



District of Columbia Housing Authority

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Michael Kelly, Executive Director

July 31, 2007

Ms. Dominique Blom
Deputy Assistant Secretary
Office of Public Housing Investments
U.S. Department of Housing and
Urban Development
451 7th Street S.W.
Washington, DC 20410

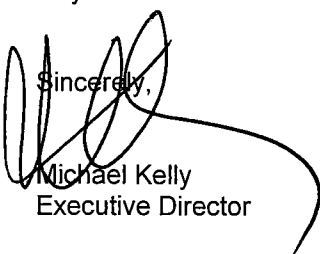
Dear Ms. Blom:

I am pleased to submit the attached FY 2008 Moving to Work (MTW) Annual Plan in accordance with the D.C. Housing Authority's (DCHA) MTW Agreement. This plan includes data and other descriptive information on DCHA's housing and resident programs. It also includes descriptions of those program initiatives that DCHA will explore during the next fiscal year. These program initiatives provide DCHA with the opportunity to create local policy and procedural modifications to existing HUD rules that better serve our clients. This is the fifth year of DCHA's participation in the MTW demonstration, and we have found the programmatic flexibility associated with MTW to be invaluable as DCHA responds to ever changing forces within the affordable housing industry.

Thematically, this plan is consistent with those submitted over the past four years; DCHA's overarching objectives are to improve program efficiencies, streamline procedures, and create opportunities to increase the availability of low income housing. We have shared these ideas, and collected some as well, through our extensive outreach process. We have consulted with our resident leadership. We have met with the local advocate community and held a public hearing. Each of our initiatives undergoes an exhaustive vetting with our core stakeholders, and we are excited about the opportunities available to us during the year ahead.

Please feel free to call me with any questions you may have regarding this plan. I look forward to sharing our FY 2007 MTW report with you later this year.

Sincerely,


Michael Kelly
Executive Director

cc: Lee Palman



**CREATIVE LIVING
SOLUTIONS PLAN
FY 2008**

MICHAEL KELLY, Executive Director

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INTRODUCTION

This plan describes both the ongoing activities and plans and the innovative initiatives that DCHA will pursue during the fifth full year of its participation in HUD's demonstration program, Moving to Work (MTW). In accordance with the administrative provisions of the DCHA MTW Agreement, this plan is for the period from the beginning of Fiscal Year 2008, October 1, 2007, through September 30, 2008.

Because DCHA is governed by the District of Columbia's public rulemaking process, and works closely with an active low income housing advocate community, its Citywide Resident Advisory Board and residents in both the public housing and voucher programs, this plan is an overview and preview of MTW activities anticipated for the coming year. Each one of the initiatives proposed in the second section of this plan, "Creative Living Solutions Initiatives", will be reviewed and crafted in detail by a diverse group of stakeholders before being adopted by the Board of Commissioners. The local regulations or other implementing tools will reflect the input from many authors before they are made final.

The basic requirements for DCHA's participation in the MTW demonstration are outlined in DCHA's MTW Agreement with HUD. The MTW Agreement commits DCHA to the following:

- At least seventy-five (75%) of the families assisted during the term of the demonstration will be very low-income families;
- DCHA will continue to assist at least substantially the same total number of eligible low-income families as would have been served without participation in the demonstration; and
- DCHA will serve a comparable mix of families (by family size) as would have been served without participation in the program.

DCHA has chosen to name its MTW program Creative Living Solutions (CLS). The CLS objectives that DCHA has established spring from the goals and objectives of its Strategic Plan. DCHA has operated under a Strategic Plan for the past seven years which consists of ten goals approved by the Board of Commissioners. The plan has been updated every two years and DCHA is operating under a FY 2007-2008 plan. DCHA's ten goals have been combined into objectives for the purpose of this plan. The Strategic Plan will continue to guide the day-to-day activities of the Authority. DCHA's four CLS objectives as outlined in this Plan are as follows:

- Develop enhanced housing opportunities;
- Sustain quality property management;
- Achieve effective customer support services; and
- Organize efficient businesslike operating systems.

Over the course of the seven year term of this demonstration new DCHA rules or other implementing steps, replacing those required by HUD, will be developed in consultation with the residents of DCHA's communities, the local organizations committed to helping improve the lives of low income families, local elected and appointed officials, DCHA staff and concerned members of the general public. After the exploration and consultation process, those changes that are carried through to implementation will be adopted through the District of Columbia rulemaking process after approval by the DCHA Board of Commissioners. Once adopted by the DCHA Board of Commissioners, local rules will replace HUD rules. DCHA will not implement the changes

described in this plan without hearing from and working closely with our clients, advocacy groups and all other stakeholders, not the least of which are DCHA's employees responsible for the day-to-day success of the agency in achieving its mission.

Because of DCHA's commitment to following a broadly inclusive path in implementing the initiatives described in this plan, we cannot predict exactly when or whether initiatives will be fully implemented. Thus, this plan presents the innovative activities that we plan to explore and possibly initiate during FY '08 recognizing that some of the initiatives described in this plan will take more than one year to fully implement. Additionally, this plan includes the initiatives that we began in FY'04, FY '05, FY '06 and FY '07 that will require further development during FY'08. These are identified by the numbering system. Initiatives introduced in FY'04 have "04", "05" for FY 2005 and "06" for FY '06 and so forth, representing the last two digits in the Initiative number. Similarly, initiatives introduced this year end in "08". Some initiatives have been and may be abandoned if we learn from the input gathered during the planning process that the initiative as proposed will not result in the benefits we seek.

Organization of the Plan

The first section of this plan is entitled "Overview of Activities and Issues". It is organized according to the requirements for the MTW Plan found in Attachment "B" of DCHA's MTW Agreement with HUD. The "Overview of Activities and Issues" section of the plan provides data showing trends in the core activities of the Agency. Per the MTW agreement, the data is presented by fiscal year providing statistics and indicators for the both the beginning and end of the fiscal year for which the plan is written. When DCHA reports on the benchmarks as required by its MTW Agreement, it reports on data from the end of each fiscal year. The "Overview of Activities and Issues" section also identifies issues and describes actions that DCHA will be taking to address the identified issues. DCHA is able to undertake some of the actions described in the Ongoing Activities section as a result of the authorizations of DCHA's MTW Agreement with HUD.

The second section of this plan outlines specific innovative activities that are authorized by the terms of the MTW Agreement. It is entitled "Creative Living Solutions Initiatives". Each part of the "Creative Living Solutions Initiatives" section covers a CLS Objective. The initiatives listed in this plan are organized and numbered according to the primary CLS objective that they advance the order in which they were presented and the year when they were first introduced. For example, the first initiative in this year's plan is numbered 1.4.04. This initiative advances objective 1. It was the 4th initiative proposed under MTW/CLS and it was introduced in the FY '04 Plan. Gaps in numbering sequence indicate that an initiative has been implemented or that DCHA has determined, as part of its exploration of the initiative that it is not feasible or useful to implement. Information on initiatives that were introduced in FY 2007 and that are not included in this plan will be included in the MTW/CLS Annual report for FY 2007 as we report on the status of those initiatives. This plan only addresses those initiatives that will be pursued during FY 2008.

As DCHA pursues the CLS Initiatives outlined in this plan, it also will be working to achieve the performance benchmarks established in Attachment "D" of the MTW Agreement. At the end of the year DCHA will prepare a CLS Annual Report to report on the progress it has made toward achieving the benchmarks in the Agreement, and the status of the initiatives outlined in this Plan.

OVERVIEW OF ACTIVITIES AND ISSUES

A. Households Served

Public Housing Families	
At beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
7,380 ¹	7,390 ²

HCVP Recipients	
At beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
10,997 ³	11,092 ⁴

Total Households Served (public housing and HCVP)	
At beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
18,357	18,482

Households Served ⁵ by bedroom Size: TOTAL								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
0BR	2,408	2,255	2,956	2,563	1,021	1,022		
1BR	3,472	3,592	3,626	3,531	4,274	4,860		
2BR	5,049	5,193	5,196	4,992	5,522	5,801		
3BR	3,741	3,857	3,757	3,795	4,115	4,426		
4BR	1,149	1,177	1,204	1,327	1,462	1,567		
5BR	336	343	370	417	465	494		
6BR	33	35	57	70	78	82		
TOTAL	16,188	16,452	17,166	16,695	16,937	18,253		

¹ This figure represents the number of households served as of July 2003 plus the projected number of households to be served between July and October 1, 2007.

² This figure represents the number of households served as of July 2003 plus the projected number of households to be served between July and October 1, 2007 and the number projected to be served between October 2007 and September 30, 2008, the end of the fiscal year.

³ This figure represents the number of households served as of July 2003 plus the projected number of households to be served between July and October 1, 2007.

⁴ This figure represents the number of households served as of July 2003 plus the projected number of households to be served between July and October 1, 2007 and the number projected to be served between October 2007 and September 30, 2008, the end of the fiscal year.

⁵ This figure represents the number of households served as of July, 2003, the month in which DCHA is submitting the Plan.

Households Served by Household Type: TOTAL								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Non-elderly/non disabled	9,582	9,683	9,732	10,158	10,158	10,829		
Elderly/non-disabled	1,976	2,140	2,249	2,476	2,399	2,791		
Disabled ⁶	4,626	4,629	5,185	5,743	6,126	6,420		
other	4	-	-	-	-	-		
TOTAL	16,188	16,452	17,166	18,377	18,683	20,041		

Households Served by Income Group: TOTAL								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
<30% AMI	15,258	15,465	15,869	15,432	15,428	16,451		
30%-50%AMI	876	926	1,187	1,153	1,322	1,622		
50%-80% AMI	54	60	105	104	176	123		
>80%AMI	-	1	5	6	11	56		
TOTAL	16,188	16,452	17,166	16,695	16,937	18,253		

Households Served by Race: TOTAL								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Asian/Pacific Islander	48	48	53	51	59	70		
Black	15,734	15,829	16,643	16,185	16,458	17,706		
Native American / Hawaiian	6	7	27	28	28	29		
White	313	326	369	363	364	436		
Other	87	242	74	68	28	12		
TOTAL	16,188	16,452	17,166	16,695	16,937	18,253		

⁶ This figure represents the number of household members who are disabled.

Households Served by Ethnicity: TOTAL								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Hispanic	--	339	350	413	344	389		
Non-Hispanic	--	16,113	16,816	16,282	16,593	17,864		
TOTAL	--	16,452	17,166	16,695	16,937	18,253		

As of July 2007, the month in which the FY 2008 MTW Plan is submitted, DCHA served a total of 18,253 households. As shown in the tables above, DCHA projects to start its FY 2008 serving approximately 7,380 in its Public Housing program and approximately 10,997 in its Housing Choice Voucher Program or a collective of 18,357 for both programs. By the end of the fiscal year, DCHA anticipates serving a total of 18,482 or 7,390 in the Public Housing Program and 11,092 in the Housing Choice Voucher Program.

We anticipate modest increases in both programs during the course of the fiscal year. The increase in the public housing program is the result of public housing replacement units coming on line at DCHA's HOPE VI sites and other existing units coming back on line after being treated under the bond funded modernization program. The slight growth in the voucher program will be due to continued opt-outs in the District of Columbia resulting in DCHA's issuance of tenant-based vouchers to affected tenants.

DCHA projects the demographic of households served to remain generally remained consistent with previous years.

It should also be noted that in addition to the households served in the Voucher program, DCHA currently serves additional 655 households through the Moderate Rehabilitation program. This is a significant reduction in service compared to three to four years ago when DCHA served over 2,000 households. It is anticipated that landlords will continue to opt-out in the coming years.

B. Waiting List Issues

Households on Waiting List by Housing Type								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Public Housing	17,374	20,492	26,458	27,622	29,797	29,756		
HCVP	26,218	30,876	40,884	44,500	47,229	48,748		
TOTAL	43,592	51,368	67,342	72,122	77,026	78,505		

Households on Waiting List by Bedroom Size: Public Housing								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
0 BR	6,325	7,011	6,367	6,450	6,995	6,868		
1 BR	2,531	3,363	6,636	7,535	8,690	8,966		
2 BR	4,620	5,502	7,453	7,730	7,848	7,899		
3 BR	2,947	3,485	4,667	4,580	4,906	4,649		
4 BR	714	846	1,088	1,118	1,186	1,211		
5 BR	116	141	119	95	71	67		
6 BR	20	30	25	19	6	7		
6+ BR	101	114	103	95	95	89		
TOTAL	17,374	20,492	26,458	27,622	29,797	29,756		

Households on Waiting Lists by Income Group: Public Housing								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
<30% AMI	17,006	20,077	25,971	27,244	29,385	29,374		
30%-50% AMI	330	357	421	318	353	334		
50%-80% AMI	9	13	23	20	19	9		
>80% AMI	29	45	43	40	40	39		
TOTAL	17,374	20,492	26,458	27,622	29,797	29,756		

Households on Waiting Lists by Income Group: HCVP								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
<30% AMI	25,565	30,164	39,951	43,659	46,349	47,906		
30%-50% AMI	582	622	821	739	776	749		
50%-80% AMI	27	29	48	39	41	24		
>80% AMI	44	61	64	63	63	69		
TOTAL	26,218	30,876	40,884	44,500	47,229	48,748		

Households on Waiting Lists by Household Type: Public Housing								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Non-elderly/non disabled	15,390	18,340	23,320	24,269	25,962	25,921		
Elderly/non-disabled	956	1,133	1,323	1,051	1,343	1,200		
Disabled	988	969	1,751	2,251	2,445	2,590		
other	40	50	64	51	47	45		
TOTAL	17,374	20,492	26,458	27,622	29,797	29,756		

Households on Waiting Lists by Household Type: HCVP

	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Non-elderly/non disabled	22,073	26,304	34,103	37,142	38,924	39,854		
Elderly/non-disabled	1,749	2,080	2,881	2,690	3,237	3,508		
Disabled	2,340	2,422	3,825	4,668	4,989	5,317		
other	56	70	75	-	79	69		
TOTAL	26,218	30,876	40,884	44,500	47,229	48,748		

Households on Waiting Lists by Household Type: Public Housing								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Asian/Pacific Islander	95	111	185	140	150	147		
Black	16,750	19,780	25,505	26,653	28,733	28,688		
Native American / Hawaiian	52	59	69	65	74	77		
White	395	465	640	672	765	773		
Other	82	77	59	92	75	71		
TOTAL	17,374	20,492	26,458	27,622	29,797	29,756		

Households on Waiting Lists by Race: HCVP								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Asian/Pacific Islander	135	154	263	231	263	281		
Black	25,216	29,722	39,335	42,803	45,383	46,842		
Native American / Hawaiian	66	90	100	164	113	121		
White	660	769	1,070	1,187	1,308	1,345		
Other	141	141	116	115	162	159		
TOTAL	26,218	30,876	40,884	44,500	47,229	48,748		

Households on Waiting List by Ethnicity: Public Housing								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Hispanic	--	700	412	542	548	539		
Non-Hispanic	--	19,792	24,609	27,080	29,249	29,186		
Non-Reported	--	--	1,437	-	-	31		
TOTAL	--	20,492	26,458	27,622	29,797	29,756		

Households on Waiting List by Ethnicity: HCVP								
	FY '03	FY '04	FY '05	FY '06	FY '07	FY '08	FY'09	FY '10
Hispanic	842	992	664	895	1,005	1,008		
Non-Hispanic	25,376	29,884	40,220	43,605	46,224	47,644		
Non-Reported	-	-	-	-	-	96		
TOTAL	26,218	30,876	40,884	44,500	47,229	48,748		

As shown above, the waiting lists for both HCVP and Public Housing programs have more applicants than could be housed within any reasonable time period. Since 2003, the waiting list has grown by 46% and it is projected to continue to grow steady during FY 2008. With an astonishing 58,000 households currently on either the public housing or voucher lists or both, DCHA is contemplating ways manage the list given the real pressures placed on the intake staff and the realities of the hot market in the District of Columbia that is driving up the cost of both rental and homeownership units and thereby reducing the availability of affordable units.

In an effort to be efficient, DCHA requires only a simplified waiting list application, allowing the applicant to self certify as to program eligibility and preference categories. As an applicant family nears the top of the waiting list, the applicant is required to provide more extensive information for eligibility and certification purposes. Staff then verifies more extensive information before offering the applicant a unit or a voucher. DCHA will continue to employ this method of waiting list management. Moreover, in FY 2008, DCHA will also be implementing new software program, VISUALHOMES, which will have a waiting list management module. In addition, DCHA will be working to fully implement a digital file management system, whereby all applicant files will be scanned and made available electronically.

C. Number of households projected to be served at the end of FY '08

DCHA projects that it will serve a total of 18,375 households in its Public Housing and HCV programs at the beginning of FY'08 and 18,502 by the end of FY '08. Through DCHA's numerous mixed-finance redevelopment opportunities, the housing authority also serves and will continue to serve a substantial number of low income families in other subsidized units, such as those developed and financed with Low Income Tax Credits. Collectively, DCHA is managing, preserving and creating a large majority of affordable and low income units, housing very low and low income families in the District of Columbia.

DCHA will continue to seek to adding public housing units to its inventory through partnerships with other nonprofit and for-profit housing providers to assign unused increments of Annual Contributions Contract authority to affordable housing units owned, operated and being developed and acquired by these groups. DCHA is working with HUD on a streamlined implementation of this under a previous MTW initiative referred to as the OPERA program. The units added to DCHA's inventory in this manner will replace obsolete public housing units that have been demolished or disposed.

Occupancy Policies

A. Statement of policies governing Eligibility, Selection, Admissions, Assignment and Occupancy of Families including Deconcentration

In order to establish a mix of incomes at its properties, DCHA has had an Admissions and Occupancy Policy in place for the past eight years that places importance on including working families in the DCHA community mix. Fifty percent of the applicants admitted in any year are working families, the elderly or disabled. Fifty percent are all other categories of applicants. The latter group includes up to 100 families facing an emergency situation that includes homelessness. With a public housing waiting list of nearly 30,000, 98% of whom are extremely low-income, a typical applicant can expect to wait many years before being offered a public housing unit. Those with a need for a unit in high demand and in short supply will wait the longest. With such a large waiting list, DCHA does not offer public housing as emergency housing; as such it has no provisions for preferences for families with emergency housing needs.

To further enhance housing opportunities, DCHA screens applicants for criminal and drug related activity, reliability in paying rent, various good neighbor factors and ability to comply with the terms of the lease. Applicants are given at least two opportunities to select a unit before they are removed from the waiting list.

In its screening of applicants for criminal activity, if it is determined by DCHA that an applicant may be ineligible as a result of criminal history, an informal conference is held with the applicant and s/he is provided an opportunity to present any mitigating factors that would indicate to the Authority that the applicant should not be determined to be ineligible based on an unsatisfactory criminal history. At this conference, if it is clear that the criminal history is the result of actual or threatened domestic violence against the applicant, then the applicant will not be determined to be ineligible.

DCHA's continuing occupancy policies are based on principles of equity for all residents and the protection of the right to quiet enjoyment of the residential premises. In order to foster the best living environment for all residents, DCHA enforces recertification, rent payment policies and other requirements of the resident's lease and uses landlord-tenant court and eviction, as necessary, to assure that all tenants comply with their lease obligations. DCHA pursues lease enforcement in cases of criminal activity both on and off DCHA's premises. The authority uses One Strike evictions as an important part of its crime reduction activities, but each case is based on a review of the particular facts in each situation before proceeding.

DCHA does not have any properties with a large number of families with relatively higher incomes, except in HOPE VI properties where explicit policies have been established to market to and recruit families with a wide-range of incomes. The majority of families residing in all DCHA's properties have incomes below 30% of the Area Median Income (AMI), and most of those families have incomes only at 10-12% of AMI. Since the majority of families on DCHA's waiting list are also below 30% of median income, DCHA's efforts to deconcentrate its communities is focused on improving the incomes of its current residents. This has been DCHA's deconcentration policy since QHWRA instituted the requirement for a deconcentration policy. Several of the CLS Initiatives proposed in this plan will be an important part of this ongoing effort.

In May 2006, DCHA signed a new Amended Voluntary Compliance Agreement (VCA) with the U.S. Department of Housing and Urban Development (HUD) resulting in several revisions to DCHA Admissions and Continued Occupancy Policy (ACOP), Transfer Policy and public housing lease. These revisions will impact how families with disabilities requiring special unit features are assisted by DCHA.

Admissions and Continued Occupancy Policy (ACOP) and Transfer Policy

Priority order for offering the following types of available UFAS-Accessible Units and Reasonable Accommodation Units:

UFAS-Accessible Units—DCHA-owned inventory

1. Current DCHA residents with verified mobility disabilities requiring the accessible features of the unit; and
2. Qualified applicants with verified mobility disabilities needing a UFAS-Accessible unit

New UFAS-Accessible Units at Mixed Income/New Construction “MINC” Developments—in the event there is more than one family falling in the following priority groups, they will be ordered according to the re-entry system of the development, the families’ initial transfer request dates or the families’ application dates, whichever is applicable.

1. Qualified returning residents (former resident of one of the developments being redeveloped) with verified mobility disabilities needing a UFAS-Accessible unit of the appropriate bedroom size;
2. Qualified residents with verified mobility disabilities needing a UFAS-Accessible unit, of the appropriate bedroom size, who are housed in accordance with the *Interim Immediate Needs Plan*;
3. Qualified residents with verified mobility disabilities needing a UFAS-Accessible unit, of the appropriate bedroom size, who are housed in accordance with the *2007 Interim Immediate Needs Plan*;
4. Qualified residents with verified mobility disabilities needing a UFAS-Accessible unit, of the appropriate bedroom size, on the DCHA’s Transfer List;
5. Qualified Public Housing applicants on the DCHA Waiting List with verified mobility disabilities needing a UFAS-Accessible unit of the appropriate bedroom size; and
6. Qualified Housing Choice Voucher applicants with verified need for a UFAS-Accessible unit of the appropriate bedroom size.

Reasonable Accommodation Units—offered to applicants on the Walker/Canes/Crutches (WCC) Applicant List:

1. Next Eligible Applicant on the WCC Applicant List requiring the accessibility features of the unit; and
2. Next eligible applicant on the WCC Applicant List who does not need the accessible features of the unit, in the event there are no WCC Applicant List applicants on the list or who are on the list and do not want the accessibility features of the unit.

Supplement to the Lease

The DCHA lease has been revised to address the following situations in order to ensure that UFAS-Accessible and Reasonable Accommodation units are readily made available to families requiring the features of such units. Both DCHA and private owners or their management agent (POMA) of MINC developments shall enforce these provisions:

1. Non-disabled families housed in UFAS-Accessible and Reasonable Accommodation Units will sign a special lease supplement agreeing to be transferred within ten (10) days of being notified by DCHA that a family requiring the accessible features of the unit has been identified. Non-disabled families are offered and housed in UFAS-Accessible and Reasonable Accommodation Units when there are no qualified residents or applicants at the time needing the features of the unit.
2. Remaining Family Members for which the disabled family member has died or has been relocated must relocate to a vacant non-accessible unit within six (6) months of the former resident's death or relocation

Property and Unit Designations

DCHA has six (6) properties designated as "elderly only". These include:

Edgewood Terrace with 89 public housing units,
Senior Building at Wheeler Creek with 89 public housing units, (HOPE VI)
"Capper I" Senior Building at the Capper/Carrollsbury HOPE VI site with 162 units,
Capitol Gateway Senior⁷ building with 151 units, (HOPE VI)
Triangle View (formerly known as Eastgate) 100 units, (HOPE VI)
Knox Hill with 122 units,
Regency House with 160 units, and
Carroll Apartments with 60 units.

As of October 1, 2008, DCHA will have either created or converted a total of 442 UFAS units. With the creation of these additional accessible units throughout DCHA's properties and our HOPE VI sites, DCHA is creating affordable housing opportunities for families that have members who are mobility impaired. It is projected that during FY 2008, DCHA will have created additional 97 UFAS units, bringing the total UFAS unit count to 575. Of the 97 that will be delivered, 37 will be at HOPE VI developments, including Henson Ridge, Arthur Capper I and II, and other HOPE VI developments as well other conventional public housing properties and mixed income developments.

Housing Choice Voucher Program Eligibility, Selection, Admissions of Families including Deconcentration

⁷ This development is a Project-Based Section 8.

The DCHA waiting list for tenant-based assistance requires most applicants to wait many years before being issued a voucher. While DCHA gives first preference to homeless families, it does not provide emergency vouchers. With the limited availability of vouchers compared to the demand, no special sub preferences have been established for types of homeless applicants, such as victims of domestic violence. Prior to participation in the MTW demonstration, several critical actions were already being taken aimed at reducing the time on the waiting list and improving the success rate of customers with vouchers seeking to lease a home. These include:

- Implementation of Fair Market Rents based on the 50th percentile of area rents
- Increase in utilization rates
- Increasing voucher term to lease up a unit to 180 days
- Establishing a Landlord Advisory Committee to advise on program improvements to maintain and increase the number of participating landlords
- Establishing a 110% payment standard to assist clients in D.C. aggressive rental market.

As a result of these efforts and the introduction of housing search assistance, the success rates of new voucher assistance recipients has improved from 50% to the current 75%.

In addition to increasing success rates for HCVP recipients, DCHA also counsels its voucher participants to mitigate the concentration of low income voucher holders in already poverty impacted neighborhoods. DCHA has also upgraded its briefing package and presentation to include materials to assist new voucher recipients in finding a home in a non-poverty impacted areas. Unfortunately, achieving the deconcentration goal promoted by HUD and supported by DCHA, has resulted in a dramatic increase in per voucher costs over the past five years. Given the shift to a budget-based rather than a unit-based program, DCHA must now balance the need to maintain a cost effective voucher program with the goal of encouraging participants to seek units in non-impacted neighborhoods.

B. Rent Policy

The rent that a resident of a DCHA property must pay is based on 30% of adjusted income or 10% of gross income, whichever is greater, using the formula first established in 1972 by the Brooke amendment to the 1937 Housing Act.

In FY '04, DCHA adopted a local regulation using MTW flexibility that reduces the administrative overhead of offering the QHWRA initiated Flat Rents to public housing residents, while providing the same benefits to residents. Called "Market-Based Rents" to differentiate the local DCHA revised program from HUD's "Flat Rents", the new rule, implemented in October, 2004 makes charging a market-based rent in lieu of an income-based rent automatic whenever it provides a financial advantage to the household. Conversely, whenever a household requests an interim recertification because of a reduction in income the lower of the two rent options is charged to the resident. DCHA will continue this policy in FY 2008.

Changes in Housing Stock

Number of Public Housing units in Inventory	
At beginning of period (Oct. 1, 2007)	Projected at end of period (Sept. 30, 2008)
7,870	8,000

Number of Vouchers in Inventory	
At beginning of period (Oct. 1, 2007)	Projected at end of period (Sept. 30, 2008)
11,959	11,959

As shown above, DCHA housing stock inventory will be at 7,870 by the beginning of the fiscal year and will grow by at least 139 units by the end of the fiscal year, bringing the total housing stock inventory to approximately 8,000. This increase is the results of many units returning to service following the completion of bond funded modernization activities and also new public housing replacement units as a result of HOPE VI redevelopment activities.

The voucher inventory is based on the total voucher allocation as determined by HUD.

Sources and Uses of Funding

A. All sources and amounts of funding

Sources	
Classification	Projected Amount
Low Rent Program	\$71,297,567
HCVP ¹	\$150,153,863
Capital Fund	\$23,300,000
HOPE VI Program & other Dev. Grants	\$15,000,000
Bond Proceeds	\$15,123,569
Misc. Grants	
ROSS- Family Homeownership	\$500,000
ROSS- Elderly & Disabled	\$450,000
Community Visions	\$25,000
Subsidiary Corporations	\$2,000,000
Interest Income	\$1,500,000
TOTAL	\$279,350,000

B. Sources, amounts and planned uses of special purpose outside the consolidated budget.

The sources presented above are based on DCHA's current knowledge of grants approved and/or requested, adjusted by any new information we have received via PIH Notice or other reliable source regarding funding trends. Due to the expected decline in low rent program subsidies, the Uses presented reflect DCHA's response to the anticipated funding realities. It should also be noted that DCHA will continue to work towards project based budgeting and project based management.

As shown above, DCHA is pursuing or plans to pursue other funding opportunities, including two ROSS grants and local funding. DCHA has successfully submitted ROSS grant application in the past and anticipates receiving funding in FY 2008. If awarded, the two ROSS grants will bring in \$950,000 to the agency for resident services activities. If the application is successful, these funds, like all the special grants DCHA receives, will be used in accordance to the applicable grant agreement.

In addition to the grants, City funds, and HUD Operating Subsidy and HAP, DCHA receives funds from its subsidiary corporations, including Construction Services Administration (CSA) and DC Housing Enterprises (DCHE), which provide services within the District to other District organizations and agencies. Over the course of the MTW demonstration, DCHA expects to see a growing part of its funding derive from the revenue generated by these subsidiaries. They are able to earn net revenues that are returned to DCHA. A third subsidiary, Community Vision, Inc is a 501(c)3 organization that is actively fundraising on behalf of DCHA residents. Through Community Vision, Inc. DCHA hopes to receive \$1.5 million in funding during FY 2008 from its subsidiaries.

C. Consolidated Budget Statement

DCHA has for several years managed its budget using a consolidated budget format. This comprehensive presentation combined with monthly expenditure projections compared to actual expenditures serves as an effective management tool for the Board of Commissioners, who approve the DCHA budget and review budget versus actual expenditure reports monthly.

Uses of Funds

A. Previous year expenditures by line item

The table below presents an estimate of the expenditures for FY 2007. However, since neither the close-out, nor the audit for FY 2007 has been completed, these are estimates and projections only. The final audited FY2007 numbers will be forwarded to HUD upon its completion.

	FY07
<u>Classification</u>	<u>Budget</u>
Administration	\$36,510,000
Tenant Services	\$1,019,814
Utilities	\$23,272,866
Maintenance	\$16,221,545
Security	\$6,035,583
General	\$13,687,595
Capital	\$49,000,000
HAP	\$132,212,683
All	\$277,960,086

B. Planned expenditures by line item

Projected expenditures for FY 2008 are presented by line item in the table below based on estimated expenditure for FY 2007. As noted above, however, DCHA is yet to closeout its FY 2007 and complete the FY 2007 audit. As such, the estimated expenditures for FY 2008 are only estimates.

	FY08	FY07	Change
<u>Classification</u>	<u>Budget</u>	<u>Budget</u>	<u>^</u>
Administration	\$37,600,000	\$36,510,013	3%
Tenant Services	\$1,500,000	\$1,019,814	47%
Utilities	\$27,000,000	\$23,272,866	16%
Maintenance	\$17,500,000	\$16,221,545	8%
Security	\$6,500,000	\$6,035,583	8%
General	\$14,000,000	\$13,687,595	2%
Capital	\$39,000,000	\$49,000,000	-20%
HAP	\$136,250,000	\$132,212,683	3%
All	\$279,350,000	\$277,960,099	1%

Administrative – DCHA continues to streamline this cost category, particularly in the low rent program, and this category shows only nominal growth year over year. This cost category includes the cost of direct property management services at all DCHA sites, as well as client placement (the occupancy function). In addition, many of the costs of private management service providers for DCHA's public housing units are also categorized in this line item.

Tenant Services – DCHA, with its anticipated ROSS funding expects to increase expenditures in this cost category. As noted, DCHA is anticipating the receipt of nearly one million dollars in the two ROSS grant applications it will submit for FY 2008.

Utilities – The Authority projects a \$3.7 million increase in its utility costs over FY 2007. This expense category is expected to be under extreme pressure, especially with operating funding projected at approximately 80% of eligibility. DCHA is making every effort to conserve in this cost category, but full funding is truly needed in this category.

Maintenance – The Authority will strive to ensure that adequate funding is in place to deliver needed services to DCHA residents. This category includes salaries and benefits for the maintenance employees and specialized crews assigned to the housing developments. It also includes maintenance materials and maintenance contract costs such as heating, cooling, landscaping, janitorial costs, etc.

Security – This cost category include costs of labor, benefits, materials and other related costs for all police officers, special police officers, and building monitors assigned to DCHA's public housing developments. DCHA has worked diligently to provide funding to this category. DCHA will continue to seek other funding sources.

General Expenses – This category includes employee benefits and all insurance premiums. It also includes rent collection losses, tenant relocation expenses and equipment purchases.

Capital – This includes all hard construction costs of the Capital Fund Program, as well as the HOPE VI development program, and the accelerated spending from the DCHA bond proceeds. Most of the HOPE VI funds in the HOPE VI developments have been or are nearly expended, with the exception of the Eastgate project. As such, the HOPE VI revenues and expenditures are projected to be lower in FY 2008 than in the past years. Overall, DCHA expects to make great improvements to its capital infrastructure, and favorably impact many hundreds of households at its public housing development in the upcoming year.

Housing Assistance Payments (HAP) – This category funds payment to landlords in the tenant and project based voucher programs, and is under extreme cost pressure, as the rental market continues to tighten in the District.

Adequacy of Reserves – DCHA's reserves are more than adequate with over \$42 million dollars in unaudited unrestricted net assets, i.e. reserves, at the end of FY 2005, of which approximately \$17 million were in public housing and \$26 million were in the voucher program. A significant portion of these reserves are receivables from HUD. In addition, due to federal level funding cutbacks in both the Public Housing Operating and Voucher

programs, FY 2008 will continue to be difficult operating periods for DCHA. DCHA will report on its Reserves position at the end of FY 2007 in its FY 2007 MTW Annual Report, and it is likely that there will be some diminution of reserves, as a result of extreme HUD funding prorations.

Capital Planning

A. Major Capital Needs and Projects, estimated costs and proposed timetables

The Capital Budget for FY 2008, attached as Appendix A, was prepared using an asset management approach, based on a comprehensive Physical Needs Assessment and a preventive maintenance plan prepared for each property, and a comprehensive Capital Plan.

The Physical Needs Assessment showed a total of approximately \$160 million in projected physical needs over the next four years. Best case projections of Capital Fund allocation, over the next four years, anticipate that there will be less than \$80 million provided by HUD.

DCHA is also the recipient of \$80 million in Grant Anticipation Bonds. The proceeds of this bond is being used to bring a majority of the properties planned to be retained in the DCHA public housing inventory to twenty year viability. Lists of projects for which the bond funded modernization work is planned or currently underway are included in this plan at Appendix B. The bond funds will be spent within four years of issuance. DCHA began modernizing its housing stock in FY '06 with the use of bond funds.

By borrowing money to accelerate the modernization of its properties, DCHA is improving the viability of its existing stock with the goal of reducing major maintenance and capital costs. The Capital Plan also reflects a determination of which properties are most needy of major repairs.

The proceeds of the Grant Anticipation Bond issuance alone will not be sufficient to meet the full range of needs of DCHA's viable properties. DCHA is planning to meet the remainder of these needs through the hypothecation of energy savings anticipated to be generated from the investment of approximately \$15 million in its properties to improve the energy efficiency of their mechanical systems and building envelopes (see Appendix B). DCHA expects to serve as its own Energy Services Company for this component of its capital improvement plan.

HOPE VI and Redevelopment

DCHA has two completed HOPE VI sites, The Townhomes on Capital Hill and Wheeler Creek, one nearing completion at Henson Ridge, and three others in active construction. In addition, Capital Gateway, the senior building is completed and occupied, and occupancy at the family (rental and homeownership) units has been complete. At Capper/Carrollsborg, the first building, consisting of 162 units, was occupied during the first quarter of FY 2007. The second Capper building, consisting of 139 units, will be completed and occupied during the fourth quarter of FY 2007. Finally, at Eastgate, the senior building is completed and will be fully occupied during FY 2007; construction of the family units has begun.

During FY 2008, construction activities at Capital Gateway, Henson Ridge, Capper/Carrollsborg, and Eastgate will continue. These construction activities also include the creation of new UFAS units as prescribed in DCHA's Voluntary Compliance Agreement.

DCHA previously submitted a HOPE VI funding application to support the development of the now vacant Sheridan Terrace public housing site, but was not awarded the grant. DCHA may consider re-submitting a HOPE VI funding application for Sheridan in the future. If it is decided that DCHA submits a funding application and is awarded the grant, this project is expected to be a mixed finance/mixed income development that will provide rental and homeownership opportunities for qualified former residents and for residents potentially impacted by capital treatment at the neighboring Barry Farm site. Many community meetings have been held regarding the redevelopment of this site and DCHA is poised to move forward expeditiously.

DCHA is also considering a HOPE VI funding application submittal for the Benning Terrace public housing development. This site is one that will benefit dramatically from a comprehensive capital program given the physical needs of the 274 units and social needs of its residents. Benning Terrace's current conditions can be addressed by coupling a joint strategy of demolition/new construction with major rehabilitation of some units. The resulting community will be a blend of rental and homeownership units servicing a mixed-income population.

B. Capital Fund Planned Expenditures

Federal Fiscal Year 2007 Capital Funds expected to be allocated to DCHA that will be available to obligate and expend in DCHA's FY 2008 are estimated to be a total of approximately \$18.1 million plus an estimated \$2.7 million in Replacement Housing Funds (RHF).

Replacement Housing Funds

HUD has not provided estimates of RHF funding for the FY 2007 to 2009 years of the plan. However, since DCHA has met all deadlines for commitment of funds to date and the demonstrated significant leveraging of other funds for RHF project, DCHA projects it will receive RHF funding. DCHA projects an RHF funding of \$2.7 million. The estimated RHF funding for FY 2005 to FY 2009 is \$14,536,426. Based on the FY 2005 to FY 2009 estimated funding level, DCHA plans to fund an estimated 138 units of housing. This number of units could increase if DCHA is able to leverage additional public-private funding. **See Appendix A.**

Bond Debt Service

For FY 2008, DCHA will allocate \$6.12 million to pay the annual debt service associated with the authority's bond issuance.

Grant Administration Costs

Approximately \$3.6 million will be spent on grant administration costs and on the personnel transition costs required for a management restructuring in order to adjust the size of the agency to respond to budget realities during FY 2008.

Public Safety

Approximately \$3.6 million is budgeted for the support of the Office of Public Safety.

The remaining \$4.79 million in Capital Funds will be used for priority improvements at the following properties:

- Carroll Apartments
- Claridge Towers
- Greenleaf Gardens, Sr.
- Harvard Towers
- Horizon House
- Judiciary House
- Kelly Miller
- Langston Terrace
- Regency House
- Sibley Plaza
- Woodland Terrace

Additional improvements, including work necessary to make certain common areas UFAS accessible, are also budgeted with this funding. **See Appendix A.**

C. Demolition and Disposition requests

DCHA is working to identify opportunities to improve the quality of the housing inventory available to low income families that reside in the properties listed below. The ability to proceed on any of these properties depends on a variety of factors including economic conditions generally and the availability of financing. It is hoped that some of these factors will align to permit proceeding on a number of properties during FY 2008.

Demolition Underway or under consideration FY 2008

Arthur Capper/Carrollsbury—this is the last demolition phase related to the Arthur Capper/Carrollsbury HOPE VI redevelopment project. There are 266 units yet to be demolished. These demolition activities are projected to be completed by the first quarter of FY 2008.

Disposition underway or under consideration for FY 2008

DCHA will continue to consider various scattered sites of its scattered site inventory for disposition during FY 2008. In addition, DCHA is developing redevelopment options and other treatment strategies for five of its properties, which collectively consist of over 900 units. These five properties are slated for redevelopment as part of the District's New Communities Initiative and the City has appropriated limited planning funds accordingly. The five properties include:

- o Barry Farm
- o Lincoln Heights
- o Park Morton
- o Sheridan Terrace (vacant land)
- o Sursum Corda Townhomes

Moreover, DCHA submitted a Disposition Application during the fourth quarter of FY 2005 for various scattered sites, for which it has received verbal approval. It anticipates receiving written approval during FY 2008.

D. **Homeownership activities**

DCHA has incorporated a strong homeownership component in each of its HOPE VI projects. In addition, over the next several years DCHA will be continuing its transformation of its scattered site inventory through the conversion of a substantial part of it to homeownership opportunities for low and moderate income families. This will be accomplished in part through the income realized from the sale of some units at full market value in order to raise the necessary funds to preserve the remaining units for low and moderate income families.

During FY 2008, it is projected that DCHA will create 10 homeownership units through the redevelopment and acquisition of scattered sites programs. Of the 10 households, it is anticipated that seven will be housed by the first quarter of FY 2008. In addition, DCHA will create 18 homeownership units at the Capitol Gateway HOPE VI redevelopment project through its HCVP homeownership program and other financial assistance programs. Lastly, DCHA will have created 22 homeownership opportunities to low income households and 76 moderately priced homeownership units for moderate income households.

DCHA will continue to work to create homeownership opportunities for low and moderate income households. The DCHA HCVP homeownership program currently has 1,823 households on the waiting list and it is projected that the number will reach 1,900 by the end of FY 2008.

Management Information for Owned/Managed Units

As the size of its inventory of units temporarily shrinks during this period of extensive redevelopment activity, DCHA has consolidated the three regions into two, including Rock Creek and Potomac. These two regions are the core of its successful housing management strategy. A separate division is now responsible for properties owned by DCHA, but managed by private management companies, and for public housing units associated with mixed-finance properties that are coming back on line.

A. Vacancy Rates by property at beginning of period (Oct. 1, 2007) and the end of period (September 30, 2008)

DCHA – Rock Creek					
Property	Total # of Units	# of Available Units FY '08 (projected)	# of Occupied Units FY '08 (projected)	Actual Adjusted Vacancy Rate FY '08 (projected)	Target Adjusted Vacancy Rate FY '08 (projected)
Colorado	21	21	21	0.0%	2%
Columbia Road	23	23	21	8.7%	2%
Fort Lincoln	120	118	115	2.5%	2%
Garfield Terrace	279	268	264	1.5%	2%
Greenleaf Gardens	278	274	265	3.3%	2%
Greenleaf Senior	215	212	211	0.5%	2%
Harvard Towers	193	151	151	0.0%	2%
James Apartments	141	140	136	2.9%	2%
James Creek Apartments	239	235	223	5.1%	2%
Judiciary House	271	177	166	6.2%	2%
Kelly Miller Apartments	160	156	151	3.2%	2%
LeDroit Apartments	124	121	121	0.0%	2%
Montana Terrace	64	55	55	0.0%	2%
Park Morton Apartments	174	168	159	5.4%	2%
Scattered Sites	63	18	18	0.0%	2%
Syphax Gardens	174	167	159	4.8%	2%
Langston Terrace	274	271	262	3.3%	2%
Langston Addition	34	34	34	0.0%	2%
TOTAL	2,847	2,609	2,532	0.13%	2%

Property	Total # of Units	# of Available Units FY '08 (projected)	# of Occupied Units FY '08 (projected)	Actual Adjusted Vacancy Rate FY '08 (projected)	Target Adjusted Vacancy Rate FY '08 (projected)
Benning Terrace	274	262	255	2.7%	2.0%
Fort DuPont Addition	16	16	16	0.0%	2.0%
Fort DuPont Dwellings	104	103	99	3.9%	2.0%
Kenilworth Courts	290	288	276	4.2%	2.0%
Lincoln Heights	440	424	411	3.1%	2.0%
Parkside Addition	42	42	40	4.8%	2.0%
Richardson	190	186	183	1.6%	2.0%
Stoddert Terrace	158	152	148	2.6%	2.0%
Barry Farm	432	423	416	1.7%	2.0%
Carroll Apartments	60	60	57	5.0%	2.0%
Elvans Road	20	19	19	0.0%	2.0%
Highland add/dwellings	326	317	303	4.4%	2.0%
Kentucky Courts	118	115	112	2.6%	2.0%
Knox Hill Senior	122	120	120	0.0%	2.0%
The Villager	20	20	17	15.0%	2.0%
Wade Apartments	12	11	11	0.0%	2.0%
Woodland	234	227	207	8.8%	2.0%
Scattered Sites	12	12	12	0.0%	2.0%
TOTAL	2,870	2,797	2,702	0.14%	2.0%

Privately Managed Properties					
Property	Total # of Units	# of Available Units FY '08 (Projected)	# of Occupied Units FY '08 (Projected)	Actual Adjusted Vacancy Rate FY '08 (Projected)	Target Adjusted Vacancy Rate FY '08 (Projected)
Claridge	340	260	260	0.0%	2.0%
Horizon House	102	86	86	0.0%	2.0%
Regency House	157	152	152	0.0%	2.0%
Lincoln Road/Ontario	13	13	13	0.0%	2.0%
Sibley Plaza	246	230	230	0.0%	2.0%
Sursum Corda	28	28	28	0.0%	2.0%
Potomac Gardens	352	330	330	0.0%	2.0%
Hopkins Apts.	154	153	150	2.0%	2.0%
Wheeler Creek	151	148	148	0.0%	2.0%
Kentucky Courts	12	12	12	0.0%	2.0%
Capper I	162	162	162	0.0%	2.0%
Capper II	139	139	139	0.0%	2.0%
Triangle View-Senior	100	100	100	0.0%	2.0%
Glenncrest-Family	61	61	61	0.0%	2.0%
Capitol Gateway-Family	86	86	86	0.0%	2.0%
Edgewood	89	89	89	0.0%	2.0%
Henson Ridge	68	68	68	0.0%	2.0%
Oxford Manor	30	30	30	0.0%	2.0%
Total	2,290	2,147	2,144	0.1%	2.0%

The three tables above provide a snapshot of performance indicator and other data as of July 2007 of each year of the MTW demonstration period because of the timing of MTW Annual Plan submission does not permit for beginning-of-fiscal year data to be gathered and analyzed. However, current data shows that the overall vacancy as of July is less than one percent and it is anticipated that the vacancy to remain relatively similar on October 1, 2007, the beginning of the FY 2008. Moreover, while DCHA anticipates a low vacancy rate throughout the fiscal year, the estimated 2% vacancy rate for the end of the period represents a conservative estimate.

B. Rent Collections

Rent Collections: Cash Collected compared to Rent Billed	
At the beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
98%	98%

DCHA projects a high percentage of cash collected compared to rent billed. The Authority will seek to continue this high standard.

C Work Order

Work Orders: Days to Complete Routine Work Orders	
At the beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
23	23

DCHA has tracked this measure according to the requirements of its MTW Agreement benchmark. It will continue to complete work orders within its projected average of 23 days.

Work Orders: %age Emergency Work Orders completed within 24 hours	
At the beginning of period (Oct. 1, 2007)	Projected at the end of period (Sept. 30, 2008)
100%	100%

D. Inspections

HUD's Housing Quality Standards regulations currently require that each public housing unit and system be inspected annually. DCHA is scheduled to complete its HQS inspections during FY 2008.

E. **Security**

DCHA has a successful Office of Public Safety (OPS) which DCHA recognizes as an integral part of its property management function. OPS have been effective in working with the Metropolitan Police Department for continued reduction in the crime rate at all DCHA properties. However, with the elimination of the Public Housing Drug Elimination Program, which provided significant funding to implement crime prevention strategies, and the continuing reduction in operating subsidy funding, DCHA will continue to seek out city funds and a myriad of other grants to support OPS operations.

Programmatically, DCHA's OPS plans to continue its work with the District Police Department in its continued efforts of crime reduction. Specifically, DCHA plans to carryout the following actions during FY 2008:

- Develop and implement the Public Safety component of the long term asset management strategies for each conventional public housing property through the use of community policing strategies and techniques.
- Increase safety and security at public housing properties through improved technology and equipment.
- Recruit and retain highly qualified public safety personnel.
- Work with the city's police department in coordinated criminal reduction activities.

Management Information for Leased Housing

A. Leasing Information

DCHA expects it will have met its target lease-up rate in the voucher program and by the end of FY 2008, DCHA will continue to have leased up at least 97% of the vouchers that were available to it at the beginning of the term of the MTW Agreement, October 1, 2002. With this accomplished, DCHA will continue its eligibility to apply for any additional vouchers that may be made available by HUD with a utilization threshold as a determination of eligibility to apply.

Rent Reasonableness

DCHA has a comprehensive system in place for determining rent reasonableness. DCHA has real estate analysts on staff who maintain a comprehensive database of comparable rental properties and perform rent reasonableness analysis using a proprietary software package.

Expanding Housing Opportunities

DCHA has implemented Fair Market rents based on the 50th percentile and established a high payment standard in order to expand housing opportunities for its voucher recipients. Each of these actions has served to expand housing opportunities for low income families in the District of Columbia.

In an effort to serve a diverse population, DCHA operates several programs utilizing the voucher as a housing subsidy. Within these programs, we partner with numerous stakeholders to provide housing opportunities. These programs include:

- Tenant Based Vouchers
 - Linguistically Isolated Program
 - Family Unification Program
 - Mainstream Disability Voucher Program
 - Veteran Administration Supportive Housing (VASH) Program
 - Witness Relocation Program
 - Public Housing Relocation Program
 - Home Ownership Voucher Program
 - DMH / Homeless Voucher Program
 - HUD Opt-Outs Program
 - VCA ADA/504 Programs
- Project Based Voucher Program
 - Partnership Program
 - Multicultural Program
 - KPRMC Settlement Program
 - Mod Rehab / SRO Program
 - 11b New Construction Program

De-concentration of low income families

In addition to improving success rates, the increase in the Fair Market Rents serve to encourage the reduction of low income voucher holders in already poverty impacted

neighborhoods. Additionally, during FY 2008, DCHA will continue to examine the feasibility of reestablishing the use of exception rents for certain neighborhoods. DCHA has also upgraded its briefing package and presentation to include materials to assist new voucher recipients in finding a home in a non-poverty impacted areas.

The hot housing market in the District of Columbia is changing the dynamics in traditionally impacted neighborhoods. Several distressed neighborhoods are now the source of new private housing investments. These new housing opportunities are reshaping the socio-economics in communities that currently include homes subsidized by the voucher program.

B. Inspection Strategy

In FY 2008, DCHA will continue to seek ways to improve the efficiency of its HCVP program and the quality of the housing occupied by voucher recipients by modifying its inspection schedule and reviewing the content of the standards themselves using the flexibility allowed by its MTW Agreement. This is described in Initiative 3.7.08. Until this initiative has been implemented, DCHA is scheduled to complete its annual HQS inspections of units under a HAP contract. DCHA staff will also complete quality control re-inspections on a sample of all units under contract. In addition, DCHA inspections staff will require that HQS violations are repaired or the HAP contract will be terminated.

DCHA's inspection protocols are aggressive and approximately 50% of all units under contract require a return inspection to ensure that HQS violations have been repaired. Additionally, approximately 50% of all units presented for a first time inspection are not found to be acceptable. This initial failure rate of units proposed for new lease-ups speaks to the quality of the affordable units in the District's market, and the aged quality of the city's housing stock.

DCHA inspectors have also been trained and tasked with gathering data onsite during the initial inspections for the use of the HCVP real estate analysts in completing an accurate rent reasonableness determination for units newly entering the program.

DCHA has invested in a more robust computer system that will enhance our inspections scheduling and the efficiency of the entire inspection protocol. DCHA is also committed to updated training of its inspectors to ensure consistency and quality of the inspections.

Resident Programs

DCHA sponsors and coordinates a medley of services created to improve the livability of the authority's communities and to provide opportunities for both public housing and voucher clients to improve their individual lives. DCHA carries out these services with a host of public and private partners through its Office of Residents Services, and they are targeted in two areas: Empowerment activities and Support services. By October 1, 2007, DCHA will have submitted two ROSS grant applications and will seek other funding opportunities in an effort to deliver the proposed services.

Public Housing Kinship Care Partnership

A growing number of children are separated from their parent (s) as the result of abandonment, incarceration, medical and mental dysfunction, and economic strangulation. In responding to these types of circumstances confronting the family, a growing number of elderly residents become caretakers for children and youth frequently at mixed population properties. To support these grandparents, the Office of Resident Services will collaborate with the DC Department of Child and Family Services to insure that the needs of impacted children are addressed and that grandparents are linked with programs and services for which they qualify. Moreover, to increase awareness of resources and available assistance to the elderly, DCHA will distribute a monthly schedule of community programs and coordinate transportation arrangements available through the D.C. Office on Aging and Departments of Recreation.

Network of Services Providers

A diverse network of service providers currently uses DCHA properties to operate and provide core support services to DCHA residents. Building on this relation, ORS will expand this network and create a DCHA Service Providers Collaborative, which will be responsible for spearheading initiatives to assist vulnerable population groups. The Collaborative will serve as a planning body for grant writing and resource development functions. Members on the collaborative will come from the public, corporate and non-profit sectors of the community.

Employment Support

DCHA will continue to build its employment services and support program by focusing on Empowerment Through Employment as part of the workforce preparation services, providing residents a structured pathway to entry level employment, job training, apprenticeships in several occupations, pre-employment orientation, job placement in the public and corporate sectors, and personal development. It is expected that approximately 500 residents will be served annually by these programmatic components.

Family Enhancement

Reducing disenfranchisement requires support for the family unit. ORS will implement a Family Enhancement Center in the Potomac Region and plans to launch a second center in the Rock Creek Region during the fiscal years. The centers are one stop human services centers, providing a diverse mix of assistance targeted to the family unit.

Academic Mentoring for Youth

Academic support for children and youth is a necessary component of a comprehensive youth development strategy. DCHA will implement a mentoring component in partnership with youth serving organizations in the community and launch First Book sites at several DCHA developments. In combination, both initiatives will pair at-risk children with adult mentors and engage them in reading projects as a form of academic support. Moreover, DCHA will be exploring scholarship fundraising strategy with the goal of raising at least \$50,000 annually to support college bound DCHA students. DCHA plans to hold a kick-off reception during the second quarter of FY '08 to promote the importance of scholarships and to publicly announce the agency's commitment to fundraising. To this end, DCHA will take actions to establish Community Vision Incorporated as an approved United Way recipient organization. As a 501-c3 organization, contributions for scholarships and other support systems can be tax-deductible. Collaborative grant writing will continue with corporate and other non-profit organizations.

Fund Development

DCHA plans to submit a grant application to the US Department of Health and Human Services (Public Housing Primary Health Care Program) to receive funding to create a comprehensive health center at the vacant King Greenleaf Recreation Center. In addition, a city-wide health expo will be coordinated by the department at which time residents will receive free health screening and other resources. Promoting healthy lifestyles and improved care of the body will be the programmatic theme for FY '08.

Resident Satisfaction

Building on the survey of families conducted at Park Morton, ORS will survey a representative sample of families at the remaining developments to determine the types of services residents' need the most. An analysis of the results will be prepared to augment the asset management plan of the agency. The results of the survey will be integrated into grant applications to be submitted during FY 2008 in order to gauge the attractiveness of such an initiative to prospective funding organizations.

CREATIVE LIVING SOLUTIONS INITIATIVES

Overview

The outlines for the initiatives provided in this plan are just the beginning of a participatory exploration and implementation process. Each one of the initiatives outlined in this plan will be treated individually in great depth before any changes are final. Each Initiative will be subjected to a comprehensive public review process with residents and local advocates before DCHA implements any of them. During this participatory process, the nature of the proposed change may be modified significantly based on stakeholder input. The outlines for each initiative are purposefully broad so as not to undermine the validity of the participation and exploration process.

Many of the changes envisioned in the initiatives described in this plan will require official action of the DCHA Board of Commissioners after publication and public notice and comment in accordance with local law. In practice, prior to starting the public rulemaking process DCHA consults with and obtains comments and input on any proposed rule changes or new rules from key stakeholders such as the DCHA Citywide Resident Advisory Board, and the HCVP Landlord Advisory Committee and Participant Advisory Committee and the housing advocate community. Once a draft regulatory rule is ready, it is presented to the appropriate committee(s) of the Board of Commissioners. The Board of Commissioners has three committees with defined responsibilities. These committees are:

- Development and Modernization;
- Operations,
- Audit and Finance, and
- Education

Once the appropriate Board committee has provided approval to publish the proposed rule, it is published for 14 to 30 days in the DC Register by the government of the District of Columbia. Written comments are received and reviewed. Based on the comments and further discussion with stakeholders the proposed rule may or may not be amended. If it is significantly amended it is taken back before the appropriate Board committee(s) and with the committee(s) approval republished for an additional notice and comment period and additional review of all comments by the Board committee(s). Once the committee(s) approves the proposed rule it is placed on the Board of Commissioners public agenda for action after public testimony. The agenda is distributed to all of the Resident Council Presidents and reviewed with the Citywide Resident Advisory Board, and the HCVP Landlord Advisory Committee and the Participant Advisory Committee. Prior to taking action at the Board meeting, the Board of Commissioners calls on staff for a public presentation of an analysis of the proposed rule and its potential impacts. The new rule or rule change is not in effect until final notice is published in the DC Register following the Board of Commissioners formal adoption of a resolution in a public meeting approving it.

For ease of tracking, the initiatives under each Objective start with the number of the objective, followed by the number of the initiative based on the order in which it was proposed in a CLS Plan, and finally followed by the year of the Plan in which it was first proposed. Thus in Objective 1, "Development of Enhanced Housing Opportunities", there were four Initiatives in the CLS Plan for '04 ending with 1.4.04 so that Initiatives proposed for the '05 Plan start with 1.5.05. Initiative 1.5.05 indicates that it falls under Objective 1, it is the fifth initiative under this objective and it was proposed in Fiscal Year 2005. Only Initiatives still under development from a prior year and new Initiatives for the Plan's CLS Year will be included in the following pages of this plan. Once an Initiative has been implemented it will not appear in the Plan, but will continue to appear in the Annual MTW Report. An Initiative that has been explored but not pursued will not appear in the Plan and will be reported in the Annual MTW Report in the year DCHA has determined not to further explore implementation of such Initiative.

Objective 1: Developing Enhanced Housing Opportunities

Introduction

This chapter describes the CLS activities that the District of Columbia Housing Authority (DCHA) will be undertaking to develop enhanced housing opportunities for the low-income citizens of the District. DCHA has proposed initiatives that will both facilitate the production or preservation of affordable units and improve the quality of life at the affordable units on which it has some influence.

CLS Initiatives

Initiative 1.7.05: Security Deposit Guarantee Program

Over the past six years, DCHA's voucher program has provided affordable housing options to approximately 5,000 additional families. As the program has matured, DCHA has identified areas within the program that will enhance housing opportunities available to our voucher participants. One of these issues is the limited ability of some voucher participants to secure funding for a security deposit.

DCHA will explore the development of a small guarantee program to which voucher assistance recipients may subscribe for a monthly fee in lieu of a lump sum security deposit payment to landlords. The goal of the program is to provide a mechanism whereby voucher participants are not unduly restricted from leasing potential units. Participants will be able to provide this security through a small monthly payment over time. This Initiative will require flexible use of funds to allow for potential payment on any guarantee where the recipient caused damage. The extent of the guarantee and agreements with landlords would be negotiated and discussed with the DCHA's Landlord Advisory Committee and a resolution of the Board of Commissioners would be sufficient for allocation of funding. DCHA is working with the District's Department of Human Services for start-up costs associated with this initiative and is currently developing a draft security deposit plan.

Initiative 1.9.06: Modifications to DCHA's Project-Based Voucher Program Admissions

Using MTW flexibility, DCHA has adopted several modifications to its project-based voucher program that DCHA calls its *Partnership Program*. Under Initiative 1.5.05, in FY 2005, DCHA made revisions to the Partnership Program including eligibility requirements for selecting occupants for Partnership Program properties for defined groups such as public housing residents with the right of return or occupants of project-based properties with rights of first refusal under local District law. These changes will be reported on more extensively in the CLS Annual Report.

DCHA will continue to explore potential modifications to this program in FY 2008. A continued review of the program will focus on achieving the following objectives:

- to increase participation by landlords;
- to meet local housing and community needs; and
- to be efficient to manage.

During FY 2008, DCHA will explore policy changes that will modify the management of the HCVP waiting list so that applicants can indicate, when applying or updating their applications, their willingness to accept a project based voucher and a property preference. This change in waiting list management will introduce much needed efficiency while maintaining opportunities and equity for residents. DCHA will also explore implementation of a similar change in process for applicants of its Mod/Rehab program, as well as other processes or procedural improvements to make the program more administratively effective.

Initiative 1.10.06: Applicant Intake Site Designation

In FY 2008, DCHA will continue to explore centrally managed, site-based waiting lists. The intent of a site-based waiting list is that existing applicants will be given the opportunity to state their preferences for individual DCHA properties as part of the process of updating applications. New applicants will only be added to the waiting list for properties that they select. This initiative will be part of DCHA's introduction of a comprehensive Application Intake Management program that is anticipated to include upgraded software, a focus on greater customer service and introduction of several efficiencies in client intake.

This initiative will complement the completed Initiative 2.5.04, Revised Site-Based Waiting Lists Policies and Procedures, which focused on Special Needs and Redevelopment Properties and will be implemented in conjunction the project based waiting lists described in Initiative 1.9.06.

Initiative 1.11.08: Maximizing Public Housing Subsidies

Over the past seven years, DCHA has implemented a number of innovative mixed-finance redevelopment deals that is generating approximately \$1.5 billion in economic activity in the District of Columbia, and which is producing a number of new or rehabbed affordable housing units in a gentrifying city. While the housing authority has used most tools in the development toolkit, one tool, the use of ACCs, has not been creatively maximized despite its capacity to complement operational costs of very low income housing.

During FY 2008, DCHA intends to explore the combining of ACCs in order to generate adequate public resources to support the rising operational costs of a unit in the District of Columbia. DCHA acknowledges the need to work closely with HUD during this exploration, but the housing authority believes that by thinking through the legal and programmatic implications will help create a model deal that could be replicated in other jurisdiction to much benefit.

Objective 2: Sustain Quality Property Management

Introduction

This chapter describes the initiatives DCHA will explore and implement where feasible during FY 2008 to sustain the quality of the day-to-day management of the residential communities for which it is responsible. This chapter reflects DCHA's core business. DCHA's definition of quality property management is to provide CLASS--Clean, Livable, Attractive, Safe and Sustainable--properties.

DCHA has achieved an excellent record in property management. . The challenge now is to continue to maintain this performance level, with significantly reduced funding. Using the flexibility and freedom allowed by the demonstration, DCHA will be able to consider avenues to improve the effectiveness of its operations, develop alternative policies and procedures through local rulemaking that achieve similar or better results for its customers, but are more efficient to administer – the essence of a demonstration program.

CLS Initiatives

Initiative 2.1.04: Simplified Certification and Multi-year Income Recertification

DCHA proposes to adopt local rules that provide work incentives for public housing residents by adopting recertification procedures that do not require recertification every year. Under this Initiative, if adopted after considering input from all stakeholders, income-based rent would need only be increased after a mandatory recertification completed on a multi-year basis. Rents could be reduced any time a resident requested an interim recertification as a result of a reduction in income. The revisions to the recertification process, as envisioned, would allow a delay in a rent increase until the next multi-year recertification for any increase in income. These revised procedures would provide a lifetime incentive to residents and voucher holders to increase income and would remove the current limitation on eligibility for the earned income disregard. DCHA implemented a similar initiative for the Housing Choice Voucher Program during FY 2007.

These changes could potentially save DCHA substantial overhead and limit opportunities for errors in rent determination. For the residents, they would remove the disincentive to employment and underemployment. In sum, these procedures will be easier for public housing residents and staff, alike, to understand and will be simpler and thus more effective to administer. Residents will benefit directly from reduced paper work and more understandable incentives to work.

Initiative 2.6.07: Enhanced Public Housing Lease Enforcement Operations

As the largest landlord in the District of Columbia, effective lease enforcement is a challenge, given the myriad local rules that are applicable to a landlord, public or private in the District. DCHA will be exploring various procedural and substantive modifications to its operating rules and procedures, as well as to its outdated lease, in order to recognize and accommodate, where appropriate, the local rules. The goal of this revision to the lease and supporting local regulations is to assure that DCHA can efficiently carry out its mandate to provide decent, safe and sanitary

housing for those eligible residents who can best use it to allow them to contribute to a healthy community.

During FY 2007, the Authority revised its lease and conducted an extensive outreach and comment process to solicit the comments of residents. The lease was updated to include language reflecting the latest Federal Fight Back/One Strike provisions and the requirements of the Violence Against Women Act.

DCHA will use the flexibility allowed under its MTW Agreement to explore the inclusion of provisions in its updated lease that will allow the incorporation by reference of property specific community rules developed and adopted by the individual Resident Councils. It may also include provisions that allow DCHA to be comparable to many of its colleagues in the private sector in the District of Columbia in the treatment of nonpayment of rent.

The resulting lease, local regulations, policies and procedures is expected to allow DCHA to be more effective in ensuring the safety and comfort of its residents, 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.

Objective 3: Achieve Effective Customer Support Services

Introduction

This chapter describes those potential initiatives DCHA will undertake that will enhance the authority's business relationships with its external partners and its residents. This section also includes those initiatives that will be explored to augment the authority's supportive services for both its residents and voucher participants.

Despite DCHA's commitment to provide the necessary services for its customers, the loss of PHDEP funding demands a creative approach to the funding of these critical activities. The flexibility allowed by participation in the demonstration will be an important factor in the DCHA strategy to continue its commitment to customer service. Innovations in how DCHA does business, budgeting and active and creative fundraising and partnership development will continue to be other important components of the strategy.

Both public housing residents and HCVP voucher recipients can benefit from a carefully developed program of support and enrichment services. DCHA can only fully achieve its mission to be an excellent provider of affordable housing for its low income clientele if it can make support services available both to its customers who are HCVP voucher recipients and to those who are public housing residents. The challenge, given funding realities, is to sustain the current services to residents. DCHA will be looking to its nonprofit, 501 (c) 3 DCHA subsidiary, Community Vision, Inc., established in 2003, as a vehicle for raising private and other federal and local public funds for continuing to coordinate and/or provide these services.

DCHA has both a Citywide Resident Advisory Board, which represents the needs of our public housing tenants, and a Participant Advisory Committee, which provides voucher participants and DCHA staff with a forum for the exchange of ideas and discussion of program concerns. DCHA calls on these groups, and its resident council presidents and other active residents for feedback during the formulation of this plan and other DCHA policy issues.

CLS Initiatives

Initiative 3.3.05: Streamlined Subsidy-Only Protocol (the "OPERating Assistance Program")

While most residents of and applicants for occupancy in DCHA properties just need affordable housing in a livable environment, many DCHA residents have a wide range of support needs. Support needs can range from the needs of grandparents, or other kin, serving as the primary caregiver for grandchildren, or other minor related children, all the way to mentally disabled individuals requiring a case manager. In FY 2008, DCHA will continue its efforts to partner with faith-based and other nonprofit organizations in order to effectively combat and prevent homelessness and increase the supply of public housing assisted units in the District of Columbia. Initially, DCHA will be focusing its new subsidy-only protocols on providing public housing units that will be owned by private entities for the most vulnerable of low-income families who will receive supportive service in a residential setting. These additional units will be provided using public housing subsidy for housing provided in a service-rich environment in partnership with nonprofit and for-profit housing providers.

DCHA will use the MTW flexibility described in this Initiative to substitute local requirements for any statutory or regulatory barriers to successful partnerships both in Mixed Finance opportunities and in working with supportive service programs of the government of the District of Columbia. DCHA has submitted to HUD for review and approval a streamlined Subsidy-Only Development Protocol (the "OPERATING Assistance Program") that will reduce transaction time and costs in order to negotiate and finalize subsidy-only arrangements quickly and inexpensively. DCHA is looking to make it attractive for private sector partners to dedicate units in existing, as well as prospective, rental developments to subsidy-only public housing development. This initiative will facilitate the provision of enhanced public housing dispersed throughout the community with the support needed by our most vulnerable residents DCHA has developed a simplified Subsidy-Only Development Protocol by which the HUD field office can authorize DCHA to close such transactions on an expedited basis, using simplified model documents, without further HUD approval, thus reducing the transaction costs to facilitate the addition of public housing units in small numbers with multiple owners in a shorter period of time.

DCHA has proposes a protocol that would provide for the submission of a Transaction Summary memorandum to HUD, for information purposes, no later than 30 business days prior to the proposed closing of a subsidy-only mixed financed transaction. The Transaction Summary Memo will include a brief narrative describing (i) the proposed project, including the types of units, number of units and unit mix (ii) the surrounding neighborhood and other ongoing or planned revitalization in the area (iii) the project participants, (iv) the nature of the supportive services to be provided and (v) key management and operations requirements. No later than 10 business days following the closing, DCHA will provide HUD with a memo updating all material changes to the Transaction Summary Memo, a Mixed Finance ACC Amendment to the Consolidated Annual Contributions Contracts executed by DCHA for execution by HUD and an operating subsidy agreement executed by DCHA and the owner consolidating the standard amalgam of HUD required certifications. No later than 30 days following the closing, DCHA will submit to HUD a copy of all executed simplified model documents associated with the closing and any other information requested by HUD for review rather than approval.]

Initiative 3.4.05: Supporting Grandfamilies

Many of DCHA's seniors are raising minors who are in their custody. While many of these seniors are grandparents who have become the legal guardian or primary caregiver for their grandchildren, other seniors are the aunts or uncles or have some other familial relationship with their minor child(ren). DCHA will explore ways to use or modify public housing or voucher policies as resources to help provide support for such families. DCHA will work closely with residents in drafting appropriate responses to this issue and it may require modifications to admission, transfer or other admissions and occupancy policies. DCHA will take these up in consultation with the residents and participants.

This Initiative was specifically requested by the City-Wide Resident Advisory Board as a special concern to many residents, and during the public hearing on the 2008 plan was expanded to include all custodial relationships where the head of household is a senior. Any program and regulatory modifications will be tailored to a program developed for this specialized population. This initiative is part of DCHA's goal to use its resources as efficiently as possible to meet the needs of its customers.

Initiative 3.5.06: Rent Simplification and Collections

During FY 2007, DCHA initiated its research on various methods of simplifying the calculation of rent in its housing programs. The impact of modifying HUD's existing requirements for income determination is still being studied and DCHA expects to begin the public vetting of this major policy change during FY 2008.

DCHA is aware of HUD's interest in creating a national rent simplification model, and that other MTW housing authorities have experimented with new models as well. DCHA has used this foundation of knowledge to design a variety of models that simplifies the calculation process while not unduly burdening the neediest of families.

It is DCHA's objective to create a revised system that will ease administrative burdens, reduce potential calculation errors, simplify the collection of all rent and charges, and create incentives for work. This incentive will complement Initiatives already completed such as 2.2.04, The Market-Based Rent Cap.

Initiative 3.6.08: Streamlining the Transition from Project-Based to Tenant-Based Vouchers

The District of Columbia has lost thousands of project-based units over the past several years due to the "opting out" of private owners whose contracts with HUD are 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. As one can imagine the anxiety of the households is great and it is in everyone's best interest that the transition occurs smoothly and in a timely fashion.

Unfortunately, the large number and short intervals of the opt outs in the District, driven in large part by the aggressive private rental market, is taxing DCHA's intake and voucher staff, and it does not appear that the opt outs will be dwindling in the near future. In response, during FY 2008, DCHA will explore viable options to streamlining the transition of households from a project-based to a tenant-based environment. Given that the affected households are already in a HUD funded program, DCHA hopes to be able to expedite the processing of these families so as to allow

Initiative 3.7.08: Reform Housing Quality Standards

DCHA has been considering alternatives to the Standard Inspection scheduling that would concentrate efforts on properties or landlords who persistently do not comply with the HQS standards. Modifications to the HQS inspections scheduling will make the inspection program more efficient and responsive to customer needs. DCHA will consider categorizing properties with HAP contracts according to risk, quality or upkeep level, and will use this categorization to determine the frequency of inspections. Many properties may only need to be re-inspected on a multi-year schedule thus allowing staff efficiency and a focus on properties or landlords that indicate a need for more frequent inspection.

Landlords and properties that comply on a consistent basis would not be inspected as often, thereby reducing unnecessary oversight for both the participant and the landlord. This revised scheduling process is also expected to include a component encouraging voucher recipients to request inspections when conditions are not up to standard.

Additionally, DCHA will explore the definitions and content of the housing quality standards themselves so as to reduce uncertainty as to the nature of a unit's deficiency. We intend to research and explore the 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.

Objective 4: Organize Efficient Businesslike Operating Systems

Introduction

This chapter outlines the initiatives that DCHA will explore and consider for implementation in FY 2008 to target its resources where they are most needed and develop revenue sources to augment those provided by HUD and tenant rent. DCHA expects to continue to develop additional revenue sources through a network of wholly-owned subsidiaries.

As the largest landlord in the District of Columbia, DCHA is an important business citizen of the District. DCHA, in pursuing its mandated activities, has assembled and developed a core of dedicated staff with expertise that has value in the marketplace outside of DCHA's immediate operations. DCHA is using the expertise and commitment of its staff to allow it to take an enhanced position in the District of Columbia business community.

CLS Initiatives

Initiative 4.2.05: Revolving Loan Fund for HCVP Landlords

DCHA has discovered that the HCVP lease-up process is often impeded due to delays in making repairs to units with HQS deficiencies. Additionally, DCHA is often faced with no other option than to halt the payment of HAP subsidy for existing clients when landlords are delinquent in repairing deficiencies identified during annual inspections. To lessen these problems, DCHA will work toward the implementation of a revolving loan program as an incentive for landlords to make required HQS repairs quickly.

Components of the program design will include deducting the loan payments from the HAP payment and placing a lien on the property until the loan is paid off. DCHA expects to capitalize this program, if feasible, using the flexibility allowed by the MTW Block Grant. With a mechanism, such as the proposed loan program, in place to make HQS repairs quickly, DCHA hopes to maintain the supply of affordable HCVP units and to reduce the inconvenience for the voucher holder. The revolving loan fund would allow an HCVP participant occupied unit to be repaired timely rather than force a participant to find and move to a compliant unit.

Initiative 4.3.05: Flexible Funding

DCHA's intends to use a small, limited portion of the FY 2008 HCVP funds that will be available through the MTW Block Grant to support investments in operational costs and costs associated with providing improved customer service and resident programming.

Initiative 4.4.06: Reformulation of HUD Forms

Many of DCHA's functions, both public housing and assisted housing through the Housing Choice Voucher Program use HUD prescribed forms for implementation. The forms facilitate uniformity and efficiency and in many cases work very well. The staff has discovered, however, that the prescribed forms may not in all cases serve our customers or internal operations as

effectively or efficiently as possible. Some forms may not request as much information as would be useful to the customer or to DCHA. Additionally, they may not appropriately request or document information on aspects of the programs that have been modified locally through a CLS Initiative.

For instance, the Housing Choice Voucher Program has simplified the voucher program by providing vouchers for a full 180 days, rather than a 60 day initial period with a 120 day extension. This has reduced the amount of staff time and also has been customer friendly as it allows all voucher holders the full amount of the time to locate a unit without requiring staff to "evaluate" each request for an extension. The HUD provided forms do not reflect this policy change and in its current form requires staff to input two dates, the initial period and an extension. In situations like this, where there would be efficiencies and customer improvements from a local form, DCHA would develop a local form in substitution of the HUD provided form. DCHA would not be modifying the forms, rather it would substitute, as the Moving to Work program contemplated, a locally devised solution that responds to locally identified program needs.

DCHA contemplates this Initiative continuing through the term of the Moving to Work Agreement in order to facilitate implementation of locally revised or devised programs, rather than a burdensome review of all forms at one point in time when Initiatives are still being developed and implemented.

CONCLUSION

This plan is written for the period from October 1, 2007 through September 30, 2008, DCHA's Fiscal Year 2008. DCHA will report on progress in completing the initiatives described in the Plan for FY 2006 on or before December 31, 2007. The Annual Report will also include information meeting the requirements for the Annual Report described in the MTW Agreement and progress DCHA has made in accomplishing each of several benchmarks established in its MTW Agreement with HUD. In accordance with the terms of the MTW Agreement, DCHA does not provide reports or self assessments for the purposes of PHAS or SEMAP reporting and will be evaluated by HUD exclusively through HUD's review of DCHA's Annual MTW Report and DCHA's progress in meeting its goals and benchmarks.

Flexibility and Local Control

DCHA's participation in the MTW Demonstration with its Creative Living Solutions program provides the Authority with the flexibility and local control that will allow the agency to continue progress towards achieving its mission. This Creative Living Solutions Plan provides DCHA with many exciting possibilities.

The implementation of each of the initiatives described in this plan will allow DCHA to continue to progress in achieving its mission of, "...enhancing the quality of life in the District of Columbia by providing and effectively managing affordable housing which is diverse, well maintained, and aesthetically pleasing for those whose circumstances prevent them from competing in the general marketplace. The District of Columbia Housing Authority seeks to achieve the highest and best use of that housing for people of low and moderate income through the promotion of economic development and self-sufficiency opportunities and the facilitation of other supportive services."

APPENDICES

Appendix A: Capital Budget

DISTRICT OF COLUMBIA HOUSING AUTHORITY

Development and Modernization Administration

CAPITAL FUNDS AVAILABLE FOR MODERNIZATION

Fiscal Year 2008

DRAFT

Capital Grant Funds	20,898,929
Less: Replacement Housing Factor Funds	2,708,192
Less: Annual Debt Service	6,121,445
Less: Operations 10% limit	1,819,074
Less: Administrative Costs 10% limit	1,819,074
Less: Operating - Public Safety & MIP 20% limit	<u>3,638,147</u>
Net Capital Funds Available, for FY 2008	4,792,997

Property Name	General Description	TOTAL COSTS
Carroll Apartments	Exterior improvements	300,000
Claridge Towers	Plumbing system replacement & interior	200,000
Greenleaf Gardens, Sr.	Exterior and interiors improvements	200,000
Harvard Towers	Mech. & elec. system replacement & units renovations	300,000
Horizon House	Critical & Other Mod.	200,000
Judiciary House	Interior improvements	200,000
Kelly Miller	Interior improvements	300,000
Langston Terrace	Exterior improvements	500,000
Regency House	Roofing system improvements	200,000
Sibley Plaza	Systems replacement. Hazmat abatement. Interior improvements	200,000
Woodland Terrace	Boiler room upgrade	200,000
Authority-wide	A&E fees, surveys, testing, etc.	800,000
Authority-wide	Vacant Units Rehab/ADA Compliance	442,997
Authority-wide	Mechanical Systems Upgrade	250,000
Authority-wide	Non-dwelling Equipment - Security Cameras	400,000
Authority-wide	Resident Relocation Costs	100,000
Net Capital Funds Available, for FY 2008		4,792,997

Appendix B: Bond Funded Projects and Energy Improvement Projects

**DISTRICT OF COLUMBIA HOUSING AUTHORITY
MODERNIZATION NEEDS AND FUNDING PLAN**

PROPERTY	WD	UNITS	BUILT	MOD. LAST	MODERNIZATION PHYSICAL NEEDS						ACTUAL GRAND TOTAL (w/fees)	ENERGY ACCELERATED PROGRAM	BOND ACCELERATED PROGRAM	PRIMARY/GAP FUNDING PROGRAM
					Energy/Utility	Critical Mod	Other Mod	Total Estimated Cost (w/ fees)	ADA 504	Vacant Units	Total ADA 504 & Vacant Units Cost (w/ fees)			
Carroll Apartments	2	60	1964	1999	\$400,000	\$100,000	\$0	\$500,000	\$0	\$0	\$0	\$230,000	\$450,000	CFP
410 M Street, SE														
Knox Hill	8	122	1987	N/A	\$650,000	\$0	\$280,000	\$1,097,400	\$200,000	\$0	\$236,000	\$630,000	\$700,000	CFP
2700 Juger Street, SE														
James Apartments	2	141	1960	1999	\$1,108,000	\$860,000	\$10,000	\$2,334,040	\$100,000	\$0	\$118,000	\$875,000	\$2,000,000	CFP
1425 N Street, NW														
Kentucky Courts	6	163	1965	Underway	\$2,300,000	\$250,000	\$284,000	\$3,344,120	\$0	\$0	\$0	\$1,050,000	\$1,500,000	CFP
1337 D Street, SE														
Ledroit Apartments	1	124	1965	N/A	\$2,075,000	\$770,000	\$192,000	\$3,583,660	\$200,000	\$0	\$236,000	\$400,000	\$3,000,000	CFP
2125 4th Street, NW														
Horizon House	2	105	1964	1998	\$1,750,000	\$300,000	\$1,000,000	\$3,599,000	\$600,000	\$181,500	\$1,158,170	\$300,000	\$4,800,000	CFP
1150 12th Street, NW														
Fort Lincoln	5	120	1971	1999	\$2,500,000	\$265,000	\$500,000	\$3,852,700	\$300,000	\$0	\$354,000	\$610,000	\$3,000,000	CFP
2855 Bladensburg Road, SE														
Regency House	3	160	1964	2003	\$2,250,000	\$1,000,000	\$105,000	\$3,958,900	\$400,000	\$0	\$472,000	\$640,000	\$4,080,000	CFP
5201 Connecticut Ave., NW														
Garfield Terrace	1	279	1965	1997	\$2,600,000	\$400,000	\$400,000	\$4,012,000	\$600,000	\$0	\$708,000	\$840,000	\$3,713,000	CFP
2101 11 Street, NW														
Greenleaf Senior	2	215	1959	1989	\$3,000,000	\$300,000	\$135,000	\$4,083,300	\$1,100,000	\$54,500	\$1,362,310	\$680,000	\$4,000,000	CFP
201 N Street, SW														
Sibley Plaza	2		1968	1998	\$2,600,000	\$450,000	\$500,000	\$4,189,000	\$500,000	\$54,500	\$654,310	\$740,000	\$4,000,000	CFP
1140 North Capitol St., NW														
Harvard Towers	1	193	1961	1999	\$2,950,000	\$600,000	\$150,000	\$4,366,000	\$700,000	\$54,500	\$890,310	\$640,000	\$3,900,000	CFP

**DISTRICT OF COLUMBIA HOUSING AUTHORITY
MODERNIZATION NEEDS AND FUNDING PLAN**

PROPERTY	WD	UNITS	BUILT	MOD. LAST	MODERNIZATION PHYSICAL NEEDS							ACTUAL GRAND TOTAL (w/fees)	ENERGY ACCELERATED PROGRAM	BOND ACCELERATED PROGRAM	PRIMARY/GAP FUNDING PROGRAM
					Energy/Utility	Critical Mod	Other Mod	Total Estimated Cost (w/fees)	ADA 504	Vacant Units	Total ADA 504 & Vacant Units Cost (w/fees)				
1845 Harvard St., NW															
Judiciary House	2	271	1966	1999	\$1,500,000	\$3,500,000	\$500,000	\$6,490,000	\$100,000	\$0	\$118,000	\$524,000	\$6,608,000	CFF	
461 H Street, NW															
Claridge Towers	2	343	1967	1998	\$2,500,000	\$4,500,000	\$0	\$8,260,000	\$300,000	\$500,000	\$944,000	\$700,000	\$9,204,000	CFF	
1221 M Street, NW															
Kelly Miller Apartments	1	169	1941	N/A	\$1,460,000	\$750,000	\$1,500,000	\$4,377,800	\$100,000	\$0	\$118,000	\$1,030,000	\$4,495,800	CFF	
234 W Street, NW															
Villager, The	7	20	1980	N/A	\$650,000	\$200,000	\$0	\$1,003,000	\$20,000	\$0	\$23,600	\$120,000	\$1,026,600	CFF	
3810 Southern Ave., SE															
Colorado Apartments	4	21	1963	1998	\$650,000	\$300,000	\$0	\$1,121,000	\$175,000	\$0	\$206,500	\$80,000	\$1,327,500	CFF	
5336 Colorado Ave., NW															
Lincoln Road Apartments	5	33	1900		\$100,000	\$0	\$100,000	\$236,000	\$0	\$0	\$0	\$57,000	\$200,000	CFF	
11 R Street, NE															
Montana Terrace	5	65	1968	1998	\$50,000	\$600,000	\$0	\$767,000	\$0	\$0	\$0	\$0	\$700,000	CFF	
1625 Montana Ave., NE															
Elvans Road	8	20	1986	N/A	\$0	\$100,000	\$532,000	\$745,760	\$0	\$0	\$0	\$0	\$745,760	CFF	
2440 Elvans Road, SE															
Columbia Road Apartments	1	23	1986	N/A	\$450,000	\$200,000	\$0	\$767,000	\$0	\$0	\$0	\$87,000	\$500,000	CFF	
1475 Columbia Road, NW															
Fort Dupont Dwellings	7	110	1940	1997	\$0	\$105,000	\$785,000	\$1,050,200	\$0	\$110,000	\$129,800	\$39,000	\$901,913	CFF	
155 Ridge Road, SE															
Snodgett Terrace	7	158	1960	1999	\$0	\$519,000	\$398,000	\$1,082,060	\$600,000	\$54,500	\$772,310	\$60,000	\$1,700,000	CFF	
155 Ridge Road, SE															

**DISTRICT OF COLUMBIA HOUSING AUTHORITY
MODERNIZATION NEEDS AND FUNDING PLAN**

PROPERTY	WD	UNITS	BUILT	MOD. LAST	MODERNIZATION PHYSICAL NEEDS							ACTUAL GRAND TOTAL (w/fees)	ENERGY ACCELERATED PROGRAM	BOND ACCELERATED PROGRAM	PRIMARY/CAP FUNDING PROGRAM
					Energy/Utility	Critical Mod	Other Mod	Total Estimated Cost (w/fees)	ADA 504	Vacant Units	Total ADA 504 & Vacant Units Cost (w/fees)				
Fort Dupont Addition	7	19	1962	1998	\$100,000	\$150,000	\$200,000	\$551,000	\$0	\$0	\$0	\$551,000	\$0	\$350,750	CFP
<i>155 Ridge Road, SE</i>															
Langston Addition	5	34	1965	N/A	\$0	\$0	\$370,000	\$436,600	\$0	\$0	\$0	\$436,600	\$0	\$452,343	CFP/Other
<i>2101 G Street, NE</i>															
Highland Dwellings	8	200	1942	1999	\$1,800,000	\$600,000	\$2,500,000	\$5,782,000	\$100,000	\$0	\$118,000	\$5,900,000	\$170,000	\$2,500,000	CFP
<i>400 Atlantic Street, SE</i>															
Highland Addition	8	118	1954	1996	\$2,200,000	\$700,000	\$519,500	\$4,035,482	\$0	\$0	\$0	\$4,035,482	\$1145,000	\$2,100,000	CFP
<i>400 Atlantic Street, SE</i>															
Banning Terrace	7	274	1960	1988	\$1,350,000	\$2,500,000	\$1,200,000	\$5,559,000	\$950,000	\$1,035,500	\$2,342,890	\$8,201,890	\$514,000	\$3,716,998	CFP/Other
<i>4450 G Street, SE</i>															
Langston Terrace	5	274	1937	N/A	\$3,060,000	\$2,000,000	\$1,200,000	\$7,386,800	\$0	\$272,500	\$321,550	\$7,708,350	\$1,410,000	\$2,500,000	CFP/Other
<i>2101 G Street, NE</i>															
Syphax Gardens	2	174	1960	N/A	\$800,000	\$600,000	\$350,000	\$2,665,000	\$0	\$0	\$0	\$2,665,000	\$360,000	\$1,000,000	CFP
<i>64 P Street, SW</i>															
James Creek	2	239	1942	1996	\$100,000	\$0	\$965,000	\$1,256,700	\$0	\$109,000	\$128,620	\$1,385,320	\$100,000	\$1,400,000	CFP
<i>100 N Street, SW</i>															
Kenilworth Courts	5	464	1941	1998	\$700,000	\$450,000	\$2,100,000	\$3,835,000	\$400,000	\$436,000	\$986,480	\$4,821,480	\$1,600,000	\$2,300,000	CFP
<i>4300 Charles Street, NE</i>															
Woodland Terrace	6	234	1964	1999	\$2,000,000	\$725,000	\$2,100,000	\$5,693,500	\$250,000	\$0	\$295,000	\$5,988,500	\$2,030,000	\$4,250,000	CFP
<i>2301 Angier Place, SE</i>															
Park Morton	1	174	1960	N/A	\$2,500,000	\$100,000	\$1,500,000	\$4,838,000	\$300,000	\$163,500	\$546,930	\$5,384,930	\$1,100,000	\$2,052,000	CFP/Other
<i>617 Morton Street, NW</i>															
Richardson Dwellings	7	190	1953	1988	\$1,140,000	\$1,700,000	\$600,000	\$4,059,200	\$0	\$54,500	\$64,310	\$4,123,510	\$255,700	\$800,000	CFP

DISTRICT OF COLUMBIA HOUSING AUTHORITY MODERNIZATION NEEDS AND FUNDING PLAN

PROPERTY	WD	UNITS	BUILT	MOD. LAST	MODERNIZATION PHYSICAL NEEDS							ACTUAL GRAND TOTAL (w/fees)	ENERGY ACCELERATED PROGRAM	BOND ACCELERATED PROGRAM	PRIMARY/GAP FUNDING PROGRAM
					Energy/Utility	Critical Mod	Other Mod	Total Estimated Cost (w/fees)	ADA 504	Vacant Units	Total ADA 504 & Vacant Units Cost (w/fees)				
5331 Dix Street, NE															
Lincoln Heights	7	440	1945	1987	\$1,600,000	\$8,000,000	\$2,000,000	\$13,688,000	\$200,000	\$109,000	\$364,620	\$0	\$120,000	CFP/Other	
400 50th Street, NE															
Potomac Garden/Senior	6	352	1968	1999	\$2,500,000	\$1,000,000	\$1,210,000	\$5,321,800	\$1,200,000	\$109,000	\$1,544,620	\$0	\$177,153	CFP/Other	
1225 G Street, SE															
Hopkins Apartments	6	158	1960	1999	\$2,900,000	\$275,000	\$1,700,000	\$5,752,500	\$200,000	\$54,500	\$300,310	\$0	\$294,519	CFP/Other	
1430 I Street, SE															
Burly Farm Dwellings	8	432	1943	1990	\$5,000,000	\$5,000,000	\$8,629,225	\$21,982,486	\$400,000	\$109,000	\$600,620	\$0	\$139,324	CFP/Other	
1230 Summer Road, SE															
Wide Apartments	8	12	1941	1999	\$180,000	\$300,000	\$0	\$566,400	\$40,000	\$0	\$47,200	\$0	\$400,000	CFP	
2608-2640 Wade Rd, SE															
Greenleaf Gardens	2	257	1959	1989	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	CFP	
201 N Street, SW															
Parkside	8	118	1954	1996	\$2,200,000	\$700,000	\$519,900	\$4,035,482	\$0	\$0	\$0	\$0	\$0	CFP	
4500 Quarles Street, NE															
Sursum Corda	2	28	1968	1999	\$0	\$0	\$750,000	\$885,000	\$0	\$0	\$0	\$0	\$0	CFP/Other	
79 K Street, NW															
Sibley Plaza Townhouses	2	22	1968	1998				\$0	\$0	\$0	\$0			CFP	
400 Atlantic Street, SE															
Grand Totals (w/fees)												\$19,016,700	\$81,500,000		
												\$179,157,350	\$16,162,460		

KEY

Energy/Utility: Heating/Cooling/Plumbing/Electrical Upgrade
Critical Mod: Roofing/Windows/Structural and other major building components that require primary treatment
Other Mod: Site/Exterior/Interior Building Components that require secondary treatment
CFP - Capital Fund Program
OTHER - HUD Funding, District Funding, Mixed Finance

Appendix C: Operating Subsidy Request (FY 2007)⁸

⁸ The operating subsidy request for FY 2008 will be available unit September 2007.

**Operating Fund
Calculation of Operating Subsidy
PHA-Owned Rental Housing**

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

OMB Approval No. 2577-0029 (exp. 10/31/2008)

Reporting Burden for this collection of information is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it display a currently valid OMB control number. This information is required by Section 9(a) of the U.S. Housing Act of 1937, as amended, and by 24 CFR Part 990 HUD regulations. HUD makes payments for the operation and maintenance of low-income housing projects to PHAs. The Operating Fund determines the amount of operating subsidy to be paid to PHAs. PHAs provide information on the Project Expense Level (PEL), Utilities Expense Level (UEL), Other Formula Expenses (Add-ons) and Formula Income - the major Operating Fund components. HUD reviews the information to determine each PHA's Formula Amount and the funds to be obligated for the Funding Period to each PHA based on the appropriation by Congress. HUD also uses the information as the basis for requesting annual appropriations from Congress. Responses to the collection of information are required to obtain a benefit. The information requested does not lend itself to confidentiality.

Section 1

1. Name and Address of Public Housing Agency: D.C Housing Authority 1133 N Capitol Street NE Washington, DC 20002		2. Funding Period: 01/01/2007 to 12/31/2007
		3. Type of Submission: ☒ Original ☐ Revision No.
4. ACC Number: W-76	5. Fiscal Year End: ☐ 12/31 ☐ 03/31 ☐ 06/30 ☒ 09/30	6. Operating Fund Project Number: DC00100107D
7. DUNS Number: 138841726		
8. ROFO Code: 0339		

Section 2

Calculation of ACC Units for 12-month period from July 1 to June 30 that is prior to the first day of the Funding Period:				
	ACC Units on 7/1/2005	Units Added to ACC (+)	Units Deleted from ACC (-)	ACC Units on 6/30/2006 (=)
Requested by PHA	7,818	12	687	7,143
HUD Modifications				

Line No.	Category	Column A Unit Months		Column B Eligible Unit Months (EUMs)		Column C Resident Participation Unit Months	
		Req'd by PHA	HUD Mod.	Req'd by PHA	HUD Mod.	Req'd by PHA	HUD Mod.

Categorization of Unit Months:

Occupied Unit Months

01	Occupied dwelling units -- by public housing eligible family under lease	80,499		80,499		80,499	
02	Occupied dwelling units -- by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing.	108					
03	New units -- eligible to receive subsidy during the Funding Period but not included on Lines 01, 02, or 05-13 of this section	5,440		5,440		5,440	
04	New units -- eligible to receive subsidy from 10/1 to 12/31 of previous funding period but not included on previous Calculation of Operating Subsidy	180		180		180	

Vacant Unit Months

05	Units undergoing modernization	2,264		2,264			
06	Special use units	1,050		1,050			
06a	Units on Line 02 that are occupied by police officers and that also qualify as special use units			0			
07	Units vacant due to litigation	140		140			
08	Units vacant due to disasters	0		0			
09	Units vacant due to casualty losses	0		0			
10	Units vacant due to changing market conditions	0		0			
11	Units vacant and not categorized above	1,307					

Other ACC Unit Months

12	Units eligible for asset repositioning fee and still on ACC (occupied or vacant)	16,155					
13	All other ACC units not categorized above	348					

Calculations Based on Unit Months:

14	Limited vacancies		1,307	
15	Total Unit Months	107,491	90,880	86,227
16	Units eligible for funding for resident participation activities (Line 15C divided by 12)			7,186
Provision for Calculation of Utilities Expense Level:				
17	Unit months for which actual consumption is included on Line 01 of form HUD-52722 and that were removed from Lines 01 through 11, above, because of removal from inventory, including eligibility for the asset repositioning fee		3,564	

Section 3

Line No.	Description	Requested by PHA	HUD Modifications
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Part A. Formula Expenses

Project Expense Level (PEL)

01	PUM project expense level (PEL)	\$435,09	
02	Inflation factor	1.02700	
03	PUM inflated PEL (Part A, Line 01 times Line 02)	\$446,84	
04	PEL (Part A, Line 03 times Section 2, Line 15, Column B)	\$40,608,819	

Utilities Expense Level (UEL)

05	PUM utilities expense level (UEL) (from Line 26 of form HUD-52722)	\$256.39	
06	UEL (Part A, Line 05 times Section 2, Line 15, Column B)	\$23,300,723	

Add-Ons

07	Self-sufficiency	\$0	
08	Energy loan amortization	\$0	
09	Payment in lieu of taxes (PILOT)	\$0	
10	Cost of independent audit	\$198,011	
11	Funding for resident participation activities	\$179,650	
12	Asset management fee ☒ Eligible for an Asset Management Fee	\$429,964	
13	Information technology fee	\$214,982	
14	Asset repositioning fee	\$4,483,420	
15	Costs attributable to changes in federal law, regulation, or economy	\$0	
16	Total Add-Ons (Sum of Part A, Lines 07 through 15)	\$5,506,027	
17	Total Formula Expenses (Part A, Line 04 plus Line 06 plus Line 16)	\$69,415,569	

Part B. Formula Income

01	PUM formula income	\$198.09	
02	PUM change in utility allowances	\$0.00	
03	PUM adjusted formula income (Sum of Part B, Lines 01 and 02)	\$198.09	
04	Total Formula Income (Part B, Line 03 times Section 2, Line 15, Column B)	\$18,002,419	

Part C. Other Formula Provisions

01	Moving-to-Work (MTW)	\$0	
02	Transition funding	\$383,332	
03	Other	\$0	
04	Total Other Formula Provisions (Sum of Part C, Lines 01 through 03)	\$383,332	

Part D. Calculation of Formula Amount

01	Formula calculation (Part A, Line 17 minus Part B, Line 04 plus Part C, Line 04)	\$51,796,482	
02	Cost of independent audit (Same as Part A, Line 10)	\$198,011	
03	Formula amount (Greater of Part D, Lines 01 or 02)	\$51,796,482	

Part E. Calculation of Operating Subsidy (HUD Use Only)

01	Formula amount (Same as Part D, Line 03)		
02	Adjustment due to availability of funds		
03	HUD discretionary adjustments		
04	Funds Obligated for Period (Part E, Line 01 minus Line 02 minus Line 03)		
	Appropriation symbol(s):		

Section 4

Remarks (provide section, part and line numbers):

Section 5

Certifications

- ☒ In accordance with 24 CFR 990.215, I hereby certify that D.C Housing Authority is in compliance with the annual income reexamination requirements and that rents and utility allowance calculations have been or will be adjusted in accordance with current HUD requirements and regulations.
- ☒ In accordance with 24 CFR 990.190(f), I hereby certify that D.C Housing Authority has fewer than 250 units and has elected to transition to asset management and therefore is eligible to receive an asset management fee.
- ☒ I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
- Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized PHA Representative & Date:

Signature of Authorized HUD Representative & Date:

X *Debra K. McDaniel* 9/15/06

X

**Operating Fund
Calculation of Operating Subsidy
PHA-Owned Rental Housing**

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

OMB Approval No. 2577-0029 (exp. 10/31/2008)

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Section 1

1. Name and Address of Public Housing Agency: D.C Housing Authority 1133 N Capitol Street NE Washington, DC 20002		2. Funding Period: 01/01/2007 to 12/31/2007
3. Type of Submission: ☒ Original ☐ Revision No.		6. Operating Fund Project Number: DC00170107D
4. ACC Number:	5. Fiscal Year End: ☐ 12/31 ☐ 03/31 ☐ 06/30 ☒ 09/30	
7. DUNS Number: 138841726	HUD Use Only 8. ROFO Code: 0339	

Section 2

Calculation of ACC Units for 12-month period from July 1 to June 30 that is prior to the first day of the Funding Period:				
	ACC Units on 7/1/2005	Units Added to ACC (+)	Units Deleted from ACC (-)	ACC Units on 6/30/2006 (=)
Requested by PHA	332	0	0	332
HUD Modifications				

Line No.	Category	Column A Unit Months		Column B Eligible Unit Months (EUMs)		Column C Resident Participation Unit Months	
		Req'd by PHA	HUD Mod.	Req'd by PHA	HUD Mod.	Req'd by PHA	HUD Mod.

Categorization of Unit Months:

Occupied Unit Months							
01	Occupied dwelling units -- by public housing eligible family under lease	3,895		3,895		3,895	
02	Occupied dwelling units -- by PHA employee, police officer, or other security personnel who is not otherwise eligible for public housing	0				0	
03	New units -- eligible to receive subsidy during the Funding Period but not included on Lines 01, 02, or 05-13 of this section	0		0		0	
04	New units -- eligible to receive subsidy from 10/1 to 12/31 of previous funding period but not included on previous Calculation of Operating Subsidy	0		0		0	

Vacant Unit Months							
05	Units undergoing modernization	1		1			
06	Special use units	12		12			
06a	Units on Line 02 that are occupied by police officers and that also qualify as special use units			0			
07	Units vacant due to litigation	0		0			
08	Units vacant due to disasters	0		0			
09	Units vacant due to casualty losses	0		0			
10	Units vacant due to changing market conditions	0		0			
11	Units vacant and not categorized above	76					

Other ACC Unit Months							
12	Units eligible for asset repositioning fee and still on ACC (occupied or vacant)	0					
13	All other ACC units not categorized above	0					

Calculations Based on Unit Months:

14	Limited vacancies		76		
15	Total Unit Months	3,984	3,984	3,895	
	Units eligible for funding for resident participation activities (Line 15C divided by 12)			325	

Special Provision for Calculation of Utilities Expense Level:

17	Unit months for which actual consumption is included on Line 01 of form HUD-52722 and that were removed from Lines 01 through 11, above, because of removal from inventory, including eligibility for the asset repositioning fee		0		
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Section 3

Line No.	Description	Requested by PHA	HUD Modifications
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Part A. Formula Expenses**Project Expense Level (PEL)**

01	PUM project expense level (PEL)	\$489.93	
02	Inflation factor	1.02700	
03	PUM inflated PEL (Part A, Line 01 times Line 02)	\$503.16	
04	PEL (Part A, Line 03 times Section 2, Line 15, Column B)	\$2,004,589	

Utilities Expense Level (UEL)

05	PUM utilities expense level (UEL) (from Line 26 of form HUD-52722)	\$329.36	
06	UEL (Part A, Line 05 times Section 2, Line 15, Column B)	\$1,312,170	

Add-Ons

07	Self-sufficiency	\$0	
08	Energy loan amortization	\$0	
09	Payment in lieu of taxes (PILOT)	\$0	
10	Cost of independent audit	\$8,506	
11	Funding for resident participation activities	\$8,125	
	Asset management fee ☐ Eligible for an Asset Management Fee	\$15,936	
	Information technology fee	\$7,968	
14	Asset repositioning fee	\$0	
15	Costs attributable to changes in federal law, regulation, or economy	\$0	
16	Total Add-Ons (Sum of Part A, Lines 07 through 15)	\$40,535	
17	Total Formula Expenses (Part A, Line 04 plus Line 06 plus Line 16)	\$3,357,294	

Part B. Formula Income

01	PUM formula income	\$313.11	
02	PUM change in utility allowances	\$0.00	
03	PUM adjusted formula income (Sum of Part B, Lines 01 and 02)	\$313.11	
04	Total Formula Income (Part B, Line 03 times Section 2, Line 15, Column B)	\$1,247,430	

Part C. Other Formula Provisions

01	Moving-to-Work (MTW)	\$0	
02	Transition funding	\$16,805	
03	Other	\$0	
04	Total Other Formula Provisions (Sum of Part C, Lines 01 through 03)	\$16,805	

Part D. Calculation of Formula Amount

01	Formula calculation (Part A, Line 17 minus Part B, Line 04 plus Part C, Line 04)	\$2,126,669	
02	Cost of independent audit (Same as Part A, Line 10)	\$8,506	
03	Formula amount (Greater of Part D, Lines 01 or 02)	\$2,126,669	

Part E. Calculation of Operating Subsidy (HUD Use Only)

01	Formula amount (Same as Part D, Line 03)		
02	Adjustment due to availability of funds		
03	HUD discretionary adjustments		
04	Funds Obligated for Period (Part E, Line 01 minus Line 02 minus Line 03)		
	Appropriation symbol(s):		

Section 4

Remarks (provide section, part and line numbers):

Section 5

Certifications

- ☒ In accordance with 24 CFR 990.215, I hereby certify that D.C Housing Authority is in compliance with the annual income reexamination requirements and that rents and utility allowance calculations have been or will be adjusted in accordance with current HUD requirements and regulations.
- ☐ In accordance with 24 CFR 990.190(f), I hereby certify that D.C Housing Authority has fewer than 250 units and has elected to transition to asset management and therefore is eligible to receive an asset management fee.
- ☒ I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
- Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized PHA Representative & Date:

Signature of Authorized HUD Representative & Date:

X Alaura K. McDaniel 9/15/06

X

Appendix D: Replacement Housing Factor Plan

**Amended
Replacement Housing Factor Plan
District of Columbia Housing Authority
FY 2000 to 2004
(January 30, 2007)**

This amends the District of Columbia Housing Authority's (DCHA) Replacement Housing Factor (RHF) Plan submitted in November 2005. The multi-tier structure for RHF plans as explained to us by HUD staff is extremely complex, and at this time does not include dollar estimates. The different counts of demolished/disposition units qualifying for RHF funding has occurred in 6 different increments (or tiers). This means that we apparently should be planning based on 6 tiers, each of which has a 5-year first increment and a 5 year second increment. In theory, this could result in the need for 12 5-year plans. This format is difficult from a practical planning standpoint. Accordingly, in this amendment we are attempting to simplify our plan by outlining just two 5-year increments at this time. Following HUD review, we would be glad to try further refinement of the plans if necessary.

Following is our 5-year first increment plan reflecting RHF funding for FY 2000 to 2004. We have dropped RHF funding for FY 1998 and 1999 totaling \$247,969 since those dollars could be used for regular modernization activity (and in fact were used that way by DCHA). This plan also includes 2 spreadsheets which cover a time period for both the FY 2000-2004 increment, the 2005-2009 increment, and other years through FY 2013. These spreadsheets outline the multi-year tier system noted above, and attempt to show actual and estimated funding for FY2000-2013 as well as actual and projected RHF funding by project. The specific spreadsheets are:

- A. RHF Fund Allocations by Project, 12/2007 (actual and projected obligations)
- B. RHF Actual FY2000 to 2005 and Multi Tier Project FY2000 to 2013

RHF Funding from HUD

RHF Funding received to date for years 2000 through 2006 is as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Obligation Date</u>	<u>Expenditure Date</u>
FY 2000	\$1,960,471	Nov. 30, 2002	Nov. 30, 2004
FY 2001	\$2,964,943	Sept. 29, 2003	Sept. 29, 2005
FY 2002	\$3,444,637	Sept. 4, 2004	Sept. 4, 2006
FY 2003	\$3,106,337	Sept. 15, 2005	Sept. 15, 2007
FY 2004	\$4,390,625	Sept. 30, 2006	Sept. 30, 2008

Use of RHF Funds

The \$15,867,013 of RHF funds received for FY 2000-2004 has funded 117 units for the Kentucky Courts, Eastgate Senior and Oxford Manor projects listed in the following sections of this plan, and provided partial funding for the Highland Addition and Capitol Gateway projects.

DCHA is maintaining flexibility for the use of these funds so that they can be used for either new construction or acquisition with or without rehabilitation. All structure types will be allowed (e.g. row, walk-up, elevator, single family, etc). More specifics are provided below for projects funded to date.

RHF fund Allocations
by Project (12/2006)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Project Name	TotRent/	PH Units	RHF Fund Total	RHF-2000	RHF-2001	RHF-2002	RHF-2003	RHF-2004	RHF-2005	RHF-2006	RHF-2007	RHF-2008	RHF-2009	RHF-2010	RHF-2011	RHF-2012	RHF-2013
	Increment/Year				1st/1 & 3	1st/1,2,4	1st/1,2,3,5	1st/1,2,3,4	1st/1,2,3,4,5	1st/2,3,4,5	1st/5,4,3	1st/5,4	1st/5					
1																		
2																		
3																		
4	Kentucky Courts	38	12	\$1,960,471	\$1,960,471													
5																		
6	Minnesota																	
7	(admin)			\$177,212		\$2,882,903												
8						\$79,088	\$70,149	\$27,975										
9	Eastgate Senior	100	75	\$6,812,532		\$2,885,855	\$3,289,637	\$237,040		400,000								
10	(admin)			\$84,851			\$84,851											
11																		
12	Highland Addition	30	10	\$1,770,409				\$17,165	1,753,244									
13	(admin)			\$191,000				\$71,000	40,000	80,000								
14																		
15	Capital Gateway	302	50	\$5,000,000					\$1,778,415	2,426,046	795,539							
16	(admin)																	
17																		
18																		
19	Oxford Manor	226	30	\$3,572,123				2,683,029	818,966									
20								70,128										
21																		
22	St. Martins	177	50	\$3,500,000							1,912,553	1,587,447						
23																		
24	TOTAL	873	227	\$23,068,598	\$1,960,471	\$2,964,943	\$3,444,637	\$3,106,337	\$4,390,625	\$2,906,046	\$2,708,092	\$1,587,447						
25																		
26	RHF Allocation				1,960,471	2,964,943	3,444,637	3,106,337	4,390,625	2,906,046	2,708,092	3,000,000	3,000,000	3,000,000	2,750,000	2,500,000	2,250,000	1,750,000
27	RHF Increment #1				1,960,471	2,964,943	3,444,637	3,036,209	4,304,556	1,223,710	782,738							
28	RHF Increment #2					2,964,943	3,444,637	70,128	86,069	1,682,336	1,925,354							
29	Obligation Deadline				11/30/2002	9/29/2003	9/4/2004	9/15/2005	9/30/2006	8/17/2007	7/17/2008	9/30/2009	9/30/2010	9/30/2011	9/30/2012	9/30/2013	9/30/2014	9/30/2015
30	Expenditure Deadline				11/30/2004	9/29/2005	9/4/2006	9/15/2007	9/30/2008	8/17/2009	7/17/2010	9/30/2011	9/30/2012	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017
31																		
32																		
33																		

(RHF 2006 \$ amended 4/2007)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1			RHF-2000	RHF-2001	RHF-2002	RHF-2003	RHF-2004	RHF-2005	RHF-2006	RHF-2007	RHF-2008	RHF-2009	RHF-2010	RHF-2011	RHF-2012	RHF-2013
2	RHF Allocation		1,960,471	2,964,943	3,444,637	3,106,337	4,390,625	2,906,046	2,708,092	3,000,000	3,000,000	3,000,000	2,750,000	2,500,000	2,250,000	1,750,000
3	RHF Increment #1		1,960,471	2,964,943	3,444,637	3,036,209	4,304,556	1,223,710	782,738							
4	RHF Increment #2					70,128	86,069	1,682,336	1,925,354							
5																
6	"Tier 1"		1stIncrYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5						
7	\$to be determined															
8																
9	"Tier 2"		1stIncrYr1	1stYr2	1stYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5				
10	\$to be determined															
11																
12	"Tier 3"			1stIncrYr1	1stYr2	1stYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5			
13	\$to be determined															
14																
15	"Tier 4"				1stIncrYr1	1stYr2	1stYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5		
16	\$to be determined															
17																
18	"Tier 5"					1stIncrYr1	1stYr2	1stYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5	
19	\$to be determined															
20																
21	"Tier 6"						1stIncrYr1	1stYr2	1stYr3	1stYr4	1stYr5	2ndYr1	2ndYr2	2ndYr3	2ndYr4	2ndYr5
22	\$to be determined															
23																
24																

NOTE: Thru 2006 actual; 2007 thru 2013 estimated.

Replacement Housing Factor Plan Spread Sheets

- A. RHF Fund Allocations by Project (actual and projected obligations)**
- B. RHF Actual FY2000 to 2006 and Multi Tier Project FY2000 to 2013**

**Amended
Replacement Housing Factor Plan
D.C. Housing Authority
(April, 2007)**

The attached RHF Fund Allocation spread sheet has been amended to reflect an additional increment of \$77,712 of RHF funds from HUD for RHF 2006 (increasing total 2006 funding from \$2,630,380 to \$2,708,092). The DCHA RHF plan of January 30, 2007 remains otherwise unchanged.

**Amended RHF Plan
Actual and Projected Project Commitments
as of 12/30/2006**

- 1. Kentucky Courts**
- 2. Minnesota Commons (deleted)**
- 3. Eastgate Senior**
- 4. Oxford Manor**
- 5. Highland Apartments**
- 6. Capitol Gateway**

Actual Project Commitments as of 12/30/2006 and Schedules for RHF Funding

1. Kentucky Courts; 11th and C Street, SE

Development: 38 total units; 12 units of public housing

New Construction; stack townhomes

This redevelopment occurred on a site cleared of 45 units of uninhabitable public housing, with new construction of stack townhomes for a combination of rental and sales housing. The RHF funds were used to construct the public housing units. The development was completed and occupied during 2005.

Schedule:

Selection of property/developer:	Feb., 2001
Completion of Relocation:	July, 1997 *
Completion of Demolition:	July, 2002 *
Completion of arch. plans:	April, 2002
Submit Development HUD Proposal:	July, 2004
Complete Construction:	June, 2005
Occupancy Complete:	June, 2005

* Note: Initial relocation and demolition were accomplished under a HUD approved demolition program, and regular modernization funds were used for related expenses. DCHA may consider using RHF funds to "replace" the modernization funds used for those activities.

Funding:

Total Development Cost:	\$ 7,738,713
Sources:	
RHF	\$ 1,960,471 (FY 2000 funds)
Other Private	\$ 4,775,000 (Riggs Bank)
Date RHF funds obligated:	3/28/2002
Date RHF funds fully expended:	10/24/2003

Leverage:

Riggs Bank Loan of \$4,775,000 dated 5/6/2004. See separate leverage section.

- 2. Minnesota Commons Apartments;** 4069-4075 & 4077-4089 Minnesota Ave, NE
83 total units
Acquisition (turnkey) of existing building; garden apartments

Update as of 9/2005:

Minnesota was a "live" proposal from 2002 through early 2005. This project involved as-is acquisition of the property, which was to occur after the owner, at his own expense, renovated the existing apartment building. However, problems with the long term covenants that HUD puts on ACC units ultimately prevented the completion of the specifics of the project financing. Based on pressures from the interim financiers of the building owner's renovation, the owner closed on permanent financing without proceeding with the proposed acquisition by DCHA for the planned public housing units.

Thus, in early 2005 the project could not proceed, and the RHF money involved was reprogrammed to the Eastgate public housing senior building.

3. Eastgate Senior Housing ; Ridge Road & B Street, SE

Development: 100 units; 75 public housing

New Construction; garden apartments

The development of this mixed finance housing is part of the overall HOPE VI development of Eastgate, but is on a different site (formerly part of Stoddert Terrace), and is funded independent of HOPE VI funding.

Schedule:

Selection of property/developer:	<u>8/14/2002</u>
Completion of Relocation:	<u>1998*</u>
Completion of Demolition:	<u>1998*</u>
Completion of arch. plans:	<u>6/2005</u>
Submit Development Proposal:	<u>8/2005</u> (mixed finance proposal)
Bond Closing:	<u>9/2005</u> (escrow of RHF funds)
Start of Construction:	<u>11/2005</u>
Complete Construction:	<u>12/2006</u>
Complete occupancy	<u>2nd Qtr. '07</u>

* Note: Relocation and demolition occurred (using other funding) prior to RHF funding at the site of Stoddert Housing.

Funding:

Total Development Cost:	<u>\$ 12,663,580</u>
Sources:	
RHF	<u>\$ 2,885,855</u> (FY 2001 funds)
RHF	<u>\$ 3,289,637</u> (FY 2002 funds)
RHF	<u>\$ 237,040</u> (FY 2003 funds)
RHF	<u>\$ 400,000</u> (FY 2005 funds)
Other Public	<u>\$ 350,000</u> (CDBG; District Govt)
Other Public	<u>\$ 500,000</u> (Cap.Improve.; District Govt)
Other Private	<u>\$ 4,906,000</u> (Tax Credit)
Date RHF funds obligated:	9/2004 and other
Date RHF funds fully expended:	<u>Est: 3/2007</u>

DCHA entered into a Memorandum of Agreement (MOA) with A&R Development Corp. on 5/16/2003. The mixed finance proposal for the Eastgate Senior building was submitted to HUD during the summer of 2005, and HUD approved the mixed finance on 10/21/2005.

This project leveraged \$5,756,000 of other public and private funds (see separate leverage section).

4. **Oxford Manor** ; 2607 – 2637 Bowen Rd, SE
Development: 226 units; 30 public housing units
(Renovation of garden apartments)

This project was recently completed. The mixed finance proposal was approved by HUD on September 13, 2006, evidentiary materials have also been approved, and RHF funds have been expended.

Schedule:

Selection of property/developer:	<u>April, 2006</u>	(developer working on project since 12/2003)
Completion of Relocation:	<u>July, 2006</u>	
Completion of Demolition:	<u>n/a</u>	
Completion of arch. plans:	<u>Sept, 2004</u>	
Submit Mixed Finance Proposal:	<u>July, 2006</u>	
Start of Construction:	<u>Apr, 2005</u>	
Completion/occupancy:	<u>July, 2006</u>	

Funding:

Total Development Cost:	<u>\$25,943,109</u>	
Sources:		
RHF	<u>\$ 3,572,123</u>	(FY 2003 and other funds)
Other Public	<u>\$ 4,000,000</u>	(DC CDBG)
Other Private	<u>\$18,370,986</u>	(Tax Credits)
Date RHF funds obligated:	<u>June, 2006</u>	
Date RHF funds fully expended:	<u>Dec, 2006</u>	

This project leveraged \$22.37 million of other public and private funds (see separate leverage section).

5. Highland Apartments; 9th and Valley Avenue, SE

140 total units; 30 rental with 10 public housing units

New construction; 2 story stack-grand and row homes

Highland Addition was once a 246-unit property, built in 1954 on 17 acres of land. DCHA demolished 128 units on 9 acres (leaving 118 occupied units adjoining the vacant land), and selected a developer to build on the vacant land in December of 2004. A design for the site was developed during 2004, and will provide an estimated 140 units of mixed income sale and rental housing. This will involve 30 units of lower income rental housing, and 110 units of sales housing for a balanced mix of incomes. Total development cost for the rental housing is estimated at \$6 million. Development has been somewhat delayed while obtaining city funding for design costs.

Schedule:

Selection of property/developer:	December, 2003
Completion of Relocation:	not applic.
Completion of Demolition:	not applic.
Completion of arch. plans:	Est. June, 2007
Submit Development Proposal:	Est. June, 2007
Start of Construction:	Est. Dec., 2007
Completion/occupancy:	Est. Fall, 2008

Funding:

Total Development Cost:	\$ 6,050,000
Sources:	
RHF	\$ 1,770,409 (FY 2004 funds)
Other Public	\$ 1,600,000 (CDBG)
Other Private	\$ 2,679,591 (tax credit)
Date RHF funds obligated:	<u>9/2005</u>
Date RHF funds fully expended:	Est. Fall, 2008

This project will leverage an estimated \$4.28 million of other public and private funds. This will be documented at a later date.

6. Capitol Gateway ; 5900 E. Capitol Street, SE

Development: 302 units; 50 public housing units

New construction; mid-rise apartments

This development is part of the larger Capitol Gateway HOPE VI project, funded by HUD in 2000. The project involves the redevelopment of a FHA foreclosed property. This property will partially demolish the interior of the high rise structure, and rebuild it for a mixed finance development. No HOPE VI funds will be used in the financing of this specific housing development.

Schedule:

Selection of property/developer:	<u>Feb, 2000</u>	
Completion of Relocation:	<u>1998</u>	(FHA foreclosure)
Completion of Demolition:	<u>Sept, 2006</u>	(Partial Demolition)
Completion of arch. plans:	<u>Jun, 2007</u>	
Submit Development Proposal:	<u>July, 2007</u>	(Mixed finance)
Start of Construction:	<u>Spring, 2008</u>	
Completion/occupancy:	<u>2009</u>	

Funding:

Total Development Cost:	<u>\$45,200,000</u>	
Sources:	RHF	\$ 5,000,000 (FY 2004 and other funds)
	Other Public/Private	\$40,200,000 (FHA grant, tax credit, bonds)
Date RHF funds obligated:	<u>9/2005</u>	
Date RHF funds fully expended:	<u>Est: 2009</u>	

This project will leverage an estimated \$40.2 million of other public and private funds. This will be documented at a later date.

Amended RHF Plan Financial Leveraging

Financial Leveraging – First Five Year Increment

The Kentucky Court and Eastgate Senior projects noted above have a total development cost of \$20.4 million, and involve a commitment of \$8,770,051 of RHF funding. As spelled out in our last RHF amendment of November, 2005, other public and private funding commitments for these two projects total \$10,531,000. This represents a leverage ratio of 1.258 of other funds to the RHF funding for these 2 projects. In relation to the entire amount of RHF funding received for FY 2000 to 2004 of \$15,867,013, we have already achieved a leverage ratio of .663 of other funds from these 2 projects in relation to all RHF funding for those 5 years. Documentation of the noted leverage was submitted with the RHF amendment of November, 2005.

The Oxford Manor project has been completed since our last RHF amended plan. That development leveraged \$22,370,986 of other financing, bringing total leverage of other funds to date to \$32,901,986. This represents a leverage ratio of other funds of 1.54 to total RHF funds received through FY 2006 (\$32,901,986/\$21,403,439).

In summary, the \$32.9 million of leverage accomplished to date exceeds HUD's requirement that one third of RHF funding be leveraged ($1/3^{\text{rd}}$ of the total of \$21,403,439 in RHF funding received through FY 2006 would equal \$7,133,766). This information demonstrates DCHA's capture of sufficient leveraging in the first five year increments of RHF funding to justify second five year increments of funding from HUD.

Kentucky Courts Leverage: Previously documented (\$4,775,000)

Eastgate Senior Leverage: Previously documented (\$5,756,000)

Oxford Manor Leverage:

We are attaching a copy of HUD's September 13, 2006 approval of the mixed finance proposal for the Oxford Manor Apartments. Exhibit F of the mixed finance, also attached, lists all of the sources of funding approved by HUD from various sources other than RHF, totaling \$22,370,986. Since HUD had to review of the documents supporting this approval, we are submitting only this item to simplify the HUD review of leverage for RHF purposes.

Future leverage:

Highland and Capitol Gateway projects obligated from RHF FY 2004 and later years are expected to generate an additional \$44 million of other public/private leverage, but documentation of those funds will come at a future date.

**Amended
Replacement Housing Factor Plan
District of Columbia Housing Authority
Second Five Year Increment
FY 2005 to 2009**

This is the District of Columbia Housing Authority's (DCHA) Replacement Housing Factor (RHF) Plan for the second five year increment of FY 2005 to 2009. DCHA should qualify for this additional funding based on having met all deadlines for commitment of funds to date, and the demonstration of significant leveraging of other funds for RHF projects. This information is noted in DCHA's Replacement Housing Factor Plan for FY 2000 to 2004.

Please refer to RHF Spreadsheets included in Amended RHF Plan for FY 2000 to 2004, since they also cover the time period of this amended plan.

RHF Funding from HUD

HUD has not provided estimates of RHF funding for the FY 2007 to 2009 years of the plan. However, we have made a tentative projection of possible funding using our recent RHF funding levels.

<u>Fiscal Year</u>	<u>Amount</u>	<u>Obligation Date</u>	<u>Expenditure Date</u>
<u>Actual</u>			
FY 2005	\$2,906,046	August 17, 2007	Aug. 17, 2009
FY 2006	\$3,215,416	July 17, 2008	July 17, 2010
<u>Estimated</u>			
FY 2007	\$3,000,000	Sept. 30, 2009	Sept. 30, 2011
FY 2008	\$3,000,000	Sept. 30, 2010	Sept. 30, 2012
FY 2009	\$3,000,000	Sept. 30, 2011	Sept. 30, 2013

Estimated RHF Funding for FY 2005 to FY 2009 is \$14,536,426.

Use of RHF Funds

DCHA estimates that the estimated FY 2005-2009 RHF funding will fund an estimated 138 units of housing (based on an estimate of \$105,000 per unit average for projects in the first five year plan increment). The estimated units could be higher if DCHA is able to leverage significant additional public-private funding. DCHA is maintaining flexibility for the use of these funds so that they can be used for either new construction or acquisition with or without rehabilitation. All structure types will be allowed (e.g. row, walk-up, elevator, single family, etc).

**Amended RHF Plan
Second Increment
FY 2005 to 2009**

**Actual and Possible Project Commitments
as of 12/30/2006**

- 6. Capitol Gateway (from 1st increment)**
- 7. St. Martin's**

Note: These projects, if approved, are estimated to require all projected RHF funding for FY 2005 and FY 2006, and some of FY 2007 (see RHF spread sheets).

Actual Commitments as of 12/30/2006 and Schedules for RHF Funding

6. Capitol Gateway ; 5900 E. Capitol Street, SE

Development: 302 units; 50 public housing units

New construction; mid-rise apartments

(Note: This is the same project listed in the FY 2000-2004 RHF first increment.
Projected additional funding needs will need to be obtained from RHF FY 2005 and 2006.)

This development is part of the larger Capitol Gateway HOPE VI project, funded by HUD in 2000. The project involves the redevelopment of a FHA foreclosed property. This property will partially demolish the interior of the high rise structure, and rebuild it for a mixed finance development. No HOPE VI funds will be used in the financing of this specific housing development.

Schedule:

Selection of property/developer:	<u>Feb, 2000</u>	
Completion of Relocation:	<u>1998</u>	(FHA foreclosure)
Completion of Demolition:	<u>Sept, 2006</u>	(Partial Demolition)
Completion of arch. plans:	<u>Jun, 2007</u>	
Submit Development Proposal:	<u>July, 2007</u>	(Mixed finance)
Start of Construction:	<u>Spring, 2008</u>	
Completion/occupancy:	<u>2009</u>	

Funding:

Total Development Cost:	<u>\$45,200,000</u>	
Sources:	RHF	\$ 5,000,000 (FY 2004 and other funds)
	Other Public/Private	\$40,200,000 (FHA grant, tax credit, bonds)
Date RHF initial funds obligated:	<u>9/2005</u>	
Date RHF funds fully expended:	<u>Est: 2009</u>	

This project will leverage an estimated \$40.2 million of other public and private funds.
This will be documented at a later date.

Possible Project Commitments Currently in Negotiation as of 12/2006 and Schedules for RHF Funding

7. St. Martin's ; 116 T Street, NE

Development: 177 units; 50 public housing units
New construction; mid-rise apartments

DCHA has executed a Memorandum of Understanding in 2005 with Catholic Community Services for the development of a mixed-income project, to include 50 ACC units to house graduates of the Archdiocese's assistance programs for low income families. DCHA will contract with Catholic Community services for the ACC units. The proposed property is located on a parcel owned by the Washington Archdiocese. The conceptual plans have been developed with extensive community input, and Grimm and Parker have been selected as architects for this project. The project will be 100% rental, including 50 ACC units and units within allowable tax credit limits.

Schedule:

Selection of property/developer:	<u>May, 2005</u>
Completion of Relocation:	<u>NA</u>
Completion of Demolition:	<u>Dec, 2007</u> (non-residential)
Completion of arch. plans:	<u>May, 2007</u>
Submit Development Proposal:	<u>June, 2007</u> (Mixed finance)
Start of Construction:	<u>Dec, 2007</u>
Completion/occupancy:	<u>Nov, 2008</u>

Funding:

Total Development Cost:	<u>\$17,219,091</u>
Sources:	
RHF	<u>\$ 3,500,000 (FY 2006,7 funds)</u>
Other Public/Private	<u>\$13,719,291</u>
Date RHF funds obligated:	<u>Est. 2007</u>
Date RHF funds fully expended:	<u>Est: 2008</u>

This project will leverage an estimated \$13.7 million of other public and private funds. This will be documented at a later date.

Possible Additional Commitments and Schedules for RHF Funding

The 2 projects outlined above would involve an estimated total of \$8,500,000 of RHF funding of the projected RHF funding of \$14,536,426 for FY 2005 to 2009. If they are approved and move to completion, they would commit all funds projected for FY 2005 and 2006, and some of FY 2007. This would leave an estimated \$6 million of RHF funding in FY 2007, 2008 and 2009 to be committed.

Since estimates of funding for FY 2007 to 2009 are not available from HUD at this time, it is difficult to project specific development commitments beyond those currently identified above at this time. However, the following outlines the efforts that DCHA plans to identify projects over the next several years.

DCHA has adopted a comprehensive strategy to expand the supply of affordable housing in the District of Columbia over the next several years. This strategy includes:

1. The creation of a subsidiary non-profit housing development entity to seek out development opportunities. This entity, the District of Columbia Housing Enterprises (DCHE), has been established, has a Board and staffing, and is actively pursuing housing development opportunities.
2. DCHA has marketed vacant land sites for affordable and/or mixed income housing, including the potential use of RHF funding for part or all housing development. One site with a developer already selected is Sheridan Terrace.
3. DCHA/DCHE issues, from time to time, Requests for Qualifications (RFQ) to solicit private sector housing developers/owners who are interested in pursuing development projects (existing, renovation or new construction) in partnership with DCHA/DCHE.
4. DCHA has a strong cooperative relationship with the District of Columbia's Department of Housing and Community Development (DCHD) and Housing Finance Agency (DCHFA) for joint funding of projects. Both of these other agencies issue periodic Requests for Proposals (RFP's) for housing development projects. With the recent significant city funding of the Housing Production Trust Fund (HPTF), city housing officials expect many new affordable housing opportunities to be identified, and these developments can also be expected to generate some demand for use of RHF funding.

All of the above should help identify additional affordable housing developments which can use RHF funding.

Appendix E: Board Resolution and Certifications

RESOLUTION 07 - 22

TO APPROVE THE CREATIVE LIVING SOLUTIONS PLAN
FOR FISCAL YEAR 2008

WHEREAS, the District of Columbia Housing Authority (DCHA) has entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) setting forth the terms and conditions of DCHA's participation in the Moving to Work Demonstration Program (MTW Agreement); and

WHEREAS, DCHA has prepared its Fiscal Year 2008 Plan in accordance with the requirements of the MTW Agreement and has called this Plan the Creative Living Solutions Plan (CLS); and

WHEREAS, the CLS Plan outlines the initiatives that DCHA will pursue for this fourth year of participation in the MTW Demonstration Program and provides information regarding the operation of the Authority as required by HUD; and

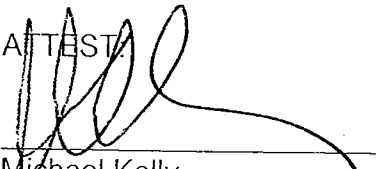
WHEREAS, the draft CLS Plan was made available to the public and discussed at a public hearing on June 21, 2007 and the final draft of the MTW Plan was prepared taking the comments from the public, staff and the Board of Commissioners into consideration; and

WHEREAS, the Board of Commissioners is required to certify that the Plan complies with the requirements of the MTW Agreement and that it meets various other federal requirements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners hereby approves the CLS Annual Plan for Fiscal Year 2008 and authorizes the Executive Director to finalize and submit the FY 2008 CLS Annual Plan to HUD on or before July 31, 2007.

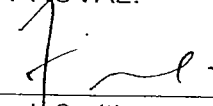
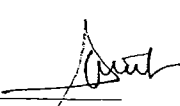
ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 11th day of July, 2007

ATTEST:



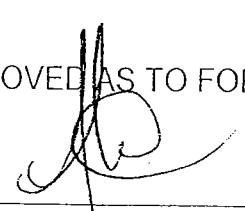
Michael Kelly
Executive Director/Secretary

APPROVAL:

Frank Smith
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:



Hans Froelicher
Acting General Counsel

Certification of Payments to Influence Federal Transactions

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

Applicant Name

District of Columbia Housing Authority

Program/Activity Receiving Federal Grant Funding

Moving to Work Program

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for entering into this transaction imposed by Section 8601, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Violating: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Authorized Official

Michael Kelly

Title

Executive Director

Date (mm/dd/yyyy)

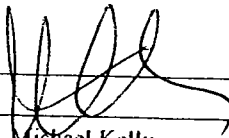
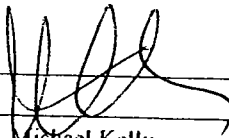
7/31/07

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Standard Form LLL (Rev. 7-97)

(See reverse for public burden disclosure.)

1. Type of Federal Action: ☐ a. contract ☐ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance		2. Status of Federal Action: ☐ a. bid/offer/application ☐ b. initial award ☐ c. post-award		3. Report Type: ☐ a. initial filing ☐ b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: ☒ Prime ☐ Subawardee Tier _____, if known: _____ Congressional District, if known: 4c			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: _____		
i. Federal Department/Agency:			7. Federal Program Name/Description: MTW;CFP;Section 8/HCVP; LIPH CFDA Number, if applicable: _____		
6. Federal Action Number, if known:			9. Award Amount, if known: \$ _____		
8. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): CHA is not involved with lobbying activities pursuant to 31 U.S.C. 1352.			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): 		
Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature:  Print Name: Michael Kelly Title: Executive Director Telephone No.: 202-535-1500 Date: 7/31/07		
Federal Use Only:			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		