

***Making an IMPACT...***

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# **2014 Moving to Work Plan**

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# DISTRICT OF COLUMBIA HOUSING AUTHORITY

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This Moving to Work (MTW) Annual Plan is prepared in accordance with the “Amended and Restated Moving to Work Agreement” between the U.S. Department of Housing and Urban Development and the District of Columbia Housing Authority. This agreement was signed by both parties in September, 2010 and extends the MTW program until the end of the Housing Authority’s 2018 Fiscal Year. The required elements of the Annual MTW Report are detailed in HUD Form 50900 published July 24, 2008 (OMB Control Number: 2577-0216 Expiration Date: 12/31/2011).



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## Section I. Introduction

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### A. Overview

The District of Columbia Housing Authority (DCHA or Agency) is an independent public agency that provides housing assistance to almost ten percent of the city's population. As a landlord, property manager, voucher administrator, and real estate developer, DCHA is a key player in the provision, preservation and production of affordable housing in the District of Columbia. The Agency's local leadership role and its innovative approaches to sustaining its mission have made DCHA a national leader in its field.

DCHA is participating in a federal demonstration program titled Moving to Work (MTW). The program allows participating agencies to design and test innovative approaches to local housing and policy issues. MTW also allows agencies to combine funding awarded by the US Department of Housing and Urban Development (HUD) into one single budget with the flexibility to fund services and initiatives that may have been delayed or not undertaken at all due to funding gaps or other limitations.

Through **I**nnovation, **M**anagement, and **P**erformance **A**ll **C**oming **T**ogether, DCHA is dedicated to making a meaningful **IMPACT** in the lives of low-income families in need of affordable housing in the District of Columbia, with the Agency's MTW authority as a major tool for achieving success. Moving forward, DCHA will continue to look to identify innovative and practical ways to make a positive **IMPACT** by utilizing its MTW regulatory flexibility and financial fungibility to better serve our clients.

### B. Goals and Objectives

DCHA's MTW Plan is guided by the principals set forth by the Agency's Mission Statement and Strategic Goals. In addition, the MTW activities advance at least one of the three MTW Statutory Objectives.

#### Mission Statement

The District of Columbia Housing Authority provides quality affordable housing to extremely low-through moderate-income households, fosters sustainable communities, and cultivates opportunities for residents to improve their lives.

#### DCHA's Strategic Goals

Goal A: Create opportunities, through collaboration and partnerships, to improve the quality of life for DCHA residents.

Goal B: Increase access to quality affordable housing.

Goal C: Provide livable housing to support healthy and sustainable communities.

Goal D: Foster a collaborative work environment that is outcome driven and meets highest expectations of the affordable housing industry.

Goal E: Effectively communicate DCHA's accomplishments and advocate for its mission.



## MTW Statutory Objectives

1. Reduce cost and achieve greater costs effectiveness in federal expenditures;
2. 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
3. Increase housing choices for low-income families.

### C. New MTW Activities

In fiscal year 2014 (FY2014), DCHA proposes three new MTW Activities.

1. Local Total Development Cost (TDC) Limits
2. Local Investment Policy
3. Housing and Education Stabilization Demonstration

### D. Ongoing MTW Activities

The following outlines DCHA's Ongoing MTW Activities. A brief update on the status of each is provided in Section VI of this plan. Note that for simplification purposes, the numbering of the MTW Activities has changed since FY2012.

**Table I.1 Summary of Ongoing MTW Activities/Initiatives**

New Number	Old Number	Activity	Yr. Identified	Yr. Implemented
1	1.1.04 1.5.05 1.9.06	Modifications to DCHA's Project-Based Voucher Program	FY2004, FY2005 & FY2006	FY2004, FY2005 & FY2006
2	1.3.04	Designation of Elderly-Only Properties	FY2004	FY2004
3	1.4.04	Modifications to HCV Homeownership Program	FY2004	FY2004
4	2.1.04	Simplified Certification and Multi-Year Income Recertification	FY2004	FY2004
5	2.2.04	Modifications to Market-Based Rents	FY2004	FY2004
6	2.3.04 2.5.05	Modifications to Pet Policy	FY2004 & FY2005	FY2004 & FY2005
7	4.1.04	DCHA Subsidiary to Act as Energy Services Company	FY2004	FY2004
8	1.6.05 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration	FY2005 & FY2010	FY2005 & FY2010
9	3.3.05	Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing	FY2005	FY2013



New Number	Old Number	Activity	Yr. Identified	Yr. Implemented
10	3.4.05	Supporting Grandfamilies	FY2005	FY2005
11	1.10.06 2.5.04	Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures	FY2004	FY2005
12	3.5.06	Rent Simplification and Collections	FY2006	FY2006
13	2.6.07	Enhanced Public Housing Lease Enforcement Operations	FY2007	On Hold
14	3.6.08	Streamlining the Transition from Project-Based to Tenant-Based Vouchers	FY2008	FY2009
15	3.7.08	Reform Housing Quality Standards	FY2008	Not Yet Implemented
16	2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification	FY2011	FY2012
17	2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units	FY2011	FY2012
18	3.9.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process	FY2011	FY2012
19	4.5.11	Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment	FY2011	FY2013
20	2.9.12	Enhance Neighborhood Services within Public Housing Communities	FY2012	FY2012
21	2.10.12	DCHA Local Mixed Subsidy Program	FY2012	FY2012
22	3.9.12	Housing Public Housing Residents in Service-Rich Environments	FY2012	FY2013
23	3.10.12	Encourage the Integration of Public Housing Units into Overall Hope VI Communities	FY2012	FY2013
24		Simplified Utility Allowance Schedule	FY2013	FY2013





## Section II. General Agency Operating Information

### A. Housing Stock Information

#### 1. Number of Public Housing Units

DCHA's Public Housing inventory, including approved non-dwelling units, consists of 8,363 units at the beginning of FY2014.

**Table II.1 Public Housing Units (by AMP/Development #) at the Beginning of FY2014**

AMP or Development Number	Development Name	ACC Units
DC001005370	The Avenue	27
DC001003090	Barry Farm	444
DC001002220	Benning Terrace	285
DC001005270	Capital Quarters	39
DC001005271	Capitol Quarters Townhomes II	47
DC001005230	Capitol Gateway	61
DC001005220	Capper Senior I	162
DC001005250	Capper Senior II	139
DC001003363	Carroll Apartments	96
DC001001600	Claridge Towers	343
DC001001950	Colorado/Columbia	44
DC001001460	Edgewood Terrace	89
DC001003850	Elvans Road	22
DC001005280	Fairlawn Marshall	30
DC001001640	Fort Lincoln	120
DC001001370	Garfield Family	51
DC001001371	Garfield Senior	228
DC001005350	Gibson Plaza	53
DC001005290	Glenncrest	61
DC001004210	Greenleaf Sr/Family	457
DC001005000	Hayes Street	9
DC001001680	Harvard Towers	194
DC001005200	Henson Ridge	68
DC001003530	Highland Dwellings/Addition	326



AMP or Development Number	Development Name	ACC Units
DC001003300	Hopkins Apartments	158
DC001001620	Horizon House	124
DC001001700	James Apartments	141
DC001001030	James Creek	242
DC001001650	Judiciary House	271
DC001001080	Kelly Miller Dwellings	160
DC001005190	Kenilworth	290
DC001004361	Kentucky Courts	118
DC001005210	Kentucky Courts II	12
DC001002400	Langston Addition	36
DC001002250	Langston Terrace	274
DC001001391	LeDroit	124
DC001002130	Lincoln/Richardson	631
DC0010005320	Matthews Memorial	35
DC001001440	Montana Terrace	65
DC001005001	Nannie Helen Burroughs	23
DC001005240	Oxford Manor	30
DC001001340	Park Morton	188
DC001004430	Potomac Gardens	352
DC001001690	Regency House	160
DC001005300	Sheridan Station	45
DC001001290	Sibley Family	83
DC001001291	Sibley Senior	224
DC001005242	St Martins	50
DC001002230	Stoddert/Ft. Dupont	357
DC001004240	Syphax	174
DC001005410	Victory Square	35
DC001003105	Wheeler Creek Family	48
DC001003104	Wheeler Creek Sr	100
DC001003361	Woodland Terrace	376
DC001006800	Wylie Courts	1
DC0010000009	Scattered Sites	10



AMP or Development Number	Development Name	ACC Units
DC001000081	Scattered Sites	14
DC001000082	Scattered Sites	8
DC001001830	Scattered Sites	9
TOTAL		8,363

## 2. Significant Capital Expenditures by Development

DCHA does not have any planned capital expenditures at the development level that will exceed 30% of the Agency's total budgeted capital expenditures for FY2014. (See DCHA's FY2014 Capital Fund budget.) While no single development will receive capital improvements accounting for more than 30% of total Capital Funds, debt service on DCHA's 2005 Capital Fund Financing Program bond is \$6.04 million per year, which accounts for more than 30% of FY2013 Capital Funds.

## 3. New Public Housing Units

In FY2014, DCHA expects to add 41 units to the Agency's Public Housing inventory at Metro Townes at Parkside (Polin Memorial) and Sheridan Station Phase III. The 52 units projected to be added in FY2013 at these two sites were not completed due to construction and closing delays. See Table II.2 below.

**Table II.2 New Public Housing Units to be Added in FY2014**

AMP Name and Number	Bedroom Size							Total Units	Population Type	Fully Accessible	Adaptable
	0	1	2	3	4	5	6+				
Metor Townes at Parkside (Polin Memorial)	0	5	9	4	0	0	0	18	General	4	0
Sheridan Station Phase III	0	0	20	3	0	0	0	23	General	3	0
Total	0	5	29	7	0	0	0	41		7	0

## 4. Public Housing Units Removed

DCHA is continuing to identify opportunities to improve the quality of its housing inventory available to low-income families, and to provide opportunities for homeownership to Public Housing residents and other Public Housing eligible households. The agency is being proactive by updating its long range planning exercise and looking into possible alternative scenarios to address the redevelopment and modernization needs of its Public Housing sites. During FY2014, DCHA will continue to review and study various funding alternatives and redevelopment opportunities. DCHA plans to apply for demolition and/or disposition of some of its Public Housing in order to leverage funds to proceed with its redevelopment plans.



The ability to move forward on these plans depends on a variety of factors including economic conditions and the availability of financing. Funding will be sought through a myriad of sources including, but not limited to, Choice Neighborhood Initiatives (CNI), Low Income Housing Tax Credits, Historic Tax Credits, New Market Tax Credits, Tax-Exempt Bonds, FHA Financing, and private financing. It is hoped that some of these factors will align to permit proceeding on a number of properties during FY2014.

Based on a thoughtful process of assessing viable planning projects, up to 2,346 units are being considered for potential disposition/demolition. However, demolition timetables and the list of disposition/demolition candidate properties will be determined as planning and development evolve. The following narrative provides a snapshot of the development activities DCHA is exploring.

In the past, DCHA has successfully utilized HOPE VI to redevelop many of its most distressed Public Housing sites. DCHA continues to consider HOPE VI as a valuable Public Housing redevelopment financing tool; however, in its absence from the HUD budget, DCHA will pursue CNI funding aggressively. In FY2012, DCHA received a CNI Planning Grant and submitted an Implementation Grant Application for the neighborhood surrounding Kenilworth Courts. Additionally, DCHA received a CNI Planning Grant for Barry Farm/Wade Apartments. In September 2012, DCHA was notified its Kenilworth Courts submission was one of nine finalists for a CNI Implementation grant; however, the grant application was not funded. DCHA is currently completing the Transformation Plan for the Kenilworth Courts neighborhood and intends to apply again during the next round of CNI Implementation Grant funding. If these applications result in award, disposition/demolition would take place in order to redevelop the site(s). Kenilworth consists of 290 units and Barry Farm/Wade Apartments has 444 units. Finally, DCHA submitted a FY2013 CNI Planning Grant application for a southwest DC neighborhood that includes the Agency's Greenleaf site (493 units).

The District of Columbia has a renewed commitment to affordable housing and the District's New Communities Initiative. Although District funding for the New Communities Initiative is limited, DCHA continues to engage public housing residents, community stakeholders, developers and others in long range planning for Barry Farm/Wade Apartments (444), Lincoln Heights (440 units); Park Morton (174 units); Sursum Corda (28 units) and Richardson (191) that may require disposition/demolition of some or all of the units to facilitate the redevelopment of the sites. Leasing or transferring the developments to other entities would be a more cost effective way for the development to be used for low-income or mixed-income housing, because those entities will have access to funds not available to the DCHA.

DCHA intends to dispose of 47 scattered site public housing units. Of which a disposition application has been submitted for 26 units and two additional applications will be submitted for the 21 unit balance. DCHA struggles, like many large Public Housing Authorities, with the inefficiencies inherent in the management of its scattered sites portfolio. The disposition is part of DCHA's ongoing efforts to replace Public Housing units that are inefficient to operate with more efficient Public Housing stock, to provide homeownership opportunities and to generate funds to produce new affordable units.



DCHA hopes to redevelop the Highland Addition site, which includes 118 units. In FY2009 and FY2010, DCHA applied for HOPE VI funding to redevelop the site, however both applications were not funded. DCHA will work with its private development partner to redevelop the site into a mixed-income development.

In addition to the activities mentioned above, DCHA is exploring redevelopment work that would impact 121 units at Kelly Miller. In addition, there are two structures located on DCHA owned land adjacent to Agency developments for which there are plans to demolish—the Frederick Douglas Day Care Center and the Barry Farm Recreation Center. While there are no immediate plans to replace the day care center with another structure, the City will be rebuilding the recreation center. In addition, DCHA has submitted to HUD an application for a land exchange involving a vacant, excess, and unnecessary vacant parcel of land located adjacent to DCHA’s Montana Terrace site.

## 5. Number of MTW HCV Vouchers Authorized and In Use

The number of MTW Housing Choice Vouchers (HCV) authorized and in use at the end of FY2013 was 9,698. This number is lower than was anticipated as DCHA stopped the issuance of attrited vouchers in FY2013 in response to Sequestration.

**Table II.3 MTW HCV Vouchers Authorized and In Use—End of FY2013**

Program	Authorized and In Use
MTW Vouchers	9,698

## 6. Number of Non-MTW HCV Authorized

The number of non-MTW vouchers authorized rose from 1,025 at the end of FY2012 to 1,274 at the end of FY2013. This 24% increase is due to two Opt-outs the Agency received in FY2013. Table II.4 provides the details of the types of vouchers in the non-MTW inventory.

**Table II.4 Non- MTW HCV Authorized Vouchers—End of FY2013**

Program	Authorized Vouchers
Multicultural	81
VASH	744
Non-elderly disabled	200
Opt-outs	249
Non-MTW Vouchers	1,274



## **7. Vouchers to be Project Based in Plan Year**

DCHA anticipates project basing 50 MTW vouchers in FY2014 in support of District of Columbia capital projects.

## **B. Leasing Information**

### **1. Number of Public Housing Units Leased**

DCHA anticipates that 7,600 Public Housing units will be leased during FY2014.

### **2. Number of Non-MTW Public Housing Units Leased**

All of DCHA's Public Housing units are MTW units.

### **3. Number of MTW HCV Units Leased**

DCHA projects that 9,698 MTW Vouchers will be leased in FY2014. This number is also impacted by Sequestration and as DCHA will continue to not issue attritted MTW vouchers in FY2014.

### **4. Number of Non-MTW HCV Units Leased**

DCHA projects that 1,100 non-MTW Vouchers will be leased in FY2014.

### **5. Description of any issues related to leasing of Public Housing or HCV units**

**Public Housing**— DCHA does NOT anticipate any difficulties in leasing Public Housing units in FY2014. The Office of Capital Projects is continuing to work diligently to bring uninhabitable units that are offline for modernization back online. When units are ready for occupancy, DCHA does not expect to have any difficulty leasing units. However, it is important to note that the Agency has concerns about the impact of continued Sequestration and reductions in the capital fund.

**Housing Choice Voucher**— DCHA does NOT anticipate any difficulties in leasing HCV units in FY2014. DCHA's ability to lease additional HCV units is limited by funding. With the onset of Sequestration, DCHA has stopped issuing federal vouchers, except for VASH and Money Follows the Person. If reduced funding from HUD continues into FY2014, so will DCHA's ability to issue vouchers through attrition. It is important to note that the average monthly cost to utilize an HCV in the District of Columbia is approximately \$62 more than the funds DCHA receives from HUD. Additionally, using DCHA's single fund flexibility, some voucher funds are being used to



fund public safety initiatives, resident services, and the continued modernization of DCHA's public housing.

## 6. Project-based Vouchers Committed or In Use

DCHA had 1,455 MTW project-based vouchers and 110 non-MTW project-based vouchers at the start of FY2014.

**Table II.5 Project-based vouchers committed or in use**

Program	Committed or In Use (End of FY2013)
MTW HCV Project-based Vouchers	1,455
Non-MTW HCV Project Based Vouchers	110
<b>TOTAL</b>	<b>1,550</b>

## C. Waiting List Information

### 1. Anticipated Changes in Waiting Lists

During FY2014, as part of an effort to reengineer the Agency waiting lists, DCHA will continue its conversion to centrally managed site-based waiting lists for conventional Public Housing under ongoing *Initiative 12 - Application Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures*. This process will include an update of the waiting lists in which all persons listed will be contacted to indicate continued interest and to make site selections.

### 2. Anticipated Changes in the Number of Families on the waiting list(s) and/or Opening and Closing of waiting list(s).

With the goal of improving the management and predictability of the Agency's waiting lists, in on April 12, 2013 DCHA completed the first phase of a reengineering plan with the suspension of application intake. As discussed above, the next phase is the conversion to centrally managed site-based waiting lists, which will include a verification of continued interest in housing assistance. With the verification of continued interest, the suspension of application intake and the fact that DCHA will continue to serve families from the waiting list as funding permits, it is anticipated that there will be a reduction in the number of families on the waiting lists. However, it is important to note that for the immediate future a reduction in the size of the waiting lists in no way reflects a declining need for affordable housing in the District of Columbia.



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

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In order to focus its efforts on complying with the required reporting elements outlined in the Attachment B of the Restated and Amended MTW Agreement, the Agency has chosen to exercise the option not to provide information related to this area.

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

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In FY2012, DCHA's Board of Commissioners adopted a new Mission Statement and new Strategic Goals, reflecting the Agency's renewed focus on residents in addition to the traditional focus on the physical assets of the Housing Authority. In FY2013, DCHA began using the Agency's newly defined direction as a compass for planning MTW activities. DCHA will continue to build on an already solid foundation with an ambitious agenda for the years remaining under the MTW Agreement.

The flexibility and regulatory relief of MTW has never been more important to the 39 housing authorities granted MTW status. The great recession has disproportionately affected the most vulnerable in our community and magnified the critical affordable housing issue facing this country. The Federal Government's deficit-cutting actions have resulted in funding shortfalls for all housing authorities, with the Sequestration having a devastating impact. DCHA will continue to innovate and find effective ways to serve the District of Columbia and its low-income families, seniors, veterans, and disabled people. In this uncertain economy, DCHA is committed to preserving a precious resource for District residents: a place to call home.

DCHA will continue to utilize MTW flexibility to create a more streamlined organization for efficient operation and improved access to programs and services. The Agency is aggressively seeking non-traditional partnerships with community organizations and for-profit businesses to positively impact the lives of low-income residents, with a focus on children.

## Section V. Proposed MTW Activities

**Table V.1 Summary of Proposed MTW Activities: HUD Approval Requested**

Objective/Initiative		Statutory Objective	Authorization
25	Local Total Development Cost (TDC) Limits	<ul style="list-style-type: none"> <li>Reduce cost and achieve greater cost effectiveness</li> </ul>	Attachment C, Section C.16
26	Local Investment Policy	<ul style="list-style-type: none"> <li>Reduce cost and achieve greater cost effectiveness</li> </ul>	Attachment C, Section B.5
27	Housing and Education Stabilization Demonstration	<ul style="list-style-type: none"> <li>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</li> </ul>	Attachment C, Section C.e, C.10, D.1.b and D.3.b

### Initiative 25: Local Total Development Cost (TDC) Limits

#### Description

DCHA is proposing to establish reasonable cost limits for development and redevelopment activities that replace HUD's Total Development Cost (TDC) limits and Housing Construction Costs (HCC). New cost limits are intended to reflect all the costs associated with developing new conventional and scattered site units and rehabilitating existing units. The cost limits are expected to address expenses related to the incorporation of energy efficiency, use of environmentally sound equipment and materials as well as accessibility features. Further, these limits will reflect local market conditions and construction quality while accounting for associated Davis Bacon and, where applicable, related costs of public construction.

The local TDC will be implemented in all new redevelopment and modernization projects. The new TDC and HCC limits will be updated as needed and reflect quality materials and construction. A schedule of factors based on Washington, DC limits over a three year mean, along with the alternative TDC and HCC limits for Washington, DC, will be implemented to include the construction cost of energy efficiency measures such as geothermal energy; storm water management measures; and sustainable materials. Accessibility features will continue to meet the 6% of affordable accessible units as well as accessible paths to move around the development and the community. The local TDC/HCC will also consider the costs associated with substantial infrastructure work, particularly in Right of Way and land development.

These issues increase the costs of construction. DCHA will determine its TDC limits by following the methodology set forth for determining its HCC limits and adjusting the HCC numbers to account for



typical markup for Soft Costs for its Mixed Finance projects. The results of adding the markup for Soft Cost to the already determined HCC is presented in the local TDC.

### Anticipated Impact

This initiative will improve energy efficiency by reducing utility costs for DCHA as well as the residents and thereby increasing the affordability of the housing. This initiative will also assist with improving the long term viability, enhancing marketability; and reducing operating cost for these projects. Due to the use of sustainable and higher quality materials that will be made available under a local TDC, properties will be better positioned to withstand wear and tear. In turn, routine and emergency work orders are expected to decrease. It is also anticipated that with making these properties more appealing to current and future residents, unit turnover and lease-up time will be reduced.

DCHA has already experienced utility costs reductions through its modernization of senior buildings and in its Mixed Finance portfolio by using sustainable materials, utilizing energy efficient and green standards and technology. The current realized reduction in utility costs is 30%. Through this initiative, DCHA will modernize or redevelop its family properties using the same methodology to improve the quality of the housing by reducing the cost of operations and improving the long term viability. DCHA has developed design, fixtures and materials standards which it shares with general contractors, sub-contractors and developers.

There is no anticipated hardship for DCHA clients related to the implementation of this initiative.

### Metrics

Metrics	Baseline (FY2013)	Benchmark	Data Source
Reduction in AIA Change Order	Established as properties are selected for development activities	Established as properties are selected for development activities	OCP
Reduction in Utility Costs	Established as properties are selected for development activities	Established as properties are selected for development activities	OCP
Reduction in number of work orders	Established as properties are selected for development activities	Established as properties are selected for development activities	OCP/Operations
Reduction in the time to lease up the units	Established as properties are selected for development activities	Established as properties are selected for development activities	Operations
Reduction in marketing costs	Established as properties are selected for development activities	Established as properties are selected for development activities	OCP/Operations
Improvement in REAC scores	Established as properties are selected for development activities	Established as properties are selected for development activities	Operations



## Rent Reform Information

This policy does not impact the determination of income or rent for clients.

## **Initiative 26: Local Investment Policy**

### Description

HUD, as defined in the Annual Contributions Contract (ACC) and guided by Notice PIH 96-33, requires housing authorities to invest General Fund (program) monies only in HUD approved investments. These investments, if utilized fully, are outdated and risky. As a steward of the public trust, charged with achieving the best and highest use of its funding to serve its clients, DCHA is proposing to use its MTW authority to adopt a local investment policy that will achieve a portfolio which is safer, more liquid and realizes a more competitive yield. Based on a review of District of Columbia governmental entity eligible investments, DCHA has determined the city's eligible investments are more up to date and safer for governmental funds to be invested. As such, DCHA's proposed local investment policy would be consistent with District of Columbia law to the extent such policies are in compliance with applicable Office of Management and Budget (OMB) circulars and other federal laws. Under the local investment policy, DCHA shall invest only in securities authorized under District law that will allow the flexibility to invest productively and efficiently.

### Anticipated Impact(s)

DCHA will invest in safer investment instruments with lower transaction costs and higher competitive yield. This will give DCHA a higher return on its portfolio with less staff resources devoted to the process. This reduced cost and higher net portfolio return will achieve greater cost effectiveness in federal expenditures, allowing the Agency the enhanced ability to further the MTW statutory objectives through other initiatives.

This policy does not have a direct impact on DCHA clients that would result in a hardship.

### Metrics

1. DCHA will review the 2012-2013 interest rates earned on investments utilized under the current HUD eligible investments by month. The Agency will then track the 2013-2014 interest rates on like HUD eligible investments during the year as well as the rates on the new District of Columbia governmental entity eligible investments invested during the year.
2. The Agency will track 2012-2013 HUD eligible investments interest rate data, 2013-2014 HUD eligible investments interest rate data, 2013-2014 District of Columbia governmental entity eligible investments interest rate data and the difference in the two 2013-2014 interest rates. The data will then be reviewed in intervals to see if a higher interest rate was achieved under the new portfolio strategy (see below).



Date	Eligible Interest Rate Data			Differential	Data Source
	HUD 2012-2013 (Baseline)	HUD 2013-2014	District of Columbia Government (2013-2014)		
To be determined	To be determined at the end of FY2013*	To be determined	To be determined	To be determined	Office of Financial Management

\*As this plan is prepared prior to the end of the fiscal year and baseline data will reflect activity for the entire fiscal year, upon approval of this initiative, this information will be provided in the 2014 MTW Report.

#### Rent Reform Information

This policy does not impact the determination of income or rent for clients.

### **Initiative 27: Housing and Education Stabilization Demonstration**

#### Description

Chronic truancy has been described as “an educational crisis” in the District of Columbia, with rates as high as 40% at some high schools. According to a recent study conducted by the Urban Institute, student absenteeism in the 8<sup>th</sup> grade is a predictor of truancy levels in high school. Chronic absenteeism places a child’s educational progress in jeopardy. If students are not in school, they are not learning and 46% of high school students based on recent data are not graduating in the District of Columbia. It is DCHA’s intent to help address some of the underlying causes contributing to chronic absenteeism, with a focus on truancy, before students reach high school. Under District of Columbia law, once a child has 5 or more unexcused absences the child is referred to Child and Family Services. DCHA plans to provide supports for those children and their families so that such referrals do not occur. This will include working with families on strategies to reduce occurrences and ultimately eliminate unexcused absences. To do this, DCHA proposes to expand its relationship with the District of Columbia Public Schools (DCPS) and other community partners to establish an educational stabilization demonstration that will provide case management for DCHA Public Housing families with children in elementary and middle school, ages 10-14, who appear to already have challenges with school attendance.

DCHA’s program will be voluntary for Public Housing families and participation in the program will last until the child completes high school. DCHA is working with DCPS to identify a Public Housing site and partnering elementary/middle schools by cross-referencing school and DCHA resident data. Families in which absenteeism/truancy are or may become an issue will be identified for outreach to participate in the program.

Each family will have a case manager who will work with the family to identify a plan for addressing their child’s absenteeism/truancy, inclusive of strategies to deal with those familial, school and environmental challenges. As a work incentive, DCHA will also cap the rents of participating families upon entry into



the program, but rents will not be less than \$25 a month. In the case of families entering the program with rent less than \$25, their rent will be capped once their calculated rent increases to \$25. In addition, a portion of any new employment income entering the household will be escrowed to go toward the child's educational goals (i.e. college, vocational education, etc.). DCHA will explore the possibility of providing a percentage match through other sources, if possible. It is important to note that only about 5% of all Public Housing households are currently paying between \$0-\$25 in rent. Of that number, less than half have school age children.

Throughout a family's participation in the project, their compliance with program requirements will be monitored by their case manager. If a family has difficulty meeting program requirements, the case manager will provide additional supports. Should the family be determined to be unable or unwilling to comply with the requirements, their participation in the program will end and their slot in the program will be granted to another qualifying family. Should a family drop out of the program for any reason, their position in the program will be granted to another qualifying family.

Implementation of the program will take place over a 2 year period and would include the following key activities:

#### **Fall 2013 Activities**

- Finalize DCHA property and schools to participate
- Assure necessary commitments of DCPS and schools
- Analyze causes of turnover at the designated property and schools
- Determine number of current DCHA students attending the selected schools
- Determine number of possible participants
- Develop strategies for meeting with staff and parents
- Consult with community and school staff
- Determine available resources of community partners/service providers
- Submit revised plan to DCHA
- Assure commitment of district administration
- Submit revised plan to DCHA Board
- Hold community comment events
- Submit revised plan to HUD

#### **Fall 2013 – Summer 2014 Activities**

- Plan teacher training
- Develop staffing and needs
- Secure community partners/service providers
- Consult with community and school staff
- Identify training for parents
- Design collection and tracking tools
- Establish eligibility rules
- Establish accountability rules
- Draft Family Commitment Plans
- Develop plan for pursuing additional funding streams



### Summer 2014—Fall 2014 Implementation Activities

- Parents sign Family Commitment Plans
- Case Managers hired
- Baseline data collected
- Students start school
- Parents begin program activities

### Anticipated Impacts

While truancy is the critical issue driving this initiative, DCHA recognizes that a holistic approach may be necessary to positively impact the life outcomes of children and their families who are struggling with this issue. Initially, DCHA anticipates the following impacts:

- Parents will improve their economic and employment status.
- Participating students will show greater gains in school outcomes (including reduction in absenteeism/truancy rates, grades and standardized test scores) relative to other low-income students attending their school and other schools. Each participating child will be monitored several times a year through various means (e.g. report cards, district/state assessment scores; case manager communications with teachers and other program partners).
- Parents of students will play a larger role in supporting their child's academic and social growth leading to improved achievement in the project

As the initiative moves forward during year one, DCHA will work with DCPS and other community partners to determine if there are any additional likely impacts.

### Metrics

Baseline data for program evaluation will be established once the participating families are identified. DCHA will keep detailed records on both family participation and movement in and out of the program.

Metric	Baseline	Benchmark	Data Source
	No.		
Program participant families enrolled	10	100%	Public Housing Operations Office of Resident Services
Students still enrolled each year compared to non-program students	Enrollment	100% by the end of 2017-2018 school year	DC Public Schools
Math and reading test scores among students from participating households	TBD from 2012-2013 school year data	5% annual improvement in both sets of scores	DC Public Schools



Metric	Baseline	Benchmark	Data Source
	No.		
Attendance among students from participating households	TBD from 2012-2013 school year data	5% annual improvement	DC Public Schools
Suspensions among students from participating households	TBD from 2012-2013 school year data	10% annual reduction	DC Public Schools
Number of school activities in which parents participate	TBD from survey	10% improvement annually	DC Public Schools
Number of adults from participating households involved in job training or educational programs	TBD	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services
Number of adults working for the first time since entry into the program	0	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services
Number of adults escrowing additional income	TBD	% increase each year (TBD as % of established baseline)	Public Housing Operations Office of Resident Services

#### Rent Reform Information

Agency's Board Approval of Policy: Before implementing any changes in the rent structure for participating families, the Board will approve required local regulations. The approval of the initiative was a part of the approval of the 2014 MTW Plan.

Impact Analysis: See discussion of anticipated impact above.

Annual reevaluation of rent reform initiative: A re-evaluation of this policy will be completed on an annual basis.

Hardship Criteria: As participation in the program is voluntary, DCHA is not proposing a hardship policy for this activity. DCHA is providing intensive case management to help families succeed in achieving educational goals, increasing earned income and moving towards self-sufficiency. Compliance with program requirements is not a condition of the Public Housing lease.





## Section VI. Ongoing MTW Activities: HUD Approval Previously Granted

The following outlines DCHA's Ongoing MTW Activities. Note that for simplification purposes, the numbering of the MTW Activities has changed since FY2012.

**Table VI.1 Summary of MTW Activities/Initiatives**

New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
1	1.1.04 1.5.05 1.9.06	Modifications to DCHA's Project-Based Voucher Program	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2004, FY2005 & FY2006	FY2004, FY2005 & FY2006
2	1.3.04	Designation of Elderly-Only Properties	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	FY2004
3	1.4.04	Modifications to HCV Homeownership Program	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	FY2004
4	2.1.04	Simplified Certification and Multi-Year Income Recertification	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2004	FY2004
5	2.2.04	Modifications to Market-Based Rents	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2004	FY2004
6	2.3.04 2.5.05	Modifications to Pet Policy	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004 & FY2005	FY2004 & FY2005
7	4.1.04	DCHA Subsidiary to Act as Energy Services Company	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	FY2004
8	1.6.05 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2005 & FY2010	FY2005 & FY2010
9	3.3.05	Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness in federal expenditures</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	Not Yet Implemented
10	3.4.05	Supporting Grandfamilies	<ul style="list-style-type: none"> <li>• Encourage families to obtain employment and become economically self sufficient</li> </ul>	FY2005	FY2005
11	1.10.06 2.5.04	Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	FY2005



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
12	3.5.06	Rent Simplification and Collections	• Reduce cost and achieve greater cost effectiveness	FY2006	FY2006
13	2.6.07	Enhanced Public Housing Lease Enforcement Operations	• Increase housing choices for low-income families	FY2007	On Hold
14	3.6.08	Streamlining the Transition from Project-Based to Tenant-Based Vouchers	• Reduce cost and achieve greater cost effectiveness	FY2008	FY2009
15	3.7.08	Reform Housing Quality Standards	• Reduce cost and achieve greater cost effectiveness	FY2008	Not Yet Implemented
16	2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification	• Reduce cost and achieve greater cost effectiveness	FY2011	FY2012
17	2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units	• Reduce cost and achieve greater cost effectiveness	FY2011	FY2012
18	3.9.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process	• Reduce cost and achieve greater cost effectiveness	FY2011	FY2012
19	4.5.11 <sup>1</sup>	Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment	• Reduce cost and achieve greater cost effectiveness	FY2011	FY2013
20	2.9.12	Enhance Neighborhood Services within Public Housing Communities	▪ Encourage families to obtain employment and become economically self-sufficient	FY2012	FY2012
21	2.10.12	DCHA Local Mixed Subsidy Program	• Increase housing choices for low-income families • Reduce cost and achieve greater cost effectiveness	FY2012	FY2012

<sup>1</sup> Initiative 4.5.11 Establishment of Resident Driven Community Based Programs to Improve Customer Service and Greater Resident Empowerment was originally numbered 4.3.11 in the FY2011 MTW Plan and FY2012 MTW Plan. In the FY2011 MTW Report the number was changed to recognize the previous use of 4.3.05 and 4.4.06 and to avoid confusion between the other initiatives.



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
22	3.9.12	Housing Public Housing Residents in Service-Rich Environments	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> <li>• Encourage families to obtain employment and become economically self-sufficient</li> <li>• Reduce cost and achieve greater cost effectiveness in federal expenditures</li> </ul>	FY2012	FY2013
23	3.10.12	Encourage the Integration of Public Housing Units into Overall Hope VI Communities	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2012	FY2013
24		Simplified Utility Allowance Schedule	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2013	FY2013
<b>Closed Out Activities</b>					
N/A	1.2.04	Locally Defined Site and Neighborhood Standards	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2004	Implemented FY2004, Closed Out FY2011
N/A	2.4.04	Special Occupancy for Service Providers	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Never Implemented Closed Out FY2005
N/A	3.1.04	Voluntary Resident Community Service	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Never Implemented Closed Out FY2004
N/A	3.2.04	Resident Satisfaction Assessment	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2004	Implemented FY2004 Closed Out FY2004
N/A	1.7.05	Security Deposit Guarantee Program	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	Never Implemented, Closed Out FY2010
N/A	1.8.05	Modification to HCV Inspections Scheduling	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness</li> </ul>	FY2005	Never Implemented Closed Out FY2006
N/A	3.3.05	Streamlining Resident Community Service	<ul style="list-style-type: none"> <li>• Reduce cost and achieve greater cost effectiveness in federal expenditures</li> </ul>	FY2005	Implemented FY2005 Closed Out FY2012
N/A	4.2.05	Revolving Loan Fund for HCV Landlords	<ul style="list-style-type: none"> <li>• Increase housing choices for low-income families</li> </ul>	FY2005	Never Implemented Closed Out FY2009



New Number	Old Number	Activity	Statutory Objective	Yr. Identified	Yr. Implemented
N/A	4.3.05	Flexible Funding	<ul style="list-style-type: none"><li>• Reduce cost and achieve greater cost effectiveness</li></ul>	FY2005	Implemented FY2005 Closed Out FY2010
N/A	4.4.06	Reformulation of HUD Forms	<ul style="list-style-type: none"><li>• Reduce cost and achieve greater cost effectiveness</li></ul>	FY2006	Implemented FY2006 Closed Out FY2010
N/A	1.11.08	Maximizing Public Housing Subsidies	<ul style="list-style-type: none"><li>• Reduce cost and achieve greater cost effectiveness</li><li>• Increase housing choices for low-income families</li></ul>	FY2008	Never Implemented Closed Out FY2008

**Initiative 1: Modifications to DCHA's Project-Based Voucher Program (formerly 1.1.04, 1.5.05 & 1.9.06)**

Description

In order to increase housing choices for low-income families, as part of its Partnership Program, DCHA modified existing project-based voucher (PBV) rules and regulations. Specifically, the changes:

- Allow a longer HAP contract term—from 10 to 15 years.
- Increase the threshold of units that can be project-based at a single building from 25% to 100%.
- Increase the percentage of DCHA's total voucher allocation that can be project-based to greater than 20%..
- Allow the owners of PBV units to establish site-based waiting lists.
- Allow applicants on the Public Housing waiting list who are determined to be eligible for accessible units meeting Uniform Federal Accessibility Standards (UFAS) to be eligible for UFAS PBV units that are subsidized through the Partnership Program.
- Allow Public Housing residents with a right of return to a HOPE VI development to have preference in returning to PBV units that are subsidized through the Partnership Program.
- Create a UFAS Loan Program to assist landlords in converting existing units to UFAS units or create new UFAS units that are subsidized through the Partnership Program and thus creating more housing choices for the disabled and their families.

Prior to FY2013, utilizing an approval issued in FY2004, DCHA also accepted unsolicited proposals for PBVs when a Request for Proposal (RFP) has not been issued. However, during the review of the FY2013 MTW Plan, the MTW Office advised DCHA that MTW flexibility under the Amended and Restated MTW Agreement allows for the competitive process to be waived when awarding PBVs only if the property is owned by the PHA. Thus, DCHA has removed this provision and is discontinuing the practice.



### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

## **Initiative 2: Designation of Elderly-Only Properties (formerly 1.3.04)**

### Description

DCHA established a local review, comment and approval process designating properties as Elderly-Only. This replaced the requirement for HUD review of proposed Elderly-Only designation of Public Housing properties with a local review, broad community input and approval by the Board of Commissioners.

In addition, under this initiative, designation of Elderly-Only properties automatically renews from year to year indefinitely from the date of the designation unless otherwise rescinded or modified by the Board of Commissioners.

As is required locally, implementation of this initiative included adoption of local regulations outlining the process. These regulations can be found at Title 14 of the District of Columbia Municipal Regulations Section 6115 and are summarized below:

1. Staff reviews of resident and applicant needs and requests, market conditions and resource availability.
2. If review findings support an Elderly-Only designation of a DCHA property(ies), staff makes a recommendation to the Board of Commissioners.
3. The Board of Commissioners considers staff recommendations in committee.
4. Upon committee approval, the proposed Elderly-Only designation is published as part of the Board agenda for consideration at a Board of Commissioners' meeting.
5. The Board of Commissioners either accept or reject the designation after receiving comments from the public.
6. If the Board of Commissioners accepts the staff recommendation, the name of the new designated Elderly-Only property is published in the DC Register.
7. The designation continues from year to year indefinitely from the date of the designation.

In FY2004, the following conventional sites were designated as Elderly-Only: Knox Hill, Regency House, Arthur Capper Senior I and Carroll Apartments. That same year Elderly-Only existing designations were extended for units at Wheeler Creek as part of a HOPE VI project and the redeveloped Edgewood Terrace.

In FY2007, Elderly-Only units were designated at Henson Ridge as part of a HOPE VI project.



In the FY 2011 MTW Plan, it was anticipated that units at Mathews Memorial would be designated as Elderly-Only. However, during FY2011, it was determined that the Elderly-Only designation was not necessary for Matthews Memorial. While there will be units in the overall site that are designated Elderly-Only, as referenced in the DCHA MTW 2012 Plan, the 35 units for which DCHA is providing Public Housing subsidy will be family units.

To date, DCHA has designated seven properties in whole or in part as Elderly-Only.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 3: Modifications to HCV Homeownership Program (formerly 1.4.04)**

#### Description

As part of DCHA's efforts to develop new housing opportunities for low-income families that promote self-sufficiency, the Agency explored and implemented various modifications to its HVCP Homeownership Program (HOAP), as regulated by HUD, that make it:

- more attractive to financial institutions and DCHA participants/residents,
- more user-friendly to DCHA participants interested in homeownership,
- more cost efficient to administer, and
- more realistic in promoting long-term homeownership success.

The result was the establishment of the following policies utilizing MTW flexibility:

1. The minimum down payment was set at 3% with no minimum required from the family's personal resources
2. A recapture mechanism was established that allows for the recapture of a portion of the homeownership (mortgage payments) assistance if the family leaves the property in the first 10 years
3. The employment requirement was increased from one year to at least two years
4. Portability is no longer permitted under the Homeownership program.
5. A termination clause was included providing for the termination of a household from the program if the household income falls below the minimum amount required for more than 12 months.

In addition to the above HOAP policy changes, DCHA created a homeownership component in HOAP for Public Housing residents as part of the Agency's second phase of implementation for this initiative. The



Achieving Your Best Life Rewards (AYBL) Program was created to encourage and support upward mobility of Public Housing residents by facilitating the provision and utilization of necessary incentives and supportive services with homeownership as a goal.

The most important feature that distinguishes this program from Public Housing self-sufficiency/homeownership programs offered elsewhere is that this program is place-based. All of the neighbors in the community will have similar motivations and will work towards the same goals. It is the intent that this model will foster an environment in which participating families support and learn from each other while working toward the end goal of homeownership. The first development to be designated as a ABYL Reward Property was Elvans Road.

It is expected that after five years, participating residents will have the down payment for the purchase of a home through the assistance of a Savings Escrow Account. If the family has successfully completed homeownership preparation, identified a home, and received a mortgage commitment, participating residents will be issued a homeownership voucher through HOAP.

A result of a review of existing federal requirements for Public Housing Authorities (PHAs) administering homeownership/self-sufficiency programs, lessons learned from the experiences of clients participating in the existing program, and the realities of the financial markets, DCHA utilized its MTW authority to create AYBL with the intent to increase the chances for acquiring financing and for long-term homeownership success for program participants. The following outlines key program elements for which MTW authority was utilized:

**Eligibility:** To be eligible for AYBL, unless the lessee(s) or spouse is elderly or disabled, the lessee and spouse must have a combined earned income sufficient to be able to afford a house with voucher assistance within five years. Currently, the minimum requirement for entry into the program is \$35,000 in earned income.

**Transfer into Rewards Properties:** AYBL-eligible families are relocated to designated Public Housing communities—referred to as Rewards Properties. These communities will have undergone major modernization prior to the initial occupancy by AYBL eligible families; the modernization should make the units easy for the residents to maintain.

**Rent, Utilities and Savings and Maintenance Escrows:** The payments required of the AYBL participants have been established to reflect the budgeting required of a homeowner. However, in place of the mortgage payment, the resident will pay into Savings Escrow and Maintenance Escrow accounts. Home maintenance costs will be reflected in the required Maintenance Escrow payment. Utility costs will be charged to reflect the reality of homeownership. Non-elderly or non-disabled AYBL residents will pay rent based on their unearned income with the expectation that this income source will cease as their earned income increases.

**Rent:** AYBL participants will pay 30% of their unearned income as traditional rent. Elderly and disabled families will be able to use unearned income to qualify for the program and pay into the escrow accounts rather than rent.

**Savings Escrow Account:** A major incentive of the program is that a portion of the family's earned income (28%), which is excluded from income in the calculation of rent, will be placed in a Savings Escrow account for the down-payment on a home. Account funds will be released to the AYBL





participant when the family has a contract on a home, has a mortgage commitment and is ready to close on a purchase. Interim account disbursements will be considered, with DCHA approval, if needed to complete a task(s) in their Individual Training and Service Plan (ITSP).

**Maintenance Escrow Account:** As part of their homeownership training, AYBL families will be responsible for the upkeep of their unit with technical assistance provided by DCHA. To pay for unit maintenance costs, AYBL families will pay 2% of their earned income into a Maintenance Escrow account. The Maintenance Escrow account will be available to cover maintenance costs.

Elderly and disabled families will be able to use unearned income in the determination of eligibility and to pay into the Savings and Maintenance escrow accounts.

**Homeownership Preparation:** In addition to AYBL participants participating in homeownership training, home maintenance training, money management, credit repair and similar activities identified during the Needs Assessment process, they are responsible for the maintenance of their unit and for paying the utilities.

**Program Term:** It is expected that over the course of the five years of participation in the program, the residents will be able to increase their earned income to at least \$45,000; so that, when combined with a HOAP voucher and the five years of Savings Escrow funds the participant is able to purchase a home. If after five years, the family is not successful and thus not ready to buy a home, they will be required to transfer to another conventional Public Housing unit and the escrow account balances will be forfeited to DCHA.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 4: Simplified Certification and Multi-Year Income Recertification (formerly 2.1.04)**

#### Description

This initiative has two parts—Simplified Certification and Multi-year Recertification, both designed to make the income and eligibility determination process more efficient and cost effective. The initiative has a double benefit. First, saving staffing costs so that scarce resources can be used where they bring more benefit to DCHA's customers. Second, providing greater convenience, as well as incentives for self-sufficiency to residents of DCHA properties and applicants for housing or assistance provided through DCHA.

#### *Simplified Certification*

At final determination of eligibility, as applicants are pulled from the waiting lists and forwarded to HCV or Public Housing for lease-up, DCHA extended the length of time to 180 days that the verified application data is deemed valid. This has reduced the amount of duplicative work required of eligibility staff in DCHA's Client Placement Division as well as reduce the time necessary to build a qualified applicant pool.





### *Multi-year Recertification (Biennial Recertification)*

In FY2007, DCHA began conducting re-certifications for HCV participants every two years, instead of annually. In conjunction with this change, DCHA adopted local rules for the HCV program that provide work incentives for all participants. Specifically, any increase in earned income in the amount of \$10,000 or less will not result in an increase in rent until the family's next scheduled biennial recertification. However, a family may request an interim recertification and reduction of rent as a result of a reduction in income. These revised procedures provide a lifetime incentive to residents and voucher holders to increase income by removing the current limitation on eligibility for the earned income disregard.

#### Status

Implemented and Ongoing.

The biennial recertification initiative has been fully implemented for the HCV program. The process to implement biennial recertifications in the Public Housing program began in FY2012 and will continue to full implementation in FY2013 and FY2014.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 5: Modifications to Market-Based Rents (formerly 2.2.04)**

#### Description

The local regulations developed under this initiative simplify the process of providing a work incentive to Public Housing residents. The regulation discontinues the HUD requirements that DCHA:

- Provide all residents information about the market-based and income-based rents associated with the unit in question; and
- Obtain written documentation of their choice of rent calculation method

Instead, DCHA calculates a resident's income-based rent, compares it to the market-based rent from a periodically updated rent schedule and automatically charges the resident the lower of the two rent options.

If a family's income decreases between recertifications, residents, regardless of the method used for calculating their rent, may request an interim recertification and the rent charged will be the lower of the two rent calculation options, automatically. There is no longer the requirement that the resident demonstrate a particular hardship to return to income-based rent from market-based rent. In addition, DCHA has removed the provision outlined in earlier plans and reports that families on market-based rent will recertify every three (3) years. Instead, these families currently recertify annually and will be included in the Public Housing biennial recertification process once implemented.

#### Status

Implemented and Ongoing.



DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 6: Modifications to Pet Policy (formerly 2.3.04 & 2.5.05)**

##### Description

In FY2004, DCHA adopted a local policy that only allows pets as a reasonable accommodation for families with a disabled member(s) requiring a pet. In FY2005, DCHA created a new policy governing the ownership of pets on DCHA properties. Based on public input and the realities of managing large subsidized rental communities, DCHA adopted regulations that limit pet ownership to those residents in both senior and family developments who are in need of service animals with a grandfather provision for those residents in senior buildings who had a pet prior to the effective date of the regulation.

##### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 7: DCHA Subsidiary to Act as Energy Services Company (formerly 4.1.04)**

##### Description

In 2007, following HUD's approval of DCHA's Energy Capital Improvement Plan, DCHA closed an Equipment Lease/Purchase Agreement in the amount of \$26,024,925. DCHA used Construction Services Administration, LLC (CSA), a wholly owned subsidiary of DCHA, as its Energy Services Company (ESCO). DCHA used HUD provisions allowing, for the purposes of energy subsidy calculation, a frozen base of consumption costs plus actual consumption costs savings to amortize private financing of a comprehensive DCHA energy management program. The frozen base method of operating subsidy calculation was used for some aspects of the program in conjunction with an add-on for energy conservation related debt service for other aspects of DCHA's comprehensive energy conservation program.

Using its MTW Authority, DCHA may, without prior HUD approval, modify the current energy performance contract (EPC) or enter into new performance contracts with Energy Service Companies (ESCOs), also called Energy Service Agreements (ESAs), and determine the terms and conditions of EPCs, provided that, with respect to each contract, (i) the term does not exceed 20 years and (ii) the Agency maintains adequate file demonstrating EPC performance. DCHA or its agents or subsidiaries may also function as its own ESCo, provided that any financing complies with requirements (i) through (ii) of this paragraph. HUD will honor the terms and conditions of such contracts during and beyond the term of DCHA's MTW Agreement.

DCHA has also received approval to pledge its reserves or other funds for use during the term of the MTW demonstration to guarantee the payment of debt service in the event the energy savings are not adequate to cover debt service costs.



#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 8: Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration (formerly 1.6.05 & 3.8.10)**

#### Description

As part of DCHA's ongoing efforts to maximize the resources available for DCHA's customers and to reduce the administrative cost of making these resources available, DCHA

1. modified the process for making rent reasonableness determinations;
2. established a new method for reviewing rent increase requests and payment standards;
3. established administrative adjustments that improved the efficiency of payments to landlords; and
4. limited moves so that the new lease can only start on the first of a month, thereby avoiding overlapping leases and duplicative payments.

DCHA explored options to enhance the housing authority's ability to encourage voucher participants to exercise their choice in housing, especially related to moving into neighborhoods with low levels of poverty. Recognizing that using one city-wide fair market rent (FMR) encouraged voucher holders to reside in low-cost, high-poverty neighborhoods, DCHA devised a method for establishing Payment Standards and reasonable rent determinations that are in line with existing market rents. This method allowed DCHA to approve contract rents that are in line with existing market rents that are based on thorough and ongoing analyses of the District of Columbia rental market. By creating the in-house capacity to analyze rents annually, with monthly assessments of changes in the District of Columbia submarkets, DCHA has the increased flexibility to be more responsive to changes in established submarkets, while setting Payment Standards that mirror area rents.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.



### **Initiative 9: Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing (formerly 3.3.05)**

#### Description

DCHA requested and received approval for a Streamlined Operating Subsidy Only (OPERA) Protocol as part of the FY2008 MTW Plan process. The first project approved under this initiative was Barnaby House; however, market conditions prohibited this project from being completed.

In addition to streamlined approval of Operating Subsidy Only mixed-finance transactions, OPERA also modifies HUD's requirement that the Agency record a Declaration of Trust in first position for properties receiving Public Housing subsidies; provides relief from the 10-year use restriction contained in Section 9(a)(3) of the U.S. Housing Act of 1937; and approves the form of project documents including an operating agreement entitled "Agreement Regarding Participation in the Operating Assistance for Rental Housing Program" and an Annual Contributions Contract amendment entitled "Operating Assistance Amendment to Consolidated Annual Contributions Contract".

DCHA continues to explore methods to further encourage owners of privately-owned and financed housing to include Public Housing units in new or rehabbed properties.

#### Status

Not Yet Implemented.

Although OPERA was an approved initiative under DCHA's original MTW Agreement, language necessary to continue the use of the authority was not included in the negotiated Restated and Amended MTW Agreement executed in September 2010. As such, DCHA has worked with HUD to amend Attachment D of the new MTW Agreement so that this initiative can be reinstated as part of the Agency's ongoing activities. DCHA is finalizing the project documents with HUD and Hayes Street, the first project under this initiative is coming on-line in FY2013.

### **Initiative 10: Supporting Grandfamilies (formerly 3.4.05)**

#### Description

Increasingly, grandparents have become the legal guardians or primary caregivers for their grandchildren. This trend is evident in many of DCHA's households. DCHA has explored ways to use or modify Public Housing or voucher policies as resources to help provide support for such families. To date, DCHA has implemented a policy to exclude from the calculation of income the receipt of a local stipend that the District of Columbia provides to grandparents as caregivers of their grandchildren.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.



### **Initiative 11: Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures (formerly 1.10.06 & 2.5.04)**

#### Description

DCHA undertook the implementation of site-based waiting lists in a phased approach. First, DCHA implemented site-based waiting lists for Mixed Finance and Special Purpose sites. These site-based waiting lists are managed at the sites by the third party owner/manager of the Mixed Finance and Special Purpose sites. Special Purpose sites are those supportive service intense sites that serve special needs populations or residents who have self-selected to pursue the goal of self-sufficiency. The site-based waiting lists at special purpose properties have eligibility and screening criteria that are site specific. The waiting list can be either for initial occupancy or transfer waiting lists from other Public Housing properties.

The next phase of this initiative is to implement centrally managed site-based waiting lists at DCHA's conventional Public Housing sites. To implement the site-based waiting lists at conventional Public Housing, in FY2011 DCHA completed a multi-phase review and purge its Public Housing waiting list. In FY2014, DCHA will complete the implementation.

#### Status

Implemented and Ongoing.

As part of a waiting list redesign project, DCHA suspended the intake of new applications for conventional Public Housing sites in FY2013. The next step will be an update of the waiting list which will include an opportunity for families to make site selections in order to establish site-based waiting lists for the agency's conventional Public Housing sites.

As reported in the Housing Stock section of this plan, two Mixed Finance sites are projected to have units coming online in 2014 (Metro Townes at Parkside (Polin Memorial) and Sheridan Station Phase III ) and DCHA will be utilizing this initiative to implement both.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 12: Rent Simplification and Collections (formerly 3.5.06)**

#### Description

DCHA explored various ways to simplify the rent calculation and collections models. As part of its exploration, DCHA looked at self-certification of assets and excluding local stipends for grandparents. The goal of this initiative was to build on existing rent simplification models to design a model that simplifies the calculation process and lessens the burden of rent calculations for the neediest families.

As Phase 1 of this initiative, DCHA implemented the following as part of DCHA's Rent Simplification strategy:

- Self-certification of Assets less than \$15,000, including an increase in the threshold for reporting Assets.



### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 13: Enhanced Public Housing Lease Enforcement Operations (formerly 2.6.07)**

#### Description

DCHA utilized MTW regulatory flexibility in the 2008 revised Public Housing dwelling lease to include provisions that allow the incorporation by reference of property-specific community rules developed and adopted by the individual Resident Councils. The resulting lease, local regulations, policies and procedures are designed to give greater control of its properties to residents who are committed to a community's wellbeing and improve the effectiveness of its lease enforcement efforts.

#### Status

On Hold

DCHA has worked with individual Resident Councils to establish property-specific community rules. No Resident Council, however, has availed itself of the option to establish property-specific community rules. DCHA still remains committed to providing the residents the flexibility in this MTW initiative. While it has not been implemented, DCHA feels it is premature to close out the initiative at this time and elects to label it "On Hold."

### **Initiative 14: Streamlining the Transition from Project-Based to Tenant-Based Vouchers**

#### Description

The District of Columbia has lost thousands of project-based contracts throughout the past decade due to the "opting out" of private owners whose contracts with HUD were expiring. Like most housing authorities, DCHA plays a key role during the transition phase of a project-based development through the counseling of the households impacted and the issuing of tenant-based vouchers.

In response to the large number of opt-outs, DCHA streamlined the transition of households from a project-based contract to a tenant-based voucher. Given that the affected households are already in a HUD-funded program and had been certified for eligibility, DCHA accepts the eligibility and re-certification data collected by the landlord under the project-based contract.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.



#### **Initiative 15: Reform Housing Quality Standards (formerly 3.7.08)**

##### Description

DCHA has been exploring modifying the definitions and content of the housing quality standards to reduce uncertainty as to the nature of a unit's deficiency. The research includes an analysis and comparison of all the various different housing standards across the federal housing programs and local housing programs. It is expected, that the modified standards will better align the standards of the HCV program to other housing programs. If deemed appropriate upon completion of the research, the housing authority intends to modify and standardize inspection standards with the goal of reducing leasing delays, which negatively impacts our clients, and reducing repetitive inspections, which impacts the efficient use of staff time.

Additionally, DCHA is working with three other government agencies in the District which conduct inspections on multifamily properties. The inspections by the various agencies are often conducted on the same units, resulting in redundant work and multiple inconveniences for residents. The agencies are exploring relying on a sister agency's inspections and creating a local universal inspections form.

##### Status

Not Yet Implemented.

DCHA is finalizing the research and subsequent set of standards that encompass both HQS and sister agency needs. DCHA anticipates full implementation in FY2014. DCHA will bring any alternate HQS to HUD for review and approval prior to its implementation.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

#### **Initiative 16: Requirement to Correct Minor HQS Unit Condition Discrepancies— Tenant/Landlord Self-Certification (formerly 2.7.11)**

##### Description

Housing Quality Standards (HQS) defines what “major and minor” violations are. Minor violations do not involve health or safety issues and thereby are marked as “Pass with Comments”. Although HQS does not require that an agency re-inspect to insure that minor violations identified as “Pass with Comment” are addressed, DCHA wants to mandate that minor violations that are “Passed with Comment” are corrected and confirmed through the use of an Inspection Self-certification form (see Appendix D).

Currently DCHA has a self-certification procedure, but there are no consequences if the tenant or the landlord does not comply with self-certification. Whether or not the minor violations have been corrected, because the unit passed inspection, the landlord can request and receive a rent increase or the tenant can request and be approved for a transfer to a new unit regardless of who caused the violation. In the event that one party does not self-certify, both tenants and landlords can (and often do) request a re-inspection. The self-certification process that has consequences should reduce the number of re-inspection requests and thereby save staff time and reduce administration costs.

DCHA will use its MTW authority to implement the following consequences faced by tenants and/or landlords who fail to sign an Inspection Self-Certification form:





- For tenant caused violations: the tenant will be unable to move with continued assistance.
- For landlord caused violations: the landlord will not be granted a rent increase.

This change is focused on enforcement. As such, the new flexibility does not necessitate any change to the existing self-certification form.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 17: Change in Abatement Process, including Assessment of a Re-inspection Fee as an incentive to Maintain Acceptable Housing Quality Standards in Voucher Assisted Units (formerly 2.8.11)**

#### Description

DCHA is required to conduct a re-inspection for units that fail an annual HQS inspection to ensure that the owner has corrected the violations. If the landlord does not correct the violations by the time of the re-inspection, DCHA must abate the landlord's payment and terminate the HAP contract. In FY 2010, DCHA conducted third inspections on over 7% of its HCV units.

Prior to termination of the HAP contract (which is typically 30 days from the abatement), if the owner wants DCHA to come out for a third inspection, DCHA is using its MTW authority to charge the landlord a fee for the third inspection. The current fee for the third inspection is \$100.00. The fee for the inspection does not remove the abatement of the subsidy; rather, DCHA is seeking to impose this fee due to the administrative costs of conducting an inspection that is not required. If the unit passes after the third inspection, DCHA will lift the abatement effective the date the unit passed.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 18: Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process (formerly 3.9.11)**

#### Description

Since DCHA moved to biennial recertifications for HCV, and with future implementation planned for Public Housing, a longer release of information authorization is needed. Currently, income data provided for Public Housing and Housing Choice Voucher program participants through the HUD Enterprise Income Verification (EIV) system is only accessible for 15 months with a signed HUD Form 9886 (HUD





9886). The HUD 9886 is a release of information authorization signed by every adult member of the household. The HUD 9886 gives DCHA the ability to conduct third party verifications of income for up to 15 months from the date the adult members complete the form. If resident/participant data is not accessed within the 15 month period, DCHA will lose the ability to run the third party income data.

DCHA is proposing to develop a local form that gives the Agency the authority to conduct 3<sup>rd</sup> party verifications of income for each adult member for 36 months instead of 15 months as long as said member remains a part of the household composition of the assisted household. This form will be executed for each adult member of the participating household and will conform with 24 CFR 5.230 as required to access EIV. The packet sent to each participating household at the time of re-certification will contain a reminder that the authorization form was previously signed.

#### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 19: Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment (formerly 4.5.11)**

#### Description

In the Housing Authority industry, self-sufficiency is usually defined as obtaining work and gaining financial independence, but DCHA views self-sufficiency more broadly. Self-sufficiency refers to the state of not requiring any outside aid, support, or interaction, for survival; it is therefore a type of personal or *collective* autonomy. When DCHA residents come together and take ownership of community issues, and work together to develop creative solutions to those issues and create better communities, they are achieving a level of empowerment and self-sufficiency. When the solutions call on residents to assist in solving the problems, the implementation of these solutions can also achieve greater cost effectiveness in federal expenditures.

Working with Resident Councils, DCHA proposes to create resident-driven and resident-implemented community-based programs to increase and improve quality of life services at DCHA's properties and achieve greater resident empowerment and self-sufficiency. In exchange for participating in the program by volunteering their time, residents will be rewarded with an income deduction for rent calculation purposes. Participation by each community and/or by each individual will be strictly voluntary. DCHA is proposing to use its MTW authority to implement the income deduction.

The income deduction will be based on a range of hours worked. The chart below offers a preliminary view of how the income deduction will be calculated:

Estimated Hours worked per month	Estimated Income allowance/deduction	Estimated resulting reduction in rent charged
0-4	\$32.00	\$9.60



4-8	\$64.00	\$19.20
8-12	\$96.00	\$28.80
12-16	\$108.00	\$32.40
16-20	\$160.00	\$48.00
20-24	\$192.00	\$57.60
24-32	\$256.00	\$76.80
32-36	\$288.00	\$86.40

Under no circumstance will the income deduction result in negative rent.

Resident Councils will identify a need for an increased level of service, particularly quality of life service that typically differentiates between affordable properties and market-rate properties. The service cannot be offered by management within the budget available for the property or is not traditionally provided at Public Housing sites. The Resident Councils will also develop a strategy for organizing residents to meet the need/desire for increased service. Throughout the process, DCHA staff will provide technical assistance to the Resident Councils to help them implement the program and oversee the provision of the service. The implementation of the service will include training volunteers, scheduling volunteers, time tracking and calculation of the income deduction. By participating in the implementation or serving as a day-to-day volunteer, participants are actively engaged in increasing the vibrancy and livability of their community. Additionally some participants, depending on the volunteer activity, may have the opportunity to gain or enhance job and life skills.

One example of a project currently being developed is a greeters program at a building for the elderly and disabled. The building has been retrofitted with a card key system to control access to the building. As part of the resident participation in the planning of the new building access control system and the establishment of the ground rules associated with the card key system, the residents identified several issues that they wanted to help solve. While they wanted the building to be accessible only by card key 24/7, they recognized that it may be difficult for mobility-impaired residents to be able to come to the front door to allow their visitors access. In addition, the residents were concerned that the unsavory elements of the community might disable the system or prop open the door and that visitors may come to the building without having called ahead first to make arrangements for their host or hostess to meet them at the door. The solution that was designed by the residents includes a cadre of volunteer residents manning a desk in the lobby in pairs for four hour shifts for 12 hours a day to monitor entry and assist visitors. The greeters will be trained by the DCHA Office of Public Safety so that they know how to avoid putting themselves in danger and will be provided instant communication to the security booth located a half block away. Residents who volunteer as greeters will receive an income deduction for the purposes of rent calculation commensurate with their level of participation in the greeters program.

Another example of a program expected to be implemented under this initiative is a gardening program in which the residents wish to take responsibility for creating and maintaining more elaborate gardens and lawns at their family property. With this program, designed and overseen by the Resident Council, DCHA staff would help arrange for landscaping training for the residents volunteering for the program and provide materials and equipment. The residents who participate in the program, if they are exempt from the community service requirement or if they have completed the necessary community service



hours, would receive an income deduction for the purposes of calculating rent based on their level of participation in the program.

The programs developed under this initiative will be initiated by the most organized and active Resident Councils. These will more than likely be the Resident Councils who are also actively discussing the establishment of various Community Living Standards under initiative 2.6.07: Enhanced Public Housing Lease Enforcement Operations. However these two initiatives are very different. Initiative 2.6.07 involves lease provisions that apply to every resident of a property, but may be unique to that property. This newly proposed initiative will have a positive impact on all the residents of a community, but participation by any individual will be strictly voluntary.

#### Status

Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates initial implementation in FY2013, with full implementation in 2014.

### **Initiative 20: Enhance Neighborhood Services within Public Housing Communities (formerly 2.9.12)**

#### Description

As a means to better integrate Public Housing developments into surrounding communities while encouraging self-sufficiency, DCHA will convert public housing dwelling units into non-dwelling units to create space providers of services that help our residents/participants achieve self-sufficiency. These units will be classified as MTW Neighborhood Services Units in PIC. Many of these providers will serve both Public Housing residents and members of the surrounding community, including HCV participants, reducing the isolation that characterizes many Public Housing developments. In addition, the on-site services will augment those available elsewhere in the community so that available resources are used efficiently and residents will be encouraged to leave the community to meet some of their needs.

Working with Resident Councils to identify needs, opportunities and resources, DCHA will provide space to organizations providing the following range of services: occupational skills/job training, GED preparation, after school mentoring and tutoring, parenting training and support, case management and counseling, money management and business development, nutrition classes, health screening, gang intervention and violence prevention. This activity augments workforce development activities already provided to DCHA Public Housing residents and HCV participants. It is expected that these services will result in reductions in drug abuse, crime prevention, healthier communities and a reduction in maintenance and management costs.

DCHA will designate conventional Public Housing units as non-dwelling space based on need, unit configuration, existing services in the area, and availability and interest of service providers. Units will be determined based on the amount of space needed to support the on-site activities. DCHA will carefully consider development/unit designations, weighing the need to maintain available housing opportunities with the importance of families achieving self-sufficiency. Upon approval of this initiative, DCHA will submit requests with descriptions of services to be provided and justifications to the HUD field office to designate specific units as MTW Neighborhood Service Units.



### Status

Implemented and Ongoing.

DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

DCHA is not currently using an outside evaluator(s) for any of the Agency MTW initiatives.

### **Initiative 21: DCHA Local Mixed Subsidy Program (formerly 2.10.12)**

#### Description

In order to preserve public housing, DCHA is proposing to use its MTW authority to use housing choice voucher subsidy in combination with Public Housing subsidy to finance and operate newly renovated or constructed properties. Using the MTW authority, all tenants in the newly renovated or constructed properties regardless of the subsidy source will be treated the same—tenants will be given all the rights and responsibilities that DCHA Public Housing residents are afforded.

The first property for which this activity will apply is Highland Dwellings, a conventional Public Housing community consisting of 208 units. The renovation of Highland Dwellings will be financed through tax-exempt bonds and 4% tax credits, along with other public housing funding. In order to pay the debt service on the bonds, 83 units will be subsidized using project based vouchers. The other 125 units will be subsidized through the public housing program. Under this MTW initiative, however, the tenants living in all the units and the units themselves, regardless of the subsidy source will be governed by the policies and procedures that govern DCHA's public housing. At Highland Dwellings, the renovations will be made to vacated units. The former residents of the development will all be given the right to return and be the initial occupants of the newly renovated or newly constructed units with future vacancies filled from the Public Housing waiting list.

The goal of the program is to use voucher budget authority to leverage the financing necessary to fund redevelopment, modernization and routine maintenance at Public Housing developments, while maintaining the stability of the community by continuing to manage the property and residents under one set of rules – public housing rules. This activity meets the MTW statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures. Examples of Public Housing occupancy policies that will be applied to all residents in a development designated a Local Mixed Subsidy Program include:

- All residents of the newly renovated property will pay public housing rents. The property will have Market-based Rent Cap schedule established based on data collected as part of the HCV Reasonable Rent determination process and rents will be charged according to Public Housing rent policies; in accordance with these policies, residents whose income-based rent would exceed the Market-based Rent Cap will only pay the Market-based rent; there will be no limitation on the length of time that the resident can remain in tenancy paying the Market-based Rent;
- Residents in good standing who are approved for or are required to transfer, for under-/over-housing issues, for reasonable accommodation requirements, or for public safety issues for example, will be offered units in other Public Housing developments in accordance with the DCHA Public Housing transfer policies; no residents, regardless of the subsidy source on the unit, will be given a tenant-based voucher upon transfer;



- Residents with grievances will have access to DCHA's Public Housing Grievance process;
- The UPCS inspection protocol will be used;
- The Public Housing lease will be used;
- If the property renovation requires relocation of the existing residents, all former residents will have the right to return to the renovated property. After that, Public Housing waiting lists will be used to fill the vacancies at the property; and
- Eligibility and screening criteria will be used as provided for in DCHA Public Housing regulations. No households who have income greater than 80% of the adjusted median income at initial admission will be housed.

As the implementation work is completed, other differences between public housing operating policies and procedures and the HCV Administrative Plan may be found. However, as a rule it will be the public housing rule that will be used rather than HCVP provisions.

#### Status

On Hold.

DCHA will not be using this initiative as part of the implementation of the redevelopment activity at Highland Dwellings. As a result of needed changes in financing, DCHA will instead spread the voucher funding, originally designated to project base 83 units, evenly across all 208 units; this is in addition to the ACC subsidy for the 208 units. In this approach, all units retain the ACC subsidy and there is no need to use MTW authority in order to make sure the families in the project-based units are treated as Public Housing residents.

### **Initiative 22: Housing Public Housing Residents in Service-Rich Environments (formerly 3.9.12)**

#### Description

As part of DCHA's efforts to provide service-rich environments for Public Housing residents with special needs, the Agency will contract out the management of a limited number of conventional units to organizations selected for their expertise in providing such services. Moving to and living in these properties will be voluntary.

Using MTW Initiative 1.10.06—Application Intake Site Designation, these units will have site-based, site-managed waiting lists with their own screening and selection criteria.

The properties will also have their own house rules equivalent to DCHA's Community Living Standards that are an addendum to the lease and their own rules for rent calculation.

The organizations will bring additional funding outside of Public Housing that will allow the creation of these service-rich environments.



DCHA is working on developing a new rent policy for the Service-Rich Environments. That policy will be processed as a Plan amendment and vetted publicly.

Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates full implementation in FY2013.

**Initiative 23: Encourage the Integration of Public Housing Units into Overall HOPE VI Communities (formerly 3.10.12)**

Description

Many of DCHA's Mixed Finance communities include rental Public Housing units and market rate homeownership units. This often causes disagreements and misunderstandings that can best be resolved by bringing all the residents together in a Community Association.

Currently many of our Mixed Finance properties have Homeowner and Tenant Associations (HOTAs)/Community Associations. They are not as effective as they could be because the dues structure does not provide an adequate operating budget to engage in community building activities. With the implementation of this Activity, a budget will be developed that will allow the HOTAs/Community Associations to become an effective force in equitably governing and unifying the community. A community with a healthy, equitable Community Association is a truly mixed income community, rather than several communities segregated by income level or housing tenancy that exist in physical proximity to each other. When a truly mixed income community is thus created it creates real housing choice for DCHA's low income clientele.

In order to be full-fledged members of the community, Public Housing residents, or their landlords on behalf of the Public Housing residents, must pay HOTA dues to ensure that the community is well maintained and that a forum for discussing and resolving differences is always available.

Similar to the mechanism planned to allow the provision of selected service-rich environments, DCHA is utilizing its authority for rent simplification to ensure that residing in these units is affordable even though the property has greater expenses than is typical in Public Housing. DCHA will adopt local rent calculation regulations that allow the managers of Mixed Finance properties to establish an income based rent and fee structure that ensures that the rents and fees, including HOTA fees, are no more than 30% of adjusted income. Each public housing tenant will be given a HOTA dues allowance similar to a utility allowance, thus reducing the total rent charged so that the cost of the dues will not increase the tenant's housing expenses.

Status

Not Yet Implemented.

DCHA is developing local regulations for this MTW activity. DCHA anticipates implementation at one pilot mixed-income development in FY2013.





## Initiative 24: **Simplified Utility Allowance Schedule**

### Description

DCHA is proposing to simplify the calculation of utility allowances for Housing Choice Voucher participants. The current utility allowance is based on the dwelling type, the number of bedrooms, the services paid by the tenant and the fuel type. DCHA will implement a simplified utility allowance schedule based on the bedroom size, heating fuel, and whether the tenant is responsible for paying the water and sewer bill to simplify the rent calculations.

The policy will be implemented in all new HCV contracts and at the time of recertifications (either biennial or interim) for current participants. The simplified utility allowance schedule will be updated annually, but applied to HCV participants at the time of recertifications. In addition, the DCHA will simplify the definition of bedrooms used in the assignment of utility allowances. Currently, utility allowances are assigned to households based on the actual size of the physical unit. DCHA will simplify the definition to be the lower of the voucher size or physical unit bedrooms when defining bedrooms for the assignment of utility allowances. This will follow the same definition used for the assignment of payment standards for HCV participants.

This initiative will improve administrative efficiency due to the decrease in time spent computing the correct utility allowance, verifying through inspections and documenting carefully on the Housing Assistance Payment (HAP) Contract. It will also help voucher participants in their unit search since it will give them an exact amount of rental assistance available. Participants can elect to go on DCHA's website to pull the maximum approved contract rent for the unit they have chosen, and then apply the new utility allowance formula to get the gross rent. This gross rent can be used to enable the family to calculate the tenant share of rent. With the simplified utility allowance, DCHA will be able to implement plans for a "Rent Portion Estimator" that utilizes real family income, unit and utility details, and 50058 calculations to allow the family to plug in variables for potential new moves that would give the family a close approximate of what their portion of rent would be if they moved into that unit.

Based on current utility rates the proposed schedule is below:

Bedroom Size	0	1	2	3	4	5	6
Baseline	89	120	152	183	239	280	322
Electric or oil heat add-on	48	64	80	96	140	159	183
Water & sewer add-on	28	57	84	112	141	196	225

### Anticipated Impact(s)

From a cost savings/efficiency perspective, this activity will reduce administrative burden for the Agency by decreasing the time spent on utility allowance calculations.

From a direct cost (HAP expenditure) perspective, the utility allowance levels were set to be revenue neutral. That is, the total monthly utility allowance is expected to be virtually unchanged from the current policy. Because DCHA expects to grant some hardship waivers initially, the new policy is likely to be slightly more expensive to DCHA during the first several years of transition. These costs will be offset by the increased efficiencies.

From the perspective of increasing housing choices for low-income households, the activity will reduce reluctance of landlords to participate in the program. Owners are provided a maximum contract rent (factoring in average utility allowances). There are many cases where the actual utility allowance would impact the owner receiving the maximum (for instance if all utilities are electric making the gross rent too high for subsidy approval). By utilizing this simplified methodology; owners can now get a real sense of what they would be able to receive upfront – eliminating any confusion after RFTA submission. Additional benefits of the activity are a reduction of confusion for voucher participants, increased participant awareness to find more energy-efficient units, consistent with HUD's greening initiatives, and a shorter lease-up period. In addition it will help residents in their apartment search since the amount of subsidy will be clearly defined.

The impact of the proposed policy change on HCV participants is varied – some will see no change, some will see a utility allowance increase, while others will experience a utility allowance decrease. The magnitude of those changes will also vary.

Based on data from early May, 2012, the following table summarizes the percentage of clients positively and negatively impacted:

Bedroom Size	No Utility Allowance, No Change	Increase	Decrease	No Change
0	81%	8%	11%	0%
1	22%	31%	40%	8%
2	17%	25%	49%	9%
3	14%	20%	61%	5%
4	8%	56%	28%	4%
5+	8%	48%	34%	7%
Total	21%	27%	45%	7%

While 45% of participants will experience a decrease in their utility allowance (and therefore a corresponding decrease in rental assistance), less than 9% will experience a larger than \$25 per month decrease and less than 1% will see a larger than \$100 per month decrease. Based on preliminary analysis, some of those experiencing the largest impacts will not be due to the change in policy but due to the clean-up of errors in the current calculation of utility allowance.

DCHA does not anticipate any protected classes to be adversely affected by this activity. Individual choice of structure type is the factor that most affects the utility allowance change, with those choosing to live in single-family detached structures most likely to have the largest impact.

A hardship policy has been established for participants who are negatively impacted and will be reviewed on a case by case basis.



## Metrics

Metrics	Baseline (FY2012)	Benchmark	Data Source
Number of staff hours in briefings to describe Utility Allowance calculation (minutes spent per briefing times number of briefings)	30 minutes per briefing times 8 briefings per month = 48 hours per year	Reduction of 50% by the end FY2013 (or the end of the year in which the initiative is initiated)	HCV
Number of staff hours processing utility allowances (seconds per utility allowance calculation times number of calculations)	40 seconds * 9,415 recerts = 105 hours per year	Reduction of 50% by the end FY2013 (or the end of the year in which the initiative is initiated)	HCV
Total allowance paid annually by HCV program	\$23,921,148	Annual increase in line with inflation every year after initial implementation	HCV
Hardship Waivers Requested	0	150 per year for three year transition	HCV
Hardship Waivers Granted	0	75% of those requested	HCV

## Rent Reform Information

1. Agency's Board of Approval of Policy: Before implementing the simplified utility allowance, the Board will approve the updated required local regulations. The approval of the initiative was part of the approval of the 2013 MTW Plan.
2. Impact Analysis: See discussion of impact above.
3. Annual reevaluation of rent reform initiative: A re-evaluation of this policy will be completed on an annual basis.
4. Hardship case criteria: Any family whose utility allowance changes by more than \$25 AND the change is more than 10% of the household's adjusted monthly income may request a hardship waiver. To qualify for the waiver, the head of household must provide documentation that their average utility bills for the past six months exceeded their simplified utility allowance. A household who meets these criteria will be provided a six month utility allowance waiver and the utility allowance will be set at the lower of the previous utility allowance or their average utility bills from the past six months. The household will be provided an emergency transfer voucher. At the end of six months, if the household has not moved, the simplified utility allowance will be applied.



5. Transition period: To transition participants to the simplified utility allowance schedule, DCHA will provide advance notice to affected families and advise them of their right to request a hardship claim. The simplified utility allowance scheduled will be used in the rent calculation at a family's next recertification, interim recertification, or move after adequate advance notice has been provided.
6. Documentation of public hearing (may be same as Annual Plan hearing): At the direction of the DCHA Board, it was agreed at the time this initiative was introduced that in addition to the 2013 MTW Plan Public Hearing, an additional public hearing on the related updated local regulations would take place prior to implementation. However, as a public hearing is not required to review the new scheduled, it has been determined that there will be a briefing of the Board on the new schedule prior to implementation in lieu of a public hearing.



## Section VII. Sources and Uses of Funding

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

### A. Sources and Uses of MTW Funds

Under MTW, DCHA consolidates the public housing operating subsidy, the capital fund program, and the Section 8 Housing Choice Voucher program funding into a Single Fund Budget. The FY2014 budget has not been reviewed and approved by the DCHA Board of Commissioners by the time of the drafting of this plan publication. The FY2014 budget will be presented after it is finalized.

Below is the expenditure plan for Capital Funds appropriated in FY2013, but to be expended in FY2014.

**District of Columbia Housing Authority  
Office of Capital Programs  
Capital Fund Available for Modernization  
Fiscal Year 2014**

PROPERTY	GENERAL DESCRIPTION	BUDGET VALUE
BARRY FARM	VARIOUS UNIT UPGRADES	\$ 350,000.00
SIBLEY PLAZA	STORAGE TANK REPLACEMENT	\$ 110,000.00
JUDICIARY HOUSE	ELEVATOR SYSTEM REPLACEMENT	\$ 535,000.00
LANGTON TERRACE	ROOF REPLACEMENT	\$ 650,000.00
RICHARDSON DW.	ROOF REPLACEMENTS & (3) UNIT REHABILITATION	\$ 450,000.00
FRONT LINE COST	BLUEPRINTS, DESIGNS, INSPECTIONS, FEES	\$ 522,591.00
FRONT LINE COST	MECHANICAL REPAIRS, UPGRADES & EMERGENCIES	\$ 300,000.00
FRONT LINE COST	NON DWELLING UNIT STRUCTURES	\$ -
FRONT LINE COST	CCTV SYSTEM UPGRADE	\$ 301,809.00
FRONT LINE COST	RESIDENT RELOCATION	\$ 100,000.00
<b>DCHA PROPERTIES</b>	<b>TOTAL GRANT VALUE</b>	<b>\$ 3,319,400.00</b>

<b>FY13' Budget Basis</b>	<b>\$ 14,117,364.00</b>	<b>FY12' Final Budget Value</b>
	\$ (6,041,443.00)	<b>FY12' Debt Service SCHEDULE</b>
	\$ 7,372,716.00	<b>FY12' - 5% (Except Debt Service)</b>
	\$ 6,038,780.00	<b>FY13' Debt Service SCHEDULE</b>
<b>(NET 5% REDUCTION)</b>	<b>\$ 13,411,496.00</b>	<b>Anticipated FY13' Budget Value</b>

<b>CAPITAL FUND GRANT BREAKDOWN</b>	<b>\$ 13,411,496.00</b>
RHF	\$ (1,713,771.00)
DEBT SERVICE	\$ (6,038,780.00)
ADMINISTRATIVE FEE	\$ (1,169,773.00)
PUBLIC SAFETY	\$ (1,169,772.00)
<b>NET CAPITAL FUNDS AVAILABLE</b>	<b>\$ 3,319,400.00</b>



## **B. Sources and Uses of Non-MTW Funds**

DCHA receives several sources of non-MTW funds, including federal grants and local funding. The FY2014 budget has not been reviewed and approval by DCHA Board of Commissioners by the time of this publication. The FY2014 budget will be presented after it is finalized.

## **C. Sources and Uses of the COCC**

DCHA utilizes a Central Office Cost Center (COCC). The FY2013 budget has not been reviewed and approval by DCHA Board of Commissioners by the time of this publication. The FY2014 budget will be presented after it is finalized.

## **D. Cost Allocation of Fee-for-Service Approach**

DCHA utilizes a Local Asset Management Plan (LAMP) that differs from the requirements of the Housing Act of 1937 Act, as amended. The LAMP is included in Appendix A.

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

Single-Fund Budget Flexibility was used to meet many of the Agency's goals under the MTW Program. In FY2013 as in previous years, DCHA will use grant funds to achieve the following:

- Fund Public Housing Operations
- Modernize conventional public housing and generally address deferred maintenance issues at DCHA's conventional Public Housing sites
- Supplement operating fund payments for otherwise underfunded Public Housing units under Annual Contributions Contract to provide enhanced services and create new and replacement low income housing units. Specifically, this would apply to the new Public Housing units planned for the Highland development and Square 882 (The Lofts).
- Create and operate workforce training site for Public Housing residents
- Create UFAS units in the private market through DCHA's Partnership Program to accommodate the housing needs of DCHA residents
- Improve customer service, including the creation and maintenance of a Customer Call Center and work-order tracking system
- Purchase and maintain Public Safety equipment and tools to improve the safety and security in and around our communities

In addition, DCHA may utilize its MTW flexibility and block grant funds in a Rental Assistance Demonstration (RAD), upon HUD approval.



## **Section VIII. Administrative**

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### **A. Board of Commissioners Authorization Resolution**

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## **Appendix A: Local Asset Management Program**

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### **Background and Introduction**

The Amended and Restated Moving to Work Agreement, effective September 29, 2010, required DCHA to design and implement a local asset management program for its Public Housing Program and describe such program in its Annual MTW Plan. The term “Public Housing Program” means the operation of properties owned or subsidized by the Agency that are required by the U.S. Housing Act of 1937 to be subject to a Public Housing declaration of trust in favor of HUD. The Agency’s local asset management program shall include a description of how it’s implementing project-based property management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements. Under the First Amendment to the MTW Agreement, DCHA agreed to describe its cost accounting plan (cost allocation plan) as part of its local asset management program including how it deviates from the HUD fee for service system.

### **Project-based approach for Public Housing Program**

DCHA maintains a project-based management approach which includes both DCHA-managed properties, as well as privately managed properties, under the Public Housing Program. Project-level budgeting and accounting is maintained for each of these Public Housing properties. In addition, each mixed-income, mixed-finance rental community that contains Agency-assisted units under the Public Housing Program are owned, managed and operated by third party partnerships as established at the time each of the transactions were structured. DCHA maintains a separate budget and accounting for the operating subsidy paid to the owners of these properties as well as any other cost incurred by the Agency on behalf of these properties.

### **COST ALLOCATION PLAN**

#### **Identification of Cost Allocation Approach**

DCHA approached its cost allocation plan with consideration to the entire operation of the Agency, rather than a strict focus on only the MTW Program. This cost allocation plan addresses the larger DCHA operation as well as the specific information required related to the MTW Program.

Under the MTW Agreement, the cost accounting options available to the Agency include either a “fee-for-service” methodology or an “indirect cost rate” methodology. DCHA can establish multiple cost objectives or a single cost objective for its MTW Program. DCHA opted to use a fee-for-service methodology and to establish the MTW Program as a single cost objective, as further described below.

#### **Classification of Costs**

There is no universal rule for classifying certain costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, the definitions and guidelines provided in this Cost Allocation Plan are used for determining direct and indirect costs charged to the cost objectives.



## **Definitions**

**Cost Objective** – Cost objective is a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

**Direct Costs** – Direct costs are those that can be identified specifically with a particular final cost objective.

**Indirect Costs** – Indirect costs are those: (a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objective(s) specifically benefitted, without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to the cost objectives.

**Cost Base** – A cost base is the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to cost objectives (Federal awards). Generally, the direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

## **DCHA Cost Objectives**

DCHA has identified the following cost objectives:

**MTW Program** – All associated activities funded under the MTW Single Fund authority are deemed as a **single cost objective**. The MTW Program cost objective includes: 1) DCHA-owned Public Housing Properties and Public Housing units contained in third party-owned properties, 2) MTW Housing Choice Vouchers, both Project-Based Vouchers (PBV) and Tenant-Based Vouchers, 3) Development Activity funded from MTW, 4) resident services and case management services offered to families served under the MTW program, 5) Capital Funds, and 6) any other activity that is permitted in DCHA's Amended and Restated MTW Agreement.

**Revitalization Program** – The Revitalization Program includes the development-related activity funded from HOPE VI, Choice Neighborhood Initiatives and other local funds. Generally, DCHA will capture costs by development and will include the ability to track charges to specific funding sources.

**Special Purpose (Non-MTW) Tenant-Based and Project-Based Housing Choice Vouchers** – Special Purpose Vouchers include, but are not limited to, the Section 8 Moderate Rehab Program, the Veterans Affairs Supportive Housing (VASH) vouchers, Tenant Protection and Opt-Out Vouchers in the first year, and the Multicultural vouchers.

**American Recovery and Reinvestment Act (ARRA) Grants** – The ARRA grants are one-time grants which will be use for rehabilitation of existing DCHA-owned Public Housing properties, and demolition and development related to the Public Housing-assisted units inside of mixed-income, mixed-finance developments.

**Other Federal and State Awards** – DCHA may be the recipient of other Federal and Local awards from time to time. Each of these awards will be a separate cost objective as necessary. For





example, DCHA has two locally funded voucher programs that are treated as separate programs and therefore, as separate cost objectives.

### **DCHA Direct Costs**

DCHA direct costs are defined in conjunction with the cost objectives defined in this Cost Allocation Plan. As previously mentioned, under OMB Circular A-87, there is no universal rule for classifying costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the final cost objective.

**MTW Program** direct costs include, but are not limited to:

1. All contract costs readily identifiable with delivering housing assistance to low income families under the MTW Program;
2. Housing Assistance Payments (including utility allowances) for tenant-based vouchers and PBV;
3. Portability Administrative Fees;
4. Homeownership voucher funding;
5. Foreclosure and emergency assistance for low income families served under HCV;
6. HCV costs for administering tenant-based vouchers, including inspection activities;
7. Operating costs directly attributable to operating DCHA-owned Public Housing properties, including utility costs and maintenance costs administered centrally;
8. Capital improvement costs at DCHA owned properties;
9. Operating subsidies paid to MIMF properties
10. Operating costs paid related to or on behalf of third party owned properties with Public Housing units including utility charges;
11. The Asset Management Department costs attributable to PBV, DCHA-owned Public Housing properties and third party-owned Public Housing units;
12. Resident Services directly attributable to MTW Program activities;
13. Gap financing in MTW real estate transactions;
14. Acquisition costs funded from MTW funds
15. Demolition, relocation and leasing incentive fees in repositioning DCHA-owned real estate;
16. Homeownership activities for low income families;
17. Office of Capital Programs and Development costs associated with MTW-funded development activity, homeownership initiatives, and PBRA as a development tool, and
18. Any other activities associated with delivering housing assistance to low income families under the MTW Program.

**Revitalization Program** direct costs include, but are not limited to:

1. Construction costs;
2. Loan and financing for affordable units;
3. Acquisition costs;
4. Land Improvements;
5. Legal expenses;
6. Professional services;



7. Contract cost (case management);
8. Relocation;
9. Extraordinary site work;
10. Demolition; and
11. Other revitalization expenditures (such as homeownership mortgage assistance and down payment assistance).

**Special Purpose Housing Choice Tenant-based Vouchers** direct costs include, but are not limited to:

1. Housing Assistance Payments (HAP) and
2. Program Administration Costs.

**American Recovery and Reinvestment Act (ARRA) Grant** direct costs include, but are not limited to:

1. Demolition of DCHA-owned Public Housing properties
2. Rehabilitation of existing DCHA-owned Public Housing properties, and
3. Construction costs including loans and financing related to the Public Housing units inside of mixed-income, mixed-finance developments.

**Other Federal and State Awards** direct cost include, but are not limited to:

1. Legal expenses;
1. Professional services;
2. Utilities (gas, water, electric, other utilities expense);
3. Real estate taxes;
4. Insurance;
5. Bank charges;
6. Staff training;
7. Interest expense;
8. Contract cost for CDBG; and
9. Any cost identified for which the award is made. Such costs will be determined as DCHA receives awards.

### **Explanation of Differences**

DCHA has the ability to define direct costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR Part 990.

DCHA is required to describe any differences between the Agency's Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. DCHA determined to implement a cost allocation system that was more comprehensive than HUD's Asset Management System which advocated a fee-for-service approach specific to the properties in the Public Housing Program. HUD's system was limited in focusing only a fee-for-service system at the property level and failed to address DCHA's comprehensive operation which includes other programs and business activities. DCHA's MTW Program is much broader



than Public Housing properties and includes activities not found in traditional HUD Programs. This Cost Allocation Plan addressed the entire DCHA operation.

2. DCHA defined its cost objectives at a different level than HUD's System. Specifically, DCHA defined the MTW Program as a cost objective which is consistent with the issuance of the CFDA number for MTW as a Federal program. HUD defined its cost objective at the property level which fails to recognize the overall effort required to deliver the housing resources to Low Income families under the MTW Program. Because the cost objectives are defined differently, direct and indirect costs are defined based on the cost objectives identified in this Cost Allocation Plan.
3. DCHA will use a simple fee system of charging 10% of MTW Program funds to cover the costs of the Central Office Cost Center (COCC). DCHA views the 10% fee as reasonable when compared to the fees earned for administering the Local Voucher Programs. DCHA will account for an allocable share of the "MTW Fee" charges at the property level based upon the size of the property.
4. DCHA will charge a fee to other Federal and Local awards in a manner that is consistent with that allowed for those Federal awards. The fee charged to the Revitalization program will continue to follow the HUD guidelines of 3% of the total cost of the development.