Making an IMPACT…

2012 Moving to Work Plan

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I. Introduction and Overview

A. Introduction

Through Innovation, Management, and Performance All Coming Together (IMPACT), the District of Columbia Housing Authority (DCHA or Agency) is dedicated to making a meaningful IMPACT on the lives of low-income families in need of affordable housing in the District of Columbia, with the Agency's Moving to Work (MTW) authority as a major tool for achieving success.

MTW is a demonstration program that provides a select group of Public Housing authorities around the country with the ability to design and test innovative approaches, tailored for their communities, using Federal dollars more efficiently, helping residents become self-sufficient and increasing housing choices for low-income families. As one of only 35 agencies with this designation, DCHA received its designation as a MTW agency in 2003. Over the course of the next nine years, the Agency has utilized its authority to, among other things, increase homeownership and self-sufficiency opportunities for Housing Choice Voucher (HCV) participants and Public Housing residents; reduce the administrative burden to both staff and HCV clients related to the daunting annual recertification process by only requiring families to recertify every two years; and designate a DCHA subsidiary to act as an Energy Services Company (ESCO).

As the end of DCHA's first year under the Restated and Amended MTW Agreement (effective September 2010) draws to a close, the Agency looks forward to fiscal year (FY) 2012 with renewed fervor. DCHA is committed to thoughtfully and strategically utilizing the authority provided by its MTW Agreement to its fullest extent in order to advance the MTW Statutory Objectives and meet DCHA's Strategic Objectives.

B. Goals and Objectives

DCHA's MTW Plan is guided by the principals set forth by the Agency's Mission Statement and strategic goals. The Agency has organized its MTW activities/initiatives according to four Strategic Objectives that represent DCHA's mission and strategic goals. In turn, each activity/initiative advances at least one of the three MTW Statutory Objectives.

Mission Statement

The District of Columbia Housing Authority is dedicated to enhancing the quality of life in the District of Columbia for low and moderate income households by providing and effectively managing affordable housing that is diverse and aesthetically pleasing.

MTW Statutory Objectives

1. Reduce cost and achieve greater cost effectiveness in federal expenditures.
2. Encourage families to obtain employment and become economically self-sufficient.
3. Increase housing choices for low-income families.

DCHA's Strategic Objectives

1. Developing enhanced housing opportunities
2. Sustaining quality property management
3. Achieving effective customer support services
4. Organizing efficient businesslike operating systems

The following outlines DCHA's Ongoing MTW initiatives/activities. A brief update on the status of each is provided in Section VI of this plan. Detailed statuses will be provided as part of the DCHA FY2011 MTW Report.

Table 1.1 Ongoing MTW Initiatives/Activities

Initiative ID	Description
1.1.04 and 1.5.05	Modifications to DCHA's Project-Based Voucher Program
1.3.04	Designation of Elderly Only Properties/Units
1.4.04	Modifications to HCV Homeownership Program
1.6.05 and 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration
1.10.06 and 2.5.04	Applicant Intake Site Designation/Revised Site-Based Waiting List Policies and Procedures
2.1.04	Simplified Certification and Multi-Year Income Recertification
2.2.04	Modifications to Market-Based Rents
2.3.04 and 2.5.05	Modifications to Pet Policy
2.6.07	Enhanced Public Housing Lease Enforcement Operations
2.7.11	Requirement to Correct Minor Housing Quality Standards (HQS) Unit Condition Discrepancies—Tenant/Landlord Self-Certification
2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units
3.4.05	Supporting Grandfamilies
3.5.06	Rent Simplification and Collections
3.6.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process
4.1.04	DCHA Subsidiary to Act as Energy Services Company
4.3.11	Establishment of Resident Driven Community-Based Programs to Improve Customer Service and Foster Greater Resident Empowerment

II. General Operating Information

A. Housing Stock Information

1. Number of Public Housing Units at the beginning of the plan year.

The DCHA **Public Housing inventory,** including approved non-dwelling units, at the beginning of FY2012 consists of **8,015** units**.**

Table 2.1 Public Housing Units (by AMP/Development #) at the Beginning of FY2012

AMP or Development Number	Development Name	ACC Units
DC001003090	Barry Farm	444
DC001002220	Benning	284
DC001005270	Capital Quarters	39
DC001005230	Capitol Gateway	61
DC001005220	Capper Senior I	162
DC001005250	Capper Senior II	139
DC001003363	Carroll Apartments	96
DC001001600	Claridge Towers	343
DC001001950	Colorado/Columbia	44
DC001001460	Edgewood Terrace	89
DC001003850	Elvans Road	20
DC001005280	Fairlawn Marshall	30
DC001001640	Fort Lincoln	120
DC001001370	Garfield Family	50
DC001001371	Garfield Senior	228
DC001005350	Gibson Plaza	53
DC001005290	Glenncrest	61
DC001004210	Greenleaf Sr/Family	457
DC001001680	Harvard Towers	193
DC001005200	Henson Ridge	68
DC001003530	Highland Dwellings/Addition	220
DC001003300	Hopkins Apartments	158
DC001001620	Horizon House	124
DC001001700	James Apartments	141
DC001001030	James Creek	242
DC001001650	Judiciary House	262
DC001001080	Kelly Miller Dwellings	160
DC001005190	Kenilworth	290
DC001004361	Kentucky Courts	118
DC001005210	Kentucky Courts II	12
DC001002400	Langston Addition	36
DC001002250	Langston Terrace	274
DC001001391	LeDroit	124
DC001002130	Lincoln/Richardson	630

AMP or Development Number	Development Name	ACC Units
DC001001440	Montana Terrace	65
DC001005240	Oxford Manor	30
DC001001340	Park Morton	188
DC001004430	Potomac Gardens	352
DC001001690	Regency House	160
DC001001830	Scattered Sites	4
DC001001290	Sibley Family	83
DC001001291	Sibley Senior	224
DC001005242	St Martins	50
DC001002230	Stoddert/Ft. Dupont	357
DC001004240	Syphax	174
DC001003105	Wheeler Creek Family	48
DC001003104	Wheeler Creek Sr	100
DC001003361	Woodland Terrace	376
DC001006800	Wylie Courts/Frontiers	1
DC0010000009	Scattered Sites	10
DC001000081	Scattered Sites	13
DC001000032	Scattered Sites	8
TOTAL		**8,015**

2. General description of any planned significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year).

DCHA does not have any planned capital expenditures at the development level that will exceed 30% of the Agency's total budgeted capital expenditures for FY2012. (See page 45 for DCHA's FY2012 Capital Fund budget.) While no single development will receive capital improvements accounting for more than 30% of total Capital Funds, debt service on DCHA's 2005 Capital Fund Financing Program bond is $6.1 million per year, which accounts for more than 30% of FY2012 Capital Funds.

3. **Description of any <u>new Public Housing units to be added</u> during FY2012 by development (specifying bedroom size, type, accessible features, if applicable).**

Currently, DCHA is increasing Public Housing units in the District through development projects at Capper Carrollsburg, Gibson Plaza and Mathews Memorial. In FY2012, DCHA will continue to add Public Housing units in these developments, along with units at Parkside Addition, Victory Square, Hayes Street and The Avenue. The Agency will continue to partner with nonprofit and other developers to generate new Public Housing units within their development projects.

Table 2.1 New Public Housing Units to be Added in FY2012

Development	# of Planned Units	Bedroom Sizes	Type	New Construction\ Rehab	Description
Gibson Plaza	10	Eff = 2 2 bdrm = 8	Family	Rehab	The site's unit complement will consist of a total of 217 units, including 53 Public Housing units. More than 80% of the total project will be completed in FY11, including 43 of the 53 public housing units. In addition to the Public Housing units, the completed site will consist of 20 project-based voucher units, 122 HUD Loan Management Set-Aside (LMSA) units, 20 market-rate units and 2 non-revenue units.
Matthews Memorial Terrace	35	1 bdrm = 3 2 bdrm = 27 3bdrm = 5	Family	New	Once completed, this project will consist of a total of 99 units of new construction in a mixed finance transaction that includes ARRA funding. Thirty-five units are programmed as replacement ACC units for Barry Farm. Two of the Public Housing units being created will be UFAS compliant.
4427 Hayes Street, NE	9	2 bdrm = 6 3 bdrm = 3	Family	Rehab	The substantially rehabilitated 2-story walk-up will have a total of 26 units, of which nine are programmed as replacement ACC (operating subsidy only) units for Lincoln Heights. Two of the Public Housing units being created will be UFAS compliant.
Capper Carrollsburg	24	2 bdrm = 3 3 bdrm = 14 4 bdrm = 7	Family	New	Capper Carrollsburg is a multi-component HOPE VI redevelopment site. In this component, 163 total units will be constructed. Forty-seven of these units will be Public Housing, with 23 completed in FY2011 and 24 scheduled to be completed in FY2012. The Public Housing units will be contained within a for-sale row house community. The 47 Public Housing units will contain a mixture of 2, 3 and 4 bedrooms. When fully constructed, the Capper site will contain over 1,600 total units, of which 707 will be Public Housing units.

Development	# of Planned Units	Bedroom Sizes	Type	New Construction\ Rehab	Description
Victory Square	35	1 bdrm = 35	Elderly	New	This new development will have a total of 98 units designated Elderly only. Low Income Housing Tax Credit (LIHTC) financing will be utilized on all the units, including the 35 Public Housing units.
Parkside Addition	42	1 bdrm = 10 2 bdrm = 24 3 bdrm = 8	Family	New	The newly constructed 125 unit development will have 42 Public Housing units and 83 Homeownership units.
The Avenue	27	1 bdrm = 21 2 bdrm = 6	Family	New	There will be a total of 83 newly constructed LIHTC units, of which there will be 27 ACC units.
TOTAL	**182**				

4. **Number of Public Housing units to be removed from the inventory during the year by development, specifying the justification for the removal.**

DCHA is continuing to identify opportunities to improve the quality of its housing inventory available to low-income families, and to provide opportunities for homeownership to Public Housing residents and other Public Housing-eligible households. The Agency is being proactive by updating its long range planning exercise and looking into possible alternative scenarios to address the redevelopment and modernization needs of its Public Housing sites. During FY2012, DCHA will continue to review and study various funding alternatives and redevelopment opportunities. DCHA plans to apply for demolition and/or disposition of some of its Public Housing in order to leverage funds to proceed with its redevelopment plans.

The ability to move forward on these plans depends on a variety of factors including economic conditions, the tight credit markets and the availability of financing. Funding will be sought through a myriad of sources including, but not limited to, HOPE VI, Choice Neighborhood Initiatives, Low Income Tax Credits, Historic Tax Credits, New Market Tax Credits, tax-exempt bonds, FHA financing, and private financing. It is hoped that some of these factors will align to permit proceeding on a number of properties during FY2012.

Based on a thoughtful process of assessing viable planning projects, up to 1,428 units are being considered for potential disposition/demolition. However, demolition timetables and the list of disposition/demolition candidate properties will be determined as planning and development evolve. The following provides a snapshot of the development activities DCHA is exploring.

In the past, DCHA has successfully utilized HOPE VI to redevelop many of its most distressed Public Housing sites. DCHA continues to consider HOPE VI as a viable Public Housing redevelopment financing option. DCHA applied for, but was not awarded, a FY2010 HOPE VI Revitalization grant for the Highland Addition (118 units). Depending on the availability of future HOPE VI funding and the requirements of the NOFA in FY2012, DCHA may submit applications for one or more of the following developments: Highland Addition, Barry Farm/Wade Apartments (444 units), or Potomac Gardens (352). If awarded, disposition/demolition would take place in order to redevelop the site. Given the uncertainty of future appropriations for HOPE VI, DCHA will continue to explore alternative funding for the redevelopment of these sites. In addition, DCHA intends to apply for the FY2011 Choice Neighborhoods Initiative Implementation grant for the Parkside/Kenilworth neighborhood. If awarded up to 290 public housing units would be impacted by the redevelopment of the site.

Despite the economic downturn in the real estate market, the election of a new Mayor in the District of Columbia and the appointment of new housing and economic development staff in the new administration may bring new life into the District's New Communities Initiative. Although District funding for the New Communities Initiative is limited, DCHA continues to engage public housing residents, community stakeholders, developers, and others in long-range planning for Park Morton (174 units).

Finally, DCHA struggles, like many large Public Housing Authorities, with the inefficiencies inherent in the management of its scattered site portfolio. As part of DCHA's ongoing efforts to replace Public Housing units that are inefficient to operate with more efficient Public Housing stock, to provide homeownership opportunities and to generate funds to produce new affordable units, DCHA is planning the disposition of its scattered site Public Housing units in concert with development of replacement housing. This could impact up to 50 units.

5. Number of MTW Housing Choice Voucher (HCV) units authorized.

As of October 1, 2011 (the start of FY 2012), DCHA's MTW HCV authorized unit count will be **12,752**.

It should also be noted that during FY2012, 32 non-MTW vouchers (16 multicultural vouchers and 16 relocation vouchers) will convert to MTW vouchers, increasing the total MTW HCV authorized unit count to **12,784** by the end of FY2012.

6. Number of non-MTW HCV units authorized.

As of October 1, 2011, DCHA's non-MTW Vouchers authorized unit count is **907**. This includes additional 104 non-MTW Vouchers that were awarded to DCHA in FY2011. Those vouchers are:

- 29 project-based VASH vouchers, and
- 75 tenant-based VASH vouchers.

As discussed in response #5 above, during FY 2012, the total number of non-MTW vouchers will decrease by 32, changing the total count to **875**.

Table 2.3 Total Authorized Voucher Count—Beginning of FY2012

Program	Authorized Voucher Counter (Beginning FY2012)
MTW Vouchers	12,752
Multicultural	97
VASH	594
Non-elderly disabled	200
Relocation	16
Non-MTW Vouchers	907
TOTAL	**13,659**

7. Number of HCV units to be project-based during the plan year, including description of each separate project.

Table 2.4 HCV Units to be Project-based in FY2012

Project Name	# of Planned Units	Bedroom Sizes	New Construction \Rehab	Description
615 15th St, NE	1	4 bdrm = 1	Rehab	UFAS conversion of one (1) non-DCHA unit to project-based unit for DCHA clients. 10 yr HAP.
337 Oakdale Pl, NW	1	5 bdrm = 1	Rehab	UFAS conversion of one (1) non-DCHA unit to project-based unit for DCHA clients. 10 yr HAP.
Highland Dwellings	83	2 bdrm = 3 3 bdrm = 53 4 bdrm = 6 5 bdrm = 10 6 bdrm = 11	Rehab/New Construction	Public Housing units converted to project-based units pending Tenant Protection voucher award.
Bates Street Cooperative	5	2 bdrm = 2 4 bdrm = 3	Rehab	Partnership Program. 10 yr HAP.
TOTAL	**90**			

B. Leasing Information

1. Anticipated total number of MTW Public Housing Units leased in the Plan year.

DCHA anticipates that **7,800** Public Housing units will be leased during FY2012.

2. Anticipated total number of non-MTW Public Housing units leased in the FY2012.

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

3. Anticipated total number of MTW Voucher leased in FY2012.

DCHA projects that **10,000** MTW Vouchers will be leased in FY2012.

4. Anticipated total number of non-MTW Vouchers leased in FY2012.

DCHA projects that **907** non-MTW Vouchers will be leased in FY2012.

Table 2.5 Total Number of Leased HCV Units (MTW and non-MTW)

Program	Projected Lease-ups (FY2012)
MTW Vouchers	10,000
Non-MTW Vouchers	907
TOTAL	**10,907**

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

- ***Public Housing***—DCHA does NOT anticipate any difficulties in leasing Public Housing units in FY2012. The Office of Capital Projects is continuing to work diligently to bring uninhabitable units that are offline for modernization back online. When units are ready for occupancy, DCHA has not difficulty leasing units.

- ***Housing Choice Voucher***—DCHA does NOT anticipate any difficulties in leasing HCV units in FY2012. DCHA's ability to lease additional HCV units is limited by funding. The average monthly cost to utilize an HCV in the District of Columbia is approximately $62 more than the funds DCHA receives from HUD. Additionally, using DCHA's single fund flexibility, some voucher funds are being used to fund

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

6. **Number of project-based vouchers committed or in use at the start of FY2012.**

Table 2.6 Project-based Vouchers Committed or in Use—Beginning FY2012

Program	Committed or In Use (Beginning FY2012)
MTW HCV Project-based Vouchers	1,470
Non-MTW HCV Project Based Vouchers	126
TOTAL	**1,596**

C. Waiting List Information

1. **Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged).**

DCHA expects to start the implementation of centrally managed site-based waiting lists for conventional Public Housing in FY2012 under ongoing Initiatives 1.10.06 and 2.5.04— Application Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures. This follows the implementation of site-based waiting lists for Mixed Finance and Special Purpose properties.

DCHA just completed a multi-phase review and purge its public housing waiting list. After consultation with our various partners in the affordable housing and housing rights community, DCHA will contact all the current applicants for public housing to choose the properties for which they would like to be considered. Applicants who do not respond will be withdrawn from the waiting list. Thus, the development of the site-based waiting lists will serve as a purge as well.

2. **Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of waiting list(s).**

Each of DCHA's centrally managed waiting lists is currently open—Public Housing and HCV. As pointed out in the DCHA 2010 MTW Report, these lists have steadily grown since the last waiting list purge in FY2008. Since October 1, 2008, the Public Housing waiting list has grown at an annualized rate of 24.8%, while the Voucher waiting list has climbed at an annualized rate of 23.2%. DCHA anticipates similar growth in FY2012. DCHA will be moving to establish site-based waiting lists for conventional Public Housing in FY2012. This activity will greatly increase the number of households of the waiting lists as most households will chose to be on multiple lists.

In addition, there will be site-based waiting lists established for the Public Housing units at each of the new Mixed Finance developments slated to come on-line in FY2012—Matthews Memorial, Hayes Street, Victory Square, Parkside Addition, and The Avenue. In addition, site-based waiting lists will be established at designated service-rich environments under proposed initiative 3.8.12—*Housing Public Housing Residents in Service-Rich Environments*. These sites include Sibley Plaza, Ontario Road, and 2905 11th Street, NW.

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

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

IV. Long-term MTW Plan (Optional)

As DCHA continues to use the initial year under the Restated and Amended MTW Agreement as a planning year in order to evaluate and more clearly define both short and long-term plans for use of its MTW authority, the Agency has chosen to exercise the option not to provide information related to this area at this time. It is DCHA's intent to provide its long-term vision for the direction of its MTW program as part of the FY2011 MTW Report.

V. Proposed MTW Activities: HUD Approval Requested

Table 5.1 Summary of Proposed MTW Activities: HUD Approval Requested

Objective/Initiative		Statutory Objective	Authorization
Objective 1: Developing Enhanced Housing Opportunities			
Objective 2: Sustain Quality Property Management			
Initiative 2.9.12	Enhance Neighborhood Services within Public Housing Communities	▪ Encourage families to obtain employment and become economically self-sufficient	Attachment C, Sections B.1.b.3, C.1 and C.15
Initiative 2.10.12	DCHA Local Mixed Subsidy Program	• Increase housing choices for low-income families • Reduce cost and achieve greater cost effectiveness	Attachment C, Section D.1.a
Objective 3: Achieve Effective Customer Support Services			
Initiative 3.9.12	Housing Public Housing Residents in Service Rich Environments	• Increase housing choices for low-income families • Encourage families to obtain employment and become economically self-sufficient • Reduce cost and achieve greater cost effectiveness in federal expenditures	Attachment C, Sections C.1, C.9.b., C.10 and C.11.,
Initiative 3.10.12	Encouraging Integration of Public Housing Units into Overall Hope VI Communities	• Increase housing choices for low-income families	Attachment C, Sections C.2 and C.11.
Objective 4: Organize Efficient Businesslike Operating Systems			

Objective 2: Sustain Quality Property Management

2.9.12 Enhance Neighborhood Services within Public Housing Communities

Description

As a means to better integrate Public Housing developments into surrounding communities while encouraging self-sufficiency, DCHA will convert public housing dwelling units into non-dwelling units to create space providers of services that help our residents/participants achieve self-sufficiency. These units will be classified as MTW Neighborhood Services Units in PIC. Many of these providers will serve both Public Housing residents and members of the surrounding community, including HCV

participants, reducing the isolation that characterizes many Public Housing developments. In addition, the on-site services will augment those available elsewhere in the community so that available resources are used efficiently and residents will be encouraged to leave the community to meet some of their needs.

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

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

Anticipated Impact(s)

With the addition of space dedicated to this effort, DCHA anticipates an increase in the number of the Agency's residents/participants accessing self-sufficiency, youth and wellness activities. In addition, DCHA is expecting a stabilization, or possibly a reduction, in crime and a slowing in the increase in management and maintenance costs due to the contribution of the services to a thriving community.

Metrics

Metric	Baseline	Benchmark	Data Source
	No.		
Number of residents served by MTW Neighborhood Service Units	0	At least 30 residents served per service provider	Public Housing Operations—Service Provider Monthly Reports
Crime rates at each property	Crime rate at properties in the year prior to establishing MTW Neighborhood Service Unit(s) at the site. The baseline will be quantified	Reduction in crime rates for the properties with MTW Neighborhood Service Units	Public Housing Operations—Office of Public Safety

	upon selection of applicable properties.		

2.10.12 DCHA Local Mixed Subsidy Program

Description

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

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

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

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

public safety issues for example, will be offered units in other Public Housing developments in accordance with the DCHA Public Housing transfer policies; no residents, regardless of the subsidy source on the unit, will be given a tenant-based voucher upon transfer;

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

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

Anticipated Impact(s)

DCHA expects to strengthen the Agency's ability to maintain the viability of its housing stock. The proposed activity will enable DCHA to receive the additional subsidy it needs to carry the debt service required to renovate the property to highly energy efficient Green standards and re-establish the community to market rate standards. With the establishment of the Local Mixed Subsidy Program DCHA will be able to meet the request of the majority of the residents of its public housing communities that they not be forced out of their community and out of Public Housing. The Agency will be able to keep overhead costs lower by not having to use two separate sets of rules and procedures at the same property.

Metrics

Metric	Baseline	Benchmark	Data Source
	No.		
Number of public housing units preserved through this initiative	0	208 preserved units at Highland Dwellings	Office of Capital Planning and Development
Number of units managed as Public Housing that are retained	0	83 vouchers committed to former Public Housing units	Public Housing Operations
Number of former Public Housing households that remain in the units	0	All former Public Housing households (83) remain in units managed as Public Housing, except for those	Public Housing Operations

		who cannot return because of under- or over-housing issues	
Dollars of private financing leveraged by use of the HCV budget authority	$0	Up to $14 million	Office of Capital Planning and Development

DCHA will track the following in its management reports:

- the voucher budget authority committed to former Public Housing units, and
- resident satisfaction.

Objective 3: Achieve Effective Customer Support Services

3.9.12 Housing Public Housing Residents in Service-Rich Environments (much of the implementation of this activity coincides with existing HUD approved DCHA MTW initiatives—1.10.06-*"Application Intake Site Designation"*, 2.6.07-*"Enhanced Public Housing Lease Enforcement Operations"*, 3.5.06-*"Rent Simplification and Collections"*)

Description

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

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

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

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

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

Anticipated Impact(s)

DCHA anticipates that the establishment of the Service Rich Environments will facilitate the provision of service resources in residential settings for low-income special needs residents. This will result in preventing institutionalization, preventing the victimization that results from allowing residents to stay in unsupported living environments when

they are no longer able to thrive without assistance or trying to use lease enforcement as the only tool to fight drug and alcohol addiction thus increasing neighborhood stability and leveraging additional outside funds to serve the needs of our residents

Metrics

Metric	Baseline	Benchmark	Data Source
	No.		
Number of residents served by service rich units	0	70 residents housed and served by the end of FY 2012	Public Housing Operations—Service Provider reports
Investment in services using non-DCHA funds	$0	At least $100,000 of the operating budget is paid for from non-DCHA sources after the 1st year of operation.	Public Housing Operations—Service Provider Operating Budgets

3.10.12 Encourage the Integration of Public Housing Units into Overall HOPE VI Communities (much of the implementation of this activity coincides with existing HUD approved DCHA MTW initiatives—2.6.07-*"Enhanced Public Housing Lease Enforcement Operations"* and 3.5.06-*"Rent Simplification and Collections"*)

Description

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

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

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

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

Anticipated Impact(s)

The specialized rent structures for Mixed Finance Communities will result in greater community stability and housing choice for DCHA's low income clientele.

The change in the rent structure will only impact DCHA or the property financially to the extent that the subsidy is prorated. If the subsidy were provided by HUD at 100% of allowable there would be no financial impact on DCHA or the property, financially.

Metrics

Metric	Baseline	Benchmark	Data Source
	No.		
Number of community-wide events sponsored by HOTAs	0	At least 2 community-wide events annually	Public Housing Operations
REAC scores from common areas	REAC Scores for common areas prior to establishment of Community Associations. The baseline will be quantified upon selection of applicable properties.	No deterioration in the REAC scores regarding public space	REAC

Rent Reform Initiative Information

1. *Agency's Board of Approval of Policy:* Before implementation, the Board will approve the updated local regulations.

2. *Impact Analysis:* This initiative will have no impact on the total payment made by Public Housing residents residing in mixed income communities. The community is positively impacted as there are assurances, based on the jointly managed HOTA, that basic community amenities and conditions are maintained or improved.

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

4. *Hardship case criteria:* DCHA does not anticipate any hardship as the Public Housing resident payments will be set not to exceed 30% of a family's adjusted income.

5. *Transition period:* The policy will be implemented upon approval of the plan through the recertification process or at lease-up for new mixed income communities.

6. *Documentation of public hearing (may be same as Annual Plan hearing):* Before implementing this policy, a public hearing will be held on the updated local regulations.

VI. Ongoing MTW Activities: HUD Approval Previously Granted

A. Summary of MTW Activities/Initiatives

Objective/ Initiative		Statutory Objective	MTW Flexibility	Year Identified	Year Imple-mented
Objective 1: Developing Enhanced Housing Opportunities					
Initiative 1.1.04 and 1.5.05	Modifications to DCHA's Project-Based Voucher Program	▪ Increase housing choices for low-income families	DCHA used its MTW flexibility under authorization of Sections D4 and D7 of Attachment C.	FY 2004	FY 2004
Initiative 1.3.04	Designation of Elderly Only Properties—establishment of local review, comment and approval process to streamline the designation of Elderly-Only properties	▪ Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Section C10 of Attachment C.	FY 2004	FY 2004
Initiative 1.4.04	Modifications to HCV Homeownership Program	▪ Reduce cost and achieve greater cost effectiveness ▪ Increase housing choices for low-income families	DCHA used its MTW flexibility under authorization of Sections C11, D2, D8 and E of Attachment C.	FY 2004	FY 2004
Initiative 1.6.05 and 3.8.10	Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration	▪ Reduce cost and achieve greater cost effectiveness ▪ Increase housing choices for low-income families	DCHA used its MTW flexibility under authorization of Section D2 of Attachment C.	FY 2005	FY 2005
Initiative 1.10.06 and 2.5.04	Application Intake Site Designation/Revised Site-Based Waiting List Policies and Procedures	▪ Increase housing choices for low-income families	DCHA used its MTW flexibility under authorization of Sections C1, C10 and D4 of Attachment C.	FY 2004 & FY 2006	FY 2006
Objective 2: Sustain Quality Property Management					
Initiative 2.1.04	Simplified Certification and Multi-Year Income Recertification	▪ Reduce cost and achieve greater cost effectiveness ▪ Encourage families to obtain employment and become economically self sufficient	DCHA used its MTW flexibility under authorization of Sections C4 and D1c of Attachment C.	FY 2004	FY 2004
Initiative 2.2.04	Modifications to Market-Based Rents	▪ Reduce cost and achieve greater cost effectiveness ▪ Encourage families to obtain employment and become economically self sufficient	DCHA used its MTW flexibility under authorization of Section D2 of Attachment C.	FY 2004	FY 2004

Objective/ Initiative		Statutory Objective	MTW Flexibility	Year Identified	Year Imple-mented
Initiative 2.3.04 and 2.5.05	Modifications to Pet Policy	▪ Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Section C10 of Attachment C.	FY 2004 & FY 2005	FY 2004 & FY 2005
Initiative 2.6.07	Enhanced Public Housing Lease Enforcement Operations	▪ Increase housing choices for low-income families	DCHA used its MTW flexibility under authorization of Section C9b of Attachment C.	FY 2007	FY 2007
Initiative 2.7.11	Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification	• Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Section D5 of Attachment C.	FY 2011	
Initiative 2.8.11	Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units	• Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Section D5 of Attachment C.	FY 2011	
Objective 3: Achieve Effective Customer Support Services					
Initiative 3.4.05	Supporting Grandfamilies	▪ Encourage families to obtain employment and become economically self sufficient	DCHA used its MTW flexibility under authorization of Sections C11 and D2 of Attachment C.	FY 2005	FY 2005
Initiative 3.5.06	Rent Simplification and Collections	▪ Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Sections C11 and D2 of Attachment C.	FY 2006	FY 2006
Initiative 3.6.11	Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process	• Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Sections C4 and D3b of Attachment C.	FY 2011	
Objective 4: Organize Efficient Businesslike Operating Systems					
Initiative 4.1.04	DCHA Subsidiary to Act as Energy Services Company	▪ Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Attachment D.	FY 2004	FY 2004

Objective/ Initiative		Statutory Objective	MTW Flexibility	Year Identified	Year Imple-mented
Initiative 4.3.11	Establishment of resident driven community based programs to improve customer service and foster greater resident empowerment	• Reduce cost and achieve greater cost effectiveness	DCHA used its MTW flexibility under authorization of Sections C11 and E of Attachment C.	FY 2011	

Objective 1: Developing Enhanced Housing Opportunities

1.1.04 & 1.5.05 Modifications to DCHA's Project-Based Voucher Program

Description

DCHA has looked at its current Public Housing stock and evaluated financial markets to determine the best way to efficiently use limited subsidy funds to maximize opportunities for the extremely low income residents of the District of Columbia through its Partnership Program and HUD's set aside of voluntary conversion vouchers.

As part of this examination, DCHA plans to utilize HUD's set-aside of voluntary conversion vouchers as a means of funding needed modernization and development efforts of current Public Housing stock.

As part of its Partnership Program, DCHA modified existing rules and regulations which resulted in:

- Increasing participation by housing owners/landlords;
- Meeting local housing and community needs;
- Implementing specialized or site-based waiting lists for project-based sites;
- Establishing incentives to encourage participation of broad range of housing owners/landlords; and
- Creating a UFAS Loan Program to assist in providing housing for the disabled and families.

Status Update (FY2012 Plan)

DCHA continues to use this initiative to increase housing choice and will utilize the flexibility this initiative allows to project base vouchers at Highland Dwellings—DCHA's first Local Mixed Subsidy project.

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

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

1.3.04 Designation of Elderly Only Properties/Units

Description

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

DCHA Local Designation Process—specified in Title 14 of the District of Columbia Municipal Regulations, Section 6115:

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

Status Update (FY2012 Plan)

DCHA will use its established local designation process to designate as Elderly-only the 35 Public Housing units at Victory Square that will be coming on line in FY2012.

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

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

1.4.04 Modifications to HCV Homeownership Program

Description

As part of DCHA's efforts to develop enhanced housing opportunities, the Agency explored various ways to increase the number of families in the HCV and in Public Housing who could become homeowners with the assistance of DCHA. Specifically,

DCHA looked at regulatory redundancies or obstacles to its homeownership process in order to reduce any unnecessary administrative burdens and to streamline the process for our clients to encourage their efforts.

As a result, DCHA created the Homeowner Assistance Program (HOAP). After successful completion of the Family Self-Sufficiency (FSS) program, the HCV or Public Housing family would receive a HOAP voucher to assist the family in purchasing the identified home.

DCHA also worked with various local financial institutions that would accept the HOAP monthly payment as part of the mortgage payments. As a result, HOAP is more user-friendly to potential beneficiaries.

Status Update (FY2012 Plan)

Housing Choice Voucher Participant Transition to Homeownership

From October 2010 to date, three additional families utilized their HCV vouchers to purchase homes. A full accounting for FY2011 will be provided as part of the Agency's FY2011 MTW Report. Please note that the status provided in the 2010 DCHA MTW Report concerning this initiative indicated that during FY 2010 "DCHA successfully issued 51 HOAP vouchers to 51 HCV families". The update should have read: "Fifty-one of DCHA's HCV participants utilized their vouchers to purchase a home".

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

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

Achieving Your Best Life Rewards Program—Public Housing Family Homeownership

During FY2011, DCHA completed the local regulatory process establishing the Achieving Your Best Life (AYBL) homeownership preparation program for Public Housing residents. The Agency is currently in the process of screening applicants for participation in order to identify the 21 Public Housing families who will be the first participants in DCHA's Public Housing homeownership preparation program.

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

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

1.6.05 & 3.8.10 Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration

Description

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

(1) modified the process for making rent reasonableness determinations;
(2) established a new method for reviewing rent increase requests and payment standards; and
(3) established administrative adjustments that improved the efficiency of payments to landlords.

DCHA is exploring methods that enhance the housing authority's ability to encourage voucher participants to exercise their choice in housing. DCHA devised methods for establishing payment standards and reasonable rents that are in line with existing market rents. These methods allowed DCHA to offer higher reasonable rents that are in line with existing market rents and allowed the Agency to offer reasonable rents in high rent areas that are based on thorough and ongoing analyses of the District of Columbia rental market. By creating the in-house capacity to analyze rents annually, with monthly assessments of changes in the District of Columbia submarkets, DCHA has the increased flexibility to be more responsive to changes in established submarkets, while setting Payment Standards that mirror area rents.

Status Update (FY2012 Plan)

DCHA is still collecting data for FY2011. A report on the progress of this initiative, including the established metric, will be provided as part of the DCHA 2011 MTW Report.

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

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

1.10.06 & 2.5.04 Application Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures

Description

DCHA has implemented site-based waiting lists that are managed at the site-level for Mixed Finance and Special Purpose sites. Special Purpose sites are those supportive service intense sites that serve special needs populations or residents who have self-selected to pursue the goal of self-sufficiency. These sites may be managed by 3rd

parties who provide specific supportive services based on their expertise or by DCHA. The site-based waiting lists at special purpose properties have eligibility and screening criteria that are site specific. The waiting list can be either for initial occupancy or transfer waiting lists from other Public Housing properties.

Status Update (FY2012 Plan)

In FY2012, DCHA will be moving forward with the implementation of centralized site-based waiting lists for its conventional Public Housing sites, along with the establishment of site-based waiting lists for new Mixed Finance and Special Purpose sites.

- *Mixed Finance sites: Matthews Memorial, Hayes Street, Victory Square, Parkside Addition, and The Avenue*
- *Special Purpose sites: Sibley Plaza, Ontario Court, and 2905 11th Street, NW.*

To implement the site-based waiting lists at conventional public housing, DCHA just completed a multi-phase review and purge its public housing waiting list. After consultation with our various partners in the affordable housing and housing rights community, DCHA will contact all the current applicants for public housing to choose the properties for which they would like to be considered. Applicants who do not respond will be withdrawn from the waiting list. Thus, the development of the site-based waiting lists will serve as a purge as well. No site-based eligibility and screening criteria be used at non-special purpose sites.

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

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

Objective 2: Sustain Quality Property Management

2.1.04 Simplified Certification and Multi-Year Income Recertification

Description

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

Simplified Certification

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

Multi-year Recertification (Biennial Recertification)
DCHA adopted local rules for HCV that provide work incentives for all residents by implementing recertification procedures that do not require recertification every year. Specifically, any increase in earned income regardless of how large will not result in an increase in rent until the family's next scheduled biennial recertification. In addition, reduction of rent is allowed any time a family requested an interim recertification as a result of a reduction in income. These revised procedures 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.

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

Status Update (FY2012 Plan)
Based on lessons learned with the HCV implementation of a biennial recertification process, DCHA intends to implement biennial recertification in its Public Housing program in F2012.

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

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

2.2.04 Modifications to Market-Based Rents

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

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

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

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

Status Update (FY2012 Plan)

DCHA plans to continue this activity under MTW authority in FY2012.

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

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

2.3.04 & 2.5.05 Modifications to Pet Policy

Description

In FY2004, DCHA adopted an interim local policy that only allows pets as a reasonable accommodation for families with a disabled member(s) requiring a pet. In FY2005, DCHA continued its exploration of this highly emotional issue, and with input from residents, created a new policy governing the ownership of pets on DCHA properties. DCHA recognized that pets offer companionship to individuals who are able-bodied, but there are also many individuals who are allergic to or frightened of animals and wish to live in a pet free environment. DCHA also recognized that large animals and large numbers of animals may be a detriment to the physical and social environment of a property. As a landlord, DCHA has the responsibility of balancing these competing interests. DCHA reflected upon the resident feedback received in 2004 over a ten (10) month period, including comments made at a special public hearing on the matter.

Based on public input and the realities of managing large subsidized rental communities, DCHA adopted regulations that limit pet ownership to those residents in both senior and family developments who are in need of service animals with a grandfather provision for those residents in senior buildings who had a pet prior to the effective date of the regulation.

Status Update (FY2012 Plan)

DCHA will continue this activity under the Agency's MTW authority and will report on any noteworthy activity related to it.

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

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

2.6.07 Enhanced Public Housing Lease Enforcement Operations

Description

As the largest landlord in the District of Columbia, effective lease enforcement is a challenge, given the myriad of 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.

DCHA utilized MTW regulatory flexibility in the 2008 revised Public Housing dwelling lease to include provisions that allow the incorporation by reference of property specific community rules developed and adopted by the individual Resident Councils.

The resulting lease, local regulations, policies and procedures are designed to give greater control of DCHA properties to residents who are committed to the community's wellbeing, while improving the effectiveness of its lease enforcement efforts.

Status Update (FY2012 Plan)

Once DCHA has developed additional specific lease modifications requiring MTW authority, metrics will be established.

Property specific community rules are driven by the Resident Councils at each property. If any of the Council-driven community rules necessitate changes to the lease that require

MTW flexibility, Initiative 2.6.07 will be utilized. Until then, DCHA does not anticipate any changes, modifications, or additions to Attachment C authorizations at this time.

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

2.7.11 Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification

Description

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

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

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

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

Status Update (FY2012 Plan)

This initiative will move forward with the implementation during the first half of FY2012.

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

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

2.8.11 Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units

Description

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

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

Status Update (FY2012 Plan)

DCHA will move forward with the implementation of this initiative during the first half of FY2012.

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

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

Objective 3: Achieve Effective Customer Support Services

3.4.05 Supporting Grandfamilies

Description

Grandparents have become the legal guardians or primary caregiver for their grandchildren. This has become the case for many of DCHA's households. DCHA has explored ways to use or modify Public Housing or voucher policies as resources to help provide support for such families. To date, DCHA has implemented a policy to exclude

from the calculation of income the receipt of a local stipend that the District of Columbia provides to grandparents as caregivers of their grandchildren.

Status Update (FY2012 Plan)
There has not been any additional activity related to this initiative in FY2012.

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

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

3.5.06 Rent Simplification and Collections

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

Status
Implemented and Ongoing

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

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

DCHA has also undergone an analysis of models for rent reform and biennial recertification (inclusive of rules governing interim recertifications) as part of an overall Rent Simplification effort.

Any additional activities under this initiative planned for implementation will be submitted as an amendment to the FY 2012 Annual Plan. DCHA will include all required impact analysis and hardship policy development with its submission.

Status Update (FY2012 Plan)
DCHA has submitted in this plan three proposed initiatives that include rent simplification components:

- *3.9.12—Housing Public Housing Residents in Service-Rich Environments;*

- *3.10.12—Encouraging Integration of Public Housing Units into Overall Hope VI Communities; and*
- *3.11.12—Establishing a Flat Utility Allowance Schedule*

Discussions and metrics have been established and are included as part of descriptions of these initiatives. DCHA will continue to work on a comprehensive rent simplification model during FY2012.

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

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

3.6.11 Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process

Description

Since DCHA moved to biennial re-certifications for HCVP, and with future implementation planned for Public Housing, a longer release of information authorization is needed. Currently, income data provided for Public Housing and Housing Choice Voucher program participants through the HUD Enterprise Income Verification (EIV) system is only accessible for 15 months with a signed HUD Form 9886 (HUD 9886). The HUD 9886 is a release of information authorization signed by every adult member of the household. The HUD 9886 gives DCHA the ability to conduct third party verifications of income for up to 15 months from the date the adult members complete the form. If resident/participant data is not accessed within the 15 month period, DCHA will lose the ability to run the third party income data.

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

In anticipation of implementation of the biennial recertification process in the Public Housing program and to reduce confusion, the local form will be implemented for Public Housing at the same time as HCV.

Status Update (FY2012 Plan)

This newly approved initiative is expected to be fully implemented in FY2012.

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

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

Objective 4: Organize Efficient Businesslike Operating Systems

4.1.04 DCHA Subsidiary to Act as Energy Services Company

Description

DCHA used Construction Services Administration, LLC (CSA), a wholly owned subsidiary, as an Energy Services Company (ESCo). DCHA used HUD provisions allowing, for the purposes of energy subsidy calculation, a frozen base of consumption costs plus actual consumption costs savings to amortize private financing of a comprehensive DCHA energy management program. The frozen base method of operating subsidy calculation may be used for some aspects of the program in conjunction with an add-on for energy conservation related debt service for other aspects of DCHA's comprehensive energy conservation program.

DCHA secured $26 million in funding to implement energy efficiencies. This funding is being invested into additional modernization efforts at Public Housing developments.

Status Update (FY2012 Plan)

The construction work associated with this initiative is expected to be complete by the end of FY2011; therefore the only ongoing activity associated with this initiative will be ongoing monitoring of the energy savings. Detailed reporting will be included in the DCHA 2011 MTW Report.

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

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

4.3.11 Establishment of Resident Driven Community-Based Programs to Improve Customer Service and Foster Greater Resident Empowerment

Description

In the Housing Authority industry, self-sufficiency is usually defined as obtaining work and gaining financial independence, but DCHA views self-sufficiency more broadly. Self-

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

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

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

Estimated Hours worked per month	Estimated Income allowance/deduction	Estimated resulting reduction in rent charged
0-4	$32.00	$9.60
4-8	$64.00	$19.20
8-12	$96.00	$28.80
12-16	$108.00	$32.40
16-20	$160.00	$48.00
20-24	$192.00	$57.60
24-32	$256.00	$76.80
32-36	$288.00	$86.40

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

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

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

Status Update (FY2012 Plan)

The first program developed under this newly approved initiative is expected to be implemented in FY2012.

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

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

VII. Sources and Uses of Funding

Budget Overview

As stewards of the public trust, the District of Columbia Housing Authority (DCHA) continues to pursue its mission and responsibilities in a spirit of service, teamwork, and respect as the Agency embraces the values of excellence, collaboration, innovation, and appreciation.

Beginning in FY2012, DCHA is engaging in a process of renewal to critically assess where the Agency is today, how our planning has served us in the past, and by looking forward formulating strategic directions for the future.

There are three core directions that guide the DCHA operating decisions:

- Remain committed to our mission in times of change;
- Strive for financial independence; and
- Improve processes, procedures, and performance.

As the Agency face the challenges of continued economic uncertainty, of rising unemployment, and of housing and credit markets that remain in turmoil, the guidance of the FY2012 budget, along with the discipline required by the three core directions and the collaboration of DCHA's management team in setting strategic outcomes, will be critical to the Agency's continued success.

Staff, in consultation with the Board of Commissioners, will continue assessing the challenges and opportunities that lie ahead. This will be accomplished by evaluating the DCHA's strengths, opportunities, and priorities and to articulate these into both a meaningful and effective plan. Our plan will include clear and concise steps for implementation in the coming years.

MTW single-fund flexibility continues to be invaluable in DCHA's efforts to achieve the Agency's MTW program objectives. Funding for the researching and implementing the initiatives along with the ongoing programmatic cost of providing funding for these initiatives are covered by the Single Fund flexibility. DCHA has used and will continue to use its Single Fund flexibility to fund various initiatives it would not otherwise be able to afford without the Single Fund flexibility. :

- Establishing rent reform initiatives;
- Enhancing security and proactive maintenance plans through the creation of a Central Monitoring Station for fire arms, security cameras, HVAC, elevators and access control systems;
-
- Improving customer services through the creation of a Customer Call Center;

- Improving overall efficiencies through process enhancements and new software applications;
- Executing major modernization initiatives at various Public Housing properties; and
- Continuing our greening DCHA properties (i.e. ESCO)

Overall Budget Highlights

The FY2012 budget for the DCHA includes three months which will be funded in HUD's Funding Year (HFY) 2011 and nine months which will be funded in HFY2012. In consideration of HUD's multiple funding years, the DCHA FY2012 preliminary budget is based on the best information available at the time of publication.

Due to the timing of DCHA's annual budget cycle, the figures below are only **preliminary**. DCHA's annual budget is presented to the Board of Commissioners for adoption at the September Board meeting each year. In order to meet HUD guidelines, the annual MTW Plan is presented for initial review in June and then adoption in July. Exacerbating the timing differences between the MTW planning cycle and the DCHA budget planning process is the extreme level of uncertainty surrounding the Federal Government budget at this time. Thus, these preliminary figures are projected two months prior to the adoption of the final budget and will very likely require changes during the budget process.

DCHA is in the process of review its operations for cost containment opportunities. The projected deficit will be covered, in part, by these cost containment efforts. Although not indicated on the chart, DCHA would have to use reserves to cover any deficit that remains after it finishes its cost containment efforts.

The DCHA budget anticipates the approval of the Local Asset Management Program as presented in the 2012 MTW Plan (see Appendix for detail on DCHA's Local Asset Management Program). The DCHA preliminary budget deficit reported is broken out into the following categories:

MTW Funds – includes the Public Housing Operating Subsidy, Public Housing Capital Fund and Housing Choice Voucher programs as a single block grant fund. MTW Funds include the DCHA departments that administratively support the programs of the Authority. The Authority will implement a Local Asset Management Program for FY2012. Notwithstanding this increased MTW flexibility there will remain ongoing program-specific budgeting, and accounting and reporting responsibilities to HUD. DCHA will continue to receive these funds from the three program areas in accordance with HUD's annual appropriations process. It is important to note the Authority will continue to utilize MTW reserves to use as working capital.

Non-MTW Funds – includes the Non-MTW special purpose voucher programs that are excluded from the MTW block grant, local funds, ARRA Capital Funds, and HOPE VI. The non-MTW voucher programs include, but are not limited to, the Section 8 Moderate Rehab Program, the Veterans Affairs Supportive Housing (VASH) vouchers, Tenant Protection and Opt-Out Vouchers in the first year, and the Multicultural vouchers. The local funds include funds received from the District of Columbia to support local housing programs and to assist in the support of the DCHA police department. In prior years, as part of a local affordable housing production program, the District budgeted and

provided a level of funding that proved to be in excess of program requirements given the time needed to bring units on-line. Given the excess funds, the District intentionally cut and reprogrammed funding in the 2012 budget requiring DCHA to use these excess funds during the 2012 budget year. DCHA received one award through the ARRA Capital Fund formula allocation and multiple awards through the competitive process. The budget represents the funds from those awards that are projected to be spent in FY2012. DCHA has one active HOPE VI grant and the amounts presented include what is expected to be spent for 2012.

District of Columbia Housing Authority				
FY 2012 Preliminary Budget				
	Total Budget	***MTW Funds***	***Non-MTW Funds***	***Corporate***
Sources				
Low Income Operating Subsidy (Note 1)	$ 48,826,024	$ 48,826,024	$ -	$ -
Housing Choice Subsidy (Note 1)	188,198,258	157,608,000	30,590,258	-
COCC Fee Income	23,826,364	-	-	23,826,364
ARRA Grant	15,283,066	-	15,283,066	-
Development and HOPE VI Grants	1,775,686	-	1,775,686	-
Capital Fund Program (Note 1)	17,044,378	17,044,378	-	-
Tenant Dwelling Revenue	19,728,705	19,728,705	-	-
Administrative Fees	14,871,879	12,060,597	2,811,282	-
Interest Income	602,376	580,198	22,178	-
Other Revenue	5,744,377	795,877	4,148,500	800,000
Total Sources	335,901,113	256,643,779	54,630,970	24,626,364
Uses				
Administrative	56,322,064	36,042,492	1,082,594	19,196,978
Fees Paid to COCC	23,826,364	20,531,502	3,294,861	-
Tenant Services	1,954,952	1,954,952	-	-
Utilities	23,342,617	22,843,386	-	499,231
Ordinary Maintenance and Operations	26,987,165	24,764,564	396,308	1,826,293
Protective Services	7,640,603	3,616,784	4,000,000	23,819
General Expense	5,673,223	5,302,625	-	370,598
Housing Assistance Payments	172,783,877	133,193,619	39,590,258	-
CFFP Debt Service	6,100,000	6,100,000	-	-
Capital Projects	24,646,087	9,239,940	15,406,147	-
Total Uses	364,683,099	263,589,864	79,176,316	21,916,919
Total Budgeted Surplus (deficit)	(13,375,839)	(6,946,086)	(9,139,198)	2,709,445
Use of Reserves	9,139,198	-	9,139,198	-
Total (deficit) after Reserves	**$ (4,236,641)**	**$ (6,946,086)**	**$ -**	**$ 2,709,445**

Below is the Capital Fund spending plan for FY 2012.

DISTRICT OF COLUMBIA HOUSING AUTHORITY		
Development and Modernization Administration		
CAPITAL FUNDS AVAILABLE FOR MODERNIZATION		
FY2012		
Capital Grant Fund	**Definition**	**18,370,054**
Less: Replacement Housing Factor Funds	For the Acquisition of New Dwelling Units	**3,648,018**
Less: Annual Debt Service	Repayments (2006 thru 2021) for Borrowing $76 Mil. BOND Funds	**6,065,335**
Less: Operations 10% - 20% limit	For Operating Expenses	**0**
Less: Administrative Costs 10% limit	Employee Salaries & Benefits whose work involved with Capital Improvements	**1,472,204**
Less: Operating - Public Safety & MIP 20% lin	Comprehensive Crime Prevention Security Program	**1,472,203**
Net Capital Funds Available, for FY 2012		**5,712,294**
Property Name	**General Description**	**TOTAL COSTS**
Colorado Apartments	Units Rehabilitation	1,162,294
Horizon House	Risers Replacement & Interior Improvements. Units Rehabilitation	400,000
Judiciary House	Elevators Replacement, Flooded Units Renovations & Interior Improvements	500,000
Kelly Miller/ Ledroit	Unit Renovation & Exterior run	1,970,000
Regency House	Kitchens Upgrades & Interior Improvements	600,000
Stoddert Terrace	Hillside Completion	130,000
Front Line Costs at various Properties	Blueprints, Designs, Inspections, Marketing, Planning Fees	500,000
Front Line Costs at various Properties	Mechanical Repairs, Mechanical Systems Upgrades, Emergency Repairs & Replacements	250,000
Front Line Costs at various Properties	Non-Dwelling Equipment	100,000
Front Line Costs at various Properties	Resident Relocation Costs	100,000
Net Capital Funds Available, for FY2012		**5,712,294**

VIII. Administrative

A. Board of Commissioners Authorization Resolution

DCHA has taken the steps below to ensure a thorough public process in the development and adoption of the MTW Plan.

May 25, 2011: Draft of MTW Plan posted for public comment and input
May 25, 2011: Public notice published in the Washington Post and on the DCHA website announcing the public hearing on June 27, 2011
June 8, 2011: Draft of MTW Plan reviewed at the Board of Commissioners meeting
June 23, 2011: Meeting with Housing Advocates held
June 27, 2011: Public Hearing held
July 13, 2011: Approval by Board of Commissioners

On the following pages are the following documents:

- DCHA Board of Commissioners Authorization Resolution
- Board of Commissioners Meeting Agenda
- Annual Moving to Work Plan Certifications of Compliance
- Public Meeting Notices
- Advocate Meeting Agenda
- Public Hearing Agenda

In response to the public process, DCHA received no public testimony at its July 13, 2011 Public Hearing. During the June 23, 2011 informal meeting with the housing advocates, DCHA discussed the MTW initiatives extensively. The advocates were satisfied with DCHA's responses noting that they would have additional opportunities to provide input during DCHA's local regulatory process. Subsequent to that meeting, the Washington Legal Clinic for the Home submitted written correspondence regarding the new MTW Initiatives. While very specific concerns were raised, the letter concluded that their "concerns can be addressed in the manner in which the initiatives are implemented."

B. Results of Latest DCHA Directed Evaluations of the Demonstration.

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

IX. Appendices

A. **Local Asset Management Plan**

B. **ARRA Funds Update—*Competitive***

C. **Amended Replacement Housing Factor Plan**

A. Local Asset Management Program

Background and Introduction

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

Project-based approach for Public Housing Program

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

COST ALLOCATION PLAN

Identification of Cost Allocation Approach

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

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

Classification of Costs

There is no universal rule for classifying certain costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal

award or other final cost objective. Therefore, the definitions and guidelines provided in this Cost Allocation Plan are used for determining direct and indirect costs charged to the cost objectives.

Definitions

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

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

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

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

DCHA Cost Objectives

DCHA has identified the following cost objectives:

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

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

Special Purpose (Non-MTW) Tenant-Based and Project-Based Housing Choice Vouchers – Special Purpose Vouchers include, but are not limited to, the Section 8 Moderate Rehab Program, the Veterans Affairs Supportive Housing (VASH) vouchers,

Tenant Protection and Opt-Out Vouchers in the first year, and the Multicultural vouchers.

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

Other Federal and State Awards – DCHA may be the recipient of other Federal and Local awards from time to time. Each of these awards will be a separate cost objective as necessary. For example, DCHA has two locally funded voucher programs that are treated as separate programs and therefore, as separate cost objectives.

DCHA Direct Costs

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

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

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

15. Demolition, relocation and leasing incentive fees in repositioning DCHA-owned real estate;
16. Homeownership activities for low income families;
17. Office of Capital Programs and Development costs associated with MTW-funded development activity, homeownership initiatives, and PBRA as a development tool, and
18. Any other activities associated with delivering housing assistance to low income families under the MTW Program.

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

1. Construction costs;
2. Loan and financing for affordable units;
3. Acquisition costs;
4. Land Improvements;
5. Legal expenses;
6. Professional services;
7. Contract cost (case management);
8. Relocation;
9. Extraordinary site work;
10. Demolition; and
11. Other revitalization expenditures (such as homeownership mortgage assistance and down payment assistance).

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

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

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

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

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

1. Legal expenses;
1. Professional services;
2. Utilities (gas, water, electric, other utilities expense);
3. Real estate taxes;
4. Insurance;
5. Bank charges;
6. Staff training;

7. Interest expense;
8. Contract cost for CDBG; and
9. Any cost identified for which the award is made. Such costs will be determined as DCHA receives awards.

Explanation of Differences

DCHA has the ability to define direct costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR Part 990. DCHA is required to describe any differences between the Agency's Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. DCHA determined to implement a cost allocation system that was more comprehensive than HUD's Asset Management System which advocated a fee-for-service approach specific to the properties in the Public Housing Program. HUD's system was limited in focusing only a fee-for-service system at the property level and failed to address DCHA's comprehensive operation which includes other programs and business activities. DCHA's MTW Program is much broader than Public Housing properties and includes activities not found in traditional HUD Programs. This Cost Allocation Plan addressed the entire DCHA operation.

2. DCHA defined its cost objectives at a different level than HUD's System. Specifically, DCHA defined the MTW Program as a cost objective which is consistent with the issuance of the CFDA number for MTW as a Federal program. HUD defined its cost objective at the property level which fails to recognize the overall effort required to deliver the housing resources to Low Income families under the MTW Program. Because the cost objectives are defined differently, direct and indirect costs are defined based on the cost objectives identified in this Cost Allocation Plan.

3. DCHA will use a simple fee system of charging 10% of MTW Program funds to cover the costs of the Central Office Cost Center (COCC). DCHA views the 10% fee as reasonable when compared to the fees earned for administering the Local Voucher Programs. DCHA will account for an allocable share of the "MTW Fee" charges at the property level based upon the size of the property.

4. DCHA will charge a fee to other Federal and Local awards in a manner that is consistent with that allowed for those Federal awards. The fee charged to the Revitalization program will continue to follow the HUD guidelines of 3% of the total cost of the development.

B. ARRA Funds Update—*Competitive*

Project Name	Planned Activities	Funding Category	Amount of Awarded	Status
2905 11th Street NW Assisted Living	Converts a vacant 14-unit building into a 14-unit assisted living/independent living facility. DCHA is collaborating with a local assisted living facility operator to create a program of services provided by a combination of in-house staff and local service providers.	1 (Senior and Disabled)	2,258,750.00	All funds were obligated by the end of FY2010. 66% of funds have been expended to date.
Kentucky Courts Park	Funds the completion of a park and garden on an unused corner of the Kentucky Courts Senior property. Improvements will Include outdoor meeting space, handicap-accessible gardening facilities, and a water feature.	1 (Senior and Disabled)	651,481.00	All funds were obligated by the end of FY2010 with a portion of the funds spent on predevelopment activities. 80% of funds have been expended to date.
Arthur Capper Carrollsburg Townhomes Phase II	Funds the public infrastructure which, in turn, permits the vertical construction to move forward for Phase 2. The planned units will include: 163 total units, 47 Public Housing, 116 market rate/HCV/workforce homeownership units.	3 (Gap Financing)	9,584,843.00	All funds were obligated by the end of FY2010. 47% of funds have been expended to date with goal of 60% by August 31, 2011.
Matthews Memorial Apartments	Replacement housing for the redevelopment of Barry Farms into a New Communities project. The planned units will include: 99 rental units - 35 Public Housing units, all units for households under 60% of AMI	3 (Gap Financing)	6,847,689.00	All funds were obligated by the end of FY2010. 60% of funds will be expended by July 31, 2011. Scheduled for delivery of units in FY12..
Sheridan Station	New construction of a former Public Housing site into a green, transit-oriented, mixed use, mixed finance development. The planned units will include: 110 Public Housing units, 69 tax credit units, 80 workforce homeownership units, and 85 market rate homeownership units	4 (Greening and Energy New Construction)	5,827,882.00	All ARRA funds were obligated in April 2010. To date, DCHA has spent 85% of the ARRA funds. The first of housing units will be available for occupancy in late August 2011.

Project Name	Planned Activities	Funding Category	Amount of Awarded	Status
Highland Dwellings	Provides funds for the rehabilitation of the 208-unit Highland Dwellings development. Rehabilitation will focus on improving energy efficiency, ecological sustainability, and healthfulness of the property. This will include new heating and cooling systems and insulation to provide better tenant comfort with less fuel use; replacement of flooring, paint, and other interior furnishings with nontoxic materials. Site improvements to include more shade trees and better site drainage will also be included.	4 (Greening and Energy - Moderate Rehab)	7,308,570.00	All funds were obligated by the end of FY2010. Construction is underway, 3 of the 6 relocation phases are cleared, and 60% of funds will be expended by August 31st, 2011.
Scattered Sites	Five grants provide funds for the gut rehabilitation of a total of 26 scattered site units throughout Washington DC. These units will be renewed from varying states of repair and disrepair, from structural repairs to the complete replacement of building systems. These units will go from being energy and water wasters to being models of resource and cost efficiency.	4 (Greening and Energy - Moderate Rehab)	1,927,406.00	All funds were obligated by the end of FY2010 and 60% of funds expended by August 31, 2011.. All units scheduled for completion by January 2012.
Total			**$34,406,621.00**	

C. Amended Replacement Housing Factor Plan

Amended
Replacement Housing Factor Plan
District of Columbia Housing Authority

This amends the District of Columbia Housing Authority's (DCHA) Replacement Housing Factor (RHF) Plan submitted in June, 2010. In this amendment the Agency is simplifying the RHF Plan by consolidating all the RHF grants into 1st increment grants and 2nd increment grants.

DCHA would like to accumulate up to five years of 1st and 2nd year RHF funds totaling approximately $14.9 million to acquire units in mixed-finance developments as further identified below. The Agency notes that most of the DCHA-approved RHF projects completed to date require funding from multiple RHF years and increments. This will be the first time the Agency is using the accumulation model, and this should help simplify future amendments and project obligation and expenditure tracking. DCHA needs to accumulate the grants in order to have sufficient funds for pending projects, and for projects still to be identified in future years.

Leveraging: The six properties completed or under construction to date with 250 Public Housing units have a total unit count of 857 (all affordable), and involve leveraged funding of $112 million of other public/private funds. Total RHF funding through 2010 has been $40 million ($25 million of 1st increment funding and $15 million of 2nd increment funding). This represents a leverage ratio of 2.8 for every RHF dollar overall, or 4.5 leverage for the 1st increment funding alone. This demonstrates DCHA's capture of sufficient leveraging in the 1st increments of RHF funding to justify 2nd five year increments of funding from HUD.

District of Columbia Housing Authority
First Five Year Increment
FY 2009 to 2013

Below are the 1st increment grants that will be partially accumulated for future projects.

The subject grants are:

RHF Year	First Increment
RHF 501-09	$1,859,428
RHF 501-10	1,853,477
RHF 501-11	2,000,000 (Est.)
RHF 501-12	2,000,000 (Est.)
RHF 501-13	2,000,000 (Est.)

Per PIH Notice 2010-21 and HUD regulations, the obligation deadline is two years after the last year of funds received, and the expenditure deadline two years thereafter. DCHA will acquire

units in accordance with 24 CFR Part 941 and will meet the obligation and expenditure deadlines.

District of Columbia Housing Authority
Second Five Year Increment
FY 2009 to 2013

DCHA also intends to accumulate 2nd increment funding in order to have sufficient funds for pending projects, and for projects still to be identified in future years. Below are the 2nd increment grants that will be partially accumulated for future projects.

The subject grants are:

RHF Year	Second Increment
RHF 501-09	$3,396,602
RHF 501-10	2,297,446
RHF 501-11	2,000,000 (est.)
RHF 501-12	2,000,000 (est.)
RHF 501-13	2,000,000 (est.)

Per PIH Notice 2010-21 and HUD regulations, the obligation deadline is two years after the last year of funds received, and the expenditure deadline two years thereafter. DCHA will acquire units in accordance with 24 CFR Part 941 and will meet the obligation and expenditure deadlines.

New Projects
Anticipated Use of
HUD RHF Accumulation

As shown on the first attached chart, the next three projects proposed for RHF funding, which will use the accumulation approach, are:

Parkside-Pollin: This project has been approved by DCHA and the Development Plan is now under review in the HUD Washington Field Office. Assuming HUD approval, this project will be funded from FY2009 and FY2010 RHF funds. It is estimated to require $5 million of RHF funding, and will provide 42 units of new construction family Public Housing.

Victory Square: This project has been approved by HUD as a mixed-finance project. It is estimated to require $5 million of RHF FY2007 and FY2009 funding. The development will provide 35 units of new construction elderly Public Housing in a larger development involving 98 units.

Highland Addition: As mentioned previously in this plan, DCHA continues to consider HOPE VI as a viable Public Housing redevelopment financing option. Depending on the availability of future HOPE VI funding and the requirements of the NOFA in FY2012, DCHA may resubmit an application for Highland addition.

DCHA will continue to solicit additional RHF projects in future years.

Leveraging RHF Funds

The Agency has been able to leverage its dollars by investing in privately owned mixed-income properties. In prior RHF Plan submissions, the Agency documented leverage for 5 properties with 197 Public Housing units (total unit count of 640), involving leveraged funding of $88.2 million of other public/private funds. The other units in these complexes have other subsidies (such as Tax Credits or CDBG funds) to make them affordable to a mix of low and moderate income families.

With the recent closing of Gibson Plaza, the Agency is now adding another 53 Public Housing units within a total unit count of 217. The total leverage provided to date well exceeds the HUD requirement for leverage to warrant continued 2nd increment RHF funding.

Replacement Housing Factor Plan Tables

Following are two tables to support DCHA's RHF Plan.

The specific tables are:

A. RHF Fund Allocations by Project (actual and projected)
B. RHF Multi Tier Projection FY2000 to 2012