# *Making an IMPACT…*

## 2019 Moving to Work Report

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**-submitted to HUD on 12/31/2019**

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This Moving to Work (MTW) Annual Report is prepared in accordance with the "Amended and Restated Moving to Work Agreement" between the Department of Housing and Urban Development (HUD) and District of Columbia Housing Authority. This agreement was signed by both parties in September, 2010 which extended the MTW Program until the end of DCHA's 2018 Fiscal Year. In 2016, through an act of Congress, the MTW program was extended once more with a new program end date of DCHA's fiscal year 2028. The required elements of the Annual MTW Report are detailed in HUD Form 50900, published July 24, 2008 and was subsequently revised (OMB Control Number: 2577-0216 Expiration Date: 05/31/2021).

**Cover photo—Parkway Overlook is DCHA's first self-developed site and includes a solar array for energy efficiency and extra sustainability, making it the largest solar project in the District of Columbia. In FY2019, DCHA finished the first phase of the massive rehabilitation of the long vacant property—an effort which will bring 220 affordable units, new jobs, and economic development to the City.**

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# Section I. Introduction

## A. Overview

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

DCHA is one of only 39 public housing authorities nationwide selected to participate in a federal demonstration program titled Moving to Work (MTW). The MTW program allows certain regulatory flexibility to participating agencies to design and test innovative approaches to local housing and policy issues. MTW also allows designated agencies to combine funding provided by the US Department of Housing and Urban Development (HUD) into one single budget with the flexibility to fund services and initiatives that may have been delayed or not undertaken at all due to funding gaps or other limitations.

This annual report outlines the work of DCHA in FY2019 through its MTW activities. It has been prepared in accordance with DCHA's MTW agreement with HUD and includes general operating information for the year and DCHA's progress in utilizing its MTW authority.

In 2019, DCHA continued its work to explore and implement various initiatives that utilize the agency's MTW authority to more effectively serve our clients. With a new agreement with HUD in place that extends the MTW program to 2028, there is an assurance that the policy, programmatic and funding flexibilities put in place can continue while the agency implements new innovations.

***Mission and Strategic Goals***
DCHA's MTW Program is guided by the principles set forth by the Agency's Mission Statement and Strategic Goals. In addition, each of the Agency's MTW activities advances at least one of the three MTW Statutory Objectives.

### Mission Statement

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

### DCHA's Strategic Goals

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

***Goal B:*** Increase access to quality affordable housing.

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

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

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

## MTW Statutory Objectives

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

## B. Short-term and Long-Term MTW Goals and Objectives

Following the property by property visual review of conditions that began in FY2018, much of DCHA's focus in FY2019 has been on the stabilization of the agency's traditional public housing portfolio to ensure safe, decent and affordable housing for the individuals and families we serve. DCHA began an in-depth portfolio analysis, intense education campaign, and extensive organizational assessment in 2018. These efforts culminated in late FY2019 with the publication of the agency's "20 Year Transformation Plan—Our People, Our Portfolio, Our Plan." The plan is informed by outreach and interaction with residents, community groups, and key stakeholders across the city and includes staff recommendations for addressing the conditions. DCHA accepted comments during a 30 day public comment period.

In particular, DCHA identified 14 properties, comprising 2,610 units, as an agency priority. These 14 properties are in extremely-urgent condition, with conditions that could present physical and environmental hazards to residents. DCHA proposes a long-term strategy that includes utilizing tools made available by the U.S. Department of Housing and Urban Development (HUD) that will allow for the comprehensive modernization and/or redevelopment of these sites, including the Rental Assistance Demonstration (RAD) program and Section 18 Demolition/Disposition. In addition to the ability to leverage funds through RAD and Section 18 to address property conditions, in FY2019, DCHA utilized its MTW funding flexibility to continue the agency's capital investment across the portfolio as well as implementing the agency's Lead Assessment Action Plan.

**The Power of Opportunity**

Access to opportunities is often times the catalyst for positively changing life outcomes. DCHA endeavors to facilitate access to opportunities that empower children and families while maximizing the availability and quality of affordable housing in the District of Columbia.[1] Whether it is the ability to escrow rental payments in preparation for homeownership or efforts to increase/preserve affordable housing for families in need, in FY2019 DCHA saw notable outcomes to the MTW flexibilities the agency has implemented to create opportunities for residents.

In addition to policy flexibilities, DCHA continues to utilize MTW's funding flexibilities which have been vital to addressing the ongoing challenge of fulfilling the agency's mission and strategic goals in light of diminished federal funding. DCHA acknowledges that the flexibility provided by its MTW designation has lessened the impact of reductions in federal funding on the provision of core services.

[1] DCHA defines family here as any participating household that includes one or more members.

During the year, DCHA continued to aggressively seek ways to utilize the agency's MTW authority to fulfill its mission and strategic goals with approaches that are reflective of local housing needs, while implementing activities designed to meet one or more of the MTW statutory objectives.

The following outlines the progress DCHA made in FY2019 to meet the agency's long-term and short-term goals and objectives.

**Long-term – *Planning for Opportunity***

DCHA looks to create outcome based housing programs that incorporate streamlined administrative functions, with a focus on the "power of opportunity." With respect to Public Housing, DCHA has been working to: build a program that provides opportunities for seniors and the disabled to live with integrity; use the program as a platform for work-able adults to fully explore opportunities to make their families more self-sufficient; and provide opportunities for youth to fully explore their potential, both academically and socially. Understanding that the HCV subsidy is a pass-through to landlords and participants, DCHA as program administrator for over 15,000 local and federal voucher subsidies strives to improve the experiences of HCV landlords and participants with DCHA. In addition, the Agency looks to increase pathways to self-sufficiency for HCV and Public Housing families through homeownership and improved access to private/public services. Finally, DCHA will increase affordable housing opportunities in the District of Columbia by continuing to be a strong partner with the public and private sectors.

**Short-term – *Opportunities Being Realized***

DCHA's short-term goals and objectives align with the Agency's long-term vision. The following outlines DCHA's progress in FY2019 toward fulfilling the Agency's vision. For additional information about the following activities, refer to full descriptions provided in Section IV of the report.

***Increasing/preserving the supply of affordable housing***

Creating Permanent Supportive Housing

In FY2019, through DCHA's ongoing collaboration with the city to create affordable housing with supportive services through a local Notice of Funding Opportunity (NOFA) process, 55 new project-based units were added Parkway Overlook during FY2019.

Promoting Deconcentration—Moves to Opportunity

In FY2019, DCHA increased the threshold to 187% of the HUD FMRs for setting payment standards. This allows voucher holders to continue to access 29 of the city's 56 submarkets. This increase is only applicable to certain higher rent submarkets and bedroom sizes within those submarkets. It should be noted that at 110% of the HUD FMRs, voucher holders would only be able to access 15 of the city's submarkets. In FY2019, a total of 155 households moved from a high poverty-rate submarket/neighborhood cluster (poverty rate > 18%) to a lower-poverty rate submarket/ neighborhood cluster (poverty rate =< 18%). This represented 14% of the total moves by voucher holders during the fiscal year.

***Streamlining Processes and Creating Savings***

Biennial HQS inspections for landlords in good standing

Enrollment for HCV landlords in good-standing began for the new biennial HQS inspections process in FY2017 and landlords continued to be added in FY2018 and FY2019. This initiative is an example of an innovative cost saving efficiency made possible by MTW authority that has been adopted by HUD as a best practice that non-MTW agencies can now implement. Enrollment numbers were lower than

anticipated during FY2017 and FY2018, but reached a total of 2,315 units this year. The first set of biennial inspections under this policy were conducted during FY2019.

DCHA Subsidiary as Energy Services Company (ESCo)

From FY 2010 to FY2019, ECIP Phases I and II have generated over $70.1 million in utility cost savings. DCHA continued to move forward with new Energy Conservation Measures in ECIP II to include new energy efficient mechanical upgrades (new boilers, chillers, and water heaters), energy efficient lighting installations, water saving projects, and Building Automation Systems that will give the Authority real time operational control in some of the buildings, resulting in even further savings.

***Empowering residents through self-sufficiency resources***

DCHA has implemented a more comprehensive and coordinated approach focused on facilitating access to services/resources that meet the individual needs of residents and provide incentives for residents to work toward attaining self-sufficiency. The following outlines some of DCHA's efforts in this area:

*Kimberly Baxter, center, is one of seven new homeowners to complete the Home Ownership Assistance Program. Baxter, once homeless, received congratulations from HUD Secretary Ben Carson and other HUD and DCHA officials at a June 7, 2019 celebration. (Photo courtesy of HUD)*

- **Seven** families became first-time homeowners through DCHA's **Homeownership Assistance Program** (HOAP) in FY2019.
- DCHA expanded outreach efforts this year by hosting the agency's first annual "Pathway to Homeownership Symposium." Staff identified and invited 120 qualifying residents to attend the meeting. The residents included HCVP customers who are approaching or at their income limits and paying their full contract rent and public housing families impacted by environmental-related relocations. Three DCHA homeowners, Jeanette Banks, Tiffany Eley, and Charlese Jennings, shared their paths to homeownership stories. All three had very different experiences and benefited from the local government partners, home-buyer education and counseling, mortgage lenders, and other resources provided at the symposium to reach their dream of homeownership.

*A panel of experts offered information regarding homebuyer education and counseling, down-payment assistance programs, mortgage lending, and affordable homeownership opportunities.*

- In FY2019FY2019, over **420** Public Housing and Housing Choice Voucher residents/participants accessed various services and resources through **DCHA's Southwest Family Enhancement and Career Center** (SWFECC), the epicenter of the agency's workforce development efforts. From case management referrals and workforce assessments/job placements to trainings and computer lab

access, the opportunities made available through the SWFECC were made possible by the MTW single budget flexibility that funded the creation of the center. Over **151** job placements were facilitated through the SWFECC during the fiscal year.

*A Job Fair held at the Southwest Family Enhancement and Career Center for participants of the Apprenticeship Training Program.*

- Under DCHA's **Enhanced Neighborhood Services within Public Housing Communities** initiative, **325** participants graduated from the transitional housing program located at the Sibley Plaza Public Housing community. Approximately **78%** of the graduates obtained employment while **85% to 90%** of participants received stable housing via referrals through housing entities in the community. During the fiscal year, the program provided services that increase self-sufficiency (i.e. case management, counseling, financial literacy, job preparedness, etc.) to an average of **31** participants each month. In past years, Safe Haven operated three different programs on behalf of two local government agencies, but during FY2019, Safe Haven only received funding from one agency.

***Single Fund Flexibility***

Through single fund flexibility, in FY2019, DCHA has been able to:

- Provide funding to support Public Housing operations and to undertake much needed modernization and deferred maintenance necessary to keep/bring units on-line for occupancy.
- Operate the agency's workforce development center
- Operate the agency's Customer Call Center
- Purchase and maintain public safety equipment and tools to improve safety and security in and around DCHA's Public Housing communities

# Section II. General Housing Authority Operating Information

## A. Housing Stock Information

### i. Actual New Project Based Vouchers

| Property Name | Number of Vouchers Newly Project-based | | Status at End of Plan Year** | RAD? | Description of Project |
|---|---|---|---|---|---|
| | Planned* | Actual | | | |
| Parkway Overlook | 55 | 55 | Leased/Issued | No | The project basing of Parkway Overlook units is the result of a partnership with several local agencies, led by the city's Department of Housing and Community Development to develop affordable housing, some with a permanent supportive services component. Families assisted include the chronically homeless and individuals with mental or physical disabilities. |
| **Total** | **55** | **55** | | | |

| Difference between "Planned" and "Actual" number of vouchers that were newly project-based. |
|---|
| N/A |

## ii. Actual Existing Project Based Vouchers

| | Property Name | Number of Project Based Vouchers | | Planned Status as the End of the Plan Year** | RAD? (Yes or No) | Description of Project |
|---|---|---|---|---|---|---|
| | | Planned | Actual | | | |
| 1 | Meridian | 34 | 34 | Leased | No | Family |
| 2 | Edgewood Senior | 38 | 38 | Leased | No | Senior |
| 3 | 2008 3rd Street | 11 | 11 | Leased | No | Family |
| 4 | Chapin House | 15 | 15 | Leased | No | Family |
| 5 | Euclid | 17 | 17 | Leased | No | Family |
| 6 | Weinberg House | 6 | 6 | Leased | No | Family |
| 7 | First Street | 12 | 12 | Leased | No | Family |
| 8 | Soho | 4 | 4 | Leased | No | Family |
| 9 | Beacon House—Good Hope Road | 15 | 15 | Leased | No | Family |
| 10 | Kenyon | 12 | 12 | Leased | No | Family |
| 11 | Champlain | 28 | 28 | Leased | No | Family |
| 12 | Shalom House | 90 | 90 | Leased | No | SRO |
| 13 | Green Door | 4 | 4 | Leased | No | Family |
| 14 | Capital Gateway Senior | 151 | 151 | Leased | No | Senior |
| 15 | Robert Walls Senior | 47 | 47 | Leased | No | Senior |
| 16 | Henson Ridge | 92 | 92 | Leased | No | Senior |
| 17 | Oxford Manor | 3 | 3 | Leased | No | Family |
| 18 | Carver Terrace | 103 | 103 | Leased | No | Senior |
| 19 | Accessibuild 22 – DCHA | 22 | 22 | Leased | No | Family |
| 20 | Beacon House | 13 | 13 | Leased | No | Family |
| 21 | Delafield* | 1 | 1 | Leased | No | Family |
| 22 | JW King | 74 | 74 | Leased | No | Senior |
| 23 | St. Paul – Wayne Place Senior | 49 | 49 | Leased | No | Senior |
| 24 | Birchmere Homes, LLC | 2 | 2 | Leased | No | Family |
| 25 | Fairlawn | 10 | 10 | Leased | No | Family |
| 26 | The Overlook | 201 | 201 | Leased | No | Senior/Family |
| 27 | Affordable Housing Corporation of the District of Columbia | 1 | 1 | Leased | No | Family |
| 28 | Crawford – Bethune House | 20 | 20 | Leased | No | Family |
| 29 | Edgewood – Wheeler Terrace | 4 | 4 | Leased | No | Senior |
| 30 | Williston** | 28 | 28 | Leased | No | Family |
| 31 | Loumis Taylor | 1 | 1 | Leased | No | Family |
| 32 | Edgewood – Gregory | 50 | 50 | Leased | No | Family |
| 33 | Kenilworth | 132 | 132 | Leased | No | Family |
| 34 | Urban Village | 13 | 13 | Leased | No | Family |
| 35 | Beacon House | 10 | 10 | Leased | No | Family |
| 36 | Community Connections – North Carolina | 12 | 12 | Leased | No | Family |
| 37 | SOME – Independence Place | 21 | 21 | Leased | No | Family |

| | Property Name | Number of Project Based Vouchers | | Planned Status as the End of the Plan Year** | RAD? (Yes or No) | Description of Project |
|---|---|---|---|---|---|---|
| | | Planned | Actual | | | |
| 38 | Charles Thorton | 2 | 2 | Leased | No | Family |
| 39 | Bourne Enterprise, LLC | 1 | 1 | Leased | No | Family |
| 40 | St. Martin | 10 | 10 | Leased | No | Family |
| 41 | Fendall Height – SOME | 29 | 29 | Leased | No | Vash |
| 42 | SOME – Griffin House | 1 | 1 | Leased | No | Family |
| 43 | VIDA Senior | 9 | 9 | Leased | No | Senior |
| 44 | Ernestine | 2 | 2 | Leased | No | Family |
| 45 | Kulipe | 1 | 1 | Leased | No | Family |
| 46 | Gibson Plaza | 20 | 20 | Leased | No | Family |
| 47 | WC Smith – 1320 Mississippi Ave | 19 | 19 | Leased | No | Family |
| 48 | St. Dennis – 1636 Kenyon St | 8 | 8 | Leased | No | Family |
| 49 | NCC – VASH | 60 | 60 | Leased | No | Vash |
| 50 | Mi Casa – Intergenerational | 20 | 20 | Leased | No | Intergenerational |
| 51 | Columbia Road/Colorado Road | 44 | 44 | Leased | Yes | Family |
| 52 | Matthews Memorial | 35 | 35 | Leased | Yes | Family |
| 53 | Fairlawn Marshall | 30 | 30 | Leased | Yes | Family |
| 54 | Conway Center | 20 | 20 | Leased | No | SRO |
| 55 | St. Stephens | 18 | 18 | Leased | No | Family |
| 56 | Parkway Overlook*** | 0 | 55 | Leased | No | Family |
| TOTAL | | 1,675 | 1,730 | | | |

** One (1) contract termination – Delafield.*
***Williston PBV unit allocation corrected from 25 to 28 PBV units. The FY2019 MTW Plan had 25 units planned at Williston. It should have been 28 units. This brings the total up from 1,672 that was in the FY2019 MTW Plan, to a total of 1,675.*
**** Parkway Overlook was awarded 55 PBVs to come online in stages. Stage 1 executed for 19 units, and 36 units remain currently under AHAP pending execution. This will bring the new PBV allocation to 1,730 units.*

**Difference between "Planned" and "Actual" number of vouchers that were newly project-based.**

The FY2019 MTW Plan had 1,672 PBV units planned. The FY2019 MTW Report shows an allocation of 1,730 total PBV units in FY2019. The differences can be attributed to the following: one (1) contract that was planned in the FY2019 Plan was terminated during FY2019 (Delafield). The Williston planned PBV units allocation is corrected from 25 to 28 PBV units. Parkway Overlook was awarded 55 Project Based Vouchers to come on in stages. Stage One executed for 19 units and 36 unit remains currently under AHAP pending execution. This brings the total PBV allocation to 1,730 units in FY2019. The units were not included in the FY2019 MTW Plan chart and the row was added in the FY2019 MTW Report.

## iii. Actual Other Changes to MTW Housing Stock in the Plan Year

Narrative description of other changes that occurred during the plan year.

| Other Changes to the Housing Stock that Occurred During the Fiscal Year |
|---|
| There were a total of 497 Public Housing units off-line at the end of FY2019 at New Communities Initiatives sites (Park Morton, Lincoln Heights, Barry Farm/Wade and Sursum Corda/Sibley Townhomes). These are units DCHA does not plan to reoccupy as the agency has plans to redevelop these sites. |
| Capper/Carrollsburg Square 769N – Closed financing and began construction in FY2017. The project began leasing up in FY2019. Capper/Carrollsburg Square 737 (Park Chelsea) – DCHA and the developer came to an agreement to provide the 30 public housing units at City View, a project located in DC's Ward 8. The developer received approval for early construction in FY2018 and closed construction financing first quarter FY2019. |
| 5201 Hayes Street – Began leasing in FY2018 and the date of full availability for all 50 units was in early FY2019. All 50 ACC units were occupied/totally leased in FY2019. |
| Parkway Overlook – A project DCHA purchased from the DC Housing Finance Agency in FY2014 in order to preserve affordable housing in the District of Columbia, closed on the construction financing in FY2018. A total of 220 units will be rehabilitated of which 55 are PBV/LIHTC and the remaining 165 units are LIHTC only. The first units were delivered in FY2019 and will be completed by the first quarter of FY2020. |
| New Communities Initiative – DCHA continues to cooperatively work with the District of Columbia's New Communities Initiative. During FY2019 work began with the Barry Farm community to develop an updated Planned Unit Development (PUD) plan for the site; relocation was fully completed by May 2019 and the demolition of Phase 1 above Eaton Road was completed in May 2019. At Park Morton, the Demolition/Disposition application was approved on June 17, 2019 and DCHA received tenant protection vouchers. DCHA is actively working with residents to relocate. |
| Demolition/Disposition Application – DCHA received approval for a phased Demolition application at Kenilworth Courts (88 units) in FY2018 (April 2018). These units will be demolished and redeveloped into a 166 unit mixed-income site with a new senior building; multi-family building and townhomes. DCHA also received approval for a Demolition/Disposition application at Park Morton for a total of 174 units which will be redeveloped into a mixed-income site. |

## iv. General Description of Actual Capital Fund Expenditures During the Plan Year

**Narrative general description of actual capital fund expenditures during the Plan year (by development).**

The following summarizes the actual capital fund expenditures during FY2019 by grant year and development:

**CFP2015 (CFP 501-15)**
**Lincoln Heights** - $11,271, Service Fees; **Kenilworth Courts** - $5,654, Service Fees; **Various Properties** - $63,955, Administrative Costs, CCTV Equipment.

**CFP2016 (CFP 501-16)**
**Greenleaf Gardens Senior Building** - $224,614, Retaining Wall & ADA Ramp Replacement; **Various Properties** - $190,566, Administrative Costs, 2 Elevators Upgrade, CCTV Equipment.

**CFP2017 (CFP 501-17)**
**Fort Dupont Dwellings** - $5,313, Furnace Replacements**; Lincoln Heights** - $15,742, Environmental Reports Revisions, Furnace Replacements; **Richardson Dwelling** - $37,897, Structural Engineering, Environmental Materials Hazard, Cost Estimate & Appraisal Reports; **Kenilworth Courts** - $10,628, Furnace Replacements; **Greenleaf Gardens Family** - $71,416, Service Fees, Maintenance Shop Renovations, CCTV Equipment Installation**; Greenleaf Gardens Senior Building** - $8,391, Underground Storage Tank Abatement; **Benning Terrace** - $2,223,220, Service Fees, Roof System Repair & Replacement, CCTV Equipment Installation; **Stoddert Terrace** - $2,657, Furnace Replacement; **Langston Terrace** - $18,215, 2&2 Washers & Dryers Installation & Electrical Upgrade; **Sibley Plaza** - $24,660, Structural Engineering, Environmental Materials Hazard, Cost Estimate & Appraisal Reports of Townhomes; **Carroll Apartments** - $19,171, Design & Construction Documents for New Roofing; **LeDroit Apartments** - $81,192, Service Fees, Roof Repair, CCTV Equipment Installation; **Potomac Gardens** - $2,881, IT Equipment Installation**; Montana Terrace** - $5,313, Furnaces Replacement; **Sursum Corda** - $30,050, structural Engineering, Environmental Materials Hazard, Cost Estimate & Appraisal Reports; **Fort Lincoln** - $9,695, Service Fees, Roof Repair; **Judiciary House** - $116,317, Design, Construction Documents & Supervision for Garage & New Roofing, Service Fees; **Elvans Court** - $1,339, IT Equipment Installation; **The Villager** - $2,657, Furnace Replacement; **Various Properties** - $2,174,185, Public Safety Costs, Administrative Costs, Permits, Back Stair Repair, CCTV Equipment, Debt Payment.

**CFP2018 (CFP 501-18)**
**Kelly Miller** - $8,718, Cost Estimate Reports; **Benning Terrace** - $34,250, NEPA Environmental & Cost Estimate Reports; **Garfield Terrace Family** - $31,091, NEPA Environmental & Cost Estimate Reports;; **Garfield Terrace Senior** - $43,192, Service Fees, NEPA Environmental & Cost Estimate Reports; **LeDroit Apartments** - $10,705, Service Fees, Cost Estimate Reports; **Montana Terrace** - $85,366, Appraisal Services & Rent Comparison Study, Market Study, RPCA, Utility Consumption Baseline, ESA & Asbestos Survey Reports, Service Fees, Design, Construction Documents & Construction Administrative Services for Rehabilitation; **Claridge Towers** - $1,943, Service Fees; **Judiciary House** - $8,267, Parking Garage Repair Permit; **James Apartments** - $2,394, Service Fees; **Elvans Road** - $33,928, Appraisal Services & Rent Comparison Study, Market Study, RPCA, Utility Consumption Baseline, ESA & Asbestos Survey Reports, Service Fees, Design, Construction Documents & Construction Administrative Services for Rehabilitation; **The Villager** - $38,125, Appraisal Services & Rent Comparison Study, Market Study, RPCA, Utility Consumption Baseline, ESA & Asbestos Survey Reports, Service Fees, Design, Construction Documents & Construction Administrative Services for Rehabilitation; **Lincoln Road** - $46,036, Appraisal Services & Rent Comparison Study, Market Study, RPCA, Utility Consumption Baseline, ESA & Asbestos Survey Reports, Service Fees, Design, Construction Documents & Construction Administrative Services for Rehabilitation; **Ontario Apartments** - $34,215, Appraisal Services & Rent Comparison Study, Market Study, RPCA, Utility Consumption Baseline, ESA & Asbestos Survey Reports, Service Fees, Design, Construction Documents & Construction Administrative Services for Rehabilitation; **Various Properties** - $14,432,603, Operations Costs, Public Safety Costs, Administrative Costs, Permits, Debt Payment.

## B. Leasing Information

### i. Actual Number of Households Served at the End of the Fiscal Year

| Number of Households Served | Number of Unit Months Occupied/Leased* | | Number of Households Served | |
|---|---|---|---|---|
| | Planned | Actual | Planned | Actual |
| MTW Public Housing Units Leased | **94,476** | **76,320** | **7,873** | **6,360** |
| MTW Housing Choice Vouchers (HCV) Utilized | **118,320** | **125,400** | **9,860** | **10,450** |
| Local, Non-Traditional: Tenant-Based | **N/A** | **N/A** | **N/A** | **N/A** |
| Local, Non-Traditional: Property-Based | **N/A** | **N/A** | **N/A** | **N/A** |
| Local, Non-Traditional: Homeownership | **N/A** | **N/A** | **N/A** | **N/A** |
| **Planned/Actual Totals** | **212,796** | **201,720** | **17,733** | **16,810** |

| **Difference between "Planned" and "Actual" households served.** |
|---|
| Based on the results of DCHA's lead risk assessments and visual unit inspections conducted in FY2018, a number of public housing units were vacated and not reoccupied in FY2019. In addition, a number of units remained off-line at Kenilworth and Park Morton due to the New Communities Initiative. The September 2018 Arthur Capper fire resulted in a total loss and all units had to be removed from the public housing inventory. The increase in the number of voucher households served is in part due to the tenant protection vouchers DCHA received to relocate families at Kenilworth and Park Morton. |

| Local, Non-Traditional Category | Number of Unit Months Occupied/Leased* | | Number of Households Served | |
|---|---|---|---|---|
| | Planned | Actual | Planned | Actual |
| Tenant-Based | **N/A** | **N/A** | **N/A** | **N/A** |
| Property-Based | **N/A** | **N/A** | **N/A** | **N/A** |
| Homeownership | **N/A** | **N/A** | **N/A** | **N/A** |
| **Planned/Actual Totals** | **N/A** | **N/A** | **N/A** | **N/A** |

| Households Receiving Local, Non-traditional Services Only | Average Number of Households Per Month | Total Number of Households in the Plan Year |
|---|---|---|
| N/A | N/A | N/A |

## ii. Description of Any Issues Related to Leasing of Public Housing, Housing Choice Voucher or Local, Non-Traditional Units and Solutions at the Fiscal Year End

| Housing Program | Description of Leasing Issues and Solutions |
|---|---|
| Public Housing | In FY2019, DCHA continued its efforts at increasing security efforts as needed to address high unit refusal rates at properties experiencing increased criminal activity or a perception of it.<br><br>Due to the agency's 20 Year Transformation Plan to reposition the public housing portfolio, a number of the vacant units are not being backfilled and residents transferring from traditional public housing to the voucher program has increased significantly. Finally, the absence of HUD approval to reclassify or exclude New Communities Units that have been taken off-line as part of the redevelopment process continued to negatively impact the agencies vacancy rate. |
| Housing Choice Voucher | While HUD increased the Fair Market Rents (FMRs) for the DC Metropolitan area again in FY2019, the increase was not enough to address the challenges faced by participants in finding housing in high rent submarkets/opportunity neighborhoods. In FY2019 DCHA utilized its MTW authority to increase payment standards to 187% of the HUD FMRs. This was done in response to the removal of the HUD waiver. The increase to 187% was done in order to maintain access to neighborhoods that would have become inaccessible once the HUD waiver was removed. |
| Local, non-Traditional | N/A |

## C. Waiting List Information

## i. Wait List Information at Fiscal Year End

| Housing Program(s) * | Wait List Type ** | Number of Households on Wait List | Wait List Open, Partially Open or Closed *** | Was the Wait List Opened During the Fiscal Year |
|---|---|---|---|---|
| Federal MTW Public Housing | Community-wide | 27,147 | Closed | No |
| Federal MTW Housing Choice Voucher | Community-wide | 39,496 | Closed | No |
| Federal non-MTW Housing Choice Voucher Units (Moderate Rehabilitation) | Community-wide (same list as Federal MTW HCV) | 23,280 | Closed | No |
| Federal non-MTW Housing Choice Voucher Units (Tenant-Based and Project-based) | Community-wide (Federal MTW HCV)/None | 39,496 | Closed/NA | No |
| Federal MTW Public Housing (Mixed Finance/Service Rich) | Site-based | 6,636 | Varies by Site--DCHA has various mixed finance/service rich unit sites that have site-based wait lists. Each site makes decisions about the need to open or close their respective wait lists. | Varies by Site |
| Please note that the nominal increases in the size of the centrally managed public housing, Housing Choice Voucher and Moderate Rehabilitation waiting lists are due to approved application reinstatements. | | | | |

| Please describe any duplication of applicants across waiting lists. |
| --- |
| Applicants can select to be listed on multiple waiting lists, both DCHA managed and those managed by other entities. As such there are applicant households who appear on more than one of the above lists. |

## ii. Actual Changes to the Waiting List(s) in the Plan Year

Describe any actual changes to the organizational structure of policies of the waiting list(s), including any opening or closing of a waiting list during the plan year.

| Waiting List Name | Description of Actual Changes to the Waiting List |
| --- | --- |
| Federal MTW Public Housing | DCHA began the process of converting to a new agency management software system in FY2019 and decided not to complete the process of operationalizing the conversion of the agency's centrally managed community-wide public housing waiting list to centrally managed site-based waiting lists until the software is implemented. The software is being implemented in phases which began in mid FY2019 and will continue into FY2020.<br>Although the waiting list remained closed in FY2019, the increase in the size of the waiting list was due to approved applicant reinstatements. |
| Federal MTW Housing Choice Voucher | None |
| Federal non-MTW Housing Choice Voucher Units (Moderate Rehabilitation) | None |
| Federal non-MTW Housing Choice Voucher Units (Tenant-Based and Project-based) | None |
| Federal MTW Public Housing (Mixed Finance/Service Rich) | None |

## D. Information on Statutory Objectives and Requirements

### i. 75% of Families Assisted are Very Low-Income

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual families housed upon admission during the PHA's Plan Year reported in the "Local, Non-Traditional: Tenant-Based"; "Local, Non-Traditional: Property-Based"; and "Local, Non- Traditional: Homeownership" categories. Do not include households reported in the "Local, Non-Traditional Services Only" category.

| Income Level | Number of Local, Non-Traditional Households Admitted in the Plan Year |
|---|---|
| 80%-50% Area Median Income | N/A |
| 49%-30% Area Median Income | N/A |
| Below 30% Area Median Income | N/A |
| **Total Local, Non-Traditional Household Admitted** | N/A |

## ii. Maintain Comparable Mix

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

| Baseline for the Mix of Family Sizes Served (upon entry to MTW program) | | | | | |
|---|---|---|---|---|---|
| **Family Size** | **Occupied Number of Public Housing Units** | **Utilized HCVs** | **Non-MTW Adjustments** | **Baseline Mix Number** | **Baseline Percentages** |
| 0 bdrm | 2,255 | see previous column | 2,255 | 2,255 | 13.7% |
| 1 bdrm | 3,592 | see previous column | 3,592 | 3,592 | 21.8% |
| 2 bdrm | 5,193 | see previous column | 5,193 | 5,193 | 31.6% |
| 3 bdrm | 3,857 | see previous column | 3,857 | 3,857 | 23.4% |
| 4 bdrm | 1,177 | see previous column | 1,177 | 1,177 | 7.2% |
| 5 bdrm | 343 | see previous column | 343 | 343 | 2.1% |
| 6+ bdrm | 35 | see previous column | 35 | 35 | 0.2% |
| **Totals** | **16,452** | | **16,452** | **16,452** | **100%** |

| Describe the justification for any "Non-MTW Adjustments" given above. |
|---|
| None |

| Mix of Family Sizes Served (In Plan Year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 0 Bdrm | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | 5 Bdrm | 6+ Bdrm | Totals |
| Baseline Percentages of Household Sizes to be Maintained | 13.7% | 21.8% | 31.6% | 23.4% | 7.2% | 2.1% | 0.2% | 100% |
| Number of Households Served by Family Size this Fiscal Year | 1,264 | 5,281 | 5,139 | 3,434 | 1,205 | 393 | 94 | 16,810 |
| Percentages of Households Served by Household Size this Fiscal Year | 7.52% | 31.42% | 30.57% | 20.43% | 7.17% | 2.34% | 0.56% | 100.00% |
| Percentage Change | -6.18% | 9.62% | -1.03% | -2.97% | -0.03% | 0.24% | 0.36% | 0.00% |

| Description of the justification for any variances of more than 5% between the Plan Year and the Baseline year |
|---|
| As provided in DCHA's 2003 MTW agreement and subsequent annual reports, the Agency has provided family size in terms of bedroom size in a cumulative number for both the Public Housing and HCV programs. The percent change from the 2003 baseline bedroom size distribution can be attributed to shifts in the demographics of voucher holders. DCHA pulls households from the waiting list for federal vouchers by date and time of application and preference, not bedroom size. Therefore the mix of household sizes needed by the households DCHA serves can change frequently.<br><br>The percentage of households served by family size (bedroom size) is consistent with bedroom sizes reported in the American Community Survey for the Washington Metropolitan Area. According to the U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates[2], the housing stock of renter-occupied housing units in Washington, DC includes the following breakdown by unit size: 13.0% of the housing stock are 0 bedroom units, 42.3% are 1 bedroom, 39.9% are 2 or 3 bedroom, 4.8% are 4 or more bedroom units. |

[2] https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S2504&prodType=table

### iii. Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

| Activity Name/# | Number of Households Transitioned* | Agency Definition of Self Sufficiency |
|---|---|---|
| Modification to HCV Homeownership Program/Initiative #3 (HOAP) | 7 | Households purchasing homes |
| Modification to HCV Homeownership Program/Initiative #3 (AYBL Program) | 0 | Households purchasing homes or renting in the private market |
| Simplified Certification and Multi-Year Income Recertification/Initiative #4 | 266 | HCV families who are able to afford the full contract rent and Public Housing families who transition from TANF due to increased earnings |
| Establishment of Resident Driven Community Based Program to Improve Customer Service and Foster Greater Resident Empowerment/Initiative #19 | 0 | Households participating in a resident driven community based program implemented under this initiative |
| Enhance Neighborhood Services within Public Housing Communities/Initiative #20--Safe Haven (Employment) | 254** | Graduation from the service provider administered program and obtain employment and/or stable housing |
| Enhance Neighborhood Services within Public Housing Communities/Initiative #20--Safe Have (Stable Housing) | 284** | Graduation from the service provider administered program and obtain employment and/or stable housing |
| Encourage the Integration of Public Housing Units into Overall HOPE VI Communities/#23 | 48 | Families participating in community governance activities and events |
| Family Stabilization through Housing and Education Demonstration/ Initiative #27 | 0 | Families who transition from TANF due to increased earnings |
| *Households Duplicated Across Activities/Definitions* | *0*** | |
| **Total Households Transitioned to Self Sufficiency** | 859 | |

*** The number provided here should match the outcome reported where metric SS #8 is used.**
**** Please note that the information provided by Safe Haven does not include detail necessary to capture those clients that obtained both employment and housing.**

## Section III. Proposed MTW Activities

### Table III.1 Summary of Proposed Activities

| New Number | Old Number | Activity | Statutory Objective | MTW Flexibility | Yr. Identified |
|---|---|---|---|---|---|
| | | | | | |

All proposed MTW activities that were granted approval by HUD are reported in Section IV as "Approved Activities."

# Section IV. Approved MTW Activities: HUD Approval Previously Granted

## A. Implemented Activities

### Table IV.1 Summary of MTW Activities/Initiatives

| New Number | Old Number | Activity | Statutory Objective | MTW Flexibility | Year Identified | Year Implemented |
|---|---|---|---|---|---|---|
| 1 | 1.1.04<br>1.5.05<br>1.9.06 | Modifications to DCHA's Project-Based Voucher Program | • Increase housing choices for low-income families | Sections D4 and D7 of Attachment C. | FY2004, FY2005 & FY2006 | FY2004, FY2005 & FY2006 |
| 2 | 1.3.04 | Designation of Elderly-Only Properties | • Reduce cost and achieve greater cost effectiveness | Section C10 of Attachment C. | FY2004 | FY2004 |
| 3 | 1.4.04 | Modifications to HCV Homeownership Program | • Reduce cost and achieve greater cost effectiveness<br>• Increase housing choices for low-income families | Sections C11, D2, D8, D(1)(b), D(8)(a), and E of Attachment C. | FY2004 | FY2004 |
| 4 | 2.1.04 | Simplified Certification and Multi-Year Income Recertification | • Reduce cost and achieve greater cost effectiveness<br>• Encourage families to obtain employment and become economically self sufficient | Sections C4 and D1c of Attachment C. | FY2004 | FY2004 |
| 5 | 2.2.04 | Modifications to Market-Based Rents | • Reduce cost and achieve greater cost effectiveness<br>• Encourage families to obtain employment and become economically self sufficient | Section D2 of Attachment C. | FY2004 | FY2004 |
| 7 | 4.1.04 | DCHA Subsidiary to Act as Energy Services Company | • Reduce cost and achieve greater cost effectiveness | Attachment D. | FY2004 | FY2004 |
| 8 | 1.6.05<br>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<br>• Increase housing choices for low-income families | Section D2 of Attachment C. | FY2005 & FY2010 | FY2005 & FY2010 |
| 11 | 1.10.06;<br>2.5.04;<br>3.9.12; 22 | Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties | • Reduce cost and achieve greater cost effectiveness<br>• Encourage families to obtain employment and become economically self-sufficient<br>• Increase housing choices for low-income families | Sections C1, C9b, C10, C11, and D4 of Attachment C. | FY2004<br>FY2012 | FY2005<br>FY2014 |
| 12 | 3.5.06 | Rent Simplification and Collections | • Reduce cost and achieve greater cost | Sections C11 and D2 of Attachment C. | FY2006 | FY2006 |

| New Number | Old Number | Activity | Statutory Objective | MTW Flexibility | Year Identified | Year Implemented |
|---|---|---|---|---|---|---|
| | | | effectiveness | | | |
| 16 | 2.7.11 | Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification | • Reduce cost and achieve greater cost effectiveness | Section D5 of Attachment C. | FY2011 | FY2012 |
| 17 | 2.8.11 | Change in Abatement Process, including Assessment of a Re-inspection Fee as an Incentive to Maintain Acceptable Housing Quality Standards (HQS) in Voucher Assisted Units | • Reduce cost and achieve greater cost effectiveness | Section D5 of Attachment C. | FY2011 | FY2012 |
| 18 | 3.9.11 | Creation of Local Authorization and Release of Information Form with an Extended Expiration to Support the Biennial Recertification Process | • Reduce cost and achieve greater cost effectiveness | Sections C4 and D3b of Attachment C. | FY2011 | FY2012 |
| 20 | 2.9.12 | Enhance Neighborhood Services within Public Housing Communities | ▪ Encourage families to obtain employment and become economically self-sufficient | Sections B1b3, C1 and C15 of Attachment C. | FY2012 | FY2012 |
| 23 | 3.10.12 | Encourage the Integration of Public Housing Units into Overall HOPE VI Communities | • Increase housing choices for low-income families | Section C2 and C11 of Attachment C | FY2012 | FT2015 |
| 24 | NA | Simplified Utility Allowance Schedule | ▪ Reduce cost and achieve greater cost effectiveness in federal expenditures | Section D2(b) of Attachment C | FY2012 | FY2014 |
| 25 | NA | Local Blended Subsidy | • Reduce cost and achieve greater cost effectiveness<br>▪ Increase housing choices for low-income families | Attachment C, Section B.1; Attachment D, Uses of Funds | FY2014 | FY2014 |
| 28 | NA | Rent Reform Demonstration (HCVP) | • Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient | Attachment C, Section D.1(c); D.2(a); D.3(b) | FY2014 | FY2014 |
| 29 | NA | HQS Biennial Inspections for Landlords in Good-standing | • Reduce cost and achieve greater cost effectiveness | Attachment C, Section D.5 | FY2015 | FY2016 |

## Initiative 1: Modifications to DCHA's Project-Based Voucher Program

Description/Impact/Update

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

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

The changes resulted in:

- Increasing participation by housing owners/landlords
- Meeting local housing and community needs

In addition, bbetween FY2004 and FY2006, DCHA used its flexibility to award project based vouchers to properties with affordable units who were receiving local funding through the city's Tenant Assistance Program (TAP). The city was faced with having to discontinue funding for the properties in the program and without MTW flexibility, 328 families would have been displaced as a result.

DCHA stopped making loans through the UFAS Loan program several years ago. As such no additional UFAS units are being added to the DCHA portfolio via this initiative. However, the units that have been created continue to be available for housing families in need of fully accessible units.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing

Although there was an increase in the number of project based vouchers in the DCHA Partnership Program from FY2018 to FY2019—from 1,662 to 1,730, please note that there were some owner opt-outs and projects removed from the project-based program.

In FY2019, through its continued partnership with the city to create affordable housing with supportive services through the city's local NOFA process, 55 units were project based at Parkway Overlook.

Metrics

DCHA Defined Metric(s)

| Unit of Measurement | Baseline (FY2010) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of housing units in the Partnership Program (with executed HAP or AHAP) | 1,467 | 235 units added | 1,730 | Benchmark met |
| Number UFAS of completed units added to inventory thru the UFAS loan program | 6 | 11 new UFAS units added | 13 (total units added since FY2010—no units added in FY2019) | Benchmark met |
| Number of Public Housing applicants requiring UFAS compliant units who are housed in the UFAS loan program | 6 | 11 | 12 (total housed since FY2010) | Benchmark met |

| Housing Choice #4: Displacement Prevention | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2006)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households at or below 80% AMI that would lose assistance or need to move. | Households losing assistance/moving prior to the implementation of the activity | Expected households losing assistance/moving after implementation of the activity | Actual households losing assistance/moving after implementation of the activity. | Whether the outcome meets or exceeds the benchmark. |
| Number of households under the local Tenant Assistance Program facing displacement (FY2004-FY2006) | 328 | 0 | 0 | Benchmark met |

## Initiative 2: Designation of Elderly Only Properties

Description/Impact/Update

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

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

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

1. Staff reviews of resident and applicant needs and requests, market conditions and resource availability.
2. If review findings support an Elderly-Only designation of a DCHA property(ies), staff makes a recommendation to the Board of Commissioners.
3. The Board of Commissioners considers staff recommendations in committee.
4. Upon committee approval, the proposed Elderly-Only designation is published as part of the Board agenda for consideration at a Board of Commissioners' meeting.
5. The Board of Commissioners either 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.

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

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

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

To date, DCHA has designated seven (7) properties in whole or in part as Elderly-Only.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing

No elderly-only units were designated in FY2019.

This activity reduced the time necessary to put in place an Elderly-only designation. Outside of the assessment process to determine the need, feasibility and federal compliance of an Elderly-Only designation, completing a designation under the DCHA local process can take as few as 30 days. Even under the HUD streamlined designation process, HUD has 60 days to evaluate the request and respond to housing authorities with a decision. In addition, the default approval built into the HUD process requires a 60 day waiting time for housing authorities.

This initiative remains open to provide the agency with the ability to continue its existing designation without periodic approvals required by HUD, keeping the needed flexibility for future designations in place.

Metrics

As the local policy for streamlining of the Elderly-Only designation process was adopted in FY2004 and the subsequent designations took place prior to the new reporting requirements under the MTW Agreement, the related benefits are in the past. Future benefits will be experienced with the designation of additional properties/units. DCHA has established a metric to capture the difference in timing required to designate elderly only properties/units based on the HUD required review process that is foregone by way of this initiative.

*DCHA Defined Metric(s)*

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Time to complete a designation | Up to 6.5 months (inclusive of HUD 60 day review) | 3.5 months | To be determined with the next designation | TBD |

*HUD Standard Metric(s)*

| Cost Effective #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars | Cost of task prior to implementation (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Cost to complete the task (completing feasibility determination, preparation of documents; resident and Board presentation preparation, etc.) | To be determined with the next designation | To be determined with the next designation | To be determined with the next designation | TBD |

| Cost Effectiveness #2: Staff Time Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Total time to complete the task in staff hours (completing feasibility determination, preparation of documents; resident and Board presentation preparation, etc.) | 20 hours | 15 hours | To be determined with the next designation | TBD |

| Housing Choice #5: Increase in Resident Mobility | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households able to move to better unit and/or neighborhood of opportunity as a result of the activity | Households able to move to better unit and/or neighborhood of opportunity prior to implementation of the activity | Expected Households able to a move to better unit and/or neighborhood of opportunity after implementation of the activity | Actual increase in Households able to a move to better unit and/or neighborhood of opportunity after implementation of the activity | Whether the outcome meets or exceeds the benchmark. |
| Number of households able to move to better unit and/or neighborhood of opportunity as a result of the activity | 0 | To be determined with the next designation | To be determined with the next designation | TBD |

## Initiative 3: Modifications to HCV Homeownership Program

Description/Impact/Update

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

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

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

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

In addition to the above HOAP policy changes, DCHA created a homeownership component in HOAP for Public Housing residents as part of the Agency's second phase of implementation for this initiative. The **Achieving Your Best Life Rewards Program (AYBL)** was created to encourage and support upward mobility of Public Housing residents by facilitating the provision and utilization of necessary incentives and supportive services with homeownership as a goal.

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

It is expected that after five (5) years, participating residents will have the down payment for the purchase of a home through the assistance of a Savings Escrow Account. If the family has successfully completed homeownership preparation, identified a home, and received a mortgage commitment, participating residents will be issued a homeownership voucher through HOAP.

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

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

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

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

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

***Savings Escrow Account***—A major incentive of the program is that a portion of the family's earned income (28%), which is excluded from income in the calculation of rent, will be placed in a Savings Escrow account for the down-payment on a home. Account funds will be released to the AYBL participant when the family has a contract on a home, has a mortgage commitment and is ready to close on a purchase. Interim account disbursements will be considered, with DCHA approval, if needed to complete a task(s) in their ITSP.

***Maintenance Escrow Account***—As part of their homeownership training, AYBL families will be responsible for the upkeep of their unit with technical assistance provided by DCHA. To pay for unit

maintenance costs, AYBL families will pay 2% of their earned income into a maintenance escrow account. The maintenance escrow account will be available to cover maintenance costs.

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

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

**Program Term:** It is expected that over the course of the five years of participation in the program, the residents will be able to increase their earned income to at least $45,000; so that, when combined with a HOAP voucher and the five years of Savings Escrow funds the participant is able to purchase a home. If after five (5) years, the family is not successful and thus not ready to buy a home, they will be required to transfer to another conventional Public Housing unit and the escrow account balances will be forfeited to DCHA.

The local regulations governing AYBL were approved by the Board of Commissioners and published in FY2012 after working closely with the housing advocate community and in accordance with the local public review process. In addition, recruitment, eligibility screening began and the first families moved into Elvans Road during the latter part of FY2012.

It is anticipated that more families will move toward self-sufficiency through their efforts to meet the AYBL minimum income program entry requirement. In addition, the desire to participate in AYBL and HOAP may motivate residents/participants to be more diligent in achieving/maintaining their "good-standing" status.

AYBL requirements, along with changes in HOAP requirements, are designed to foster sustained homeownership by requiring that families are better prepared for homeownership beyond the expiration of the voucher assistance.

DCHA anticipates that this activity will increase the number of families housed off of the Public Housing waiting list as AYBL families transfer into AYBL Rewards properties and move on to homeownership or renting in the private market.

Based on a review of the AYBL program, in FY2014, DCHA made changes to AYBL program eligibility requirements and added an additional program goal as a means of increasing program participation. Those changes included the following:

(1) Expanding the program goal of homeownership to renting in the private market without federal or local housing assistance
(2) Decrease the earned income requirement from $35,000 to $32,000
(3) Increasing the pool of potential applicants in the event AYBL units cannot be filled with families residing in conventional public housing by allowing the selection of families residing in mixed finance properties and applicants from the public housing waiting list selection pool

(4) Allow applicant families up to four (4) late rental payments in either public housing or the private market within the twelve (12) months prior to the approval of an AYBL application.

While these changes did not require MTW authority, measurement of the additional program goal will be captured with a HUD standard metric (see Measurement Changes section). Due to the policy changes related to program eligibility and increased recruitment efforts, an additional 3 families entered the AYBL program by the end of FY2014. With the additions to the program, the total number of AYBL program participants at the end of FY2014 was 14.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing

In FY2019, a total of 7 HCVP families purchased homes through the HOAP program. During FY2019, a total of 9 public housing families participated in AYBL but none were able to purchase a home during the year. The 9 households are diligently working towards homeownership and hope to purchase in the coming years.

The average earned income in FY2019 of participating AYBL families ($35,108) decreased since last year and is still just over the baseline of $35,000, but is less than the benchmark of $45,000. The savings escrow accounts of participants have an average of $2,031 per month. Some of the participating families faced job losses and other financial setbacks during the year. There was also a decline in the number of households receiving self-sufficiency services through the program – just 9 households received services during FY2019. The decline in the number of households receiving AYBL services this fiscal year is due to some households' failure to recertify combined with debt owed to the agency. Additionally, one household failed to purchase a home prior to when their contract of participation expired. DCHA has faced challenges recruiting families to participate in the program since program inception. As such, program participation has yet to reach the 100% enrollment goal and in FY2019 decreased to 9 households from 13 in FY2018.

In late FY2018, DCHA converted Columbia Road (also referred to as Columbia), one of the agency's two AYBL sites, to RAD. In addition, to address the need for units for current residents as part of the agency's portfolio stabilization efforts, there was a program policy change that discontinued new entries into the AYBL program at Elvans Road in order to make vacant units available for families that needed to transfer. Existing AYBL households living at these properties will continue participation until they complete the program or have to leave the program for not meeting their goal of homeownership or renting in the private rental market. Units vacated by AYBL households will not be back filled with new AYBL households at either site. DCHA proposed a reimagined family self-sufficiency program in the FY2020 MTW Plan for public housing residents in light of the changes to the AYBL program.

FY2019 was the seventh year of the AYBL program and a total of 9 AYBL families have purchased homes since the program began. While some of the MTW initiative benchmarks were not met, DCHA considers the program a success since none of the past homeowners under AYBL had to utilize a voucher to purchase their homes— an unexpected outcome of the program as DCHA anticipated families would need voucher assistance to purchase.[3]

Metrics

*DCHA Defined Metric(s)*

| Unit of Measurement | Baseline (FY2010) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Housing Choice Voucher participants | | | | |
| Number of HCV families purchasing homes | 51 | At least 5 additional families each FY | 7 (new homeowners at the end of FY2019) | Benchmark met |
| Public Housing participants—AYBL (Baseline=FY2011) | | | | |
| Number of families enrolled in AYBL | 0 | 18 by the end of FY2014 (formerly 21 one year after implementation) | 9 (total at the end of FY2019) | Benchmark not met (see "Status" section for explanation) |
| Number of HOAP vouchers issued to Public Housing families through AYBL* | 0 | Up to 18 by 2018 (formerly 21 by 2017) | 0 | Benchmark not met (see "Status" section for explanation) |
| Number of AYBL families purchasing homes* | 0 | Up to 18 by 2018 (formerly 21 by 2017) | 0 | Benchmark not met |
| Number of AYBL families renting in the private market** | 0 | Up to 18 by 2018 (formerly 21 by 2017 | 0 | Benchmark not met |

*Modified

**New metric—added with the expansion of the AYBL program goal to include renting in the private market.

^Correction—the number of AYBL families purchasing homes in FY2016 was 4 and not 5 as previously reported. A Family Self-Sufficiency program participant who purchased in FY2016 was inadvertently counted in the AYBL 2016 total.

[3] Correction—the number of AYBL families purchasing homes in FY2016 was 4 and not 5 as previously reported. A Family Self-Sufficiency program participant who purchased in FY2016 was inadvertently counted in the AYBL 2016 total.

*HUD Standard Metrics*

| Cost Effective #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars | Cost of task prior to implementation (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Portability (cost to process portability action—interim recertification + 10mins) | $38.5/port | $0 | $0 | Benchmark met |

| Cost Effectiveness #2: Staff Time Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Portability (time to process portability action—interim recertification + 10mins) | 1 hour and 10mins | 1 hour | 0 hours | Benchmark met |

| Self Sufficiency #1: Increase in Household Income | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011/FY2012)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average earned income of households affected by this policy in dollars (increase) **AYBL Program** | Average earned income of households affected by this policy prior to implementation of the activity (in dollars) | Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars) | Actual average earned income of households affected by this policy prior to implementation (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Average earned income of households affected by this policy in dollars (increase) | $35,000/year | $45,000/year | $35,108 /year | Benchmark not yet met |

| Self Sufficiency #2: Increase in Household Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011/FY2012)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average amount of savings/escrow of households affected by this policy in dollars (increase) **AYBL Program** | Average savings/escrow amount of households affected by this policy prior to implementation of the activity (in dollars). | Expected average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars) | Actual average savings/escrow amount of households affected by this policy after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Average amount of savings/escrow of households affected by this policy in dollars (increase) | $0 | $800/month per household | $2,0316/month per household | Benchmark met |

| Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011/FY2012)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households receiving services aimed to increase self-sufficiency (increase) **AYBL Program** | Households receiving self-sufficiency services prior to implementation of the activity (number) | Expected number of households receiving self-sufficiency services after implementation of the activity (number) | Actual number of households receiving self-sufficiency services after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark. |
| Number of households receiving services aimed to increase self-sufficiency (increase) | 0 | At least 18 | 9 | Benchmark not met |

| Self Sufficiency #8: Households Transitioned to Self Sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (increase). | Households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market) prior to implementation of the activity (number) | Expected households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market w/out federal or local housing assistance) after implementation of the activity (number) | Actual households transitioned to self-sufficiency (households becoming homebuyers or renting in the private market) after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark. |
| **HCVP—HOAP (Baseline=FY2010)** | | | | |
| Number of households transitioned to self-sufficiency—households becoming homebuyers | 51 | At least 5 additional families each FY | 7 (FY2019) | Benchmark met |
| **Public Housing participants—AYBL (Baseline=FY2011)** | | | | |
| Number of households transitioned to self-sufficiency—households | 0 | 18 | 0 (2 in FY2015; | Benchmark not met |

| Self Sufficiency #8: Households Transitioned to Self Sufficiency | | | | |
|---|---|---|---|---|
| Unit of Measurement | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
| becoming homebuyers or renting in the private market (increase). | | | 4 in FY2016^; 2 in FY2017; an 1 in FY2018) | |

^Correction—the number of AYBL families purchasing homes in FY2016 was 4 and not 5 as previously reported. A Family Self-Sufficiency program participant who purchased in FY2016 was inadvertently counted in the AYBL 2016 total.

| Housing Choice #6: Increase Homeownership Opportunities | | | | |
|---|---|---|---|---|
| Unit of Measurement | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
| Number of households that purchased a home as a result of the activity | Number of households that purchased a home prior to implementation of the activity | Expected number of households that purchased a home after implementation of the activity | Actual number of households that purchased a home after implementation of the activity | Whether the outcome meets or exceeds the benchmark. |
| **HCVP—HOAP (Baseline=FY2010)** | | | | |
| Number of households that purchased a home as a result of the activity— **HOAP** | 51 | At least 5 additional families each FY | 7 | Benchmark met |
| **Public Housing participants—AYBL (Baseline=FY2011)** | | | | |
| Number of households that purchased a home as a result of the activity —**AYBL** | 0 | 18 | 0 | Benchmark not met |

## Initiative 4: Simplified Certification and Multi-Year Income Recertification

Description/Impact/Update

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

*Simplified Certification*

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

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

In FY2013, DCHA drafted Public Housing biennial recertification regulations with the final regulations approved by the DCHA Board of Commissioners in early FY2014.

After further consideration, in FY2015, DCHA re-proposed this initiative in order to remove the requirement to report increases in earned income greater than $10,000 between scheduled recertifications. Going forward, families will not have to report increases in earned income, regardless of how large, between scheduled biennial recertifications. As DCHA works to encourage self-sufficiency through other activities aimed at residents obtaining employment and increasing earned income, it is anticipated that this change will further incentivize residents.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing

*Multi-year Recertification (Triennial Recertifications)—Public Housing and HCV*
In FY2017, both the public housing and HCV programs completed assignment of elderly and/or disabled households on fixed income into a triennial recertifications schedule. Observations will be provided as part of the agency's FY2020 MTW Report.

*Earned Income Reporting Requirements*
In FY2016, DCHA finalized the local regulations (HCV Administrative Plan), eliminating the need for HCV participants to report increases in earned income between scheduled recertifications. The HCV program began implementation in FY2016. At the end of FY2018, the new policy was implemented for a full fiscal cycle. As the outcome of the HUD standard metrics show below, average earned income for both programs increased between biennial recertifications. These observations suggest a correlation between the reporting requirements and increases in earned income, but there is no way to identify if there is a causal relationship between the reporting requirements and the average increase in earned income.

Metrics

*HUD Standard Metrics*

| Cost Effectiveness #1: Agency Cost Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Cost per Interim Certification**<br><br>Each interim costs approx. $100 in administrative processing (which may include any back-charges for family failure to report). DCHA averages 150 families reporting increases in income monthly (outside of scheduled recert processing). $100 x 150 = $150,000 | $150,000 | $0 | **Voucher***<br>$59,900/year for 599 interims<br><br>**Public Housing***<br>$204,500/year for 2,045 interims | No |

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours) | Whether the outcome meets or exceeds the benchmark. |
| Time per Interim Certification related to increases in income (avg 150 interims/year; staff time to complete an interim = 1 hour) | 150 hours | 0 | **Voucher***<br>599 hours /year for 599 interims<br><br>**Public Housing***<br>2,045 hours/year for 2,045 interims | No |

*Data Note: Due to data limitations, DCHA is only able to identify interim certifications that resulted in an increase in **household income**. There is not an ability to isolate just increases in **earned income**. Therefore, the information provided reflects interim certifications that resulted in an overall increase in the household's income. This could be due to a variety of factors including, an increase in benefit income like Social Security or TANF etc., and an increase in earned income, a change to the household composition that increased the income and any combination of these factors.

| Self-Sufficiency #1: Increase in Household Income | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average earned income of households affected by this policy in dollars (increase). | Average earned income of households affected by this policy prior to implementation of the activity (in dollars). | Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| Average Earned Income (Biennial Recertifications) | **Public Housing**<br>$27,414 (based on FY2015 Recertification Cycle Cohort)<br><br>**Housing Choice Voucher**<br>$25,489 (based on FY2011 Recertification Cycle Cohort) | 1% increase each biennial recertification cycle* | **Public Housing**<br>$30,693<br>(12% increase from FY2015)<br><br>**Housing Choice Voucher**<br>$27,084<br>(6% increase from FY2011) | Benchmark met |

*After consideration of the feasibility of the benchmark for this metric, the percentage increase was changed from 3% to 1%.

| Self-Sufficiency #3: Increase in Positive Outcomes in Employment Status | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Report the following information separately for each category:<br>(1) Employed Full-Time<br>(2) Employed Part-Time<br>(3) Enrolled in an Educational Program<br>(4) Enrolled in Job Training Program<br>(5) Unemployed<br>(6) Other | Head(s) of households in in the categories identified below prior to implementation of the activity (number). This number may be zero. | Expected head(s) of households in the categories identified below after implementation of the activity (number). | Actual head(s) of households in the category after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark. |
| | Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero. | Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent). | Actual percentage of total work-able households in the category after the implementation of the activity<br>(percent) | Whether the outcome meets or exceeds the benchmark. |
| **Employment Status** for<br>(1) Employed Full-Time:<br>(2) Employed Part-Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other:<br><br>(Biennial | **Public Housing**<br>Based on FY2015 Recertification Cohort Baseline is equal to:<br>The number of the Study population in each of these categories:<br>(1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other:<br><br>*FY2015 Recertification Cycle Cohort: 546 households with earned income* | Benchmark is equal to: The following changes in the number of the Study population in each of these categories:<br>(1) Employed Full-Time: 1% increase<br>(2) Employed Part-Time: 1% increase<br>(3) Enrolled in an Educational Program: 1% increase | **Public Housing**<br>Based on FY2015 Recertification Cohort in FY2019<br><br>*Head of Households*<br>• 328 employed HOH<br>• 12 HOH receiving unemployment income<br><br>*Percentage of total work-able households*<br>• 29% work-able households have wage income<br>• 1% work-able households have unemployment income | Benchmark Achieved |

| | | | | |
|---|---|---|---|---|
| Recertifications) | *and 28 households with unemployment compensation out of 2,096 total households recertified in FY2015*[4]<br><br>**Housing Choice Voucher**<br>Based on FY2011 Recertification Cohort<br><br>*FY2011 Recertification Cycle Cohort 1,511 households with earned income and 335 with unemployment compensation out of 5,079 total households recertified in FY2011.*[5]<br><br>*Not able to provide baseline data* | (4) Enrolled in Job Training Program: 1% increase<br>(5) Unemployed: 1% decrease<br>(6) Other: | **Housing Choice Voucher**<br>Based on FY2011 Recertification Cohort in FY2019<br><br>*Head of Households*<br>• 685 employed HOH<br>• 29 HOH receiving unemployment income<br><br>*Percentage of total work-able households*<br>• 51% work-able households have wage income<br>• 2% work-able households have unemployment income | |

| Self-Sufficiency #4: Households Removed from Temporary Assistance for Needy Families (TANF)* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome* (FY2019)** | **Benchmark Achieved?** |
| Number of households receiving TANF assistance (decrease). | Households receiving TANF prior to implementation of the activity (number). | Expected number of households receiving TANF after implementation of the activity (percent). | Actual households receiving TANF after implementation of the activity | Whether the outcome meets or exceeds the benchmark. |
| Households Receiving TANF Benefits | **Public Housing**<br>388<br>(FY2015 Recertification Cycle Cohort)<br><br>**Housing Choice Voucher**<br>1,336<br>(FY2011 Recertification Cycle Cohort) | 1% decrease of families by the end of a complete biennial recertification cycle after the activity is implemented | **Public Housing**<br>159 households received TANF<br>(59% decrease from FY2015)<br><br>**Housing Choice Voucher**<br>343 households receive TANF<br>(65% decrease from FY2011) | **Public Housing**<br>Benchmark Achieved<br><br>**Housing Choice Voucher**<br>Benchmark Achieved |

*It should be noted that the decrease in TANF income cannot be directly attributed to this initiative. There may have been households or individuals with TANF income who left the program or had their benefits reduced.

[4] Due to data limitations of archived baseline data, DCHA is not able to report on relationship to household to isolate income sources of Head of Households, but can provide aggregate household level income detail.

[5] Due to data limitations of archived baseline data, DCHA is not able to report on relationship to household to isolate income sources of Head of Households, but can provide aggregate household level income detail.

| Self-Sufficiency #8: Households Transitioned to Self-sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (increase). | Households transitioned to self-sufficiency prior to implementation of the activity (number). This number may be zero. | Expected households transitioned to self-sufficiency after implementation of the activity (number). | Actual households transitioned to self-sufficiency after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Non-elderly Non-disabled Households Transitioned/ Graduated to Self-sufficiency per Year.<br><br>**[Public Housing Families who transitioned from TANF due to increased earnings]**<br><br>**[HCVP Families who are able to afford the full contract rent for their unit (DCHA pays $0 HAP)** | 0 (HCVP)<br>0 (Public Housing) | Increase of 1% after the first full biennial recertification cycle after implementation of the activity | **Public Housing**<br>229 less households receive TANF in FY19 than in FY2015<br><br>**Housing Choice Voucher**<br>37 households on $0 HAP as of end of FY2018 | Benchmark Achieved |

*DCHA is in the process of defining internal tracking necessary to provide this information, which may include working with the local Department of Human Services (local TANF program administrator).

## Initiative 5: Modifications to Market-Based Rents

Description/Impact/Update

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.

DCHA received approval as part of the FY2016 MTW plan process for the establishment of a ***Local Public Housing Flat Rent Schedule***. In response to the HUD mandate to establish Public Housing flat rents at no less than 80% of the HUD established Fair Market Rents (FMR), DCHA is using its MTW authority to establish a local flat rent schedule for its Public Housing communities that more realistically reflects local market conditions at the submarket or neighborhood level by allowing flat rents to be set at less than 80% of FMR. Submarket rents established by DCHA's Housing Choice Voucher Program will be the basis for the Public Housing flat rent calculations. To account for the attributes of each property, flat rents will be set by bedroom size at 80% of the submarket rents.

DCHA will phase-in any rent payment increases of 35% or more that result from this policy change in the event that a family's income-based rent is lower than the new locally established flat rent but higher than the current flat rent the family is paying. The phase-in will take place at each scheduled biennial recertification and increases will not be more than 35% at each recertification.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes

There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

As this activity was implemented in FY2004, the measurable benefits are in the past, prior to the new reporting requirements under the MTW Agreement. No incremental cost savings are expected.

This activity has decreased the staff time necessary to inform residents and record rent choice, as well as resident time to review and respond. DCHA has eliminated the administrative burden associated with a formal process of notifying approximately 8,000 DCHA Public Housing residents annually of the choice and having residents provide a written response to the Agency.

DCHA received approval of the HUD mandated flat rent amendment in May 2015. In FY2017, after additional review of the approach for setting the DCHA Local Public Housing Local Market-based Rent Schedule (DCHA's version of flat rents), DCHA proposed a new approach as part of the agency's FY2018 MTW Plan in an effort to shore-up the policy as an incentive for families to increase household earnings. DCHA has not implemented the new approved approach for setting rents in the agency's Local Market-based Rent Schedule. DCHA anticipates implementing the new schedule by the end of FY2020.

Metrics

*HUD Standard Metric(s)*

| Cost Effectiveness #1: Agency Cost Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline*** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars | Cost of task prior to implementation of the activity (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Total cost to process resident rent options in staff hours (decrease) **Auto-application of lower amount (income-based vs. market-based rent)** | $34.5 per eligibility determination | $31.62<br><br>($2.88 reduction per eligibility determination) | $31.62 | Benchmark met |

*Metric reflects estimates in light of the fact that this initiative was implemented in FY2004 and information related to this metric is no longer available.

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline*** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Total time to process resident rent options in staff hours (decrease) **Auto-application of lower amount (income-based vs. market-based rent)** | 1 hour 30 mins | 1 hour 25 mins<br><br>(reflects a 5 min reduction in the staff time necessary to complete an initial eligibility and recertification interview process) | 0 mins | Benchmark met |

*Metric reflects estimates in light of the fact that this initiative was implemented in FY2004 and information related to this metric is no longer available.

| Self Sufficiency #1: Increase in Household Income | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average earned income of households affected by this policy in dollars (increase) | Average earned income of households affected by this policy prior to implementation of the activity (in dollars) | Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars) | Actual average earned income of households affected by this policy prior to implementation (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Average earned income of households affected by this policy in dollars (increase) | $67,011/year | 1% increase every 2 years based on biennial recertification cycle | To be provided in the Annual MTW Report following the implementation year | To be provided in the Annual MTW Report following the implementation year |

## Initiative 7: DCHA Subsidiary to Act as Energy Services Company

Description/Impact/Update

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

Using its MTW Authority, DCHA may, without prior HUD approval, modify the current energy performance contract (EPC) or enter into new performance contracts with Energy Service Companies (ESCos), also called Energy Service Agreements (ESAs), and determine the terms and conditions of EPCs, provided that, with respect to each contract, (i) the term does not exceed 20 years and (ii) the Agency maintains adequate file demonstrating EPC performance. DCHA or its agents or subsidiaries may also function as its own ESCo, provided that any financing complies with requirements (i) through (ii) of this paragraph. HUD will honor the terms and conditions of such contracts during and beyond the term of DCHA's MTW Agreement. DCHA has also received approval to pledge its reserves or other funds for use during the term of the MTW demonstration to guarantee the payment of debt service in the event the energy savings are not adequate to cover debt service costs.

DCHA secured $26 million in funding to implement DCHA's energy efficiencies as articulated in the Agency's plan. As of the end of FY2013, the entire $26 million of the loan proceeds have been expended. In FY2012, DCHA took advantage of the very favorable interest rate environment and refinanced its energy loan. The flexibility to execute the new loan documents without HUD approval greatly simplified and sped up the process, saving an unknown amount of DCHA and HUD staff-time. The refinancing shortened the term on the loan while keeping payments relatively unchanged, greatly reducing interest expenses over the life of the loan.

HUD released PIH Notices 2011-36 and 2014-18 providing guidance to allow PHAs the ability to retain 100% of cost savings if they (1) reduce energy consumption and (2) produce energy. In addition, HUD has provided further guidance to allow PHAs to capture future savings from ECIP Phase I as an incentive to upgrade the ECIP Phase I equipment at the end of its useful life.

DCHA plans to continue its energy investment through ECIP Phase II. Starting in October 2015, there has been efforts to extend ECIP I an additional eight (8) years to 2029. Since that time, DCHA received a $575,000 Sustainable DC Grant to fund predevelopment activities for ECIP Phase II.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

The ECIP Phase II project is in the construction phase and 30% of the funding was obligated in FY2019. Primary focus in FY2019 was on LED lighting and plumbing fixture installations as well as cooling infrastructure replacement. Six AMPS also began heating infrastructure replacement. During the first half of FY2020, work will focus on the remaining cooling infrastructure and heating infrastructure as well as mechanical and controls work in all properties. The MTW activity is behind schedule by one fiscal year due to contractual capacity limitations in the job order costing (JOC) program. New JOC contracts with new limits have been issued in FY2020.

The savings profile exceeded the metric as presented to HUD during application. The MTW activity has generated approximately $8 million in fee recovery and excess savings to DCHA. The DCHA Subsidiary acting as Energy Services Company will adopt policies and procedures to monitor, manage and verify that a sustainable infrastructure prescriptive maintenance program be adopted for all mechanical systems to protect the savings stream as projected. This is a non-significant change since this was anticipated in the initial application.

Functioning as its own ESCo has reduced the cost of project implementation. From FY2010 to FY2019, ECIP Phases I and II have generated over $70.1 million in utility cost savings. DCHA continued to move forward with new Energy Conservation Measures in ECIP II to include new energy efficient mechanical upgrades (new boilers, chillers, and water heaters), energy efficient lighting installations, water saving projects, and Building Automation Systems that will give DCHA real time operational control in some of the buildings, resulting in even further savings.

## Metrics

As required in Attachment D of DCHA's MTW Agreement with HUD.

| EPC Reporting Requirements | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 |
|---|---|---|---|---|---|---|---|---|---|
| Is the project ESCo or Self-developed? | self-developed | self-developed | self-developed | self-developed | self-developed | self-developed | self-developed | self-developed | self-developed |
| Number of rehabilitated units in the energy project? | 5,444 | 5,444 | 5,444 | 5,444 | 5,444 | 5,444 | 5,444 | 5,444 | 5,444 |
| Number of rehabilitated AMPs in the energy project? | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| What is Total Investment? | $26,024,925 | $26,024,925 | 26,024,925 | $26,024,925 | $26,024,925 | $26,024,925 | $26,024,925 | $111,829,997 | $111,829,997 |
| What is Total Financed? | $26,024,925 | $26,024,925 | 26,024,925 | $26,024,925 | $26,024,925 | $26,024,925 | $26,024,925 | $111,829,992 | $111,829,997 |
| What is Debt Service (Annual)? | $2,878,597 | $2,989,371 | 3,185,506 | $3,185,506 | $3,185,506 | $3,185,506 | $3,185,506 | $7,018,671 | $9,341,765 |
| What are Guaranteed Savings? | $3,143,583 | $3,143,583 | 3,143,583 | $3,143,583 | $3,143,583 | $3,143,583 | $3,143,583 | $9,465,076 | $10,101,698 |
| What are Actual Savings? | $2,651,000 | $3,180,247 | $2,893,505 | $4,347,925 | $7,549,150 | $8,478,264 | $8,994,925 | $9,674,863 | $10,101,698 |
| What is the Investment per unit? | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $20,542 | $20,542 |
| What is the Finance per unit? | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $4,780.48 | $20,542 | $20,542 |
| What is the Actual Savings per unit? | $528.77 | $584.17 | $531.50 | $798.66 | $1,386.69 | $1,557 | $1,652 | $1,739 | $1,855 |
| What is the Savings per project (AMP)? | $92,859.58 | $102,588.61 | $93,338.87 | $140,255 | $243,520.96 | $273,492 | $290,159 | $312,092 | $325,861 |
| What is the Term of the contract? | 12 years | 12 years | 12 years | 12 years | 12 years | 12 years | 12 years | 20 years (extended 8yrs) | 20 years |
| What date was the Request for Proposal issued? | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP | Self-developed did not require a RFP |
| What was Date Audit Executed? | April through June of 2004 | April through June of 2004 | April through June of 2004 | April through June of 2004 | April through June of 2004 | April through June of 2004 | April through June of 2004 | June 2004 July 2015 | July 2018 updated |
| What was Date Energy Services agreement executed? | September 28, 2007 | September 28, 2007 | September 28, 2007 | September 28, 2007 | September 28, 2007 | September 28, 2007 | September 28, 2007 | September 28, 2007 | Updated March 2018 |

| EPC Reporting Requirements | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 |
|---|---|---|---|---|---|---|---|---|---|
| What was Date Repayment starts? | December 20, 2007 | December 20, 2007 | December 20, 2007 | December 20, 2007 | December 20, 2007 | December 20, 2007 | December 20, 2007 | July 2009<br>July 2018 | July 2009<br>July 2018 |
| What Types of Energy Conservation Measures were installed at each AMP site? | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation. | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation. | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation | Mechanical systems upgrades (boilers, chillers, furnaces, a/c units), Lighting, Water saving devices (toilets, shower heads, faucets, water heaters), building automation |

## Initiative 8: Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration

Description/Impact/Update

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

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

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

*Rent Reasonableness Analysis*
Prior to implementation of the changes in the approach to rent reasonableness analyses, DCHA conducted a rent reasonableness analysis for each unit submitted for lease-up and for each rent increase that was processed. Each analysis was conducted in two (2) parts:

1. automated calculation using industry software that did not take into account District of Columbia sub-markets

2. negotiations with landlords based on the reasonable rent determination for the unit

While the automated calculation took three minutes to complete based on data entered by staff, HUD required negotiations with landlords that took approximately one hour of staff time. Looking at FY2011 data for the number of transfers/new lease-ups (2,161) alone, DCHA gained at least 2,161 hours in staff time by using MTW authority to annually establish reasonable rents by sub-market and eliminated the need for negotiations with landlords. With the staff time savings, DCHA made changes to workflow processes allowing for staff to perform other needed activities. DCHA believes that the time savings achieved here has already been realized.

*Deconcentration of Poverty*
Efforts to match payment standards in submarkets to the existing market rent is expected to increase housing choices for DCHA's voucher holders by enabling them to better afford to move into low poverty neighborhoods.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

*Rent Reasonableness—DCHA Submarkets*
In late FY2019, the Housing Choice Voucher Program began a comprehensive assessment of the flexibility provided by this initiative. The final assessment will be completed in spring of 2020. An example of a preliminary observation is the need, on a case by case basis, to conduct some contract rent negotiations with landlords. The initial flexibility included the elimination of contract rent negotiations with landlords as part of the streamlining of the rent reasonableness process made possible in part by the establishment of submarkets. Due to the fluctuating rental market in the city, staff is finding it necessary to negotiate in some cases with landlords to establish contract rents.

*Deconcentration—Moves to Opportunity*
In FY2019, DCHA set the agency's payment standards at 187% of the HUD FMRs. In October 2018, HUD published the FMRs at the 40$^{th}$ percentile for the DCHA Housing Choice Voucher Program for FY2019

which meant that the 175% of FMR no longer reached as many neighborhoods for HCVP participants to rent.[6] This increase is only applicable to certain higher rent submarkets and bedroom sizes within those submarkets. It should be noted that at 110% of the HUD FMR, voucher holders would only be able to access 15 of the city's 56 submarkets.

In FY2019, a total of 155 households moved from a high poverty-rate submarket/neighborhood cluster (poverty rate > 18%) to a lower-poverty rate submarket/ neighborhood cluster (poverty rate =< 18%. This represented 14% of the total moves by voucher holders. In addition to the increased payment standards, DCHA has mobility counselors on staff and has created the Housing Affordable Living Options (HALO) program. HALO provides an array of incentives and resources for both voucher holders and landlords with the goal of voucher holders moving to low poverty submarkets. Participation in HALO is voluntary and accessing the payment standard at 187% is not limited to only HALO participants.

In past years, DCHA reported only on households in the HALO program. For FY2019 reporting, DCHA is able to report on all moves across the federal MTW voucher portfolio. In terms of changes to data collection, DCHA had an unplanned change related to the metric regarding household moves. DCHA first used neighborhood clusters, not ward, as the geographic parameter of neighborhoods in the FY2018 Report. This gives a higher degree of specificity as the neighborhood clusters more accurately reflect the boundaries that DCHA uses to set submarket rents. For reference, DC has 8 wards and 39 neighborhood clusters.[7]

It should be noted that given the timing of the annual issuance of HUD's Fair Market Rents (FMR) for the Washington Metropolitan Area, DCHA is unable to assess the need to adjust the percentage threshold of the HUD FMR for setting payment standards until after the submission of the agency's annual MTW plans.

[6] See DCHA Resolution 18-36 at http://www.dchousing.org/docs/oqk03xjd731.pdf

[7] An additional 7 neighborhood clusters exist in DC, but they do not have residential populations and therefore do not have poverty rate detail.

Metrics

*DCHA Defined Metric(s)*

| Metric | Baseline (FY2010) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of rent reasonableness analyses conducted at lease-up and rent increase processing | 2,161 | 90% reduction | 0 conducted | Benchmark met in FY2011 |
| Staff time to conduct rent reasonableness analyses | 2,269 hours | 90% reduction | 0 hours | Benchmark met in FY2011 |
| Dollars spent on comp analysis | $6,483 ($3 per analysis x 2,161 analyses) | 90% reduction | $0–no need for third party comp analysis. All analysis is done in-house | Benchmark met in FY2011 |
| Voucher participants moving to low-poverty wards* | 107 | 3% of households served | 155 households moved from a high poverty-rate cluster (greater than 18%) to a lower-poverty rate cluster** | Benchmark Achieved |

*Changed from "ward" to "neighborhood cluster" because the poverty rate data is available at the neighborhood cluster level and it more accurately reflects geographic boundaries of DCHA submarkets.

**DCHA defines "high poverty" as areas with a poverty rate greater than the average of 18% and "low poverty" as areas with a poverty rate less than or equal to 18%.

*HUD Standard Metric(s)*[8]

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2010)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease) | Cost of task prior to implementation of the activity (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Total cost of task in dollars (decrease) $3/comparable* | $6,483 | $0 | $0 | Benchmark met as of FY2014 |

*Based on average number of yearly comparables performed (2,161) at a cost of $3/each

[8] HUD Standard Metrics were added as part of FY2014 MTW Report

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Total time to complete rent reasonable analyses in staff hours (decrease) [10 mins per analysis and baseline of 2,161 analyses performed in FY2010] | 21,610 mins/year OR 360 hours/year | 30.5 hours/year | 0 mins | Benchmark met as of FY2014 |

| Housing Choice #5 Increase in Resident Mobility | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2010)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity | Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity | Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity | Actual households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity | Whether the outcome meets or exceeds the benchmark. |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity | 107 | 3% of households served | 155 households | Benchmark Achieved |

## Initiative 11: Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties (formerly 1.10.06, 2.5.04, 3.9.12 & 22)

Description/Impact/Update

Due to the close relationship of Initiative 11 (*Applicant Intake Site Designation/ Revised Site-Based Waiting List Policies and Procedures*—formerly 1.10.06, 2.5.04) and Initiative 22 (*Housing Public Housing Residents in Service-Rich Environments*—formerly 3.9.12) with respect to the "Special Purpose" sites and "Service Rich" units, these initiatives were combined. In addition, the initiative has been renamed to better reflect the activities being undertaken.

Redeveloped Properties are mixed-finance communities owned by private entities that are created through HOPE VI or other public funding combined with private financing, which have some or all of

their units assisted by operating funds provided by DCHA. These properties have site specific in-take and waiting list management policies and procedures.

Service Rich Properties may be DCHA-owned, conventional public housing or privately owned units assisted with operating funds provided by DCHA and managed by DCHA or third parties, which provide and/or oversee the delivery of services for residents. Service Rich sites are supportive service intense sites that serve special needs populations or residents who have self-selected to pursue the goal of self-sufficiency. The site-based waiting lists at Service Rich sites 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. 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. These properties may 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—for example, Medicaid.

*Assisted Living Facility—2905 11th Street, NW (Service Rich Environments)*
DCHA completed the rehabilitation and conversion of a 14 unit building (located at 2905 11th Street, NW) to a Medicaid funded assisted living facility in FY2014. A firm with experience in managing assisted living facilities in public housing has been retained to manage the facility (Mia Senior Living Solutions). The services being provided are in compliance with the local Assisted Living statute and State Medicaid Plan for Home and Community Based Services Waivers.

Services that allow residents to avoid moving to an institution, such as a nursing home, for as long as possible will be provided on an individual basis to each resident based on an individual services plan developed in consultation with the resident after the completion of a medical and functional assessment. Examples of services to be provided include:

- Attendant Care 24 hours per day, 7 days per week by Certified Nursing Assistants
- Oversight of care by a Registered Nurse
- Transportation to and from medical appointments
- Medication Management
- Activities and counseling to maintain acuity and prevent depression and isolation
- Professionally developed Diet Plans that take into consideration all medical limitations. In accordance with diet plans, the provider will also provide nutritious meals and snacks.

In accordance with the State Medicaid Plan for Assisted Living Services under the Home and Community Based Services Waiver, residents of the Assisted Living Facility will be required to pay for these services by providing their entire income to the facility. Residents will pay the firm managing the facility directly, as with all of DCHA's mixed finance and privately managed sites. All of the residents of the facility will be Medicaid eligible and thus have incomes below the Federal Poverty Level. As the units are public housing units, the incomes of residents will be less than 80% of AMI. The Facility will allow the resident a monthly allowance ($100) for incidental living expenses, regardless of their actual income. As part of Initiative 22, DCHA will be excluding the monthly allowance from the adjusted income of the resident in the calculation of rent.

DCHA's new rent policy for the Service-Rich Environments:

1. Any amount that a family is required to pay for services provided at the Special Needs Property shall be considered to be medical expenses and shall be deducted from the family's gross income for the purposes of determining adjusted income and calculating rent. In the event that the amount calculated for rent is less than zero dollars ($0), the rent charged will be zero dollars ($0).

2. Payments or allowances to residents of Special Needs Properties for incidental living expenses shall be considered as exclusions for the purpose of calculating rent. Utilities will be paid by DCHA.

3. Participating families will not be required to pay for utilities.

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 activity will increase housing choices for low-income families. It will result in preventing institutionalization, preventing victimization that results from allowing residents to stay in unsupported living environments, increasing neighborhood stability and leveraging additional outside funds to serve the needs of our residents. DCHA will implement these provisions at 2905 11th Street, NW. Additional sites, including any additional flexibility, will be added by way of future MTW Plans for HUD approval prior to implementation.

This initiative also includes the establishment of centrally managed site-based waiting lists at DCHA's conventional Public Housing sites. To implement the site-based waiting lists at conventional Public Housing, DCHA is in the midst of undertaking a waiting list reengineering project which includes a multi-phase review and purge of its Public Housing waiting list.

The implementation of site-based waiting lists will both reduce costs and increase housing choices. Currently when a unit became available, an applicant first goes through eligibility determination. Once the applicant has been identified as eligible for the program, they are shown the available unit, which could be at any of the Public Housing properties. If the applicant turns down the first unit shown, which often happens, then the applicant goes back to the eligible applicant pool and waits for another unit. If there was another unit vacant, the applicant is shown a second unit. At this point the applicant must either accept the second unit or be removed from the waiting list (unless the applicant presents acceptable evidence of a hardship).

With the implementation of site-based waiting lists, the process to lease a vacant unit is expected to be reduced considerably. When people apply for the site-based waiting list of their choice, they will only be shown units in the properties where they want to reside. This will reduce the number of first offer rejections and reduce duplicate staff efforts. It will also increase in the household's exercising housing choice, because they will be in a position to determine in which area or property they will live, rather than having to take only what is offered.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

*Site-based Waiting Lists*

**Traditional Public Housing**
DCHA did not complete the process of establishing all site-based waiting lists for its public housing properties in FY2019. It was decided to wait to complete the site-based waiting list setup and imp mentation until after the agency implements a new management software system. Implementation of the new management software system began in late FY2019 and data is still in the process of being converted fully over to the new system. DCHA will look to complete operationalizing the site-based waiting lists by the end of FY2020. Please note that this timeline may change based on portfolio stabilization efforts that may include repositioning of some of DCHA public housing properties.

**Mixed Finance Public Housing**
The Bixby opened in 2017. Initial lease up was completed by DCHA relocation staff because prior Capper residents have priority. Once all prior Capper residents are housed, the site will begin to utilize a site-based waiting list. DCHA is in the process of establishing baseline data for metrics related to cost and time for administering site-based waiting lists.

*Special Purpose Sites/Service Rich Units*

DCHA has experienced significant challenges with the original operator of the Marigold that has impacted occupancy at the site. The contract was terminated for cause in August 2018. DCHA is working to determine if the assisted living facility is financially viable.

Metrics

*DCHA Defined Metric(s)*

| Unit of Measure | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of residents served by service rich units | 0 | 14 residents housed and served by the end of FY 2014 | 8 residents housed (15 beds) | Benchmark not met |
| 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. | $414,870 | Benchmark Achieved |

| Unit of Measure | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| # of residents that do not have to enter/stay in a nursing home/institution (residents maintaining a higher level of independence) | 0 | 14 residents housed and served by the end of FY 2014 | 8 residents housed (15 beds) | Benchmark not met |

*HUD Standard Metric(s)*

| Cost Effectiveness #4: Increases in Resources Leveraged | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Amount of funds leveraged in dollars (increase). | Amount leveraged prior to implementation of the activity (in dollars). This number may be zero. | Expected amount leveraged after implementation of the activity (in dollars) | Actual amount leveraged after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Amount of funds leveraged in dollars (increase). | $0 | $400,000 [Medicaid and Optional State Supplementation (OSS) monies that allow for provisions of service to residents] | $414,470 | Benchmark Achieved |

| Housing Choice #1: Additional Units of Housing Made Available | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of housing units made available for households at or below 80% AMI as a result of the activity (increase) **Assisted Living** | Housing units of this type prior to implementation of the activity (number) | Expected housing units of this type after implementation of the activity (number) | Actual housing units of this type after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark. |
| Number of housing units made available for households at or below 80% AMI as a result of the activity (increase) | 0 | 14 by the end of FY2014 | 8 units | Benchmark not met |

| Housing Choice #4: Displacement Prevention | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). **Assisted Living** | Households that would lose assistance/moving prior to implementation of the activity (number). | Expected households that would lose assistance/moving prior to implementation of the activity (number). | Actual that would lose assistance/moving after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). | 14 (based on units to be created) | 0 by the end of FY2014 | 8 | Benchmark not met |

| Housing Choice #7: Households Assisted by Services that Increase Housing Choice | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households receiving services aimed to increase housing choice **Assisted Living** | Households receiving this type of service prior to implementation of this activity (number). | Expected number of households receiving these services after implementation of this activity (number). | Actual number of households receiving these services after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Number of households receiving services aimed to increase housing choice— | 0 | 14 | 8 | Benchmark not met |

## Public Housing Waiting Lists[9]

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease) | Cost of task prior to implementation of the activity (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Total cost of task in dollars (decrease) **Public Housing** | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report |

[9] DCHA will establish baseline metrics in conjunction with the database software conversion and include in the FY2020 MTW Report.

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Total time to manage centralized single community waiting list in staff hours (decrease) **Public Housing** | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report | See status above To be provided in Annual FY2020/FY2021 MTW Report |

**Mixed Finance and Special Purpose Site-based Waiting Lists**

As many of the Mixed Finance and Special Purpose Site-based waiting lists were implemented prior to the new MTW reporting requirements and these HUD standard metrics were added as part of the FY2015 Plan process, the ability to measure the savings that DCHA experienced in agency costs and staff time dedicated to centrally managing these lists has passed. Moving forward with the establishment of new lists, cost and time-savings information will be provided.

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease) | Cost of task prior to implementation of the activity (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Total cost of task in dollars (decrease) **Mixed Finance Sites** | $0 | To be provided with the establishment of new site based waiting lists | To be provided with the establishment of new site based waiting lists | TBD |

* The Bixby opened in 2017. Initial lease up was completed by DCHA relocation staff because prior Capper residents have priority. Once all prior Capper residents are housed, the site will begin to utilize a site-based waiting list. Currently, the only interaction DCHA staff have with the lease-up process is to refer a Capper resident to the management company at the mixed-finance property.

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Total time to managed centralized single community waiting list in staff hours (decrease) **Mixed Finance Sites** | $0 | To be provided with the establishment of new site based waiting lists | To be provided with the establishment of new site based waiting lists | TBD |

* The Bixby opened in 2017. Initial lease up was completed by DCHA relocation staff because prior Capper residents have priority. Once all prior Capper residents are housed, the site will begin to utilize a site-based waiting list. Currently, the only interaction DCHA staff have with the lease-up process is to refer a Capper resident to the management company at the mixed-finance property.

## Initiative 12: Rent Simplification and Collections

Description/Impact/Update

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

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

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

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes

There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)

Implemented and Ongoing.

*Self-Certification of Assets*
DCHA experienced a savings in staff time dedicated to completing 3rd party verifications. However, measurable outcomes based on reduced costs and efficiencies were experienced shortly after this activity was implemented in FY2006.

Of the households that recertified in FY2019 in both the public housing and Housing Choice Voucher Program, none had asset income that exceeded $15,000.

With respect to other rent reform activities, DCHA eliminated the threshold for reporting increases in earned income between scheduled recertifications (see Initiative #4). In addition, the agency is participating in a HUD sponsored rent reform demonstration (see Initiative #28 for details).

Metrics
Since the implementation of the increased threshold for reporting assets and self-certification of assets less than $15,000 took place in FY2006, the measurable benefits are in the past—prior to the new reporting requirements under the MTW Agreement. No incremental cost benefits are expected.

*HUD Standard Metric*

| Cost Effectiveness #1: Agency Cost Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2014)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| **Cost to Determine Income from Assets** | $4,180<br>• Number of households with assets (< approx. 5% of families in both programs combined) = 836<br>• *times* the **Cost to Determine Income from Assets** ($5)<br><br>**Cost to Determine Income from Assets** is equal to: ($5—HCVP and Public Housing)<br>• Average time to verify assets, calculate income, perform quality control (10 mins) times the cost per staff hour ($31—avg for HCVP/Public Housing) | $3,971<br>(95% decrease *) | **Public Housing**<br>0 households had $15,000 or more in assets, therefore cost = $0<br><br>**Housing Choice Voucher**<br>0 households had $15,000 or more in assets, therefore cost = $0 | Benchmark Achieved |

*As this initiative was implemented in FY2006, the cost-savings has already been realized and providing baseline data from the point of implementation is not possible. As such, the baseline and benchmark data provided is based on FY2014 data.

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2014)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| **Time to Determine Income from Assets** | 8,360 mins or 139 hours **[Average time to verify assets, calculate income, perform quality control is 10 mins.]** | **750 mins or 12.5 hours** [Time to determine 9% of households with assets (75)] | 0 minutes | Benchmark Achieved |

*As this initiative was implemented in FY2006, the cost-savings has already been realized and providing baseline data from the point of implementation is not possible. As such, the baseline and benchmark data provided is based on FY2014 data.

## Initiative 16: Requirement to Correct Minor HQS Unit Condition Discrepancies—Tenant/Landlord Self-Certification

Description/Impact/Update

Housing Quality Standards (HQS) defines what "major and minor" violations are. Minor violations do not involve health or safety issues and thereby are marked as "Pass with Comments". Although HQS does not require that an agency re-inspect to insure that minor violations identified as "Pass with Comment" are addressed, DCHA wants to mandate that minor violations that are "Passed with Comment" are corrected and confirmed through the use of an Inspection Self-certification form.f-certification procedure for many years, but there were previously no consequences if the tenant or the landlord does not comply with self-certification. Whether or not the minor violations had 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.

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

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

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

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

In FY2019, no voucher participants were allowed to move/transfer without a self-certification signed by the landlord and participant confirming that minor violations were corrected. In addition, no landlords were granted a rent increase without a self-certification signed by the landlord and participant confirming that minor violations were corrected. Finally, no re-inspections were conducted for minor HQS violations.

Metrics

*HUD Standard Metric(s)*

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease). | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| Cost of performing re-inspections $75 per required re-inspection for failed minor HQS violation (average 500 fails per month) = $37,500/month or $450k | $37,500 | $0 | $0 | Benchmark Achieved |

| Cost Effectiveness #2: Staff Time Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Time it takes to conduct re-inspections for minor HQS violations | 500 hours/month | 0 hours | 0 hours | Benchmark Achieved |

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

Description/Impact/Update

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 FY2010, DCHA conducted third inspections on over 7% of its HCV units.

Prior to termination of the HAP contract (which is typically 30 days from the abatement), if the owner wants DCHA to come out for a third inspection, DCHA uses its MTW authority to charge the landlord a fee for the third inspection. The fee for the third inspection is $75.00 (originally proposed as $100.00 but lowered in consultation with DCHA Landlord Advisory Group). The fee for the inspection does not remove the abatement of the subsidy; rather, DCHA imposes 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.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes

There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)

Implemented and Ongoing.

The number of abatements decreased from 600 in FY2018 to 255 in FY2019. This represents a 58% decrease in the number of abatements performed since last year's report. Please note that upon review of system data in preparing this report, it was found that the number of annual abatements reported in FY2017 were overstated (1,167) as the data included locally funded voucher households.

There were 269 third inspections conducted in FY2019. This is very similar to last year's 274 third inspections. For reference, the number of third inspections in FY2017 was adjusted based on reporting parameters previously used to pull the data from DCHA management software system. Instead of the 659 third inspections reported in FY2017, a total of 291 third inspections were actually conducted in FY2017.

It appears that fewer landlords are utilizing the option and may speak to landlords addressing unit deficiencies to make sure a unit passes inspection before payment is abated and a third inspection is needed to reinstate the payment and stop the contract termination action. Although it was expected that both abatements and third inspections would decline overtime, additional enforcement activity where landlords are unable to address a unit deficiency (ies) and request a third inspection in order to forego contract termination may speak to the increase in abatements while third inspections decreased. The HQS Biennial Inspection initiative is on schedule. Based on the results, landlords have been

motivated to stay in good standing which has reduced the number of units in abatements and has reduced the number of third inspections.

DCHA collected $20,175 in third inspection fees during FY2019. This is very similar to the amount collected in FY2018 ($20,550). The revenues from the third inspection fees and cost savings are used to support DCHA's other MTW initiatives designed to increase housing choices and promote self-sufficiency.

Metrics

*DCHA Defined Metric(s)*

| Metric | Baseline (FY2011) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of annual abatements | 2,155 | 10% (215) reduction in abatements in initial year, with further small reductions thereafter | 255 | Benchmark Achieved |
| Number of 3rd inspections | 983 | 10% (98) reduction of number of 3rd inspections in initial year of implementation, with further small reductions thereafter | 269 | Benchmark Achieved |

*HUD Standard Metric(s)*

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease). | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| $400 per contract abatement/ termination (includes administrative cost to mail notices, process termination, issue new voucher, briefing, initial inspection of new unit, processing new move-in, new contract rent) | $862,000 (2,155—abatements/ terminations in FY2011) | $66,375 [cost to conduct 3rd party inspections in lieu of termination; based on 10% reduction in 3rd inspections - 885($75)] | $20,175 (269 3rd inspections in FY2019 @$75/each) | Benchmark Achieved |

| Cost Effectiveness #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease) | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours) | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours) | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| 3 hours<br>Time it takes to conduct contract abatement/ termination (includes administrative cost to mail notices, process termination, issue new voucher, briefing, initial inspection of new unit, processing new move-in, new contract rent) | 6,465 hours (2,155—abatements/ terminations in FY2011) | 442.5 hours (½ hour per 3rd inspection x 885 3rd inspections) | 134.5 hours (½ hour per 3rd inspection x 269 3rd inspections) | Benchmark Achieved |

*The baseline was adjusted to reflect actual cost incurred based on 3 hours to conduct a contract abatement/termination. It takes ½ hour to complete a 3rd inspections compared to 3 hours to complete an abatement/termination.

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

Description/Impact/Update

With the move to biennial recertifications for both the HCV and Public Housing programs, a longer release of information authorization was needed. Using the HUD standard Form 9886 (HUD 9886) release form, income data provided for Public Housing and Housing Choice Voucher program participants through the HUD Enterprise Income Verification (EIV) system is only accessible for . 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 lost 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 36 months instead of 15 months as long as said member remains a part of the household composition of the assisted household and the household continues to participate in a DCHA program. This form is executed for each adult member of the participating household and conforms with 24 CFR 5.230 as required to access EIV. The packet sent to each participating household at the time of re-certification contains a reminder that the authorization form was previously signed.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

Since the implementation of this initiative, DCHA has not received any audit findings related to incomplete or missing 9886 forms. As DCHA's annual audits are not complete until after the submission of the Annual MTW Report, confirmation of FY performance in this area will not be available until after this report is submitted for the reporting year. As such, DCHA is reporting on the outcome for the FY2018 independent audit.

The benchmark was met for the FY2018 MTW Report.

DCHA will report the outcome of the FY2019 audit in the FY2020 MTW Report.

Metrics

Upon review of the intent of this initiative and the metrics established, DCHA determined that the agency defined metrics did not truly represent the intended impact of this initiative. Instead, HUD Standard metric Cost Effectiveness #3—Decrease in Error Rate of Task Execution was most appropriate as the time and cost related to obtaining signatures for this form were minuscule and difficult to effectively measure.

*HUD Standard Metric(s)*

| Cost Effectiveness #3: Decrease in Error Rate of Task Execution | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average error rate in completing task as a percentage | Average error rate of task prior to implementation of the activity | Expected average error rate of task after implementation of the activity. | Actual average error rate of task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Average error rate in completing task as a percentage | 6% | 1% | 0% | Benchmark met for FY2018 (see "Status" section) |

## Initiative 20: Enhance Neighborhood Services within Public Housing Communities

Description/Impact/Update

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 for providers of services that help DCHA 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 services 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 designated 61 units as MTW Neighborhood Service Units to provide space to organizations providing a range of services. The 48 units on the top two floors of Sibley Plaza a Mixed Population elderly/ disabled community are used by Safe Haven, Inc. a local faith-based nonprofit, to provide meals, drug treatment, counseling, health care services and transitional housing to residents of the transitional housing and to members of the larger community.

Ontario Road, a component of the Sibley Family asset management project, has 13 units that are used to provide transitional housing for veterans participating in the Compensated Work Therapy program through the local VA hospital.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes

There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)

Implemented and Ongoing.

During FY2019, the Safe Haven program produced 325 graduates and on average, served 31 program residents each month. Out of the 325 graduates, approximately 78% obtained employment. In addition, 85 - 90 % received stable housing via Safe Haven Outreach Ministry, Inc. by referring/outsourcing with other housing entities in the community.

While there was a reduction in the funds leveraged from FY2017 to FY2018, this year the program leveraged $1,082,989 in funds. Similar to FY2018, Safe Haven was solely funded by one local city agency. In past years, the program has experienced funding support from multiple sources. The physical space at Safe Haven benefitted from repairs and they were able to refer clients during all months in FY2019.

Metrics

*DCHA Defined Metric(s)*

| Metric | Baseline (FY2011) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of residents served by MTW Neighborhood Service Units | 0 | At least 30 program residents served per service provider | Safe Haven served an average of 31 program residents a month | Benchmark Achieved |

*HUD Standard Metric(s)*

| Self Sufficiency #5: Households Assisted by Services that Increase Self Sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households receiving services aimed to increase self-sufficiency (increase) | Households receiving self-sufficiency services prior to implementation of the activity (number) | Expected number of households receiving self-sufficiency services after implementation of the activity (number) | Actual number of households receiving self-sufficiency services after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark |
| Number of households receiving services aimed to increase self-sufficiency (increase)—**Safe Haven** | 0 | At least 30 program residents served per service provider/month | An average of 31 program residents received services a month | Benchmark Achieved |

| Cost Effectiveness #4: Increase in Resources Leveraged | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Amount of funds leveraged (increase) | Amount leveraged prior to implementation of the activity (in dollars) | Expected amount leveraged after implementation of the activity (in dollars) | Actual amount leveraged after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark |
| Resources leveraged—**Safe Haven** | $0 | $1,735,920 (30 residents served/month) | $1,082,989 (resources leveraged for clients in FY2019 | Benchmark not met |

| Self-Sufficiency #8: Households Transitioned to Self-sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (increase). | Households transitioned to self-sufficiency prior to implementation of the activity (number). This number may be zero. | Expected households transitioned to self-sufficiency after implementation of the activity (number). | Actual households transitioned to self-sufficiency after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Number of households transitioned to self-sufficiency (increase)—graduated from **Safe Haven** | 0 | 120 graduates/year | 325 graduates | Benchmark Achieved |

| Housing Choice #7: Households Assisted by Services that Increase Housing Choice | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (increase). | Households receiving these types of services prior to implementation of the activity (number) | Expected number of households receiving these types of services after implementation of the activity (number) | Actual expected number of households receiving these types of services after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Number of households receiving services aimed to increase housing choice (increase)—**Safe Haven** | 0 | At least 30 residents served per service provider/month | An average of 31 residents received services a month | Benchmark Achieved |

## Initiative 23: Encourage the Integration of Public Housing Units into Overall HOPE VI Communities

Description/Impact/Update

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.

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 what is allowable, there would be no financial impact on DCHA or the property.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

A total of 48 persons were reported as participating in a resident association meeting in FY2019. However, detailed information for governance activities and events was not available in a format that differentiates between market rate homeowners and DCHA residents. DCHA is working with the HOTAs on formalizing an ongoing reporting process to ensure consistent data reporting.

There were no new REAC inspections during FY2019, so DCHA is not able to report on this metric.

Metrics
*DCHA Defined Metrics*

| Metric | Baseline (FY2011) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of community-wide events sponsored by HOTAs | 0 | At least 2 community-wide events annually | 3 community-wide events held | Benchmark Achieved |

| Metric | Baseline (FY2011) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| 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 | N/A<br><br>(No new REAC inspections conducted in FY2019) | Benchmark not met |

*HUD Defined Metrics*

| Self Sufficiency #8: Households Transitioned to Self Sufficiency | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (participating in community governance activities and events) | Households transitioned to self-sufficiency (participating in community governance activities and events) | Expected households transitioned to self-sufficiency (participating in community governance activities and events) after implementation of the activity (number) | Actual number of households transitioned to self-sufficiency (participating in community governance activities and events) after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark. |
| Number of households participating in community governance activities and events | 0 | Up to 40 residents | 48 residents | Benchmark Achieved |

*Includes all participating residents. Data not available that differentiates between public housing and market-rent/homeownership resident participation.

## Initiative 24: Simplified Utility Allowance Schedule

Description/Impact/Update

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

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

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

Based on current utility rates the proposed schedule is below:

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

Anticipated Impact(s)

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

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

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

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

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

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

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

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

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

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented.

Local regulations governing the new policy are in place. Implementation began in late FY2014 to coincide with the regular biennial recertification schedule.

All of the households in the program at the time the new policy was implemented have transitioned to the simplified utility allowance schedule. None of the households that experienced a $25 or more decrease in their utility allowance requested a hardship waiver. It should be noted that not meeting the benchmark for requested waivers should not be considered a failure of the policy, but provides insight into a household's ability to absorb the additional costs incurred with the decrease in their utility allowance. In addition, over the years the policy appears to have been revenue neutral as the only increases in total payments made does not exceed annual inflation.

DCHA has met or exceeded many of the initiative benchmarks. In some cases, as discussed above, not meeting the benchmark actually speaks to the ability of participants to successfully transition to the new policy.

Metrics

*DCHA Defined Metric(s)*

| Metrics | Baseline (FY2014) | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Total allowances | 35,187 UAP Checks ($6.10M) | Annual increase in line with inflation every year after initial implementation (Cost neutral) | 5,406,515 | Benchmark Achieved |
| Hardship Waivers Requested | 0 | 150 per year for three year transition | 0 | Benchmark Achieved (see "Status" above for discussion) |
| Hardship Waivers Granted | 0 | 75% of those requested | 0 | Benchmark Achieved (see "Status" above for discussion) |

*HUD Standard Metric(s)*

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease). | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| Cost of performing briefings to describe utility allowance calculation | $1,584 30 minutes per briefing * 8 briefings per month = 48 hours per year times $33/hour | $792 Reduction of 50% (15 minutes per briefing) by the end FY2013 (or the end of the year in which the initiative is initiated) | $257 Reduction to 5 minutes per briefing | Benchmark Achieved |
| Cost of processing utility allowances (time per utility allowance calculation times number of calculations) | $5,178 1 minute * 9,415 recerts = 157 hours per year*$33/hour | $2,589 Reduction in time to process of 50% (30 seconds) by the end FY2013 (or the end of the year in which the initiative is initiated) | 0 There is no longer a need for Specialist to spend time on this activity. | Benchmark Achieved |

| Cost Effectiveness #2: Staff Time Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours). | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours). | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Staff time to perform briefings to describe utility allowance calculation | 48 hours<br>30 minutes per briefing * 8 briefings per month | 24 hours<br>Reduction of 50% (15 minutes) by the end FY2013 (or the end of the year in which the initiative is initiated) | 15.6 hours | Benchmark Achieved |
| Staff time to process utility allowances (time per utility allowance calculation times number of calculations) | 157 hours<br>1 minute * 9,415 recerts | 78.46 hours<br>Reduction of 50% (30 seconds) by the end FY2013 (or the end of the year in which the initiative is initiated) | 0 | Benchmark Achieved |

| Cost Effectiveness #3: Decrease in Error Rate of Task Execution | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2011)** | **Benchmark** | **Outcome (FY2019)(FY2019)** | **Benchmark Achieved?** |
| Average error rate in completing task as a percentage | Average error rate of task prior to implementation of the activity | Expected average error rate of task after implementation of the activity (in hours). | Actual average error rate of task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Average error rate in completing task as a percentage | 20% | 1% | Not Available | Not Available |

*DCHA is unable to provide error rate data. The data is no longer available.

Rent Reform Information

1. Agency's Board of Approval of Policy: Before implementing the simplified utility allowance schedule, the Board will approve the updated required local regulations. The approval of the initiative was part of the approval of the 2013 MTW Plan.

2. Impact Analysis: See discussion of impact above.

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

   *In FY2019, there were no requests for a hardship related to this policy change. Please note that all HCVP families on the old schedule were transitioned to the new schedule within the first few years of implementation. See "Status" section above for additional information.*

4. Hardship case criteria: Any family whose utility allowance changes by more than $25 AND the change is more than 10% of the household's adjusted monthly income as a result of this policy may request a hardship waiver. To qualify for the waiver, the head of household must provide documentation that their average utility bills for the past six months exceeded their simplified

utility allowance. A household who meets these criteria will be provided a six month utility allowance waiver and the utility allowance will be set at the lower of the previous utility allowance or their average utility bills from the past six months. The household will be provided an emergency transfer voucher. At the end of six months, if the household has not moved, the simplified utility allowance will be applied.

5. Transition period: To transition participants to the simplified utility allowance schedule, DCHA will provide advance notice to affected families and advise them of their right to request a hardship claim. The simplified utility allowance schedule will be used in the rent calculation at a family's next recertification, interim recertification, or move after adequate advance notice has been provided.

## Initiative 25: Local Blended Subsidy

Description/Impact/Update

For over a decade, DCHA has undertaken an aggressive redevelopment program to both replace and revitalize its public housing. As DCHA continues its efforts to replace units demolished and disposed of, as well as reconstruct existing functionally and physically obsolete housing, it intends to use its MTW authority to improve its ability to leverage public and private investment in order to meet its capital improvement needs. With diminished appropriations to support the management, operation and long term capital replacement requirements of public housing, it is critical that effective approaches to financing development and redevelopment of public housing communities be created to replace losses in public funding. Accordingly, DCHA proposes in certain cases to blend its MTW section 8 and public housing funds to subsidize units reserved for families earning at or below 80 percent of Area Median Income (AMI). This is done to create an operating expense level which is adequate to provide essential operating services while also supporting debt to meet capital needs in a manner structured to maximize the amount of equity (primarily through Low Income Housing Tax Credits "LIHTCs") available to redevelop or replace public housing with minimal public housing capital funds. Public housing authorities have long used Project Based Vouchers (PBVs) in a similar manner, but DCHA proposes using a more efficient, effective and targeted approach using MTW authority through a Local Blended Subsidy (LBS) Program.

DCHA is flexible in its approach to using LBS to both upgrade and redevelop certain existing public housing sites, as well as to create new replacement housing. The LBS is targeted to developments where the units require a subsidy level other than that available through the traditional public housing program and/or would experience operational and administrative inefficiencies due to a the combination of different housing types.

As a part of the analysis, DCHA reviews comparable properties to assist in determining budgets that are reasonable and appropriate for the housing being operated as well as the characteristics of the households being served. The approach is to structure the LBS where it uses comparable standards which approximate the PBV program and/or offer a total expense level which creates no "overhang" in the total aggregate amount of MTW funds being provided (compared to LIHTC and/or market rent levels) so as to minimize reserve requirements while maximizing permanent debt and equity commitments as well as in some cases, the level of cross subsidization from privately financed unassisted units within the same development. The high amount of leverage obtained for these

redevelopment projects is evidenced in the financing proposals submitted to HUD which also reflects that LBS is being used in a manner which minimizes risk to DCHA.

DCHA recognizes any project for which LBS is utilized will need to be subjected to a Subsidy Layering Review (SLR) or other appropriate analysis by HUD. Given DCHA's experience with The Lofts and Highland, DCHA is confident that any future projects will meet HUD's subsidy layering review and analysis requirements.

DCHA has developed an extraordinary capability in the development and redevelopment of its public and assisted housing. It intends to pursue both co-development (with private and non-profit partners) and self-development using LBS. In pursuing these types of programs, DCHA has and will continue to develop direct relationships with lenders and investors. Moreover, in making commitments for these projects, DCHA has developed a formalized structure for minimizing any risks in these transactions to DCHA through an effective use of affiliates (instrumentalities) in the development and ownership structure. Further, to help insure the integrity and transparency of this process, DCHA has instituted a formal review process that is overseen by an investment committee which approves each of these types of development transactions whether or not LBS is utilized.

DCHA understands the following as it relates to the key aspects of utilizing MTW authority in this way:

- The authority to combine subsidies would only last through the term of the MTW Agreement which is currently set to expire, unless it is extended. If the MTW Agreement expires, DCHA will work with HUD pursuant to the MTW Agreement to have this initiative extended; commit to convert the projects to traditional public housing or seek to covert some or all of the units to PBVs; or utilize the Rental Assistance Demonstration (RAD) or similarly structured program permitted by HUD.

- DCHA ensures all financial partners are aware of the subsidy structure and the implications of using this financial model. This would be evidenced in the financing documents as appropriate or a signed document.

- DCHA is subject to the traditional process required under 24 CFR Part 941 and anticipates that any debt structure would be subject to HUD review as HUD deems appropriate. DCHA further understands that LBS would have an impact on the Replacement Housing Factor (RHF) funds received and there are limitations for using capital funds for debt service.

- Where LBS results in adding public housing units, this would increase the agency baseline.

- If subsidies are combined within one unit, the unit would be considered public housing for purposes of regulatory compliance.

DCHA's LBS is intended to increase housing choice for low income families and to provide housing of improved quality and type for low income families.

*Initial Projects Completed Using LBS*

- **Lofts at Capitol Quarter**
  No public housing capital funds were used to create the 39 units of new replacement public housing units to be operated in accordance with public housing requirements. The total development cost of this project was approximately $12 million fully covered with a capital contribution from the market component of $2.5 million, approximately a $5.4 million permanent loan from Citi Community Capital and approximately $4 million in tax credit equity from RBC. The leverage on the Lofts at Capitol Quarter is evidenced by a permanent loan and the capital contribution to the construction cost of the affordable units from the market component.

  DCHA provided supplemental MTW Block Grant funding which will fund the difference between an amount not to exceed 110% of area wide FMR and the total expense level computed in accordance with the Operating Fund Rule. Specifically, the terms for this project provide that the DCHA provide MTW funds up to an expenses level equal to 110% of FMR or the amount needed to cover operating costs, debt service, incentive management fee and required reserves (i.e., replacement reserves), whichever is less. Moreover, any excess funds will be returned to DCHA based on an annual audit and true up. Any program income generated by the affordable units is used for MTW purposes. The estimated MTW block grant funds needed on an annual basis is just over $400,000 which is covered by the cash flow to be earned by DCHA on the market component of this project as evidenced in the Rental Term Sheet provided to HUD.

  With respect to the LBS used on the Lofts, the funding equates to approximately 32 fewer vouchers being utilized. Cash flow on the market units in this project is expected to be realized after the first year of utilizing LBS. At that point, the revenue will eliminate the need for LBS and those funds will be available to assist additional families.

- **Highland Dwellings**
  Work at Highland consisted of a combination of rehabilitation and new construction of 208 low-income units where between 70-75% of the capital funds were generated through private debt and equity. The total development cost for this project was approximately $62 million and the debt and equity raised using LBS was over $46 million (consisting of a permanent loan from CapitalOne of approximately $21.6 million and tax credit equity of approximately $25 million from Wells Fargo).

  Similar to the Lofts, Highland did not use MTW funds for capital costs, but MTW Block Grant funds are used to supplement funds available for the 208 ACC units through the Operating Fund Rule. The estimated annual MTW Block Grant funds are approximately $1.7 million (as indicated in the Rental Term Sheet submitted to HUD for this project). The amount of MTW Block Grant funds is essentially equal to the amount previously modeled when the project was proposed to be 125 ACC units and 83 PBV units. This enabled DCHA to obtain subsidy for all units under ACC while providing no more funds than would have been provided as HAP funds using its MTW Block Grant. This was done as the previous method for financing the project was tremendously inefficient as it layered an extreme overhang for the PBV units creating millions of dollars in investor reserve requirements over and above that required using LBS, while generating significantly less tax credit equity and debt financing. Thus, LBS enabled the project to be redeveloped in a much more comprehensive manner. For example, rather than up to $3 million

in affordability reserves being required, there was only $1 million required by investors. As opposed to generating approximately $24 million in debt and equity, the project generated over $46 million. The rents levels can be up to 110% of FMR; however, rent levels are modeled at an amount approximating Low Income Tax Credit (LIHTC) rents, which are well below 110% of FMR. Therefore, DCHA has and intends to use its LBS authorization in a manner that maximizes funds for its redevelopment while minimizing the funds required to achieve needed investor and debt contributions.

The LBS used on Highland equated to 83 fewer utilized vouchers. This has given DCHA the ability to preserve existing public housing with this private capital infusion and frees-up future capital funds due to the properties self-sufficiency with meeting its capital needs. In addition, this has given DCHA the ability to utilize its capital funds from Highland to serve an additional 40 families.

This development is operated in accordance with public housing requirements.

This activity increases housing choice for low-income families by allowing DCHA to both add and maintain financially viable, subsidized units and leverage additional private resources to expand housing opportunities.

**Planned Significant Changes for FY2019**[10]

DCHA intends to build upon the success of the LBS initiative by embarking on a comprehensive redevelopment of Park Morton which is part of the District of Columbia's New Communities Initiative.

The expanded initiative is to consist of certain key non-MTW components:

1) Submission of a disposition application for the Park Morton site while 90 replacement units are being planned for the adjacent site which was the location of a former school (Bruce Monroe).
2) Seek disposition approval based on obsolescence and request replacement Tenant Protection Vouchers (TPVs) which will be used for relocation of existing residents (who choose not to relocate to another DCHA public housing development), with the remainder of the unused HAP funds (along with other needed funds) as MTW Block Grant to support a rent structure which approximates Fair Market Rents (FMRs).
3) Request that it be permitted to access the same number of units (147) through DCHA's Faircloth cap. With this ACC subsidy, help support the long term financial assistance needed to secure private loan and tax credit equity financing.
4) As soon as permissible (following entry of the units into PIC and DOFA), DCHA will seek to convert the LBS units to RAD assistance, if possible, at or prior to the conversion of the applicable project component to permanent loan financing. This method will permit the DCHA to create more assisted units and to attract significant amounts of leveraged financing as was demonstrated at the Bixby and Highland Dwellings sites using LBS.

[10] As submitted in FY2019 MTW Plan

As in the initial use of this initiative, DCHA recognizes any project for which LBS is utilized will need to be subjected to a Subsidy Layering Review (SLR) or other appropriate analysis by HUD. Given DCHA's experience with The Lofts and Highland, the agency is confident that any future projects will meet HUD's subsidy layering review and analysis requirements.

As DCHA pursues its LBS program for Bruce Monroe/Park Morton, it will actively assess the applicability of the above approach for its Kenilworth Courts Phase I development initiative which is seeking to replace 118 public housing units as a part of a total 167 unit redevelopment plan. Similar to Park Morton, DCHA will seek to convert as soon as permissible the 118 replacement units to RAD. If this path continues in a successful manner, this opportunity will also be considered for the redevelopment of Barry Farm where a minimum of 344 new replacement units out of the total 444 units at the site will be developed with affordable and market rate housing (100 replacement units have already been developed at Matthews Memorial and Sheridan Station).

Statutory Objective(s)

- Increasing housing choices for low-income families

Anticipated Impacts

DCHA's LBS is intended to increase housing choice for low income families and to provide housing of improved quality and type for low income families. Through LBS, DCHA intends to reduce the cost of developing and redeveloping housing to the public housing program. Bruce Monroe and Park Morton are the first projects proposed under the modification of this initiative—two sites that are a part of the overall redevelopment of the Park Morton public housing community. Bruce Monroe is an off-site parcel of land owned by the District of Columbia that was identified for building replacement housing for families who currently live at Park Morton. Bruce Monroe is the 1st phase of redevelopment of Park Morton. The following describes the project, including cost implications:

- **Bruce Monroe and Park Morton—**For all new construction, it is intended that no public housing capital funds will be used to create the new replacement housing units to be operated in accordance with public housing requirements. The total development cost of Bruce Monroe is $134 million with capital subsidy provided from the District of Columbia and the balance leveraged from Low Income Tax Credit equity and permanent debt. The overall development of 198 units includes: 90 public housing units; 111 Low Income Housing Tax Credit units; and 72 market rate units. At Park Morton, the development of 189 units will consists of 57 replacement public housing units, 44 moderate/affordable units, and 88 market rate units.

This activity increases housing choice for low-income families by allowing DCHA to maintain financially viable, subsidized units and leverage additional private resources to expand housing opportunities. With respect to the project(s) to be implemented under DCHA's LBS program, DCHA does not anticipate adversely impacting the overall families served by the agency or the agency's ability to continue meeting its baseline obligations. Ninety (90) new units of public housing will be created at Bruce Monroe while an additional 57 replacement units will be developed at Park Morton. The LBS used at Park Morton equates to 90 fewer utilized vouchers. This will give DCHA the ability to preserve existing public housing with this private capital infusion and will free-up capital funds due to property self-sufficiency with meeting its capital

needs. In addition, this gives DCHA the ability to utilize capital and PBV funding to serve other families.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented and Ongoing.

Nothing to report pertaining to the metrics for the flexibility. Will provide a brief update in the FY2021 MTW Plan.

Metrics
In addition to the DCHA established metrics, DCHA adopted the HUD standard metric(s) listed below for this initiative. Two DCHA defined metrics were in line with two HUD standard metrics (funds leveraged and units of affordable housing preserved). Both are now included as part of the HUD standard metrics for this initiative.

*DCHA Defined Metrics*

| Metrics | Baseline (FY2019) | Benchmark | Outcome | Benchmark Achieved? |
|---|---|---|---|---|
| New Public Housing Units created through this initiative | 0 | 147 ACC units at Bruce Monroe and Park Morton | TBD | TBD |
| Number of former Public Housing households that remain in units | 0 | 147 Park Morton Households | TBD | TBD |
| Increase in Debt and Equity **Bruce Monroe** | $0 | Additional $13 million in debt for Bruce Monroe | TBD | TBD |
| Increase in Debt and Equity **Park Morton** | $0 | $ 47,000,000 (Debt & Equity combined) | TBD | TBD |
| Cost Savings to the Project (as compared to using PBVs for Highland Dwellings) | $0 | 33% reduction in affordability reserves | TBD | TBD |

*HUD Standard Metric(s)*

| Cost Effectiveness #4: Increase in Resources Leveraged | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2014)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Amount of funds leveraged in dollars (increase) | Amount leveraged prior to implementation of the activity (in dollars). | Expected amount leveraged after implementation of the activity (in dollars) | Actual amount leveraged after implementation of activity (in dollars) | Whether the outcome meets or exceeds the benchmark |
| Amount of Funds Leveraged in dollars (Increases) | $0 | $13,012,427 | TBD | TBD |

| Housing Choice #1: Additional Units of Housing Made Available | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2014)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of new housing units made available for households at or below 80% of AMI as a result of the activity (increase). | Housing units of this type prior to implementation of the activity (number). | Expected housing units of this type after implementation of this activity | Actual housing units of this type after the implementation of the activity | Whether the outcome meets or exceeds the benchmark |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available Increase **LIHTC Units** | 0 | 155 | TBD | TBD |

| Housing Choice #5: Increase in Resident Mobility | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (FY2014)** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase) | Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number) | Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number) | Actual increase in households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number) | Whether the outcome meets or exceeds the benchmark |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase) **Bruce Monroe** | 90 | 90 | TBD | TBD |

## Initiative 28: Rent Reform Demonstration (HCVP)

**Introduction**

The District of Columbia Housing Authority (DCHA) has been selected to participate in a demonstration commissioned by the U.S. Department of Housing and Urban Development (HUD) to evaluate a Housing Choice Voucher (HCV) alternative rent reform policy (the "Demonstration"). MDRC, a nonprofit and nonpartisan education and social policy research organization, is conducting the Demonstration on behalf of HUD. The Demonstration sets forth alternative rent calculation and recertification strategies that will be implemented at several public housing authorities across the country in order to fully test the policies nationally.

The goals of this alternative rent policy are to:

- Create a stronger financial incentive for tenants to work and advance toward self-sufficiency
- Simplify the administration of the HCV Program
- Reduce housing agency administrative burden and costs
- Improve accuracy and compliance of program administration
- Remain cost neutral or generate savings in HAP expenditures relative to expenditures under traditional rules
- Improve transparency of the program requirements

A computer generated program will randomly select the participants for the Demonstration from the pool of eligible vouchers. The Study Group vouchers will be managed using the proposed policies. The Control Group will be managed using the existing policies. A total of 2,000 families will be selected to participate—1,000 will be a part of the Study Group and 1,000 will be a part of the Control Group. Eligible participants will include only those with vouchers that are administered under the Moving to Work (MTW) Program. Non-MTW Vouchers (i.e., Veterans Affairs Supportive Housing, Moderate Rehabilitation, and Shelter Plus Care), Enhanced Vouchers, and HUD Project Based Vouchers are excluded from the Demonstration. Additionally, the Demonstration is focused on work-able populations and will not include Elderly Households; Disabled Households, and households headed by people older than 56 years of age (who will become seniors during the course of the long-term demonstration). Households currently participating in Family Self-sufficiency and Homeownership programs will not be included in the Demonstration. Households that contain a mix of members with an immigration status that is eligible for housing assistance and immigration status that is not eligible for housing assistance would not be included in the Demonstration. Finally, families currently receiving a child care deduction will not be included in the Demonstration.

**Description of Rent Reform Components**

The Demonstration is designed to test an alternative strategy to standard HUD operating rules for the HCV program. The proposed alternative rent policies will include the following five key features:

1) Simplify income determination and rent calculation of the household's Total Tenant Payment (TTP) and subsidy amount by:
   a) Eliminating deductions and allowances,
   b) Changing the percent of income from 30% of adjusted income to a maximum of 28% of gross income,

c) Ignoring income from assets when the asset value is less than $25,000,
d) Using retrospective income, i.e., 12-month "look-back" period and, in some cases, current/anticipated income in estimating a household's TTP and subsidy, and
e) Capping the maximum initial rent burden at 40% of current gross monthly income.

2) Conduct triennial income recertification rather than biennial recertification with provisions for interim recertification and hardship remedies if income decreases.

3) Streamline interim recertifications to eliminate income review for most household composition changes and moves to new units.

4) Require the Family Share is the greater of TTP (see #1 above) or the minimum rent of $75. A portion of the Family Share will be paid directly to the landlord.

5) Simplify the policy for determining utility allowances.

Additionally, the Demonstration will offer appropriate hardship protections to prevent any Demonstration Study Group member from being unduly impacted as discussed in Section V below.

**Description of the Rent Reform Activity**

1) Simplified Income Determination and Rent Calculation

Under the current HUD regulations, the TTP is a calculation derived from the voucher household's 30% adjusted monthly income (gross income less HUD prescribed deductions and allowances). DCHA follows a process of interviewing the household to identify all sources of income and assets (when assets are $15,000 or more), then proceeds to verify the information and perform the final calculation. The process is complex and cumbersome, which increases the risk of errors. According to HUD's Occupancy Handbook, Chapter 5 "Determining Income and Calculating Rent," the most frequent errors found across PHA's are: Voucher holders failing to fully disclose income information; errors in identifying required income exclusions; and incorrect calculations of deductions often resulting from failure to obtain third-party verification. The complexity makes the HCV program less transparent and understandable by the public, landlords, and voucher holders.

a) Elimination of Deductions

A new method of calculation is proposed under the Demonstration, which eliminates the calculation of deductions and allowances in the determination of annual income

b) Percent Annual Gross Income

The TTP rent calculation will be determined by establishing gross annual income and then determining the greater of 28% of the gross annual income or the minimum rent of $75.

c) Elimination of Income from Assets Valued Less than $25,000

Elimination of the verification and calculation of income earned from household assets valued less than $25,000. Households would not be required to document assets worth less than that amount. This may further reduce administrative costs and simplify the program for greater transparency and program compliance beyond the

costs savings realized with the previous implementation of another approved MTW activity in which income from assets valued at less than $15,000 (based on tenant self-certification) are not included in the calculation of income.

d) Review of Retrospective Income
To establish annual gross income for the three year recertification period, DCHA will review the total household income without deductions for the twelve-month period prior to recertification, i.e., the "Retrospective Income." A household's annual gross income will depend on its *Retrospective Income* during a 12-month "look back" period.

At initial recertification, the point Study Group participants initially enter the Demonstration, if a household's current/anticipated income is less than its retrospective income by more than 10%, a "temporary" TTP based on current income alone will be set for a six-month grace period. After that grace period, the TTP will automatically be switched to the TTP amount based on the previously determined average retrospective income. No interim recertification interview would be required to reset this TTP.

e) Capping the Initial Maximum Rent Burden
HUD places a rent maximum for households moving into a new unit under the Housing Choice Voucher subsidy. This maximum rent burden is determined to be 40% of the household's adjusted annual income. However, under the HUD Rent Reform Demonstration, DCHA will no longer be adjusting household income using deductions and allowances. The household must not pay more than 40 percent of gross current monthly income for the family share when the family first receives voucher assistance in a particular unit. (This maximum rent burden requirement is not applicable at interim recertification if the family stays in place.)

2) Triennial Certifications
DCHA currently performs recertification of HCV households on a biennial basis. The triennial certification will review program eligibility, household composition, income and other household circumstances. Interim recertifications may be required for changes in the household situation such as: composition, income, and change in unit.

DCHA proposes performing recertification of Study Group participants every third year (triennial). The triennial recertification will review program eligibility, household composition, current income and income over the past twelve months ("retrospective income"), unit information and shall set the TTP and the household share of the rent. The TTP for the Study Group will remain in effect during the three year recertification period, with some exceptions related to decreases in income and changes in household.

Under the alternative rent policy, a household's annual gross income will be determined using its reported (and verified) *retrospective income* during a 12-month "look-back" period. In this calculation, gross income will exclude any prior income from sources that have expired for the household during that period, such as TANF or Unemployment Insurance benefits, since the household can no longer count on them. It will include imputed welfare income in the same manner as current calculations.

If the household has an increase in income between scheduled recertifications, the household's TTP will not be re-determined and increased to reflect the higher income. However, if the household has a decrease in income, the household may request and DCHA may provide an interim recertification or other remedies under the hardship process (see Hardship Policy section below). The interim recertification will be conducted when a household has a reduction of income of more than 10% from the retrospective income.

a) DCHA interim recertification will re-calculate the household annual gross income based on a new retrospective income review to determine the greater of 28% gross income or the minimum rent of $75. This new annual gross income will establish the TTP that will remain in effect until the sooner of the next triennial recertification or a tenant requested interim recertification. The tenant may only request one interim recertification per year. The year period during which only one interim is permitted begins on the effective date of the triennial recertification and ends 12 months later.

b) At the triennial recertification at the beginning of the three-year period (and at subsequent triennials), if a household's current/anticipated gross income is less than its retrospective income by more than 10%, the current gross income alone will be used to create a "temporary" TTP for a six-month grace period. After that grace period, the TTP will automatically be switched to the TTP amount based on the previously determined average retrospective income. No interim recertification interview would be required to reset this TTP.

c) The Study Group will be allowed one request per year for an interim recertification to reset their TTP. The year will last twelve months from the effective date of the recertification. The year period during which only one interim recertification is permitted begins on the effective date of the triennial recertification and ends 12 months later. The TTP will only be reset if a household's new retrospective monthly income (at the time of the request) is more than 10% lower than its most recent prior retrospective monthly income. If the limit on interim recertification presents a hardship, the household will need to apply for a Hardship Exemption (See Hardship Policy section below).

3) Streamline Interim Recertifications

DCHA will institute a streamlined interim recertification process for the Study Group to report change of circumstance that does not require adjustment in subsidy. For these events, DCHA will not request income information. These events include:

a) Changes to household composition. The Study Group must report both additions and removal of members to the household to DCHA to determine program eligibility and other HUD required reporting (e.g. deceased tenant reporting). However, unless the addition of an adult member changes the voucher bedroom size appropriate for the household composition to prevent overcrowding or over-housing, DCHA will not request income information for the new household member until the next scheduled triennial certification.

If the loss of a household member results in a reduction of more than 10% of the most recent retrospective income, the household will be allowed to reset their TTP.

In the event that the new or removed member requires a change to the voucher bedroom size, DCHA will review the retrospective income of the newly added or removed household members, apply a new utility allowance, and will reset the household TTP. A reduction in subsidy for new voucher bedroom size will be implemented when the current lease ends and new lease begins.

Changes to household composition will not be counted towards the limit of one requested interim certification per year.

b) Change of unit. Households seeking to move to a new unit will submit a request for move pursuant to current procedures. For households that move to more expensive units during three-year period, DCHA will absorb the higher contract rent costs up to the lesser of the gross rent or the payment standard, which is consistent with traditional rent rules. However, unless the request for move is due to a change in household composition, DCHA will not request income information or reset the household TTP until the sooner of the next scheduled triennial recertification or tenant requested interim recertification to reset TTP. DCHA will apply new utility allowance schedule, if any, to the household at the new lease effective date.

c) Changes in Utility Allowances. When utility schedules are updated to reflect rate changes, utility allowances, and utility allowance payments (UAPs) will be adjusted only when HAP subsidies or TTPs are recalculated for other reasons. More specifically, updated utility schedules will be applied when households:
- Change their contract rent,
- Recertify and the TTP is recalculated during interim or triennial,
- Move to new units, or
- Change their household composition requiring a change in voucher size.

4) Minimum Rent to Owner

Currently, HUD does not require minimum rents paid by the voucher holder to the landlord. DCHA is proposing that the Study Group members will be required to make a minimum payment of at least $75 direct to the HCV landlord in addition to DCHA's portion of rent (Housing Assistance Payment "HAP"). The total amount of rent will equal the contract rent established in the lease. This policy mirrors the market system of tenants paying owners directly and creates a closer relationship and sense of responsibility for both the leaseholder HCV household and the property owner.

The amount of rent to owner a Study Group household will pay is equal to their TTP less the Utility Allowance. A Study Group household rent to owner will not be less than the minimum rent. In the event that the Study Group household TTP, less the Utility Allowance, is less than the minimum rent, the household will pay the Owner the minimum rent and DCHA will reimburse the household the balance of the Utility Allowance. However, in the event that the minimum rent to owner exceeds 40% of the household current anticipated gross income, the household may request a Hardship Exemption as detailed in Hardship Policy Section below.

5) Simplified Utility Allowance Schedule

Currently, DCHA annually reviews and periodically re-establishes a Utility Allowance Schedule which represents the reasonable expectation of costs for utilities as part of the tenant's lease.

The utility allowance is based on utility surveys and analysis of the type of structure, bedroom size, appliances provided by tenant, and type of appliances (gas/electric). The simplified schedule is based on the analysis of data collected from DCHA's existing HCV portfolio including the most common structure and utility types. This new utility allowance schedule will be implemented upon the triennial certification or change of unit.

DCHA proposes a simplified schedule to reduce administrative costs and reduce errors associated with the traditional method of applying the Utility Allowance Schedule. The simplified Utility Allowance Schedule is also anticipated to benefit property owners who will have a more accurate understanding of the total gross rent to be applied to their properties and to the Study Group members who will be able to use this new schedule to clarify gross rent in their selection of housing units.

This schedule will be applied to the lesser of: the actual size of the unit or the size of the voucher rather than the larger of the actual unit size or the voucher size. DCHA will continue to use current market consumption data to determine when adjustments to the simplified schedule are needed (upon change of more than 10% in rates).

**Proposed Flat Utility Allowance**

| Utility Allowances | | # of Bedrooms | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| Base rate for all unit types | | $89 | $120 | $152 | $183 | $239 | $280 | $322 |
| Potential Add-ons | Water & Sewer | $28 | $57 | $84 | $112 | $141 | $196 | $225 |
| | Electric or Oil Heat | $48 | $64 | $80 | $96 | $140 | $159 | $183 |

**Achieving Statutory Objectives**

1) **MTW Objective: To reduce administrative cost and achieve greater costs effectiveness in Federal expenditures.**

a) Simplified Tenant Rent Calculation

This activity will provide DCHA with immediate savings of staff hours from the calculation of deductions, allowances, and income from household assets valued at less than $25,000. Households would not be required to document assets worth less than that amount. This may further reduce administrative costs and simplify the program for greater transparency and program compliance beyond the costs savings realized with the previous implementation of another approved MTW activity in which income from assets valued at less than $15,000 (based on tenant self-certification) are not included in the calculation of income.

b) Triennial Recertification Schedule and Streamline Interim Recertification

These re-certification schedules will provide DCHA with immediate savings of staff hours and agency resources associated with the recertification processes.

c) Minimum Rent/TTP
This activity sets the minimum rent to $75 which is above HUD's current optional minimum rent of $50 and the agency's current minimum rent of $0. This minimum rent will reduce some HAP subsidy and save federal funds.

d) Simplified Utility Allowance
This activity will provide DCHA with cost savings from staff hours spent on detecting and correcting errors made when applying the utility schedule based on voucher size, household structure, appliances, and other factors.

2) **MTW Objective: To assist families achieve greater self-sufficiency by allowing families to keep this income to increase savings and attain greater self-sufficiency.**

a) Simplified Tenant Rent Calculation
The elimination of income from household assets valued less than $25,000 will enable the Study Group to use this income as a means to attain greater self-sufficiency rather than increasing their portion of the rent.

b) Triennial Certification Schedule
This activity will enable the Study Group to keep increases in income between the certification periods that would otherwise be "lost" through higher TTPs. As a result, it is expected to increase participants' employment rates and earnings and help them attain greater self-sufficiency.

**Anticipated Impact on the Stated Objectives**

1) Simplified Rent Calculation
This activity will provide DCHA with immediate savings of staff hours through an easier calculation in regular recertification meetings and interim recertification meetings and save staff from having to detect and correct errors in calculating adjusted income. Also this will increase transparency of how the tenant's share of shelter costs is computed.

2) Triennial Certification
This activity will provide DCHA with immediate savings of staff hours and save participants time as well through having fewer recertification meetings and income verifications. Also for participants this will act as a powerful incentive to increase employment and earnings; participants will be able to increase earnings between regular certifications without increases in their TTP and without having to report these increased earnings to DCHA.

3) Streamline Interim Certification
This activity will provide DCHA with savings in staff hours through eliminating income verification in some instances that would require it now. Also the streamlined recertifications help to maintain the employment and earnings incentive offered in the 3-year recertification schedule.

4) Minimum Rent to Owner
This activity will increase self-sufficiency of tenants by establishing a traditional tenant-landlord relationship in which all tenants will be required to pay some portion of the rent directly to the landlord. This also may help with housing quality by establishing a

traditional relationship where the tenant and landlord are interacting more and make the tenant feel more able to ask for repairs on the unit.

5) Simplified Utility Allowance
This activity will provide DCHA with cost savings from staff hours spent calculating utility allowances for each household and save time from detecting and correcting errors made when using a more complex utility schedule. This will also increase the transparency of the utility allowance calculation, enabling a better understanding of how their total subsidy is calculated.

**Anticipated Schedules for Achieving the Stated Objectives**

Once the MTW Activity is approved, participants will be identified for enrollment in the Study Group and the Control Group. The enrollment process for the Study Group and Control Group will begin approximately in September of 2014 and end as soon as all Demonstration participants are enrolled. The Triennial recertification process for the groups will begin in September 2017 and end no later than 2019. Further information on the enrollment process is provided in Transition Process section below.

1) Simplified Rent Calculation
Demonstration Participants will be enrolled during their regularly scheduled certification meeting and presented with the simplified approach to rent calculation. This policy is intended to create simplicity and greater understanding of how the tenant portion of rent is determined which should impact upon the tenants at their initial certification.

DCHA will receive immediate benefits of staff time savings by not performing verification processes for the standard deductions and allowances which will no longer be applied to the Study Group.

2) Triennial Certification
Participants will have the initial baseline triennial certification performed at the initial enrollment meeting. Participants will not participate in a recertification until three years after this initial certification, unless they request an Interim Certification or a Hardship Exemption remedy.
Administrative cost savings to DCHA will be achieved in the second year of the Demonstration; at which time, DCHA will conduct the biennial recertification for the Control Group and will bypass the Study Group.

3) Streamline Interim Certification
This activity limits the ability of the Study Group to request interim certifications to reset the household TTP to no more than once per year and only when the reduced retrospective household income more than 10% than the retrospective income used to determine the TTP. The Study Group may request interim certifications to report changes in household composition throughout the three year Demonstration period. These recertifications will be streamlined and will exclude reexamination of household income or redetermination of household TTP.

The streamlined recertification activity is anticipated to result in a cost savings to DCHA within the first year of implementation because there will be a reduced number of interim recertifications for changes in household income.

4) Minimum Rent to Owner
The requirement for the voucher holder to pay a minimum rent to owner will begin with the effective date of the initial Study enrollment certification. This first triennial certification will determine the greater of the Total Tenant Payment of 28% of the household gross income or the newly established minimum rent (as described above). However, the final benefit of this activity may not be assessed until the second triennial certification to determine whether the Study Group members were able to achieve higher earnings and thereby reduce the amount of subsidy.

5) Simplified Utility Allowance
The Simplified Utility Allowance is already an approved MTW activity and will be effective for all Demonstration Participants when they are enrolled in the Demonstration. The Study Group will have the new utility allowance applied at the time of their initial triennial certification and thereafter at each triennial certification or certification for a move to a new unit. This activity is intended to create simplicity and greater understanding by the household of the utility allowance. It will benefit both the participant and prospective landlord by establishing the allowed rate prior to selecting a unit. DCHA will receive immediate benefits of staff time savings by not creating and having to correct errors discovered in the application of the utility allowances.

Actual Non-Significant Changes
There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection
There were no changes to the initiative metrics in FY2019.

Actual Significant Changes
There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)
Implemented. Awaiting MDRC final report.

As of November 1, 2018, all triennial recertifications of the Rent Reform Study Group were completed and DCHA staff could make preliminary observations about trends and outcomes of the three-year study. In terms of HUD MTW metrics, the majority of benchmarks were exceeded by the Study Group. As is common with multi-year studies, some of the original Control and Study Group participants left the study. The metrics below are based on a total of 864 households enrolled in the Control Group at the time of the triennial recertification. The following highlights some key observations documented in the metrics section of this report. Please note that these observations are preliminary and DCHA awaits the release of the full analysis conducted by MDRC.

While causation cannot be definitively proven between the incentives of the study and a participant earning higher wages, there are positive outcomes related to average earned income among the Study Group. When the study started in 2015, there were 413 households with an average of $25,431 in earned income in the Study Group. Among the Control Group, there were 463 households with an average earned income of $25,513 per year – very similar profile between the two groups. By 2018, the Study Group maintained the number of income earners and added three more households. In addition, the average earned income of the Study Group was higher than the households in the Control Group by about $1,600. In summary, by 2018 the Study Group had 416 households with an average earned income of $31,275, while the Control Group had 362 households with an average earned income of $29,675.

One assumption of the program design was that interim certifications would decline for the Study Group. The HUD metric anticipated that households would move from the average of two interims per year prior to the study to just one interim per year. The data shows a decline overall, but HCVP staff recalled that some residents came in frequently for interim recertifications between the start of the demonstration and their next scheduled recertification three years later. For example, 1,258 interim certifications were completed for 599 households in the Study Group during 2015-2018. The majority of households had just one to three interims between 2015 and 2018, but 76 households required 4 to 12 interims during the study period. The households that required more than 3 interims put a considerable strain on staff time.

Outside of metrics, staff commented on an agency-wide change that affected the implementation of the study. During the three year time period, the voucher department transitioned from conducting in-person recertifications to having people submit completed packets via a drop-box. Staff decided to treat the 2018 Study Group recertifications the same way as other voucher recertifications and have participants submit via drop box. Unfortunately, staff observed that clients did not thoroughly read and follow the written instructions specific to Rent Reform. After reviewing the packets, staff had to schedule in-person meetings because most households did not complete all information or provide all documents via drop-box. At a staff level, this caused extra work and it took longer to process the final recertification packets for the Study Group.

A major challenge for DCHA with respect to the HUD defined self-sufficiency metrics was the ability to capture data according to all of the self-sufficiency categories. Data was not consistently placed into the fields created for tracking participating households in the DCHA software at enrollment and at the triennial recertification. As such, DCHA is using the MDRC survey enrollment results for the metric baselines. Please note that the survey created by MDRC to capture baseline information for purposes of

their study did not use all of the same self-sufficiency categories defined in the HUD metric. In addition, as the survey was optional there were less households surveyed than were initially enrolled. Also, there were households that left the study during the three year period. These two issues plus the inability to compare the MDRC household level survey data at enrollment to the household level DCHA data at triennial recertification make it difficult to draw household level impact conclusions.

Metrics

*HUD Standard Metrics*

The information in the table shaded blue represents information intended for guidance; while the information in non-shaded boxes represents DCHA specific information. For purpose of this section, year one represents the first fiscal year when activities are implemented.

| ***CE #1: Agency Cost Savings*** | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Cost per Scheduled Certification**[11] | **Year 1: $86,000**<br>**Year 2: $0**<br>(due to biennial recertification process already in place, there would be no costs in Year 2)<br>**Year 3: $86,000**<br><br>Baseline is equal to:<br>$172,000 overall<br><br>• Cost per Scheduled Certification ($86)<br>• *times* the number of Study Group participants (1,000)<br>**Cost per Annual Certification** equal to:<br>• Hard cost (the mail and reproduction costs) ($20)<br>• *plus* **Staff Cost( $66)**<br>**Staff Cost** is equal to:<br>• Average time spent per annual interview/ verification/quality control (2 hours)<br>• *times* the average staff cost per hour (33) | **Year 1: $78,080**<br>**Year 2: $0**<br>**Year 3: $0**<br><br>Benchmark is equal to:<br>$78,080 overall<br><br>• Average time spent per certification interview/ verification/quality control (2 hours)<br>• *minus* time savings (14 mins)<br>• *times* Staff Cost per hour ($33)<br>• *plus* Hard Cost ($20)<br>• *times* the number of Study Group participants (1,000) | $66,242<br><br>To conduct 846 recertifications for the Study Group in 2018 | Benchmark Met |

[11] DCHA implemented biennial recertifications prior to the demonstration.

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2018) | Benchmark Achieved? |
|---|---|---|---|---|
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Cost per Interim Certification** | **Year 1: $106,000**<br>**Year 2: $106,000**<br>**Year 3: $106,000**<br><br>Baseline is equal to:<br>**$318,000 overall**<br><br>• Cost per Interim Certification ($53)<br>• *times* average number of interims per household per year (2)<br>• *times* the number of Study Group participants (1,000)<br>**Cost per Interim Certification** is equal to:<br>• Average time to perform an interim (1 hour)<br>• Times the average cost per staff hour ($33)<br>• *plus* admin costs ($20) | **Year 1: $53,000**<br>**Year 2: $53,000**<br>**Year 3: $53,000**<br><br>Benchmark is equal to:<br>**$159,000 overall**<br><br>• Cost per Interim Certification ($53)<br>• *times* the anticipated average number of interims per household in Study Group per year (1)<br>• *times* the number of Study Group participants (1,000) | $66,674<br><br>1,258 interim certifications were completed for the Study Group from 2015-2018.<br><br>1,258 * $53 = $66,674 total spent on interim certifications for 2015-2018<br><br>Interim Certifications Conducted by Calendar Year:<br>2015 = 295<br>2016 = 203<br>2017 = 347<br>2018 = 413 | Benchmark Met |

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2018) | Benchmark Achieved? |
|---|---|---|---|---|
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Cost of Rent Calculation** | **Year 1: $36,500**<br>**Year 2 $0**<br>(due to biennial recertification process already in place, there would be no costs in Year 2)<br>**Year 3: $36,500**<br><br>Baseline is equal to:<br>**$73,000 overall**<br><br>• Time to determine Tenant Rent (30 mins or .5 hours)<br>• *times staff cost per hour ($33)*<br>• plus admin cost ($20)<br>• *times* number of participants in the Study Group (1,000) | **Year 1: $28,910**<br>**Year 2: $0**<br>**Year 3: $0**<br><br>Benchmark is equal to:<br>**$28,910 overall**<br><br>•Time to determine Tenant Rent (16 mins or .27 hours)<br>•*times staff cost per hour ($33)*<br>•plus admin cost ($20)<br>•times the number of participants in the Study Group (1,000) | $24,458<br><br>To conduct 846 rent calculations for the Study Group in 2018 | Benchmark Met |

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2018) | Benchmark Achieved? |
|---|---|---|---|---|
| Total cost of task in dollars. | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Cost to Determine Income from Assets** | **Year 1: $70.23**<br>**Year 2 $0**<br>(due to biennial recertification process already in place, there would be no costs in Year 2)<br>**Year 3: $70.23**<br><br>Baseline is equal to:<br>**$140.46 overall**<br><br>• Time to determine Income from Assets (15 mins or .25 hours)<br>• *times* staff cost per hour ($33)<br>• *plus* admin cost ($20)<br>• *times* number of participants in the Study Group (1,000)<br>• *times* the ***estimated*** proportion of affected participants (.53% or 0053) | **Year 1: $6.63**<br>**Year 2 $0**<br>**Year 3: $0**<br><br>Benchmark is equal to:<br>**$6.63 overall**<br><br>• Time to determine income from assets (15 mins or .25 hours)<br>• *times* the number of study participants (1,000)<br>• *times* staff cost per hour $33)<br>• *plus* admin cost ($20)<br>• *times* the ***estimated*** proportion of affected participants (.05% or .0005) | $0<br><br>There was no asset income reported for Study or Control Group as of 11/1/2018 | Benchmark Met |

| *CE #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease). | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours). | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Time to Complete Scheduled Certification** | **Year 1: 2,000 hours**<br>**Year 2: 0 hours**<br>(due to biennial recertification process already in place, there would be no certifications completed in Year 2)<br>**Year 3: 2,000 hours**<br><br>Baseline is equal to:<br>4,000 hours overall<br><br>• 2 hours to complete a certification<br>• *times* number of participants in the Study Group (1,000) | **Year 1: 1,760 hours**<br>**Year 2: 0 hours**<br>**Year 3: 0 hours**<br><br>Benchmark is equal to:<br>1,760 hours overall<br><br>• 14 min reduction in time to complete certification<br>• *times* number of participants in the Study Group (1,000) | 1,495 hours<br><br>To conduct 846 recertifications in 2018 for the Study Group. | Benchmark Met |
| **Time To Determine Tenant Rent** | **Year 1: 500 hours**<br>**Year 2: 0 hours**<br>(due to biennial recertification process already in place, there would be no certifications completed in Year 2)<br><br>**Year 3: 500 hours**<br><br>Baseline is equal to:<br>1,000 hours overall<br><br>• Time to determine Tenant Rent (30 mins or .5 hours)<br>• *times* number of participants in the Study Group (1,000) | **Year 1: 267 hours**<br>**Year 2: 0 hours**<br>**Year 3: 0 hours**<br><br>Benchmark is equal to:<br>267 hours overall<br><br>• Time to determine Tenant Rent (30 mins or .5 hours)<br>• *minus* time savings (14 mins)<br>• times the number of participants in the Study Group (1,000) | 226 hours<br><br>To conduct 846 rent calculations for the Study Group in 2018 | Benchmark Met |

| *CE #2: Staff Time Savings* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Total time to complete the task in staff hours (decrease). | Total amount of staff time dedicated to the task prior to implementation of the activity (in hours). | Expected amount of total staff time dedicated to the task after implementation of the activity (in hours). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Time to Determine Utility Allowance** | **Year 1: 250 hours**<br>**Year 2: 0 hours**<br>(due to biennial recertification process already in place, there would be no certifications completed in Year 2)<br><br>**Year 3: 250 hours**<br><br>Baseline is equal to:<br>500 hours<br><br>• Time to determine utility allowance (15 mins or .25 hours)<br>• *times* number participants in the Study Group (1,000) | **Year 1: 20 hours**<br>**Year 2: 0 hours**<br>**Year 3: 0 hours**<br><br>Benchmark is equal to:<br>20 hours<br>(rounded up)<br><br>• Time to determine utility allowance (15 mins or .25 hours)<br>• *minus* time saved under the new simplified utility allowance schedule (14 mins or .23 hours)<br>• *times* number participants in the Study Group (1,000) | 14 hours and 6 minutes total<br><br>HCVP specialists used an online utility calculator to calculate utility allowances for 846 households in 2018.<br><br>The utility calculator takes one minute to calculate the utility allowance. | Benchmark Met |
| **Time to Determine Income from Assets** | **Year 1: 1.325 hours**<br>**Year 2: 0 hours**<br>(due to biennial recertification process already in place, there would be no certifications completed in Year 2)<br><br>**Year 3: 1.325 hours**<br><br>Baseline is equal to:<br>**2.65 hours overall**<br><br>• Time to Determine Income from Assets (15 mins or .25 hours)<br>• *times* the number of study participants (1,000)<br>• *times* the ***estimated*** proportion of affected participants (.53% ) | **Year 1: .125 hours**<br>**Year 2: 0 hours**<br>**Year 3: 0 hours**<br><br>Benchmark is equal to:<br>**.125 hours (7.5mins) overall**<br><br>• Time to Determine Income from Assets (15 mins or .25 hours)<br>• *times* the number of study participants (1,000)<br>• *times* the ***estimated*** proportion of affected participants (.05%) | 0 minutes total<br><br>0 households in the Study and Control Groups had asset income at the time of recertification. | Benchmark Met |

| *CE #3: Decrease in Error Rate of Task Execution* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Average error rate in completing a task as a percentage (decrease). | Average error rate of task prior to implementation of the activity (percentage). | Expected average error rate of task after implementation of the activity (percentage). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Average Error Rate in Determining TTP** | 60% | 30% | 0%* | Benchmark Met |
| **Average Error Rate in Determining Utility Allowance** | 20% | 5% | 0%<br><br>HCVP specialists use an online utility calculator. | Benchmark Met |

*The agency's independent annual audit requires a sample of client files to review rent and utility calculations. DCHA has not received any audit findings throughout the time of the Rent Reform Demonstration.

| *SS #1: Increase in Household Income* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (2015)** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Average earned income of households affected by this policy in dollars (increase). | Average earned income of households affected by this policy prior to implementation of the activity (in dollars). | Expected average earned income of households affected by this policy prior to implementation of the activity (in dollars). | Actual cost of task after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Average Earned Income of Households in the Study Group** | $25,431 per year<br>(413 households) | $25,685.31<br>(1% or $254.31) | $31,275<br><br>(416 households) | Benchmark Met |
| **Average Earned Income of Households in the Control Group** | $25,513 per year<br>(463 households) | $25,640.57<br>(.5% or $127.57) | $29,675<br><br>(362 households) | Benchmark Met |

| *SS #3: Increase in Positive Outcomes in Employment Status (Study Group)* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| | Head(s) of households in the categories identified below prior to implementation of the activity (number). This number may be zero. | Expected head(s) of households in in the categories identified below after implementation of the activity (number). | Actual head(s) of households in in the categories identified below after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| | Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero. | Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent). | Actual percentage of total work-able households in the categories identified below after implementation of the activity (percent). | |
| **Employment Status*** for<br>(1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other: | (1) Employed Full- Time: *<br>(2) Employed Part- Time:*<br>(3) Enrolled in an Educational Program:*<br>(4) Enrolled in Job Training Program:*<br>(5) Unemployed: *<br>(6) Other:*<br><br>DCHA is using the MDRC baseline study metric as baseline for applicable work-type categories.<br><br>Employed Full Time=189<br>Enrolled in Educational Program = 137<br><br>753 HOH in Study Group completed the MDRC survey. | (1) Employed Full-Time:*<br>(2) Employed Part-Time: *<br>(3) Enrolled in an Educational Program: *<br>(4) Enrolled in Job Training Program: *<br>(5) Unemployed: *<br>(6) Other: *<br><br>An increase of at least 10 households who are Employed Full-Time<br><br>An increase of at least 10 households enrolled in an Educational Program | Employed Full time = 220<br>Employed Part-Time = 57<br>Unemployed= 241<br>Other = 192<br>Not Identified = 138<br><br>848 HOH Total | Benchmark Met<br><br>Unable to determine Benchmark Statuses (Employed Part-time, Educational Program, Enrolled in Job Training Program, Unemployed, Other) |

| | | | | |
|---|---|---|---|---|
| | (1) Employed Full- Time: *<br>(2) Employed Part- Time:*<br>(3) Enrolled in an Educational Program:*<br>(4) Enrolled in Job Training Program:*<br>(5) Unemployed: *<br>(6) Other:*<br><br>To be provided in FY2018 MTW Report<br><br>DCHA is using the MDRC baseline study metric as baseline for applicable work-type categories.<br><br>Employed Full Time=25% (189)<br>Enrolled in Educational Program = 18% (137)<br><br>753 HOH in Study Group completed the MDRC survey. | (1) Employed Full-Time: *<br>(2) Employed Part-Time: *<br>(3) Enrolled in an Educational Program:; *<br>(4) Enrolled in Job Training Program: *<br>(5) Unemployed: *-<br>(6) Other:*<br><br>10% increase in the # of work-able HOH Employed Full-Time<br><br>10% increase in the # of work-able HOH enrolled in Educational Program | Employed Full time = 27% (218)<br>Employed Part Time = 7% (56)<br><br>Unemployed = 29% (231)<br>Other = 21% (167)<br>Not Identified = 16% (126)<br><br>Based on 798 work-able HOH (non-disabled ages 18-61) | Benchmark Met<br><br>Unable to determine Benchmark Statuses (Employed Part-time, Educational Program, Enrolled in Job Training Program, Unemployed, Other) |

| *SS #3: Increase in Positive Outcomes in Employment Status (Control Group)* | | | | |
|---|---|---|---|---|
| | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| **Unit of Measurement** | Head(s) of households in the categories identified below prior to implementation of the activity (number). This number may be zero. | Expected head(s) of households in in the categories identified below after implementation of the activity (number). | Actual head(s) of households in in the categories identified below after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| **Employment Status*** for<br>(1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other: | (1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other: NA<br><br>DCHA is using the MDRC baseline study metric as baseline for applicable work-type categories.<br><br>Employed Full Time = 174<br>Enrolled in Educational Program =147<br><br>756 HOH in Control Group completed the MDRC survey | (1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other:<br><br>An increase of at least 10 households who are Employed Full-Time<br><br>An increase of at least 10 households enrolled in an Educational Program | Employed Full time = 215<br>Employed Part-Time = 75<br>Unemployed = 330<br>Other = 185<br>Not Identified = 13<br><br>818 HOH total | Benchmark Met<br><br>Unable to determine Benchmark Statuses (Employed Part-time, Educational Program, Enrolled in Job Training Program, Unemployed, Other) |
| | Percentage of total work-able households in the categories identified below prior to implementation of activity (percent). This number may be zero. | Expected percentage of total work-able households in the categories identified below after implementation of the activity (percent). | Actual percentage of total work-able households in the categories identified below after implementation of the activity (percent). | Whether the outcome meets or exceeds the benchmark. |

| | | | | |
|---|---|---|---|---|
| | (1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other: NA<br><br>DCHA is using the MDRC baseline study metric for applicable work-type categories.<br><br>Employed Full Time = 23%<br>Enrolled in Educational Program =19%<br><br>756 HOH in Control Group completed the MDRC survey | (1) Employed Full- Time:<br>(2) Employed Part- Time:<br>(3) Enrolled in an Educational Program:;<br>(4) Enrolled in Job Training Program:<br>(5) Unemployed:<br>(6) Other: NA<br><br>5% increase in the # of work-able HOH Employed Full-Time<br><br>5% increase in the # of work-able HOH enrolled in Educational Program | Employed Full time = 28% (214)<br>Employed Part-Time = 10% (73)<br>Unemployed = 40% (308)<br>Other = 21% (160)<br>Not Identified = 2% (12)<br><br>Based on 767 work-able HOH (non-disabled ages 18-61) | Benchmark Met<br><br>Unable to determine Benchmark Statuses (Employed Part-time, Educational Program, Enrolled in Job Training Program, Unemployed, Other) |

| *SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline (2015)** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Number of households receiving TANF assistance (decrease). | Households receiving TANF prior to implementation of the activity (number). | Expected number of households receiving TANF after implementation of the activity (number). | Actual number of households receiving TANF after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| **Households Receiving TANF Benefits (Study Group)** | 571 households | 561 (10 less households at completion of 1st triennial recertification cycle) | 220 | Benchmark Met |
| **Households Receiving TANF Benefits (Control Group)** | 301 households | 296 (5 less households at the completion of the 1st triennial recertification cycle) | 202 | Benchmark Met |

| *SS #5: Households Assisted by Services that Increase Self-sufficiency* | | | | |
|---|---|---|---|---|
| **Self-sufficiency: Households that have increased household earned income and thereby increase family share** | | | | |
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Number of households receiving services aimed to increase self-sufficiency (increase). | Households receiving self-sufficiency services prior to implementation of the activity (number). | Expected number of households receiving self-sufficiency services after implementation of the activity (number). | Actual number of households receiving self-sufficiency services after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| **Households Receiving Self-sufficiency Services (Study Group)** | 0 | 0 | 0<br><br>Under the Rent Reform Demonstration, households were not eligible for FSS | Benchmark Met |
| **Households Receiving Self-sufficiency Services (Control Group)** | 0 | 0 | 0<br><br>Under the Rent Reform Demonstration, households were not eligible for FSS | Benchmark Met |

| *SS #6: Reducing Per Unit Subsidy Costs for Participating Households* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease). | Average subsidy per household affected by this policy prior to implementation of the activity (in dollars). | Expected average subsidy per household affected by this policy after implementation of the activity (in dollars). | Actual average subsidy per household affected by this policy after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Average HCV Subsidy for Households in the Study Group** | $1,295. | $1,359.75<br>5% or $64.75<br>(increase by the end of Year 3) | $1,502<br><br>(846 households) | Benchmark not met |
| **Average HCV Subsidy for Households in the Control Group** | $1,284. | $1,296.84<br>(1% or $12.84<br>increase by the end of Year 3) | $1,510<br><br>(818 households) | Benchmark not met |

| *SS #7: Increase in Agency Rental Revenue* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| PHA rental revenue in dollars (increase). | PHA rental revenue prior to implementation of the activity (in dollars). | Expected PHA rental revenue after implementation of the activity (in dollars). | Actual PHA rent revenue after implementation of the activity (in dollars). | Whether the outcome meets or exceeds the benchmark. |
| **Total HCV Tenant Share for Households in the Study Group** | $342<br>Average Tenant Share of Rent (TTP) paid by households | $376.20<br>(or 10%)<br>increase by the end of Year 3 | $384<br><br>(846 households) | Benchmark Met |
| **Total HCV Tenant Share for Households in the Control Group** | $342.<br>Average Tenant Share of Rent (TTP) paid by households | $359.10<br>(or 5%)<br>increase by the end of Year 3 | $408<br><br>(818 households) | Benchmark Met |

| *SS #8: Households Transitioned to Self-sufficiency* | | | | |
|---|---|---|---|---|
| **Self-sufficiency: Families who are able to afford the full contract rent for their unit (DCHA pays $0 HAP)].** | | | | |
| **Unit of Measurement** | **Baseline** | **Benchmark*** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Number of households transitioned to self-sufficiency (increase). | Households transitioned to self-sufficiency (as defined above) prior to implementation of the activity (number). This number may be zero. | Expected households transitioned to self-sufficiency (as defined above) after implementation of the activity (number). | Actual households transitioned to self-sufficiency (as defined above) after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| **Households in the Study Group Transitioned/ Graduated to Self-sufficiency per Year** | 0 | 50 (or .5%) by the end of Year 3 | 4 households (out of 846 households) | Benchmark Not Met |
| **Households in the Control Group Transitioned/ Graduated to Self-sufficiency per Year** | 0 | 10 (or .01%) by the end of Year 3 | 7 households (out of 818 households) | Benchmark Not Met |

*Benchmarks adjusted to more realistic projections.

| *HC #5: Increase in Resident Mobility* | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2018)** | **Benchmark Achieved?** |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number). This number may be zero. | Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number). | Actual households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number). | Whether the outcome meets or exceeds the benchmark. |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 0 (rent reform activities are not designed to move families into neighborhoods of opportunity as an intended outcome) | Control Group = 37 moves<br>Study Group = 26 moves<br><br>Number of moves from High-Poverty Rate to Low-Poverty Rate Neighborhood Clusters during FY2015-July 2018 | Benchmark Exceeded |

## Source of Data

DCHA will use several sources to obtain the data necessary to evaluate this program.

1) Yardi, VisualHomes is DCHA's system of record. Information related to household income, assets, household composition, unit information will be collected from this system.

2) The E.I.V. system, pay stubs, and, for self-employed individuals, tax returns will be used to verify household income.

3) DCHA Human Resources personnel data will be used to determine the average hourly cost per job title.

4) DCHA will also use a Time Demonstration to record average time spent on certifications and quality control activities to compare the Demonstration policies to the traditional program rules.

   a) The time spent on recertifications will include tracking on the average amount of time spent on the scheduling, verification of income, verification of assets over $25,000, calculations of deductions and allowances, calculations of utility allowance, calculations of TTP, and Interviews with households (as applicable).

   b) The time spent on quality control will include corrective actions.

5) DCHA will perform Quality Control (QC) comparison of demonstration and non-demonstration participants to determine reduced error rates using data obtained from the program QC tracking system.

6) Additional systems will be developed for tracking data and hardship requests.

**Need/Justification for MTW Flexibility**

DCHA Amended and Restated Moving To Work Agreement, executed September 2010, Attachment C, provides the authority to conduct rent reform activities. Specifically, Section D Authorizations for HCV only provides the following:

Operational Policies and Procedures

Item D. 1 (c) provides DCHA flexibility to define Operational Policies and Procedures. DCHA may define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act. This provision waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

This flexibility is necessary to establish a triennial certification and revised interim certification schedule as part of the rent reform activity. Local forms will be created in order to adapt the 9886 to reflect a 36-month term between certifications.

Rent Policies

Item D. 2 (a) Rent Policies and Term limits. DCHA is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant based assistance. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program waives Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H) – (I) of the 1937 Act and 24 C.F.R. 982.508; 982.503 and 982.518.

This authorization is necessary for the provision to set minimum rent, elimination of deductions and allowances, using a percent of gross income to calculate TTP, setting the maximum initial rent burden to 40% of gross income and a simplified utility schedule as components of the rent reform activity.

Eligibility of Participants

Item D. 3 (b) Eligibility of Participants. DCHA is authorized to adopt and implement any reasonable policy for verifying household income and composition and for determining resident eligibility that differ from the current mandated program requirements. This provision waives provisions 24 CRR 982.516 and 982 Subpart E.

This authorization is necessary for the provisions to simplify rent calculation by eliminating income from household assets valued less than $25,000; eliminating deductions and allowances and to use household gross income to set the TTP.

## Impact Analysis

### A. Description of HCV Rent Reform Activity

A description of the HCV rent reform activity was provided in **Section I - Description of Rent Reform Components.**

### B. Tracking and Documenting the Implementation

Information on tracking and documenting the implementation of the HCV rent reform activity is found in **Section II - Activity Metrics**. Additionally, MDRC will obtain information throughout the lifespan of this demonstration for use in a comprehensive assessment of the effectiveness of the rent reform activity.

On an annual basis, DCHA will report the results on the implementation in the annual report. MDRC will issue an interim report on the implementation. At the conclusion of the report, HUD and/or MDRC will report the outcomes of the Demonstration in a comprehensive report.

### C. Identifying the Intended and Possible Unintended Impacts

Due to the nature of the project, the financial impacts are addressed comprehensively to reflect the totality of HCV rent reform activity.

#### 1) Impact on HAP Expenditures under Alternative and Current Rent Policies

Models developed by MDRC estimate the impact on HAP expenditures over 4 years, with and without a modest employment impact.

Understanding the Table's Format

Table 1 presents the results of this HAP analysis for DCHA. The table shows:

- Estimated HAP payments for each year during the three-year recertification period, and then in Year 4.
- The dollar amount difference and the percent difference in comparing the current rent policy with the new rent policy.

The data in the table includes the following information:

- "Year 1" represents when the new rent policy would begin with an initial income assessment.
- "Year 4" represents the year after the next triennial recertification.
- For Year 4 and the cumulative years 1-4 two estimates are included:
  - one that assumes that the rent policy has no impact on tenant earnings, and
  - a second that assumes that the policy has a modest impact on tenant earnings.

These estimates are based on all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study

Background on Change

The alternative rent policy is intended to be roughly *cost-neutral* from the perspective of housing agencies and HUD. This means that the combination of HAP and administrative expenditures should remain about the same as the total expenditures for assisting the same number of voucher holders under the traditional rent policy. Ideally, those expenditures would fall, creating an opportunity to provide housing assistance to more families for the same amount of money.

Interpreting the Potential Impacts

**Potential Impact 1:** The results show that estimated HAP expenditures are higher under the new policy relative to the current policy in Years 1, 2 and 3 (by 1.7 percent, 4.8 percent and, 6.7 percent, respectively). This is largely because voucher holders who would increase their earnings under the current policy and normally have their housing subsidies reduced would not have their subsidies reduced during this period under the alternative policy's TTP freeze.

**Potential Impact 2:** However, in Year 4, even assuming that the alternative rent policy did *not* have an impact on tenants' employment and earnings, estimated HAP expenditures under the new rent policy are nearly the same as under the current policy.
This reflects the fact that, on average, TTPs recalculated in Year 4 would be based on higher average earnings, because of normal increases in work and earnings over time (i.e., increases that would have occurred even in the absence of the new policy). It is at the point of the triennial recertification that housing agencies begin to recoup the foregone HAP reductions in the prior years when TTPs were held constant.

**Potential Impact 3:** HAP expenditures will fall even more in Year 4 (by $740,132) if the new policy *does* have a modest positive impact on household earnings. This impact would push up the income base for setting new TTPs to a higher level than what it would reach under current rules. A higher income base means that households will pay a larger share of their rent and utilities, thus requiring a lower subsidy.

**Potential Impact 4:** The *cumulative* HAP expenditures for Years 1-4 show that in the absence of an employment impact, those expenditures may be higher under the new rent policy compared with the current policy by 3.3 percent. However, if the alternative policy has a modest employment impact of the assumed size, DCHA is projected to incur only a marginal cumulative increase in HAP expenditures (1.9 percent).

**Table 1**

**Estimates of HAP Expenditures Under Alternative and Current Rent Policies**

**for Working-Age/Non-Disabled Households ($)**

| | | | | (no employment impact) | (modest employment impact) | (no employment impact) | (modest employment impact) |
|---|---|---|---|---|---|---|---|
| | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 4** | **Total, Years 1-4** | **Total, Years 1-4** |
| **New rent policy** | 13,779,403 | 14,331,826 | 14,864,279 | 14,503,903 | 13,764,669 | 57,479,412 | 56,740,177 |
| **Current rent policy** | 13,544,700 | 13,680,462 | 13,935,416 | 14,504,801 | 14,504,801 | 55,665,380 | 55,665,380 |
| **Difference** | +$234,703 | +$651,363 | +$928,863 | ($898) | ($740,132) | +$1,814,032 | +$1,074,798 |
| **Percent change** | +1.7% | +4.8% | +6.7% | (0.0%) | (5.1%) | +3.3% | +1.9% |

**Table 1**

**Estimates of HAP Expenditures Under Alternative and Current Rent Policies**

**for Working-Age/Non-Disabled Households ($)**

| | | | | (no employment impact) | (modest employment impact) | (no employment impact) | (modest employment impact) |
|---|---|---|---|---|---|---|---|
| | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 4** | **Total, Years 1-4** | **Total, Years 1-4** |
| **New rent policy** | 13,779,403 | 14,331,826 | 14,864,279 | 14,503,903 | 13,764,669 | 57,479,412 | 56,740,177 |
| **Current rent policy** | 13,544,700 | 13,680,462 | 13,935,416 | 14,504,801 | 14,504,801 | 55,665,380 | 55,665,380 |
| **Difference** | +$234,703 | +$651,363 | +$928,863 | ($898) | ($740,132) | +$1,814,032 | +$1,074,798 |
| **Percent change** | +1.7% | +4.8% | +6.7% | (0.0%) | (5.1%) | +3.3% | +1.9% |

**Table 1**

**Estimates of HAP Expenditures Under Alternative and Current Rent Policies for Working-Age/Non-Disabled Households ($)**

| | | | | (no employment impact) | (modest employment impact) | (no employment impact) | (modest employment impact) |
|---|---|---|---|---|---|---|---|
| | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 4** | **Total, Years 1-4** | **Total, Years 1-4** |
| **New rent policy** | 13,779,403 | 14,331,826 | 14,864,279 | 14,503,903 | 13,764,669 | 57,479,412 | 56,740,177 |
| **Current rent policy** | 13,544,700 | 13,680,462 | 13,935,416 | 14,504,801 | 14,504,801 | 55,665,380 | 55,665,380 |
| **Difference** | +$234,703 | +$651,363 | +$928,863 | ($898) | ($740,132) | +$1,814,032 | +$1,074,798 |
| **Percent change** | +1.7% | +4.8% | +6.7% | (0.0%) | (5.1%) | +3.3% | +1.9% |

**2) <u>Existing deductions and allowances</u>**

Table 2 presents the existing number of households receiving deductions and allowances, the percentage of households receiving specific deductions and allowances, and the average dollar amount of those deductions and allowances per household. Note that this table shows existing conditions rather than the potential impact.

<u>Background on Change</u>

Under the new policy, deductions and allowances are no longer permitted, making *gross* income the base for determining a household's TTP. Relying on gross income in calculating tenants' eligibility and TTP will simplify the rent-setting process and make it more transparent for both housing agencies and tenants. Child care allowances, in particular, can be burdensome to administer accurately. Under the traditional rent rules, child care allowances are based on *anticipated* unreimbursed child care expenses for the next year (or until the next recertification). Actual costs can be difficult to anticipate, however, particularly for parents who move in and out of jobs, whose child care providers change, whose child care needs change (e.g., if their work shifts change, whose children make a transition to a free pre-school program, or who become eligible for an external child care subsidy during the course of the year. It is not clear how reliably these types of changes are reported to housing agencies between recertification meetings, some of which might result in TTP increases, or decreases. It would be considerably more difficult to estimate *anticipated* child care expenditures under the new rent policy for the entire three-year period until the next triennial recertification. This would likely raise expectations for housing agencies, as stewards of public monies, to monitor whether actual child care expenditures during that much longer time period

actually conformed to the levels anticipated, and to revise tenants' TTPs when they did not. Building a new compliance system to monitor child care expenditures would work against the larger rent reform goal of reducing administrative burdens, and it would create more reporting requirements for tenants.

Interpreting the Potential Impacts

**Potential Impact 1:** Currently 71.9 percent of households at DCHA receive at least one deduction. Eliminating deductions may affect the housing subsidies of some households more than others. For example, those with large families and high deductions for child care costs will find that, at their current income levels, their subsidies would be reduced. It should also be noted, however, that only a small percentage of households currently make use of the existing child care allowance – about 5 percent of working-age/non-disabled households in DCHA. In part, these low rates reflect the fact that many tenants who might benefit from the deductions are not employed. The average annual amount of that deduction among those who use is about $2,795 in DCHA. For the purposes of the Rent Reform Demonstration, all households with a *current* child care deduction will be excluded from the research sample and can continue to receive any qualifying child care deduction.

The new rent policy offers some compensation for the elimination of child care allowances for those who would otherwise qualify for one under current results. It does this, first, by reducing the percent of income in calculating TTP to 28 percent, and, second, and more importantly, by not raising the TTPs of households that increase their incomes during the period until the next triennial recertification. This will leave families that increase their earnings with more resources to cover child care costs.

**Table 2**
**Deductions And Allowances**
**Among Current Working-Age/ Non-Disabled Voucher Holders**

| | |
|---|---|
| Total number of households | 7,106 |
| **Income Allowances & Deductions** | |
| Any deductions (%) | 71.9 |
| Type of deduction (%) | |
| Medical/disability | 2.9 |
| Elderly/Disability | 10.0 |
| Dependent care | 63.8 |
| Childcare | 5.2 |
| Average annual deduction amount among those receiving deduction ($) | |
| Medical/disability | 1,258 |
| Elderly/Disability | 400 |
| Dependent care | 1,111 |
| Childcare | 2,795 |
| Total average deduction amount among those receiving a deduction ($) | 1,295 |
| **Utility Allowance** | |
| Has utility allowance (%) | 84.3 |
| Total monthly average utility allowance if receiving an allowance ($) | 241 |
| **Other** | |
| Receiving utility allowance reimbursement (%) | 35.0 |

| | |
|---|---|
| Average amount of utility allowance reimbursement ($) | 146 |

3) **Impact on Family Share for households with selected characteristics**

Models developed by MDRC estimate the percentage of households that will likely pay a higher "family share" of shelter costs under the alternative rent policy. Assuming no employment impact, the estimated percentages of households with selected characteristics likely to pay a higher family share in year 1 at DCHA is shown below in Table 3.

Background on Change

The alternative rent policy is likely to *reduce* the family share for some households and *increase* it for others. Table 3 shows that certain types of families may be more likely than other families to have a higher family share.

Understanding the Table's Format

Table 3 indicates:

- How prevalent certain types of households are among the total number households (1000), and
- How prevalent those same types of households are among all the voucher holders who would likely experience an increase in family share under the new policy (468).

These estimates are based on all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study.

Interpreting the Potential Impacts

**Potential Impact 1:** Overall, larger families would more likely be affected by the new rent policy, at least in terms of the likeliness of paying a higher family share of shelter costs. For example:

- The first column shows that households with three or more children represent 21.3 percent of households in DCHA (or 213 households out of 1000, as indicated in the second column).
- Of all voucher holders who are likely to pay a higher family share (468 households), households with three or more children represent a larger proportion (33.8 percent, as shown in the third column, or 158 households, as shown in the fourth column).

**Potential Impact 2:** Most of the households that are likely to have an increase in family share are households that have no earned income.

- About 654 households (or 65.4 percent out of a sample of 1000 households) have no earned income.
- Of the 468 households that are likely to have an increase in family share, 416, or 88.8 percent, of those, are households without earned income.

However, it is important to remember shelter costs represent only part of the picture of households' economic circumstances, and that overall *net income* might improve even for larger families if they increase their earnings over the course of the prior three years.

**Table 3**
**Representativeness of Households (HH) with Selected Characteristics Among Working-Age/ Non-Disabled Households Likely to Pay a Higher Family Share in Year 4 Under Alternative vs. Current Rent Policies (Assuming No Employment Impact)**

| **Characteristic** | (%) Percent of Households | (#) Number of Households | (%) Percent with Higher Family Share under New Policy | (#) Number with Higher Family Share under New Policy |
|---|---|---|---|---|
| Number of Children | | | | |
| No Children | 39.7 | 397 | 29.8 | 140 |
| Any number of Children | 60.3 | 603 | 70.2 | 329 |
| 1 Child | 22.1 | 221 | 16.7 | 78 |
| 2 Children | 16.9 | 169 | 29.8 | 93 |
| 3 or more Children | 21.3 | 213 | 33.8 | 158 |
| Has earned income | 34.6 | 346 | 11.2 | 53 |
| Has earned income, but rent equals $0 under current policy | 0.2 | 2 | | |
| Has earned income, but current rent equals or is less than new policy's minimum rent (before any hardship remedy) | | | 8.7 | 41 |
| No earned income | 65.4 | 654 | 88.8 | 416 |
| No income | 21.7 | 217 | 28.6 | 134 |
| **Sample Size** | 1000 | 1000 | 468 | 468 |

### 4) Impact on Family Share for all working-age/ non-disabled households, by Dollar Amount

Models developed by MDRC estimate the changes in monthly family share over 4 years, with and without a modest employment impact. Shown below are these estimates for DCHA.

Understanding the Table's Format

Table 4 presents the results of the impact on Family Share for DCHA. The table shows:

- The difference in Family Share under the new policy compared with the current policy using three main categories (Lower under new policy, No change, Higher under new policy).
- The estimated Percent of all households impacted under each main category and the estimated percent of all households impacted based on the dollar amount of the impact.
- Estimated number (#) of households impacted for each of the three main categories.

The data in the table includes the following information:

- "Year 1" represents when the new rent policy would begin with an initial income assessment.
- "Year 4" represents the year after the next triennial recertification.
- For Year 4 and the cumulative years 1-4, two estimates are included:
  - One that assumes that the rent policy has no impact on tenant earnings, and
  - A second that assumes that the policy has a modest impact on tenant earnings.

These estimates are based on a sample of all working-age/ non-disabled DCHA voucher holders that were not already receiving a child care deduction in year 1, but the number of households have been prorated in order to illustrate a representative subsample of those likely to be in the study.

Interpreting the Potential Impacts

**Potential Impact 1:** Although the alternative rent policy will *reduce* the family share for some households, it will *increase* it for others. During the three-year period when the new policy's delayed recertification period is in effect, up to 58.3 percent of households (*depending on the year*) may have a *lower* family share than they would otherwise have under current rules, while up to 47.0 percent of households (*depending on the year)* may have a *higher* family share.

**Potential Impact 2:** In Year 4, given no employment impact and without considering any hardship-related reductions in TTP (which were difficult to build into the statistical models), it appears that in about half of the cases where households would likely pay a higher family share under the new rules, they would only pay up to $75 per month more. Less than 1 percent (0.1%) would pay more than $200 more per month than they would under current rules. The higher family share under the new policy would come from the policy's minimum rent, the absence of deductions, and limits on interim recertifications in the face of income declines. *However, as noted, this analysis does not apply any hardship remedies, so the increases in TTP are likely to be overstated to some extent.*

**Potential Impact 3:** If the new policy has a modest positive effect on earnings, more tenants than under current rules will experience an increase in their family share for Year 4, after their three-year income recertification. If the new policy has a modest employment impact, the analysis suggests that family share may increase by $50 or less per month for 7.9 percent of households; by $125.01 - $150 per month for 34 percent of households; and by more than $200 per month for less than 1 percent (0.4%) of households.

**Table 4**
**Change in Monthly Family Share (FS) Under Alternative vs. Current Rent Policies for Working-Age/Non-Disabled Households**

| Difference in FS under new vs. Current policy | Year 1 | Year 2 | Year 3 | (no Employment impact) Year 4 | (modest employment impact) Year 4 |
|---|---|---|---|---|---|
| **Lower under new policy (#)** | 515 | 573 | 583 | 474 | 334 |
| **Lower under new policy (%)** | 51.5 | 57.3 | 58.3 | 47.4 | 33.4 |
| $10 or less | 9.0 | 7.4 | 6.1 | 12.0 | 4.4 |
| $10.01 - $20.00 | 7.6 | 6.2 | 5.4 | 9.7 | 5.6 |
| $20.01 - $30.00 | 5.9 | 4.4 | 4.3 | 6.7 | 5.2 |
| $30.01 - $40.00 | 5.5 | 4.0 | 3.6 | 5.5 | 5.0 |
| $40.01 - $50.00 | 3.7 | 3.1 | 2.7 | 4.4 | 4.3 |
| $50 or less | 31.6 | 25.1 | 22.2 | 38.2 | 24.5 |
| $50.01 - $75.00 | 6.0 | 6.0 | 4.8 | 6.1 | 5.9 |
| $75.01 - $100.00 | 3.3 | 3.2 | 3.7 | 1.3 | 1.3 |
| $100.01 - $125.00 | 1.6 | 3.0 | 2.9 | 0.2 | 0.2 |
| $125.01 - $150.00 | 1.6 | 2.4 | 2.8 | 0.2 | 0.2 |
| $150.01 - $175.00 | 1.1 | 2.2 | 2.5 | 0.1 | 0.1 |
| $175.01 - $200.00 | 1.1 | 1.8 | 2.1 | 0.1 | 0.1 |
| More than $200 | 5.2 | 13.7 | 17.2 | 1.2 | 1.2 |
| **No Change (#)** | 15 | 8 | 6 | 16 | 11 |
| **No Change (%)** | 1.5 | 0.8 | 0.6 | 1.6 | 1.1 |
| **Higher under new policy (#)** | 470 | 419 | 410 | 510 | 655 |
| **Higher under new policy (%)** | 47.0 | 41.9 | 41.0 | 51.0 | 65.5 |
| $10 or less | 9.6 | 6.6 | 6.9 | 11.5 | 3.1 |
| $10.01 - $20.00 | 9.0 | 6.6 | 5.9 | 9.6 | 2.1 |
| $20.01 - $30.00 | 6.3 | 5.2 | 4.8 | 6.5 | 1.4 |
| $30.01 - $40.00 | 3.9 | 3.6 | 3.1 | 3.8 | 0.7 |
| $40.01 - $50.00 | 2.7 | 2.6 | 2.6 | 2.2 | 0.6 |
| $50 or less | 31.4 | 24.6 | 23.2 | 33.7 | 7.9 |
| $50.01 - $75.00 | 11.2 | 10.5 | 11.5 | 16.8 | 3.0 |
| $75.01 - $100.00 | 1.4 | 2.0 | 2.0 | 0.3 | 1.1 |
| $100.01 - $125.00 | 0.7 | 0.9 | 0.7 | 0.1 | 8.7 |
| $125.01 - $150.00 | 0.6 | 0.9 | 0.9 | 0.0 | 34.0 |
| $150.01 - $175.00 | 0.4 | 0.7 | 0.6 | 0.1 | 8.3 |
| $175.01 - $200.00 | 0.4 | 0.4 | 0.4 | 0.0 | 2.1 |
| More than $200 | 0.8 | 2.0 | 1.7 | 0.1 | 0.4 |
| **Sample Size** | 1000 | 1000 | 1000 | 1000 | 1000 |

### Impact on Net income

The MDRC team completed a net income analysis for two different types of households which vary importantly in terms of their potential need for child care subsidies:

*Table 5a and Table 5b are examples of "Shana's" household*, where Shana is a single parent with two teenage children and no child care expenses.
*Table 6a and Table 6b are examples of "Maria's" household*, where Maria is a single parent with an infant who may need child care to work.

Background on Assumptions

For each household, the analysis estimated net monthly income under current rent rules and net income under new rent rules, making different assumptions about how much the parent worked (zero, 15, or 35 hours per week) and her hourly wage ($8 or, in some cases, $16).

Tables 5a and 6a illustrate net income for Shana and Maria under the new and current rent policies when ***there is a change in employment status.***

Tables 5b and 6b illustrate net income for Shana and Maria under the new and current rent polices when ***their employment status remains unchanged.***

Interpreting the Potential Impacts

**Potential Impact 1:** The analysis of the net income effects illustrate that when a household changes its *work status and earnings*– e.g., when tenants who are not working go to work, or those who are working part-time get full-time jobs, or when working tenants attain wage increases – net household income will improve more under the new rent policy than under current rent rules. This is achieved primarily by holding TTP constant in the face of earnings gains during the three-year period before the next triennial recertification.

Table 5a helps to illustrate how the new policy benefits tenants who do change their work status. The table shows how "Shana's" net monthly income would change under current rent rules as her work status changes. For example, if her initial status was not working, then her net income would be $691, given there is not a minimum TTP. Under the new rent rules it would drop to $675 because she would be paying a higher minimum rent (unless she qualified for a hardship exemption). If she were then to go to work full-time (35 hours per week) at a low wage rate ($8 per hour, which is just above the Federal minimum wage), her net monthly income would increase to $1,645 under current rent rules, but by $243 *more* per month under the new rent rules to $1,888. Thus, Shana would benefit substantially from the new policy if she were initially not working and took a full-time job, even at a low wage. It would increase her net income by 180% under the new policy, compared with 138% under current rules. On an annual basis, this increase would mean a gain in income of $2,916 under the new policy.

The advantage under the new rules is created by holding her TTP constant. Shana's TTP would rise under current rules as she progressed to full-time work, whereas they would remain the same under the new rules (not shown). In effect, the implicit marginal "tax" on any increased earnings due to the normal income-based housing subsidy rules would drop to zero percent under the new rules during this period.

The columns on the right side of the Table 5a provide further details on what would happen after the triennial recertification. At that time under the new rent policy, Shana's TTP would be reset to a higher rate, and, as a result, her monthly net income would drop relative to what it had been in the prior period. It would become comparable to what it would be under current rent rules. However, because her TTP would be held constant for another three years, her net income would grow *more* under the new rent rules relative to current rules if she could increase her wage rate. For example, if she could double her wage rate to $16 per hour job, her net income would grow by 29 percent under the new rent rules compared with only 8 percent under existing rules. Put differently, the same wage increase would boost her net monthly income by $342 (or 19%) more per month (or $4,104 per year) under the new rules than it would under current rules. The improvement would be less under existing rules because her TTP would increase per month.

**Potential Impact 2:** The advantages of the new rules will be smaller for tenants who, in order to go to work or to work more need external child care subsidies but cannot get them. The absence of child care allowances under the new rules will offset some of the benefit of holding TTP constant in the face of earnings gains for some families unless other child care arrangements can be found. Of course, many families who need but cannot get external child care subsidies have difficulty working even under current rent rules because the existing child care allowances are only an income deduction and do not fully cover child care costs. Thus, some families may not work under either rent policy because, if they have to pay for child care out of pocket, it may not "pay" to work.

Table 6a provides estimates of how net income would change for "Maria" as she changed her work status under the new and existing rent rules. However, in Maria's case, it is important to take into consideration her likelihood of receiving child care subsidies from an external funding source. The analysis shows that if Maria, who has a young child, does not need to pay for child care (e.g., because she is able to arrange for family or friends to care for her child at no cost), the new rent rules would provide a clear advantage for going to work full-time, as they do for Shana.

The new rules would also make it more advantageous, compared with current rules, for Maria to move from not working to working full-time, even if she needed to pay for child care out of her own pocket without any subsidies. However, this advantage would be less than it would be if Maria had no child care costs.

**Potential Impact 3:** Tenants who do not work at all may be somewhat worse off under the new rules if they become subject to the minimum rent and do not qualify for a hardship remedy. In addition, working tenants who do not increase their hours of work or wage levels (e.g., they remain working part-time or full-time at a constant wage) will experience little, if any, gain – or loss – in net income under the new rules relative to current rules. This is because their TTPs will remain constant over time, even under current rules. Tables 5b and 6b illustrate this pattern by comparing net income for Shana and Maria under the new and current rent policies when their employment status *remains unchanged.* These tables indicate that, at least in these hypothetical examples, the largest reduction in net income when work status does not change is about $15 per month.

Exhibits illustrating the impact on "Shana's" household

**Table 5a**

**Changes In Estimated Household Monthly Net Income as "Shana" Increases Her Work Effort Under Alternative and Current Rent Policies**

| **Shana** is a single mother with 2 children (Ages 13 and 15) | Year 1 through Year 3 | | | | 3-Year Recertification Interview: New TTP Set | Year 4 through Year 6 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Not Working | Working FT at $8/hour | Difference | Percent Change | | Working FT at $8/hour | Working FT at $16/hour | Difference | Percent Change |
| | ***Initial Status*** | | | | | ***Initial Status*** | | | |
| **Net Income** | | | | | | | | | |
| New Rules | $675 | $1,888 | +$1,213 | +180% | | $1,647 | $2,119 | +$472 | +29% |
| Current rules | $691 | $1,645 | +$954 | +138% | | $1,645 | $1,777 | +$132 | +8% |
| Difference (New minus Current) (%) | (2%) | +15% | | | | +0.1% | +19% | | |

**Table 5b**

**Estimated Net Household Income Under Alternative and Current Rent Policies for "Shana," Assuming No Change in Work Status, by Work Status ($)**

| **Shana** is a single mother with 2 children (Ages 13 and 15) | Not Working | Working PT at $8/hour | Working FT at $8/hour |
|---|---|---|---|
| New Rules | $645 | $1,102 | $1,647 |
| Current Rules | $691 | $1,109 | $1,645 |
| Difference | | | |
| New minus Current | ($15) | ($7) | +2 |

Exhibits illustrating the impact on "Maria's" household

**Table 6a**
**Changes in Estimated Household Monthly Net as "Maria" Increases Her Work Status Under Alternative and Current Rent Policies, by Receipt of External Child Care Subsidy**

| **Maria** is a single mother with a 1-year old child | Year 1 through Year 3 | | | | 3-Year Recertification Interview: New TTP Set | Year 4 through Year 6 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Not Working | Working FT at $8/hour | Difference | Percent Change | | Working FT at $8/hour | Working FT at $16/hour | Difference | Percent Change |
| | ***Initial Status*** | | | | | ***Initial Status*** | | | |
| **Does not need child care subsidy** | | | | | | | | | |
| New Rules | $569 | $1,482 | +$913 | 160% | | $1,236 | $1,899 | +$663 | +54% |
| Current rules | $574 | $1,224 | +$650 | 113% | | $1,224 | $1,524 | +$300 | +24% |
| Difference (New minus Current) (%) | (1%) | +21% | | | | +1% | +25% | | |
| **Needs child care subsidy but does not receive it** | | | | | | | | | |
| New Rules | $569 | $627 | +$58 | +10% | | $349 | $929 | +$580 | 166% |
| Current rules | $574 | $588 | +$14 | 2% | | $588 | $893 | +$305 | 52% |
| Difference (New minus Current) (%) | (1%) | +7% | | | | (41%) | +4% | | |

**Table 6b**

**Estimated Household Monthly Net Income for "Maria," Assuming No Change in Work Status, Under Alternative and Current Rent Policies, by Work Status**

| **Maria** is a single mother with a 1-year old child but does not currently have child care costs and does not use a child care deduction | Not Working | Working PT at $8/hour | Working FT at $8/hour |
|---|---|---|---|
| **New Rules** | $569 | $951 | $1,236 |
| **Current Rules** | $574 | $948 | $1,224 |
| **Difference** | | | |
| **New minus Current** | ($5) | $3 | $12 |

## Hardship Policy

DCHA is participating in the Demonstration in order to further the national discussion regarding the future of the Housing Choice Voucher program. The alternative rent strategies are not intended to create an undue burden on the Study Group members. DCHA has established the following Hardship Policy for Study Group members. Households participating in the Demonstration as part of the Control Group will be subject to the current DCHA policies.

### A. Hardship Waiver Request Process

The process for requesting a waiver will be as follows:

1) A household must initiate a request for a hardship waiver, by completing and submitting a written hardship request to the Housing Choice Voucher program office that shows an eviction risk (or negative impact on the family).
2) The household must supply information and documentation that supports a hardship claim with their written request. For example, a household must provide proof of the following: loss of eligibility for a federal state, or local assistance program; loss of employment or reduction in work hours; or the incapacitation, illness or death of an income-earning household member and amount of lost income.
3) If a household claims zero income as part of its hardship request, it must provide a detailed accounting of funds used to cover basic costs of living (food, personal/family care necessities, etc.). This information must be provided every 90 days.
4) To request hardship based on the risk of eviction for non-payment of rent or utilities, a household must provide a copy of written notice from the landlord of non-payment of rent and the landlord's intent to terminate the household's tenancy, or a notice from a utilities company warning of a utilities shut-off. Tenant must promptly deliver the notice from the Landlord well in advance of a scheduled court date for eviction proceedings. A copy of a rent ledger showing an accruing balance is also acceptable proof for risk of eviction for non-payment and a copy of a recent utility bill showing an accruing balance are also acceptable proof.

### B. Hardship Waiver Criteria

DCHA may determine a financial hardship exists when the household cannot pay the minimum rent or has an excessive rent burden. Households will be considered for a hardship waiver, as discussed below, if:

1) The hardship cannot be remedied by the one interim recertification permitted each year (which cannot reduce a household's TTP below the minimum level).
2) The household is at an income level or experiences a loss of income and/or a TTP increase such that its total monthly TTP exceeds 40 percent of its current monthly gross income. The gross income will include imputed income in the same manner as current calculations.
3) The household faces risk of eviction for non-payment of rent – including utility shut-offs for non-payment of utility bills that could lead to eviction.
4) Other circumstances as determined by DCHA.

**C. Hardship Review Process**

1) The administrative informal review of the household circumstances will be conducted by DCHA according to current review processes.
2) For hardship claims related to imminent risk of eviction, DCHA will conduct an expedited review.
3) Where a hardship request is denied, the household may request an independent review of its case.
4) DCHA will complete all information regarding the request for Hardship and the outcome in the system of record for tracking Hardship requests.

**D. Hardship Remedies**

1) The Hardship remedies may include any of the following:
   a) Allowing an additional interim recertification beyond the normal one-per-year option. This could lower household's TTP (but only as low at the $75 minimum TTP) until the next triennial recertification.
   b) Setting the household's TTP at the minimum level for up to 180 days.
   c) Setting the household's TTP at 28 percent of current income, for up to 180 days.
   d) Offering a "transfer voucher" to support a move to a more affordable unit (including a unit with lower utility expenses).
   e) A specific time frame for the temporary TTP or minimum rent may be established for longer than 90 days based on specific circumstances. However, the time frame will never go beyond the triennial recertification date.
   f) Any combination of the above remedies.

2) During the 180-day period when the TTP is reduced, DCHA will increase its payment to the landlord to cover the portion of the rent previously paid by the tenant directly to the landlord, and it will notify the landlord of the change and the time period of the increased payments.
3) In addition to the remedy or remedies offered, the household may be referred to federal, state or local assistance programs to apply for assistance, or to obtain verification that they are ineligible to receive benefits.
4) The Hardship remedies are subject to the following limitations:
   a) The tenant portion of the rent payments will not be suspended prior to a hardship waiver request submission, once the request is approved.
   b) Remedies will not affect any rent attributable to a gross rent that exceeds the applicable payment standard.
   c) Opting out of the alternative rent policy is not a remedy option.

**E. End of Hardship Waiver Period**

1) If the hardship continues, the household may submit a request for an extension of the hardship remedy. However, the time frame will never go past the triennial recertification date.
2) At the end of the hardship waiver period, the household's regular TTP will be reinstated.

## Annual Reevaluation of Rent Reform Activity

DCHA will review the rent reform activities annually and will report its findings to HUD in the yearly MTW Report. Because certain activities will be conducted on a triennial basis, not all information may be presented each year. However, DCHA will report on the following:

- Hardship requests and determinations
- Interim certifications for loss of income
- Program departures
- HAP Expenditures

## Transition Period

### A. Selection of Participants

Demonstration Participants will be randomly selected from the eligible vouchers through a computer generated random selection program. Eligible vouchers will specifically exclude the following:

1) Vouchers not currently administered under the Moving to Work Program:
   a) Veterans Affairs Supportive Housing
   b) Moderate Rehabilitation
   c) Shelter Plus Care
2) Enhanced Vouchers
3) HUD Project Based Vouchers
4) Vouchers administered under portability
5) Elderly households: Head of Household, co-head, spouse or single member households 62 years or older pursuant to the Administrative Plan
6) Households headed by people older than 56 years of age (who will become seniors during the course of the long-term demonstration).
7) Disabled households: Head of Household, co-head, spouse or single member households with disability as defined in the Administrative Plan
8) Households currently participating in the Family Self-sufficiency Program
9) Households participating in the Homeownership Program
10) Households that contain a mix of eligible and non-eligible household members would not be included in the Demonstration
11) Households currently receiving a childcare expense deduction

### I. Enrollment of Study Group Members

1) Prior to Initial Demonstration Recertification Meeting/Orientation

   Selected Demonstration Participants will receive special information with their recertification package to introduce them to the rent reform policies and to answer household questions. DCHA will conduct the triennial certification at the time otherwise scheduled for the household biennial recertification. Key staff will be trained in all aspects of the Demonstration given their role as primary points of contact, including being resources for navigating the new policy, for Study Group members.

2) During Initial Demonstration Recertification Meeting/Orientation
At the initial recertification, the household will have the changes in rent reform policies explained to them, including the details of the hardship policy (when they may qualify and how to apply). Households will also be given a comprehensive resource guide of services related to increasing self-sufficiency that can be accessed throughout the city.

Changes in the family share, TTP, utility schedule allowance will be provided to the household with no less than 30 days' notice.

3) Mitigation of Impact at Initial Demonstration Recertification
A "grace period" of six months will be provided to mitigate the impact of the transition if at the triennial certification (initial demonstration recertification at the beginning of the three-year period), and at subsequent triennials, if a household's current/anticipated income is less than its retrospective income by more than 10%, the current income alone will be used to create a "temporary" TTP for a six-month grace period.

After that grace period, the TTP will automatically be switched to the TTP amount based on the previously determined average prior income. No interim recertification interview would be required to reset this TTP. Families can request a hardship waiver if the six month grace period is not sufficient for transitioning from the temporary TTP.

## Initiative 29: HQS Biennial Inspections for Landlords in Good-Standing

Description/Impact/Update

HUD regulations currently mandate that housing authorities inspect every HCVP unit at least once annually to ensure it meets Housing Quality Standards (HQS). Before a family takes possession of a unit for the first time, DCHA conducts an initial inspection. The Consolidated Appropriations Act of FY2014 included a policy change that allowed housing authorities to implement biennial inspections. At the time this initiative was drafted, HUD had not provided guidance on implementation of this policy change. HUD did publish the final rule with a July 1, 2014 effective date. In lieu of formal HUD guidance, at the time DCHA proposed to use its MTW authority to implement a biennial HQS inspections program for landlords/owners in good standing as defined by specific performance criteria that upholds HUD's standards of decent, safe, and sanitary housing for assisted HCVP households. Units/Properties approved to move to a biennial HQS inspection cycle are required to have an HQS Inspection conducted at least one time every other fiscal year. It is DCHA's expectation through the implementation of this initiative that the agency will be able to meet HUD's HQS requirements in a more cost effective manner.

***Tenant-based Vouchers***

Landlords/Owners with units on the program in which residents are utilizing tenant-based vouchers must request to have their property/units designated for inclusion in the biennial HQS inspection cycle and meet all of the following criteria in order to move to a biennial HQS inspection cycle:

- History of Landlord/Owner HQS Compliance
  No more than **3%** of owner units that participated in HCVP in the past two years prior to the program entry request date have **final failed** due to landlord HQS violations.

- History of Unit HQS Compliance
  The unit(s) requested **cannot** have any HQS failed inspections due to landlord violations in the past two years.
- History of Landlord/Owner Compliance with HAP Contract
  Landlord/Owner cannot have a documented history of a breach of a DCHA HAP Contract – which includes, but is not limited to, a failure to enforce the lease with the tenant in Landlord Tenant Court for lease violations.

DCHA will mail each landlord deemed eligible a list of units in their portfolio that will be moved to a biennial inspection cycle along with the next scheduled inspection date.

If the landlord/owner or unit falls out of compliance with the above as a result of any type of inspection(s) (Quality Control, Compliance, or other), DCHA may disqualify that unit or property from continued participation in the biennial HQS inspection cycle. If disqualified, that unit/property will revert back to the annual inspection requirement. The owner will have to wait at least two years from the time of disqualification before applying for re-instatement to the program.

***Project-Based***

HCVP is proposing to automatically place its project-based units on a biennial inspection cycle based on the outcome of the most recent unit inspections given that each of the following criteria is met:

- History of Landlord/Owner HQS Compliance
  No more than **3%** of owner units that participated in HCVP in the past year prior to the program entry date have **final failed** due to landlord HQS violations.
- History of Unit HQS Compliance
  The unit(s) requested **cannot** have any HQS failed inspections due to landlord/owner violations in the past two years.

DCHA will mail each landlord deemed eligible a list of units in their portfolio that will be moved to a biennial inspection cycle along with the next scheduled inspection date.

Those developments who meet the above criteria will have the next scheduled inspections set to take place in FY16. The remaining developments will have unit inspections conducted in FY15 understanding that meeting the above criteria will result in being moved to a biennial inspection cycle that will begin in FY17. These developments are managed by professional management companies, which tend to have more experienced maintenance staff and more resources to draw on to perform any needed repairs in a timely manner. Therefore, it is anticipated that this will increase the likelihood of compliance with the biennial inspection terms of participation.

At ongoing scheduled inspections under the biennial inspection program, project-based units must meet the following criteria to stay in program.

- 90% of units in the property pass HQS inspections (excluding units that fail solely for tenant-caused violations); and
- 95% of the units in the property pass HQS Quality Control inspections (excluding units that fail solely for tenant-caused violations)

HCVP may disqualify a property from continuation in the program if one or more of the above thresholds are not met. If disqualified, the assisted units in that property will revert back to inspections being conducted annually and the owner will have to wait two years from the time of disqualification before being considered to be re-instated in the program.

Anticipated Impacts

The anticipated impact of this initiative is increased compliance and oversight of assisted units in HCVP by effectively reallocating resources. DCHA anticipates that the participation in the program will be an incentive for landlords/owners to ensure that their units are passing inspections. In addition, landlord/owner retention in HCVP is an expected outcome.

The total time allotted for performing 100% of unit inspections each year will diminish as units are added to the biennial inspection cycle. With the freeing of inspection staff time, DCHA looks to increase the percentage of Quality Control (QC) inspections it conducts from 3% to 5% for the Tenant-based units and from 2% to 5% for Project-based units. This initiative contributes to increasing the quality of HCVP housing stock by allowing more focus on properties and participants that have a history of failing inspections. A portion of the anticipated savings in agency costs will be reinvested in the Agency's increased QC efforts.

Actual Non-Significant Changes

There were no non-significant changes in FY2019.

Actual Changes to Metrics/Data Collection

There were no changes to the initiative metrics in FY2019.

Actual Significant Changes

There were no actual significant changes in FY2019.

Status (inclusive of Challenges in Achieving Benchmarks and Possible Strategies)

Implemented and Ongoing.

Initial enrollment began in FY2017 with a total of 977 units that switched from an annual to a biennial inspection cycle. In FY2018, the number of units on the program increased to 1,484, with 507 additional units added during the fiscal year. By FY2019, a total of 2,315 units were in the program.

Metrics

*DCHA Defined Metric(s)*

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of units in the program (Tenant-Based) | 0 | 30% of existing units will qualify for the program after 1st full year of implementation | 2,315 total units in program<br><br>(1,611 new Tenant-Based units added in FY2019) | Benchmark met |

| Unit of Measurement | Baseline | Benchmark | Outcome (FY2019) | Benchmark Achieved? |
|---|---|---|---|---|
| Number of units in the program (Project-based) | To be determined (assumes automatic enrollment prior to initial program inspection) | 50% retention at the 1st biennial inspection under the program* | Enrollment has not begun for PBV units | NA |

*HUD Standard Metric(s)*

While *"Cost Effectiveness #3: Error Rate"* is a required HUD Standard Metric for inspection initiatives, it is not applicable to this initiative as there is no existing error rate associated with the current practice. As such, DCHA has added this metric (see below), but will not be tracking it.

| Cost Effectiveness #1: Agency Cost Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total cost of task in dollars (decrease) | Cost of task prior to implementation of the activity (in dollars) | Expected cost of task after implementation of the activity (in dollars) | Actual cost of task after implementation of the activity (in dollars) | Whether the outcome meets or exceeds the benchmark. |
| Cost of task | $802,500 ($75 per required annual HQS; 10,700 annual inspections) | $481,500 (anticipated reduction of 40% in the 1st implementation cycle) | $173,625<br><br>(2,315 inspections x $75) | Benchmark met |

| Cost Effectiveness #2: Staff Time Savings | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Total time to complete task in staff hours | Total amount of staff time dedicated to the task prior to implementation of the activity | Expected amount of staff time dedicated to the task after implementation of the activity | Actual amount of staff time dedicated to the task after implementation of the activity | Whether the outcome meets or exceeds the benchmark. |
| Staff Hours | 10,700 hours (1 hour/inspection) | 6,420 hours (40% reduction in required annual inspections) | 2,315 hours<br><br>2,315 inspections x 1 hours) | Benchmark met |

| Cost Effectiveness #3: Decrease in Error Rate of Task Execution | | | | |
|---|---|---|---|---|
| **Unit of Measurement** | **Baseline** | **Benchmark** | **Outcome (FY2019)** | **Benchmark Achieved?** |
| Average error rate in completing task as a percentage | Average error rate of task prior to implementation of the activity | Expected average error rate of task after implementation of the activity (in hours). | Actual average error rate of task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |
| Average error rate in completing task as a percentage | 0 | 0 | N/A | N/A |

## B. Not Yet Implemented

| New Number | Old Number | Objective/Initiative | Statutory Objective | MTW Flexibility | Yr. Identified |
|---|---|---|---|---|---|
| 19 | 4.5.11 | Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment | • Reduce cost and achieve greater cost effectiveness | Sections C11 and E of Attachment C | FY2011 |
| 27 | N/A | Family Stabilization through Housing and Education Demonstration | • Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient | Section B(1)(b)(iii); C.11, of Attachment C | FY2014 |
| 31 | N/A | Unit Protection Incentive Program | • Increase housing choices for low-income families | Attachment C, Section D(1)(a) | FY2018 |
| 32 | N/A | Modifications to the HCV Family Self-Sufficiency Program | • Increase housing choices for low-income families | Attachment C, Section D(1)(a) | FY2019 |

## Initiative 19: Establishment of Resident Driven Community Based Programs to Improve Customer Service and Foster Greater Resident Empowerment

Description/Impact/Update

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

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

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

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

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

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

vibrancy and livability of their community. Additionally some participants, depending on the volunteer activity, may have the opportunity to gain or enhance job and life skills.

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

Status
Not Yet Implemented

DCHA did not update the local regulations (ACOP) in FY2018 as planned. The agency looks to finalize the local regulations in FY2020 for roll-out at Potomac Gardens Senior.

## Initiative 27: Family Stabilization through Housing and Education Demonstration

Description/Impact/Update

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

elementary and middle school, ages 10-14, who appear to already have challenges with school attendance.

DCHA's program will be voluntary for Public Housing families and participation in the program will last until the child completes high school. The potential length of participation could be up to nine years for fourth graders entering the program. Families in which absenteeism/truancy are or may become an issue will be identified for outreach to participate in the program. DCHA is working with DCPS and the Deputy Mayor's Office on Education and Human Services to identify a Public Housing site(s) and partnering elementary/middle schools by cross-referencing school and DCHA resident data. Similar work will be undertaken with DC Charter Schools. This exercise will inform the size of the program along with the number of families meeting basic eligibility requirements. Based on DCHA existing staffing capacity, the initial program size would not exceed 20 families. However, as DCHA identifies other funding sources (both direct and in-kind) that can support a larger demonstration, the size of the program may grow. Other anticipated partners include the Office of the State Superintendent (OSSE), DC Department of Human Services (DHS), DC Department of Behavioral Health (DBH), DC Department of Employment Services (DOES), DC Department of Child and Family Services (CFSA), and DC Office of Justice Grants Administration (JGA). In addition, DCHA will be exploring new and existing relationships with non-governmental organizations that provide supportive services.

Each family will have a case manager who will work with the family to identify a plan for addressing their child's absenteeism/truancy, inclusive of strategies to deal with familial, school and environmental challenges. In addition to supporting each child's academic achievement, DCHA will provide support to parents in moving the family toward self-sufficiency (i.e. GED preparation, job readiness, life skills, etc.).

In our efforts to fund the program, DCHA will utilize existing staff resources, including the provision of case management/coordination. In addition, DCHA will utilize existing supportive service resources provided through existing partnerships with agencies/organizations to augment case management and access to other services needed by participating families (i.e. DCPS tutors, DOES jobs programs, job training provided at DCHA's Southwest Family Enhancement Center, etc.). An example of maximizing existing case management effectively and efficiently is through the many clients DCHA and DHS serve. Through DHS's Case Coordination Model, detailed Individual Responsibility Plans (IRP) are established for families receiving Temporary Assistance for Needy Families (TANF). Based on a family assessment, these plans outline steps for families to move toward self-sufficiency. For participants in the DCHA demonstration program who also receive TANF, as an addendum to DCHA family commitment plans, the Agency would utilize DHS IRP plans and work with DHS case managers to monitor progress and assist clients with those goals related to overcoming family based barriers to attendance and working toward self-sufficiency. DCHA has already begun discussions with DHS about supporting shared clients through their Case Coordination Model. In some cases, DCHA will tap into existing truancy/truancy prevention programs to identify services/supports for DCHA families participating in this initiative. DCHA will also be actively seeking additional direct funding through foundations and governmental grants.

Successful completion of DCHA's demonstration program would include sustained improvements in a child's attendance and academic achievement. In addition, a family's progress toward self-sufficiency, based on realistic goals outlined in their family commitment plan will also be an indicator of successful program completion.

As a work incentive, DCHA will cap the rents of participating families upon entry into the program, but rents will not be less than $25 a month. The rent being charged at the point the household enters the

program will be capped for the lifetime of the family's participation in the program. For example, if a family enters the program with calculated rent at $100/month, DCHA will not increase the rent based on increases in earned income. While all program participants have to pay at least $25/month in rent, this will not be a requirement for entry into the program. Instead, families paying less than $25/month at program entry will experience rent increases as earned income increases until their rent reaches the $25/month threshold. At that point, any new earned income coming into the household will not be counted toward rent. In addition, a portion of any new employment income entering the household will be escrowed to go toward the child's educational goals (i.e. college, vocational education, etc.). The established escrow contribution of the family will be based on the goals identified in the family commitment plan. DCHA will explore the possibility of providing a percentage match through other sources, if possible. It is important to note that only about 5% of all Public Housing households are currently paying rent between $0-$25. Of that number, less than half have school age children.

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

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

**Summer 2018- Fall 2018 Activities**

- Finalize DCHA property and schools to participate
- Assure necessary commitments of DCPS, Charter School Board and participating schools
- Analyze causes of turnover at participating schools
- Determine number of current DCHA students attending the selected schools
- Determine number of possible participants
- Develop strategies for meeting with staff and parents
- Consult with community and school staff
- Determine available resources of community partners/service providers
- Assure commitment of district administration
- Hold community comment events
- Develop plan and pursue additional funding sources
- Identify program evaluation team

**Spring 2019-Summer 2019 Activities**

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

- Parents sign Family Commitment Plans
- Case Managers hired
- Baseline data collected
- Pursue additional funding sources

**Fall 2020 Implementation Activities**

- Students start spring semester
- Parents begin program activities
- Pursue additional funding sources

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

- Parents will improve their economic and employment status.

- Participating students will show greater gains in school outcomes (including reduction in absenteeism/truancy rates, grades and standardized test scores) relative to other low-income students attending their school and other schools. Each participating child will be monitored several times a year through various means (e.g. report cards, district/state assessment scores, case manager communications with teachers and other program partners).

- Parents of students will play a larger role in supporting their child's academic and social growth leading to improved achievement in the project

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

Participation in this demonstration could last more than four years as proposed. DCHA acknowledges the fact that the MTW authority utilized for this initiative will no longer be available beyond the expiration of its MTW agreement with HUD. In the event that the agreement is not extended beyond 2018, DCHA will work with HUD as part of the transition to seek a means of continuing the program. If not, DCHA will take the necessary steps to close out the initiative.

<u>Status</u>
Not Yet Implemented.

Work with the Office of the Deputy Mayor for Education on this initiative stalled in FY2019. DCHA staff is working to reconnect with the Office of the Chancellor to see if there is still interest in moving forward with implementation. Staff had begun discussions in late FY2018 with the interim Chancellor of Schools. Right after the end of FY2018 a new permanent Chancellor was hired. . DCHA has identified two public housing properties where this initiative could be implemented - Benning Terrace and Woodland Terrace.

The draft data-sharing MOU with the Office of the State Superintendent for Education (OSSE) needs to be updated and finalized. DCHA adjusted the implementation schedule in its FY2020 MTW Plan. The schedule will be updated in the agency's FY2020 report.

## Initiative 31: Unit Protection Incentive Program

Description/Impact/Update

In 2015, the DCHA Housing Choice Voucher (HCV) program established Housing Affordable Living Options (HALO), a program designed to eliminate barriers for DCHA clients that are interested in moving to low-poverty areas by offering a host of incentives. One of the biggest barriers for HCV families is finding funds to secure a rental unit (via a security deposit). To address this barrier, DCHA HCV is proposing to add to HALO incentives the establishment of a pilot that guarantees funding to cover unit damages for landlords/owners participating in the HALO program. Under the Unit Protection Incentive Program (UPIP), in lieu of a security deposit, landlords/owners agree to DCHA guaranteeing that funds will be made available upon a participant's move-out to cover tenant-caused unit repairs that are beyond normal unit wear and tear. The guaranteed funds will not exceed one month of contract rent for the unit.

Although DCHA's current payment standards meet the rental amounts in many low-poverty areas, rents across the city are extremely high and renters are usually asked to pay a security deposit (equal to first month's rent) before move-in. Most of the HALO families cannot afford the security deposit and typically seek funding from other sources including other city programs. This barrier typically causes families to miss the opportunity to move-in during the timeframe allotted by the landlord/owner. The UPIP will eliminate this obstacle so that families can move-in quickly without the added pressure of coming up with a security deposit. As part of implementation, DCHA will explore the feasibility of negotiating with landlords/owners who have other required move-in fees, in addition to security deposits, to forgo those fees as well.

The UPIP pilot program will be limited to new landlords/owners participating in the HALO program and existing landlord/owners in which a HALO household moves and a HALO household moves into that unit. Landlords/owners will have the option to "opt-in" to the program as a household moves into their unit.

If a HALO participant living where the landlord/owner opted to participate in UPIP decides to transfer to another unit, DCHA will conduct a move-out inspection at no cost to the landlord to identify UPIP eligible tenant-caused damages. If tenant-caused HQS violations exist, the UPIP guaranteed funds will paid directly to the landlord/owner's contractor as long as the owner keeps the unit in UPIP after the HALO participant moves. DCHA will provide a fee schedule for UPIP allowable repairs. Normal wear and tear will not be covered under the program. UPIP is voluntary and enrolled landlord/owner can opt-out at the end of the lease term, but will forfeit the UPIP funds.

Status Update

Not Yet Implemented.

DCHA did not begin implementation of this initiative as anticipated. By the end of FY2020, DCHA will update the agency Administrative Plan (local regulations); add HALO provisions to the HAP contract; and staff will begin an assessment of potential landlords in HALO identified communities.

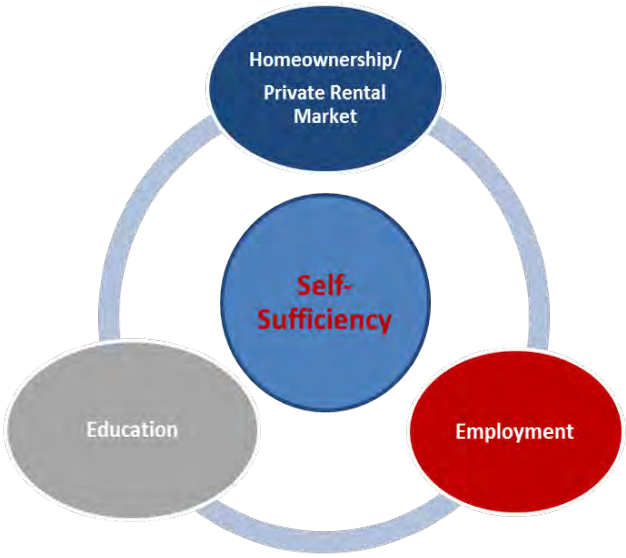
## Initiative 32: Modifications to the HCV Family Self-Sufficiency Program

Description/Update

DCHA is committed to providing all the residents served by the agency's housing programs with opportunities for achieving economic independence and self-sufficiency. Understanding that one size does not fit all when it comes to the resources and supports a family may need to improve their economic condition, DCHA's self-sufficiency platform consists of a suite of resources and incentives that when accessed provide pathways to employment, education and homeownership/unassisted rental.

As DCHA re-tools its self-sufficiency program, the agency is exploring ways to maximize incentives that are more effective in motivating families to become self-sufficient. To better effectuate this goal, DCHA looks to transition from the traditional FSS model to one that supports DCHA's multi-pronged approach to moving families toward self-sufficiency. Specifically, DCHA is proposing creating an incentive structure that requires MTW authority to eliminate the traditional escrow model. These program changes would provide incentive investments in the form of an income exclusion, rent cap, educational stipend, mortgage down payment/rental grant or employment grant based on the self-sufficiency pathway chosen.

**Figure 1. DCHA Pathways to Achieving Self-Sufficiency**




*Implementation*

Program size will be set at 200 to reflect 1:50 ratio of Self-Sufficiency Coordinators to participants. Specifically, the program slots will be allocated relative to each self-sufficiency pathway:

- Homeownership/Renting in Private Rental Market =100
- Education= 50
- Employment = 50

Implementation of the new framework will begin as current FSS households transition off the program. Once the families participating under the current framework transition off the program, the open slots will be administered under the new model. The families currently on the FSS waiting list will be offered new program slots first. There are currently 215 FSS households and 82 households on the FSS waiting list.

Upon approval by HUD, DCHA will update its Administrative Plan via local regulations, inclusive of the 30-day comment period. In addition, necessary notifications/outreach and systems adjustments/procedural changes will be made. DCHA looks to begin this implementation process with the update of the Administrative Plan by the end of the 3rd quarter of FY2019.

*Anticipated Impacts*

The existing FSS program is already designed to meet the following *MTW statutory objectives*:

- encourage families to obtain employment and become economically self-sufficiency; and
- increase housing choices for low-income families

It is DCHA's intention that the re-tooling of the program will further enhance the agency's ability to meet these objectives. Specifically, the new program model more directly aligns incentives to participant goals and program outcomes related to employment and access to additional housing options.

DCHA anticipates the following with the implementation of this initiative:

- A simpler program design and clearer incentive structure making it easier for clients to make decisions about their participation. Program Incentive Investments (i.e. homeownership down payment, rental market grants and tuition subsidy and employment incentive) will be known to the client when weighing the decision to apply for the program.
- DCHA will be able to better anticipate incentive program costs because the new incentive structure will be simpler and less variable.
- With an incentive structure tailored to DCHA's pathways to self-sufficiency, DCHA expects to see more families:
    - Moving off of the voucher subsidy completely
    - Increasing earnings
- Making housing subsidy available to house families from the HCVP waiting list as families move off of the program
- Elimination of the administrative burden of calculating and maintaining escrow accounts

### Pathways to Self-Sufficiency —Incentive Model

| Pathway<br><br>(Primary Goal)/<br><br>Participation Elements | Homeownership/Rental in the Private Rental Market | Education | Employment |
|---|---|---|---|
| **Incentives** | $2,000/year set-aside for each year in the DCHA Self-Sufficiency Program<br><br>Disbursed upon successful completion of the program (maximum disbursement = $10,000)<br>• Homeownership—in time for settlement<br>• Private Rental Market—approval for a lease<br><br>If a family needs a voucher to purchase a home, they will also be enrolled in the HCV Homeownership Assistance Program. | A maximum of $2,000 made available each year to be paid by DCHA toward tuition at a community college, four year college, professional certification or vocational training program. DCHA will make tuition payments directly to the educational institutions<br><br>Earned Income exclusion from calculation of rent (using $ from rent for education prep and tuition) | Tenant portion of rent will remain the same as long as the family is in the program<br><br>$600 for each 12 months of consecutive part-time/full-time employment |
| **Basic eligibility** | Households with incomes between 50% and 80% of median income range, depending on household size = $41,050-$102,250<br><br>@ least $32,000 in earned income (HOH and spouse) | GED or High School Diploma<br><br>Pass an educational readiness assessment<br><br>Part-time employment | Head of Household has $0 earned income |
| **Program Length** | Up to 5 years | Up to 5 years | Up to 5 years |
| **Program Size (initial)**<br><br>**Based on staff capacity** | 100 | 50 | 50 |
| **The program will maintain financial literacy as a core component across pathways.** | | | |

For households not meeting the eligibility requirements for this component of the DCHA self-sufficiency program, they will have access to the suite of resources made available through DCHA's Workforce Development Initiative (WDI) headquartered at the agency's Southwest Family Enhancement and Career Center. Many of the same resources are available through WDI minus the case management and incentive investments.

### Cost Implications

Precise overall cost implications cannot be projected until families are enrolled in the program given a range of variables that will impact costs—i.e. participant and household income/rent, time on the program, and when the Incentive Investments are triggered.

In order to provide a sense of potential impact, we considered the following:

- The average escrow disbursement under the current program model over the last five years (FY13-FY17) has been about $123,689 annually, with a total disbursement over the five years of $618,447. The average annual disbursement for the last two years was $193,425.

- Projected costs and related assumptions based on Incentive Investments by pathway:

| Pathway/Cost Implication | Cost Projection | Assumptions |
|---|---|---|
| **Homeownership/**<br><br>**Private Rental Market** | $500,000/5 year total<br><br>OR<br><br>$100,000/year on average | • One-time disbursement at end of program participation. Total cost and timing of disbursement dependent on time it takes participant to achieve goal.<br>• 50% of households projected to achieve goal. |
| **Education** | $76,000/year | • Up to 2 disbursements a year depending on the tuition payment requirements not to exceed $2,000/year<br>• 75% of participating households enroll in school and trigger the incentive for an avg of 3 years |
| **Employment** | $10,800/12 months | • 60% of participating households become employed for 12 consecutive months and trigger the incentive for an avg of 3 years. |
| **Potential average annual exposure** | **$186,800/year** | **DCHA does not anticipate costs to reach the maximum projections.** |

While not relatively significant, there will be an elimination of staff time and agency cost related to escrow calculations. Staff time will go from 40 minutes per calculation to 0 and the related agency cost is estimated to go from a range of $568-$1,000 to $0.

It is DCHA's hope to expand the proposed program changes over time through additional funding streams. The agency will aggressively seek partnership opportunities with foundations, local organizations and companies with a shared interest in supporting families in their efforts to move toward self-sufficiency.

Status Update

Not Yet Implemented. The initiative was updated as part of FY2020 MTW Plan.

DCHA is working to establish an implementation plan that introduces the new incentive structure for HCVP and public housing families, while also allowing existing HCVP FSS participants to complete their contracts of participation under the existing program requirements. DCHA updated the initiative in the FY2020 MTW Plan and anticipates fully implementing the new FSS program structure by first quarter FY2021. The updated initiative will be reported on as part of the FY2020 MTW Report. DCHA is still implementing the current FSS program which had 152 participants enrolled during FY2019.

## C. On Hold Activities

| New Number | Old Number | Activity | Statutory Objective | Yr. Identified | Yr. Implemented |
|---|---|---|---|---|---|
| | | | | | |

At the end of FY2019, DCHA did not have any activities on hold.

## D. Closed Out Activities

| New Number | Old Number | Activity | Statutory Objective | Yr. Identified | Yr. Implemented |
|---|---|---|---|---|---|
| N/A | 1.2.04 | Locally Defined Site and Neighborhood Standards | • Increase housing choices for low-income families | FY2004 | Implemented FY2004, Closed Out FY2011 |
| N/A | 2.4.04 | Special Occupancy for Service Providers | • Reduce cost and achieve greater cost effectiveness | FY2004 | Never Implemented Closed Out FY2005 |
| N/A | 3.1.04 | Voluntary Resident Community Service | • Reduce cost and achieve greater cost effectiveness | FY2004 | Never Implemented Closed Out FY2004 |
| N/A | 3.2.04 | Resident Satisfaction Assessment | • Reduce cost and achieve greater cost effectiveness | FY2004 | Implemented FY2004 Closed Out FY2004 |
| N/A | 1.7.05 | Security Deposit Guarantee Program | • Increase housing choices for low-income families | FY2005 | Never Implemented, Closed Out FY2010 |
| N/A | 1.8.05 | Modification to HCV Inspections Scheduling | • Reduce cost and achieve greater cost effectiveness | FY2005 | Never Implemented Closed Out FY2006 |
| 6 | 2.3.04 & 2.5.05 | Modifications to Pet Policy | • Reduce cost and achieve greater cost effectiveness | FY2005 | Implemented FY2005 and Closed out FY2016 |
| N/A | 3.3.05 | Streamlining Resident Community Service | • Reduce cost and achieve greater cost effectiveness in federal expenditures | FY2005 | Implemented FY2005 Closed Out FY2012 |
| 9 | | Streamlined Operating Subsidy Only (OPERA) Protocol—Operating Assistance for Rental Housing | • Reduce cost and achieve greater cost effectiveness in federal expenditures]<br>• Increase housing choices for low-income families | FY2005 | Never Implemented Closed Out FY2016 |
| 10 | 3.4.05 | Supporting Grandfamilies | • Encourage families to obtain employment and become economically self-sufficient | FY2005 | Implemented FY2005 |
| N/A | 4.2.05 | Revolving Loan Fund for HCV Landlords | • Increase housing choices for low-income families | FY2005 | Never Implemented Closed Out FY2009 |

| New Number | Old Number | Activity | Statutory Objective | Yr. Identified | Yr. Implemented |
|---|---|---|---|---|---|
| N/A | 4.3.05 | Flexible Funding | • Reduce cost and achieve greater cost effectiveness | FY2005 | Implemented FY2005 Closed Out FY2010 |
| N/A | 4.4.06 | Reformulation of HUD Forms | • Reduce cost and achieve greater cost effectiveness | FY2006 | Implemented FY2006 Closed Out FY2010 |
| 13 | 2.6.07 | Enhanced Public Housing Lease Enforcement Operations | • Increase housing choices for low-income families | FY2007 | Closed |
| N/A | 1.11.08 | Maximizing Public Housing Subsidies | • Reduce cost and achieve greater cost effectiveness<br>• Increase housing choices for low-income families | FY2008 | Never Implemented Closed Out FY2008 |
| 14 | 3.6.08 | Streamlining the Transition from Project-Based to Tenant-Based Vouchers | • Reduce cost and achieve greater cost effectiveness | FY2008 | Implemented FY2009 and Closed Out 2012 |
| 15 | 3.7.08 | Reform Housing Quality Housing Standards | • Reduce cost and achieve greater cost effectiveness | FY2008 | Never Implemented Closed Out 2018 |
| 21 | 2.10.12 | DCHA Local Mixed Subsidy Program | • Reduce cost and achieve greater cost effectiveness in federal expenditures]<br>• Increase housing choices for low-income families | FY2012 | Never Implemented Closed Out 2016 |
| 26 | NA | Local Investment Policy | • Reduce cost and achieve greater cost effectiveness | FY2014 | Never Implemented Closed out FY2017 |
| 30 | NA | HQS Scheduling | • Reduce cost and achieve greater cost effectiveness | FY2015 | Never Implemented Closed out FY2017 |

## Locally Defined Site and Neighborhood Standards

Description

As outlined in Attachment C of the DCHA original MTW agreement, DCHA needed the ability to move swiftly to expand and preserve affordable housing in the District of Columbia in the face of rapid and dramatic gentrification of many of the city's neighborhoods. These are neighborhoods targeted for revitalization as indicated by designation as an Empowerment Zone, Housing Opportunity Area, Strategic Neighborhood Target Area or Neighborhood Strategy Areas under the Community Development Block Grant (CDBG). Under stated federal requirements, the use of census data would not provide accurate and timely demographic information reflective of the quickly changing racial and economic landscape of the city's neighborhoods. Establishment of Locally Defined Site and Neighborhood Standards provided DCHA with the agility necessary to determine the location of newly

constructed or substantially rehabilitated housing to be subsidized through project-based section 8 voucher funding or Public Housing operating subsidy. In determining the location of such housing, in lieu of the Site and Neighborhood Standards set forth in 24 CFR 941.202(b)-(d), DCHA acted in accordance with the following locally established requirements:

3. The units may be located throughout the District, including within the following types of urban areas: (i) an area of revitalization that has been designated as such by the District of Columbia; (ii) an area where Public Housing units were previously constructed and were demolished; (iii) a racially or economically impacted area where DCHA plans to preserve existing affordable housing; or (iv) an area designated by the District of Columbia as a blight elimination zone; and

4. A housing needs analysis indicates that there is a real need for the housing in the area; and

5. When developing or substantially rehabilitating six or more units, DCHA will provide documentation to HUD which evidences that: (i) during the planning process, it has consulted with Public Housing residents through appropriate resident organizations and representative community groups in the vicinity if the subject property; (ii) it has advised current residents of the subject properties ("Resident") and Public Housing residents, by letter to resident organizations and by public meeting, of DCHA's revitalization plan; and (iii) it has submitted a signed certification to HUD that the comments from Residents, Public Housing residents and representative community groups have been considered in the revitalization plan.

   In addition, the locally defined site and neighborhood standards complied with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and the implementing regulations referenced compliance with these Acts. Similar to HOPE VI Site and Neighborhood Standards, a DCHA project for which locally defined site and neighborhood standards were applied would either have to:

   - Encourage reinvestment in areas of minority concentration;
   - Improve or preserve affordable housing in the area;
   - Provide quality housing choices for assisted households; or
   - Reduce displacement in properties undergoing substantial rehabilitation as part of a comprehensive neighborhood revitalization strategy

Status
Closed Out

In 2012, the MTW Office, in consultation with HUD's Urban Revitalization Division of the Office of Public Housing Investments, advised DCHA that MTW flexibility relative to site and neighborhood standards for DCHA's HOPE VI developments is not necessary and that local site and neighborhood standards cannot be approved for future non-HOPE VI development activities.

## Special Occupancy Policy of Service Providers

Description
Both sworn and special police officers in DCHA's Office of Public Safety and the District of Columbia Metropolitan Police Department officers can serve their community better if they are part of it. DCHA

currently makes use of this resource at several of its communities. The same would be true for other service providers as well. In addition to security officers, DCHA proposed creating policies to allow members of Vista, AmeriCorps, and similar organizations to live in DCHA Public Housing units in exchange for the services that they provide.

Status
Closed Out

Many of the Resident Councils in DCHA's Public Housing communities felt strongly that it was more beneficial to continue to house traditional Public Housing residents rather than the service providers. Because of this input, DCHA discontinued exploration of this initiative.

## Voluntary Resident Community Service

Description
Under this initiative, DCHA sought to seek voluntary, rather than the Quality Housing and Work Responsibility Act (QHWRA) required, community service by the residents of its communities while seeking to expand opportunities for residents to be empowered and inspired to make a difference and contribute service to their community.

Status
Closed Out

In FY2004, DCHA completed the development of this initiative with the adoption of the Neighbor to Neighbor policy designed to provide incentives for voluntary community service. However, based on a legal determination from HUD that the community service requirement was not subject to the MTW agreement, and thereby was not to be implemented as voluntary for Public Housing residents, this initiative has been closed out.

## Resident Satisfaction Assessment

Description
In FY2003, DCHA initiated a sophisticated assessment protocol to reliably determine resident satisfaction. Through a third party professional analyst of customer service satisfaction, DCHA assessed customer satisfaction using a combination of professionally administered surveys of a scientifically selected sample of residents and a carefully selected focus group representing a mix of interests.

DCHA proposed as part of its first MTW Plan for FY2004 to continue this process on a biennial basis, submitting the findings biennially as part of the MTW Annual Report in place of the HUD administered resident satisfaction survey. This approach was adopted by DCHA as it more effectively measured customer satisfaction than the HUD administered survey. For example, the HUD survey consistently had low response rates and a relied too heavily on the literacy of customers being surveyed.

Status
Closed Out

Although DCHA found the information gathered from its survey approach to be reliable and useful in shaping the Agency's programs and making key decisions, it was decided during FY2004 that DCHA would not pursue this initiative due to cost of administering the more sophisticated survey.

## Security Deposit Guarantee Program

Description

Over the years, DCHA has sought to enhance the housing opportunities available to our housing choice voucher participants. One item that has consistently been an issue is the limited ability of some voucher participants to secure funding for a security deposit. DCHA explored the development of a small security deposit guarantee program to which voucher recipients could subscribe for a monthly fee in lieu of a lump sum security deposit payment to landlords. The goal of the proposed program was to provide a mechanism whereby voucher participants are not unduly restricted from leasing potential units.

This Initiative would have required flexible use of funds to allow for the payment of any claims on any guarantee where the recipient caused damage.

Status

Closed Out

Due to MTW funding limitations and lack of local funding to supplement the MTW funds, the initiative was not pursued beyond initial exploration.

## Modification to HCV Inspections Scheduling

Description

DCHA considered alternatives to the standard housing choice voucher inspection schedule, allowing the inspections staff to focus on properties which or landlords who persistently fail to meet HQS standards. DCHA considered categorizing properties with HAP contracts according to risk, quality, or upkeep level, and proposed using this categorization to determine the frequency of inspections. It was believed that many properties would only need to be re-inspected on a multi-year schedule thus allowing staff efficiency and a focus on properties or landlords that indicate a need for more frequent inspection.

Status

Closed Out

Upon exploration, DCHA staff could not find sufficient patterns of consistency among landlords or properties to justify reducing inspection frequency. DCHA felt that because of the high failure rate of HQS inspections and the age of the housing stock affordable to HCV participants, the benefits of annual inspections outweighed any potential cost savings from this proposed initiative.

## Streamlined Operating Subsidy Only (OPERA) Protocol-- Operating Assistance for Rental Housing

Description

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

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

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

Although OPERA was an approved initiative under DCHA's original MTW Agreement, language necessary to continue the use of the authority was not included in the negotiated Restated and Amended MTW Agreement executed in September 2010. The required amendment to Attachment D of the new MTW Agreement was executed in November 2012. With the amendment to the MTW Agreement executed, DCHA began working with HUD to finalize the project documents for Barnaby House (4427 Hayes Street), the first project under this initiative. However, the documents were not finalized in FY2014. The developer had an organizational structure issue that would make it difficult to comply with certain GAAP audit requirements.

Status

Closed

After several years of trying unsuccessfully to utilize the authority provided by this initiative, DCHA has decided to close it out.

## Supporting Grandfamilies

Description

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

The intent of this activity was to provide increased options to children who can no longer live with their parents. Federal regulations exclude foster payments from income for the calculation of rent. DCHA

expanded this exclusion to include "grandparent stipends". The grandparents and children who benefit from this exclusion have greater resources and support to pursue self-sufficiency.

Status
Implemented (FY2005); Closed Out (FY2016)

Based on local designation of grandparent stipends, there is no need to provide an exclusion for these payments under MTW as HUD guidelines already allow for it.

## Modifications to Pet Policy

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

Status
Implemented (FY05) and Closed Out (FY16)

In February 2016, DCHA received notice from HUD that its 2005 approval of this activity was being rescinded based on an assessment of the applicability of Section 227 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r-1), and its implementing regulations at 24 CFR Part 5 Subpart C to DCHA's use of its MTW authority to establish its pet policy.

## Streamlining Resident Community Service

Description
Under this initiative, DCHA sought to identify regulatory simplifications and administrative streamlining with respect to the implementation of the statutory resident community service requirement. As such the Agency implemented the following:

- Automatically determining those individuals who are not exempt based on data residents already report regarding income amount and sources
- Set the number of work activity related hours required by an adult household member to be exempt from the community service requirement
- Documented self-certification by non-exempt members of compliance with the community service requirement

Status
Closed Out

It was determined that at the time DCHA would re-think its approach and re-introduce another initiative once vetted.

## Revolving Loan Fund for HVCP Landlords

Description
The HCV lease-up process is often impeded by delays in making repairs to units with HQS deficiencies. Additionally, DCHA is often faced with no other option than to halt the payment of HAP subsidy for existing clients when landlords are delinquent in repairing deficiencies identified during annual inspections. To lessen these problems, DCHA explored the development of a revolving loan program as an incentive for landlords to make required HQS repairs quickly.

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

Status
Closed Out

Due to MTW funding limitations and lack of local funding to supplement the MTW funds, the initiative was not pursued beyond initial exploration.

## Flexible Funding

Description
This initiative allows DCHA to exercise its funding fungibility authority as provided for in its MTW Agreement to utilize MTW Block Grant funds to support investments in operational costs and costs associated with providing customer service, resident programming, enhanced public safety for our residents, and capital projects that will improve access to resident services and expand affordable housing opportunities.

Status
Closed Out

DCHA has been advised by the MTW staff at HUD that because flexible funding is part of our new MTW Agreement, a standalone flexible funding initiative is no longer required.

## Reformulation of HUD Forms

Description
Many of DCHA's functions, both Public Housing and assisted housing through the Housing Choice Voucher Program use HUD prescribed forms for implementation. The forms facilitate uniformity and efficiency and in many cases work very well. The staff has discovered, however, that the prescribed forms may not in all cases serve our customers or internal operations as effectively or efficiently as possible. Some forms may not request as much information as would be useful to the customer or to DCHA. Additionally, they may not appropriately request or document information on aspects of the programs that have been modified locally through an MTW initiative.

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

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

Status
Closed Out

While it may be necessary to modify HUD forms as part of an MTW initiative in the future, this initiative, in and of itself, does not address any of the three statutory objectives and has therefore been closed out. If modifications to HUD forms are required, that action will be proposed as part of a specific MTW initiative.

## Enhanced Public Housing Lease Enforcement Operations

Description
DCHA utilized MTW regulatory flexibility in the 2008 revised Public Housing dwelling lease to include provisions that allow the incorporation by reference of property specific community rules developed and adopted by the individual Resident Councils. The resulting lease, local regulations, policies and procedures are designed to give greater control of its properties to residents who are committed to a community's wellbeing and improve the effectiveness of its lease enforcement efforts.
DCHA has worked with individual Resident Councils to establish property specific community rules. No Resident Council, however, has availed itself of the option to establish property specific community rules.

Status
Closed

Given the lack of movement with implementation of this activity, DCHA is changing the status to "Closed". However, DCHA still remains committed to providing the residents the flexibility in establishing property specific community rules. In the future, if there is renewed interest to move forward by resident councils the initiative will be resubmitted for HUD approval.

## Maximizing Public Housing Subsidies

Description

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

During FY07 and FY08, DCHA explored the combining of ACCs in order to generate adequate public resources to support the rising operational costs of a unit in the District of Columbia. It was decided that DCHA would not pursue the use of ACCs in this manner.

Status

Closed (FY08)

This activity was approved in FY08, but not implemented as originally crafted. However, in FY14, DCHA introduced its *Local Blended Subsidy* initiative—a more developed initiative in which implementation began in FY14.

## Streamlining the Transition from Project-Based to Tenant-Based Vouchers (formerly 3.6.08)

Description

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

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

Status

Implemented (FY2009) and Closed (FY2012)

## Reform Housing Quality Standards (formerly 3.7.08)

DCHA explored modifying the definitions and content of the housing quality standards to reduce uncertainty as to the nature of a unit's deficiency. The research included an analysis and comparison of all the various different housing standards across the federal housing programs and local housing programs. It was expected, that the modified standards would better align the standards of the HCV program to other housing programs. If deemed appropriate upon completion of the research, the

housing authority intended to modify and standardize inspection standards with the goal of reducing leasing delays, which negatively impacts our clients, and reducing repetitive inspections, which impacts the efficient use of staff time.

Additionally, DCHA was working with three local government agencies in the District which conduct inspections on multifamily properties. The inspections by the various agencies were often conducted on the same units, resulting in redundant work and multiple inconveniences for residents.

Status
Approved FY2008 (never implemented); Closed Out FY2018

Based on DCHA's final assessment, the agency has determined that this is no longer viable to pursue this initiative based on the potential variability of inspection results across inspectors from different agencies, especially with the pending rollout of Uniform Physical Condition Standards for Vouchers (USPC-V).

## 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, regardless of the subsidy source will be governed by the policies and procedures that govern DCHA's Public Housing. At Highland Dwellings, the renovations will be made to vacated units. The former residents of the development will all be given the right to return and be the initial occupants of the newly renovated or newly constructed units with future vacancies filled from the Public Housing waiting list.

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

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 is able to allay resident concerns about the project-basing of Public Housing units, while keeping overhead costs lower and ensuring consistency in the management of all the units at the site by not having to use two separate sets of rules and procedures.

Status

Approved FY2012 (never implemented); Closed FY2016.

This activity was initially proposed in order to implement redevelopment activity at Highland Dwellings. However, due to identification of a more effective approach to financing the work, the activity was not implemented and placed on hold. Instead, DCHA proposed a different activity that utilizes a different MTW flexibility to facilitate the redevelopment of the site (see *Initiative #25: Local Blended Subsidy (LBS)* for detail about proposed MTW authority to be used for the Highland Dwellings redevelopment activity). As such, DCHA has decided to close-out this activity.

## Local Investment Policy

Description

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

DCHA will invest in safe investment instruments with higher competitive yield. This higher net portfolio return will achieve greater cost effectiveness in federal expenditures, allowing the Agency the enhanced ability to further the MTW statutory objectives through other initiatives.

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

Status

Approved 2014 (never fully implemented); Closed FY2017

DCHA has decided to no longer pursue this initiative as ongoing review of investments and potential yields does not warrant moving forward with this action.

## HQS Scheduling

Description

DCHA has found that at times when there is a large volume of initial, annual and re-inspections inspections that need to be completed in the same month, delays may occur if DCHA does not incur the cost of overtime to make sure all inspections are completed as required. Given the need to house families as quickly as possible, DCHA has decided that the most prudent way to balance the importance of housing families timely with ensuring ongoing HQS compliance and sound money management is to allow for extended HQS inspection scheduling. DCHA will continue to schedule inspections to occur on a 12 month basis; however, the Agency will have the ability to reschedule annual inspections to occur beyond the 12-month/365 day window, not to exceed 90 days past the annual inspection anniversary date.

DCHA anticipates reducing cost and achieving greater cost effectiveness by eliminating overtime costs necessary to ensure timely completion of annual, initial re-inspections and compliance inspections. In FY14, DCHA spent on average of approximately $5,300/month in overtime to ensure annual HCV MTW

unit inspections were completed timely in light of required initial inspections for new vouchers received through two opt-outs and a new VASH allocation. DCHA conducted a total of 622 annual inspections as a result of new opt-out vouchers and new VASH vouchers received during the fiscal year. The Agency projects that it may have to spend approximately the same amount in FY15, given a projected 645 new opt-out vouchers that DCHA expects to receive. This number may increase if DCHA receives a new allocation of VASH vouchers in FY15.

The ongoing need for this initiative after initial implementation may depend on the number of units/properties that enroll in the proposed biennial inspection program.

Status

Approved 2015 (never fully implemented); Closed FY2017

DCHA closed this initiative as the flexibility it granted was no longer needed based on the projected number of eligible landlords/owners for the HQS Biennial Inspections for Landlords in Good-standing MTW Initiative.

# V. Sources and Uses of Funds

## A. Actual Sources and Uses of MTW Funds

i. Actual Sources of MTW Funds in the Plan Year

The MTW PHA shall submit unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.

Confirmation of DCHA submission of the agency's "Unaudited Financial Data Schedule (FDS)".

11/29/2019 Submit FDS Page

**Real Estate Assessment Center**

**Financial Assessment Subsystem (FASS-PH)**

My Inbox | PHA Info | FDS | DCF | Submit | Edit Flags | Reports | Logout

PHA Information

PHA Code: DC001 Fiscal Year End Date:09/30/2019
PHA Name: D.C Housing Authority
Submission Type: Unaudited/Single Audit

Submit

**Certification Statement**

This is to certify that, to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDS is accurate and complete for the period described on data element lines G9000-010, G2000-021, and G2000-031. By selecting Submit Financial Data, I declare that the foregoing is true and correct.

**Congratulations! Your submission has been successfully transmitted to FASS-PH.**

**Date/Time:** Fri Nov 29 15:10:34 EST 2019
**Confirmation Key:** 4140000000.322297.56.12.RVS

| Line Item # | Description | Total |
|---|---|---|
| 290 | Total Assets and Deferred Outflow of Resources | $801,437,740 |
| 600 | Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position | $801,437,740 |
| 70000 | Total Revenue | $594,465,088 |
| 96900 | Total Operating Expenses | $188,015,900 |
| 97000 | Excess of Operating Revenue over Operating Expenses | $406,449,188 |
| 10000 | Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | $19,311,692 |

**Please Click on 'My InBox' at the top to Return to your inbox.**

https://hudapps.hud.gov/fasspha/doSubmit.action 1/1

### ii. Actual Uses of MTW Funds in Plan Year

The MTW PHA shall submit unaudited and audited information in the prescribed FDS format through the FASPHA, or its successor system.

See V.A. for confirmation.

### iii. Describe Actual Use of MTW Single Fund Flexibility

| Description of Actual Uses of MTW Single Fund Flexibility |
| --- |
| Single-Fund Budget Flexibility was used to meet many of the Agency's goals under the MTW Program. In FY2019 as in previous years, DCHA has used grant funds to achieve the following:<br><br>• Provide funding to maintain Public Housing operations and to undertake much needed modernization and deferred maintenance necessary to keep/bring units on-line for occupancy.<br>• Operate the agency's workforce development center<br>• Operate the agency's Customer Call Center<br>• Purchase and maintain public safety equipment and tools to improve safety and security in and around DCHA's Public Housing communities. |

## B. Local Asset Management Plan

| Local Asset Management Plan | |
|---|---|
| Did the MTW PHA allocate costs within statute in the Plan Year? | No |
| Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year? | Yes |
| Did the MTW PHA provide a LAMP in the appendix? | Yes |
| If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year. | See Appendix A for narrative description of DCHA LAMP |

# VI. Administrative

## A. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue

DCHA included its Lead Assessment Action Plan ("LAAP") as part of its FY2020 MTW Plan. DCHA has provided additional information as requested by HUD, and is currently awaiting HUD's final approval of the LAAP. DCHA continues to address issues found as a result of the lead risk assessments.

## B. Results of DCHA Directed Evaluations

As part of DCHA's participation in the HUD sponsored HCV Rent Reform Demonstration, MDRC, a research organization contracted by HUD, will conduct an evaluation of DCHA's initiative. Although the demonstration has ended, MDRC's final report has not yet been issued.

DCHA is not currently using an outside evaluator(s) for the rest of the agency's MTW initiatives.

## C. MTW Statutory Requirement Certification

**District of Columbia Housing Authority**
1133 North Capitol Street, NE Washington, DC 20002-7599
202-535-1000

Tyrone Garrett, Executive Director

### Certification of MTW Statutory Compliance

On behalf of the District of Columbia Housing Authority (DCHA or Agency), I certify that DCHA has met the three (3) statutory requirements of the Moving to Work (MTW) program during Fiscal Year 2019. Specifically, DCHA confirms that:

1. At least 75 percent (75%) of the families assisted by the Agency were very low-income families;

2. The Agency has continued to assist substantially the same total number of eligible low-income families as would have been served without MTW (substantially compliant); and

3. The Agency has continued to serve a comparable mix of families (by family size as defined by bedroom size) as would have been served without MTW.

12.20.19

**Tyrone Garrett**
**Executive Director**

**Date**

## D. MTW Energy Performance Contract Flexibility Data

See Initiative 7—DCHA Subsidiary to Act as Energy Services Company.

# Appendix 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 used 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.