services to help people who are homeless or at risk of homelessness attain and maintain permanent housing. For the pilot year of this program, HAP selected two service providers which already contract with HAP to provide rent assistance

via other programs and have demonstrated outstanding outcomes for the populations they serve.

The selected providers – NW Pilot Project and SE Works – have both contracted annually with HAP, since 2006, to provide rental assistance via HAP's Short Term Rent Assistance program. NW Pilot Project provides housing services for senior citizens ages 55 and older, and SE Works is a workforce development organization that provides rental assistance for people engaged in its employment and training programs. Both organizations have track records showing that 85%-95% of the households that receive rent assistance resources remain housed for at least a year after their rent assistance ends.

For the ABA program, HAP entered into formal Personal Services Agreements with both providers. The terms of the agreements lay out minimum eligibility requirements, basic guidelines for subsidies, and expectations around service provision and outcomes for the households served. The funds are not intended to be used as vouchers, but rather to serve as a flexible form of rent assistance that the providers can utilize – in combination with support services – to serve each individual household. HAP is enforcing some basic rules in the following areas:

**Eligible households must:**

- be below 50% of Area Median Income at time of entry into the program.
- include at least one U.S. citizen, U.S. national, or noncitizen with eligible immigration status. If any household members do not fall into one of these categories, subsidy must be pro-rated based on the percentage of household members who are eligible.
- not include any member that has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- not include any member that is subject to a lifetime registration requirement under a state sex offender registration program.
- not include any member that currently owes rent or other amounts to HAP in connection with Section 8 or public housing assistance.
- reside in a unit in Multnomah County.
- not reside in subsidized housing or receive a duplicate subsidy.
- not rent from a relative.

**Subsidy guidelines:** A client's monthly subsidy (including any utility assistance) may not exceed HAP's payment standard for the smaller of a) the size of the unit in which the client resides or b) an appropriately sized unit where the household is not over-housed (must be at least one person per bedroom).

**Housing Quality Standards and Rent Reasonableness:** HAP will inspect all units initially and at least annually and must approve rents as reasonable compared to unassisted units in the same market area.

Service providers are responsible for collecting and maintaining eligibility documentation, but basic documentation is also passed on to HAP for review, including verification of identity, date of birth, and citizenship. HAP monitors the service providers' files at least annually.

Under the terms of the contract, service providers provide rent assistance directly to landlords and request reimbursement from HAP on a monthly basis. HAP's annual file reviews include monitoring copies of check requests, checks, and other financial documents.

Service providers are required to submit quarterly reports to HAP on use of funds and client outcomes, including time to lease-up, housing retention, income increase, employment/benefits acquisition, and – where appropriate – recidivism. Clients are tracked for a minimum of nine months after their rent assistance ends.

#### **P4: Measures to improve the rate of voucher holders who successfully lease-up**

HAP confirms HUD's assumption that in addition to the baselines, benchmarks and metrics provided, the current number of HCV landlords will be a baseline for this initiative. HAP will also conduct a future assessment to determine if this activity expands voucher use into low-poverty areas.

#### **P6: Family eligibility for project-based voucher (PBV) assistance**

*HUD recommends that HAP identify baselines and measurements to assess the current rate of household failures at each of these facilities. This failure rate could then be compared with the overall failure rate once the new eligibility criteria are established. In addition it would be useful for HAP to identify additional methodologies to assess the impacts on affected families if the eligibility were not modified and these households were prevented from leasing units in these facilities.*

Baseline: Turnover rate at any development before new eligibility criteria are established.

Proposed benchmarks and metrics:

- Providers will agree to achieve at least an 80% retention rate after 12 months, or to maintain their current retention rate if the benchmark reading is higher than 80%.

### **Section VI: Ongoing MTW Activities: HUD approval previously granted**

#### **O1: Resource Access Center Development (now Proposed Activity 7)**

*HUD suggests that if the funds are being repurposed for a new activity outside of Sections 8 or 9 of the Act, HAP needs to show how it meets one of the three objectives under the MTW Demonstration and designate it as a proposed activity for HUD approval.*

HAP is not repurposing funds outside of Sections 8 or 9, but is using single fund flexibility, changing eligibility criteria and exceeding the cap on Project-based Section 8 in a single development (as cited). These uses of MTW authority were not proposed in the prior year's plan when the Resource Access Center was first described and, as such, HAP agrees that this should appear as a proposed



activity. In order to provide the additional information needed for this to be considered a proposed activity, HAP submits the following:

**B. Describe how each proposed activity relates to at least one of the three statutory objectives:**

*Increased housing choices for low-income families:* By blending subsidy to provide ongoing operating funds for the property, HAP assures that funding instability from original planned sources will not jeopardize the project's ability to house very low-income households. Further, by modifying our eligibility criteria, we increase housing choices for a population that has multiple barriers and would not otherwise qualify for admission to our programs.

**C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective:**

One hundred and thirty units will be added to our community's housing stock for very low-income families who otherwise struggle to find safe, decent, affordable housing.

**D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules:**

Baseline: RAC is not operational, there are no units of housing on line and the TSP and ACOP have not been adapted.

Proposed benchmarks and metrics:

- The RAC will be operational, there will be 130 units of housing on line and the TSP and ACOP will be adapted as described.
- HAP will compare retention rates at the RAC, with its relaxed admission criteria, to similar housing developments with standard criteria to ensure the success rate is the same or better.

**O6: Redevelopment of University Place**

*HUD suggests that if HAP decides they have no role in the new use of the building, this should be dropped as an ongoing activity.*

HUD has correctly identified that no MTW authority is needed in this activity and HAP has dropped it from our MTW reporting.

**O7: Opportunity Housing Initiative**

*HUD suggests that HAP only provide detail on the most evolved project, Fairview. Nowhere does HAP state the length of the pilots or specific future evaluation of the outcomes. Please provide detail on the other two initiatives.*

Each of these pilots is designed as a five-year program. Although enrollment will continue during that period, we will assess outcomes throughout the initial five years to determine if we will institutionalize the pilots. We continue to develop our strategy to fully evaluate the programs, but will report on the



outcomes proposed in the Plan, in addition to the statistics provided about Fairview.

In our recent FY2009 MTW Report, we were able to demonstrate additional detail about the other two initiatives:

DHS Voucher Program: Implemented in fall of 2008, we have provided vouchers for 21 families who will receive case management assistance from DHS and will be enrolled in the HAP Family Self-Sufficiency program in order to participate in workshops, trainings and to receive escrow. HAP will also assist families with their housing search and Section 8 utilization. This program will use the traditional Family Self-Sufficiency escrow model. It has not been operational long enough to provide interim outcomes.

Humboldt Gardens OHI Pilot: We have enrolled 57 families who are participating in case management services, workshops and trainings, peer support and a savings account program. All participating families have agreed to transition from subsidized housing as part of their graduation process or transfer to another public housing community. No one will lose their housing assistance for lack of program participation.

#### Employment

29 are currently employed  
23 have employment plans  
23 have received job development services

#### Education

3 are enrolled in ESL classes  
3 have completed short-term vocational training  
1 has completed 2-year degree courses

#### Training

40 have completed Financial Literacy Training Workshops

### **Section VII: Sources and Uses of Funding**

#### **A. Sources & Uses of MTW Funds**

*Sources do not equal uses – do additional sources go into reserves?*

The difference in sources versus uses in Section 8 results from subsidy exceeding Housing Assistance Payment on a per-unit basis, and the positive variance is placed in reserves.

#### **B. Sources & Uses of State and Local Funds**

In the FY2010 plan, HAP interpreted the State and Local Funds information to include funding from non-MTW sources. After discussion with HUD, HAP amends its Sources & Uses of State and Local Funds tables as follows:

**FY2010 PLANNED SOURCES**

State, Local & Other Grants	1,803,654
Non-Operating Capital Contributions	-
<b>Total Sources</b>	<b>1,803,654</b>

**FY2010 PLANNED EXPENDITURES**

Housing Assistance Payments (STRA)	1,405,802
Administration	316,427
Tenant Services	10,500
Maintenance	-
Utilities	-
General	-
Other Personnel Expense	11,394
PH Subsidy Transfer	-
Central Office Cost Allocations	59,530
Capital Expenditures	-
<b>Total Uses</b>	<b>1,803,654</b>

**C. Sources & Uses of COCC**

*Table is confusing and needs further explanation.*

HAP attempted to provide this information in the FY2010 plan when, in fact, we should have indicated this section is not applicable. We use a cost allocation system and will respond as such in future plans and reports.

**E. Uses of Single-Fund Flexibility**

*How will HAP account for the Resource Access Center units to receive subsidy?  
In an AMP/PIC?*

Yes.