

Housing Authority of Champaign County

Moving to Work



Year 1 Plan

*October 1, 2010 –
December 31, 2011*

I. INTRODUCTION

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I. INTRODUCTION

B. Overview of Goals, Objectives and Activities

Background

The Housing Authority of Champaign County (HACC) was selected to participate in the Moving to Work Program in May, 2010. The initial site visit was conducted by HUD on July 29th and 30th. The MTW Agreement was approved by the HACC Board of Commissioners on August 26th and is scheduled to become effective on October 1, 2010. It is the intent of HACC to change its fiscal year from April 1st through March 31st to a calendar year of January 1st through December 31st. As a result of the anticipated change in fiscal year, this initial MTW Plan will cover the period from October 1, 2010 through December 31, 2011.

Overview of HACC's Goals and Objectives

The Housing Authority of Champaign County's has identified three goals for year one of its Moving to Work Program. These goals along with corresponding objectives and the initial activities we intend to implement to accomplish each goal are described below.

Goal 1 - Operational Efficiency through Innovation – Streamlining business processes and implementation of advanced technological solutions that will result in operational cost efficiencies and enable reallocation of resources to local initiatives and strategies.

Objectives

- a. Reduce current workloads of staff by simplifying routine transactional processes.
- b. Implement additional technology to ease administrative burden and reduce paperwork for standard operations.
- c. Utilize cost savings to support new initiatives designed under this plan.

MTW Activities

1. Local Investment Policies
2. Bi-annual Re-certifications

Goal 2 - Self-Sufficiency – Providing alternate incentives designed to motivate families to actively seek financial independence and transition from dependency on housing subsidy. Carefully measure success of each incentive to identify and replicate the greatest motivators.

Objectives

- a. Engage families in self-improvement activities designed to meet their individual needs and goals.
- b. Adopt policies that mandate personal accountability and financial responsibility.
- c. Assess results and adjust incentives to provide continued motivation.

Activities:

3. Mandatory Local Family Self-Sufficiency Program
4. Employment Requirement
5. Minimum Rents by Bedroom Size
6. Tiered Flat Rents

Goal 3 - Expand Housing Opportunities through Repositioned Assets – *Maximizing HACC’s economic viability and sustainability through repositioning the current real estate portfolio and development of new affordable housing opportunities to meet the broad spectrum of low and moderate income residents of Champaign County.*

Objectives

- a. Increase the number of “hard” units with HACC ownership that provide direct subsidy to the lowest income tenants.
- b. Create opportunities for additional development of “hard” units through public and private partnerships.
- c. Maximize income and extend viability of existing designated public housing sites through conversion to alternate subsidy.
- d. Develop homeownership opportunities relevant to today’s real estate market.

Activities

7. Modified Definition of Elderly
8. Local Homeownership Program
9. Local Project Based Voucher Program

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Number of Public Housing Units at the Beginning of the Year

The chart below summarizes the current Public Housing units owned and managed by the Housing Authority of Champaign County.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS AS OF OCTOBER 1, 2010									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Dorsey Homes	Family	67	0	8	27	24	8	0
IL06-17	Hayes Homes	Elderly	6	0	6	0	0	0	0
IL06-05	Dunbar Court	Family	26	0	4	10	8	4	0
IL06-06	Columbia Place	Elderly	16	0	16	0	0	0	0
IL06-07	Skelton Place	Elderly/Disabled	84	14	68	2	0	0	0
IL06-08	Youman Place	Elderly	20	0	20	0	0	0	0
IL06-09	Scattered Sites	Family	16	0	0	0	0	0	16
IL06-12	Steer Place	Elderly	104	0	103	1	0	0	0
IL06-13	Washington Square	Elderly	104	0	103	1	0	0	0
TOTAL PUBLIC HOUSING UNITS			443	14	328	41	32	12	16
SUMMARY OF PUBLIC HOUSING UNIT TYPES									
Total Family Units			109	0	12	37	32	12	16
Total Elderly/Disabled Mixed Units			84	14	68	2	0	0	0
Total Elderly Only Units			250	0	248	2	0	0	0

Planned Capital Expenditures

There are no planned single capital expenditures in excess of 30% of HACC's total annual Capital Fund Grant for 2010. Thus, this section is not applicable.

New Public Housing Units

The chart below identifies the new Public Housing units that we anticipate adding to our portfolio during this initial MTW period.

Urban Park Place is a twenty four unit existing apartment complex in foreclosure located in the City of Champaign. HACC is acquiring the property from the Illinois Housing Development Authority (IHDA) and will convert it to a mixed finance project with 6 public housing units; 12 project based voucher units; and, 6 units with rent restrictions pursuant to the Illinois Affordable Housing Trust Fund. The project will be financed with HACC Replacement Housing Factor (RHF) funds and a low interest loan from the trust fund. We anticipate closing on this project in the first quarter of 2011. Two units are accessible units for mobility impaired individuals.

Rantoul Housing is a new construction mixed finance project that HACC anticipates developing during this initial MTW period. HACC has acquired various parcels of land comprising 2.26 acres and will be a development partner. We anticipate that a total of 20 units will be developed of which 6 will be public housing units and the balance of 14 units will be project based voucher units. Five percent of the units will be fully accessible and two percent will be equipped for hearing and vision impaired individuals.

Steer Place is an existing traditional Public Housing Community in the HACC's portfolio. Several years ago, HACC had offices in the lower level of this building and since relocating the offices, the space has remained unused. HACC is currently renovating this space into four fully accessible one bedroom units and anticipate completion of these units in the last quarter of 2010.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING UNITS TO BE ADDED BY DECEMBER 31, 2011									
UNIT TYPES		Total Units	PUBLIC HOUSING			OTHER			
Project Name	Type		1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	4 BR
Urban Park	Family	24	4	2	0	0	18	0	0
Rantoul	Family/Elderly	20	2	2	2	2	6	4	2
Steer Place	Elderly	4	4	0	0	0	0	0	0
TOTAL		48	10	4	2	2	24	4	2

Public Housing Units to be Removed

The chart below identifies the Public Housing units to be removed during this initial MTW year. Based on the physical needs assessment, it was determined that these projects are no longer viable and it is not financially feasible to rehab the units. The costs to rehab the units to today's standards far exceed the HUD eligible total development cost limits.

It is the intent of HACC to redevelop these sites as mixed income communities. We anticipate preparing a HOPE VI or Choice Neighborhood application in 2011. However, redevelopment efforts could commence with MTW Block Grant funds prior to that time.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY									
PUBLIC HOUSING TO BE REMOVED BY DECEMBER 31, 2011									
Project	Name	Type	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
IL06-01	Dorsey Homes	Family	67	0	8	27	24	8	0
IL06-05	Dunbar Court	Family	26	0	4	10	8	4	0
TOTAL			93	0	12	37	32	12	0

Housing Choice Vouchers

The chart below summarizes the MTW Housing Choice Vouchers authorized and the non-MTW Vouchers authorized. In addition to Housing Choice Vouchers, HACC administers the Section 8 HAP contract on behalf of HUD for a 50 unit New Construction project and a 25 unit SRO project.

HOUSING CHOICE VOUCHERS AUTHORIZED	
Number of MTW Vouchers Authorized	1706
Number of Non-MTW Vouchers Authorized	0
TOTAL	1706

Project Based Housing Choice Vouchers

The chart below identifies the Housing Choice Vouchers that HACC anticipates to project base during the initial MTW year.

HCV UNITS TO BE PROJECT BASED		
Name of Project	Total Units	PBV Units
Oakwood Trace	50	25
Crystal View Townhomes	70	18
Douglass Square	50	13
Urban Park Place	24	12
Rantoul Housing	20	14
TOTAL	313	102

Oakwood Trace is a 50 unit multi-family housing development owned by Central Illinois Development Corporation of Champaign County, a non-profit related entity of the Housing Authority. This project was an acquisition and rehabilitation development financed with a HUD multi-family “up-front” grant, Low Income Housing Tax Credits, CDBG and HOME funds from the City of Champaign, a Federal Home Loan Bank grant and private mortgage funds. The project was completed in 2001 and is managed by a third party management agent. HACC anticipates issuing 25 vouchers to the project.

Crystal View Townhomes is also a Low Income Housing Tax Credit multi-family development with a total of 70 units located on a former public housing site. The Authority provides a ground lease, but has no additional role in the project. The project was completed in 2009 and is owned and managed by a third party. HACC anticipates issuing 18 vouchers to the project.

Douglass Square is a 50 unit multi-family Low Income Housing Tax Credit development located on a former public housing site. The Authority provides a ground lease, but has no additional role in the project. The project was completed in 2007 and is owned and managed by a third party. HACC anticipates issuing 13 vouchers to the project.

Urban Park Place and Rantoul Housing– These projects are described above under “New Public Housing Units”. As described, Urban Park Place will be developed with 12 project based vouchers and the Rantoul Housing project is anticipated to have 14 project based vouchers.

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION
B. Leasing Information

Estimated Leasing Data

The chart below provides a summary of the anticipated units to be under lease in the Plan year for both the Public Housing Program and the Housing Choice Voucher Program.

The change in the number of Public Housing units is based on the current Public Housing units of 443, less 93 units to be removed (Dorsey Homes and Dunbar Court) and 16 units to be added (Urban Park Place, Rantoul Housing and Steer Place units).

As of August 2010 the number of MTW Housing Choice Vouchers under a Housing Assistance Payments contract was 1256. The number anticipated to be leased is based on an additional 204 units to be placed under contract during the Plan year.

HACC has no Project Based Vouchers in use at this time as reflected below.

HACC does not anticipate any difficulties in leasing units in either the Public Housing Program or the Housing Choice Voucher Program during this plan year.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
ANTICIPATED TOTAL NUMBER OF UNITS TO BE LEASED IN PLAN YEAR	
Anticipated Total Number of MTW PH Units Leased	366
Anticipated Total Number of Non-MTW PH Units Leased	0
Anticipated Total Number of MTW HCV units Under Contract	1460
Anticipated Total Number of Non-MTW HCV Units Under Contract	0
Number of Project Based Vouchers in Use at the State of the Plan Year	0

II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION
C. Wait List Information

Anticipated Changes in Wait List

HACC administers a consolidated waiting list for the Public Housing Program. We anticipate that the public housing waiting list for age 62 and older will remain open during this initial plan period. The waiting list for all other age groups will remain closed. The Housing Choice Voucher waiting list is closed and we do not anticipate opening the list during the plan year.

Changes in the Number of Families on the Waiting List

Public Housing - The chart below provides a summary of the applicants on the Public Housing waiting list by bedroom size. We anticipate a continued increase in the number of applicants for one bedroom units during the plan year as we decrease the age for elderly applicants.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
Public Housing Waiting List	
BR SIZE	NUMBER OF APPLICANTS
1 BR	51
2 BR	18
3 BR	5
4 BR	4
5 BR	4

Housing Choice Voucher Program – There are a total of 788 applicants on the Housing Choice Voucher Program waiting list. We anticipate that the number of applicants will decrease as we process additional families for vouchers and, due to a closed wait list, will not accept any new applicants during this initial plan period.

III. NON-MTW RELATED INFORMATION

Non-MTW Activities

Background - The Housing Authority of Champaign County has been providing affordable housing in central Illinois since 1939. Located 135 miles south of Chicago, 124 miles west of Indianapolis and 178 miles north of St. Louis, Champaign County is a dichotomy of small farming communities and an urban center that features a large technology and software industry.

Known as the landmark of the Silicon Prairie and home to the University of Illinois and its renowned School of Engineering, Champaign County has been the location of many well known technology startup companies and houses offices for seven Fortune 500 companies. Technology in Champaign County focuses around research and development of new technologies. In 1985, Champaign hosted the first Farm Aid concert and raised over \$7 million for American farmers. Agriculture and Business Agriculture are other major focus areas of the University of Illinois. The Champaign County Research Park backed by the University is home to many agri-businesses and biotechnology companies as well as software and technology development companies.

The Housing Authority of Champaign has had an integral partnership with the University of Illinois for several decades. In the 1980's HACC worked closely with the U of I Housing Research Center in the redesign of 1940's traditional public housing communities to reduce crime and create "defensible space" for families with children. These concepts were the early basis for today's "New Urbanism" designs used in many HOPE VI and other mixed income developments creating "live, work, and play" communities.



Since 2000, HACC has redeveloped its oldest and most obsolete family housing communities using design concepts of new urbanism and creating mixed income neighborhoods of quality affordable homes compatible with the market areas in which they are located.

Crystal View Townhomes is the newly developed townhome community located on the site of the former Lakeside Terrace public housing community in the City of Urbana.



Lakeside Terrace was a 99 unit public housing project built in 1951 designed in typical "barracks" fashion common to much public housing around the country. Over the years, the Lakeside community had physically deteriorated beyond financial feasibility to repair and maintain. Social conditions of high poverty, high crime and little hope necessitated drastic change. Thus, HACC demolished this property in 2006 to make way for a new mixed income community.

Crystal View Townhomes has a total of 70 units and was redeveloped in partnership with a private market affordable housing development team under the 9% Low Income Housing Tax Credits. HACC provided a long term ground lease for this development.

Douglass Square is the second major redevelopment project undertaken by HACC. This community is located on the site of the former Burch Village public housing community in the City of Champaign. Burch Village was built in 1950 with the same "barracks" style architecture. As with Lakeside Terrace Burch Village had deteriorated to the point where it was no longer financially viable to maintain.



High poverty and high crime also plagued this community. Thus, in 2005, HACC relocated residents and demolished Burch Village to make way for a new mixed income town home community.

Douglass Square has 50 total units and was also developed in partnership with a private development team under the 9% Low Income Housing Tax Credit Program. HACC provided a long term ground lease for this development.

HACC provided relocation assistance to all families in both the Lakeside Terrace and Burch Village communities and worked in partnership with multiple community service providers to assure that the families were connected to the support services needed to be successful in the private market with Housing Choice Vouchers. HACC has been successful in securing over \$10 million dollars in private investment in affordable housing in Champaign County.

In addition to the Low Income Housing Tax Credit investments above, HACC recently received a grant from the Federal Home Loan Bank to refurbish the Steer Place high-rise building for elderly and disabled individuals. These funds will provide updated kitchens.



HACC has successfully developed and administered resident support programs throughout its history. HACC recently developed a voluntary self-sufficiency program and quickly had over 30 families actively involved in the program. HACC provides service enriched housing at all senior high rises working closely with the Regional Planning Commission (Area Agency on Aging in Champaign County) and Family Services of Champaign County. HACC has a MOU with both agencies to provide services to public housing residents.

The Chairman of the HACC Board of Commissioners is the Executive Director of the Illinois WorkNet Center for Champaign County. The WorkNet Center provides job training and other services that improve the employment prospects for adults, youth, low income individuals and dislocated workers. HACC and Illinois WorkNet have an MOU and undertook a joint education and recruitment campaign of public housing residents to meet the Section 3 and other employment goals of the American Recovery and Reinvestment Act of 2009.

Planned Sources and Uses of other HUD or Other Federal Funds

HACC does not anticipate receipt of any additional HUD or other federal funds during the Plan year. ARRA funds will be fully expended prior to implementation of the MTW Plan.

IV. LONG TERM MTW PLAN (OPTIONAL)

Mission - The Mission of the Housing Authority of Champaign County defines why our organization exists: *“To provide a quality living environment as a foundation for individuals to achieve their full potential.”*

Vision – The Vision of the Housing Authority of Champaign County describes what we want to become: *“quality affordable housing communities providing opportunity and support that will maximize individual potential and enable successful transition to self-sufficiency.”*

HACC’S long term MTW Plan is to assure that HACC continues to meet its basic Mission while transitioning towards its Vision. The goals and activities summarized in this initial Plan provide the impetus as to how we will move toward our Vision.

Our long term plan is centered on the statutory objective of self-sufficiency and includes a third party objective evaluation and analysis to be done by the University of Illinois Health and Consumer Economics Department. While we will track the most obvious of impediments for low income individuals such as educational and income levels, we have identified less obvious impediments such as lack of access to adequate health care and other health related issues such as undiagnosed mental health problems.

The University of Illinois will conduct an initial baseline evaluation of all families and identify key personal development indicators that impact economic independence including literacy; formal education; income; multi-generational dependence on government assistance; developmental challenges; physical and mental health limitations and access to basic health care that have restricted previous development of economic self-sufficiency. Annual evaluations will be conducted by the University that will measure the overall changes in these key personal development factors along with a resident survey to determine which incentives provided in our MTW activities have provided the most motivation for the families to achieve their annual self-sufficiency goals.

We believe that the collection and analysis of quantifiable data and a correlation between impediments and motivation will enable the design of initiatives that *will maximize individual potential and enable successful transition to self-sufficiency.”*

V. PROPOSED MTW ACTIVITIES

STATUTORY OBJECTIVE 1 – Reduce cost and achieve greater cost effectiveness in federal expenditures.

Activity 1 - Local Investment Policies

A. Description of Proposed MTW Activity

HACC will adopt investment policies consistent with Illinois Public Funds Investment Act (30ILCS235) to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACC shall invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently and securely. This activity shall be implemented on January 1, 2011.

B. Relation to Statutory Objectives

This activity addresses the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.

C. Anticipated Impact of MTW Activity

This activity will enable HACC to achieve a more diverse investment portfolio resulting in a greater return on investments. The Illinois Public Funds Investment Act will permit the following types of investments which historically have provided a higher yield than traditional savings or Treasury Bill accounts:

- Bonds, notes, certificates of indebtedness or other securities;
- Short Term obligations of corporations organized in the United States with assets exceeding \$500,000,000;
- Money Market mutual funds registered under the Investment Company Act of 1940;
- Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act;
- Repurchase Agreements of Government Securities in accordance with the Government Securities Act;

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

The baseline will be the average interest earned on the HUD investments during the 2010 fiscal year for all funds invested in HUD eligible investments. The interest earned by HACC on all investments for the period April 1, 2009 through March 31, 2010 (FY10) was 1.6%.

The metric will be the interest earned on investments. The benchmark will be a 3% increase in the average interest earned on investments.

Each year of the MTW Agreement, HACC will calculate the investment earnings that would have been earned under the traditional HUD investment guidelines versus the investment earnings made possible based on this activity. If the increased earnings are at least 3% greater than the earnings would have been without this activity, HACC will be considered to have met the established benchmark. Earnings will be averaged bi-annually and the benchmark adjusted accordingly.



E. Data Collection Process

Investment data from FY2010 will be used to establish the baseline. An investment report will be developed that charts the earnings on State eligible investments against the earnings on HUD eligible investments each year. This report will determine if the benchmark has been achieved using this new portfolio investment strategy.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (B)(5) which waives certain provisions of Sections 6(c)(4) of the 1937 Act and 24 CFR 982.156.

G. Rent Reform Initiatives

Not applicable.

Activity 2 - Bi-Annual Re-certifications

A. Description of Proposed MTW Activity

Elderly and disabled households in both the Public Housing and Housing Choice Voucher programs will be re-certified on a bi-annual basis. The change to bi-annual re-certifications will provide the following benefits:

- ◇ Reduce current workloads of staff
- ◇ Reduce reporting requirements for elderly and disabled residents

In order to achieve the highest level of operational efficiency, HACC will stagger the implementation of this activity over two years to ensure that the numbers of re-certifications are scheduled evenly over the execution period. This activity shall be implemented as of January 1, 2011.

B. Relation to Statutory Objectives

A reduction in the number of re-certifications that must be processed relates directly to the Statutory Goal of reducing cost and achieving greater cost effectiveness in federal expenditures. HACC anticipates a greater use of its budget authority through this activity as costs to conduct re-certifications will decrease. Reduced workload in processing rent calculation transactions will enable HACC to reallocate funding to provide more support to residents working towards self-sufficiency. Anticipated activities that would be funded as a result of these savings is the case management for the Mandatory Local Self-Sufficiency Program.

C. Anticipated Impact of MTW Activity

The anticipated impact of this MTW Activity is a reduction in the number of annual re-certifications conducted each year and a reduction in the number of staff hours devoted to annual re-certifications.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established three baselines and benchmarks that will be measured throughout the implementation of this MTW Activity as described below.

1. **Elderly/Disabled Households** - Currently there are 331 elderly and disabled households in the Public Housing Program and 217 in the HCV Program, for a total of 548. The benchmark is to reduce this to 278 households per year that will be re-certified annually: a reduction of 50%.
2. **Staff Hours** - The average effort expended on completion of an annual re-certification is four hours, resulting in a total of 2,192 staff hours per year. HACC's second benchmark is to reduce the staff hours by 50% to a total of 1,096. At an average staff hour cost of \$21.00, this results in an annual savings of \$23,000.

3. **Rental Income** – There was no cost of living increase for Social Security in 2010 which resulted in no variance in rental income or increase in housing assistance payments for elderly and disabled households. Our third benchmark will measure decreases in rental income in the Public Housing Program and increases in housing assistance payments in the HCV Program to determine if there is any negative financial impact of this activity on HACC in future years.

Baseline 1. Number and percent of elderly households that are re-certified annually.

Baseline 2. Number of staff hours on an annual basis to conduct annual re-certifications for elderly/disabled families.

Baseline 3. PH rental income received from elderly/disabled households; amount of HAP paid for elderly/disabled households.

Metric 1. Number of elderly/disabled households.

Metric 2. Staff hours to conduct annual re-certifications of elderly/disabled households.

Metric 3. Amount of rental income received in PH; amount of HAP payments in HCV for elderly/disabled households.

Benchmark 1: 50% decrease in elderly/disabled families re-certified annually.

Benchmark 2. 50% decrease in staff hours to process annual re-certifications.

Benchmark 3. <5% decrease in rental income; <5% increase in HAP payments.

Anticipated Schedule: Implementation will begin on January 1, 2011.

E. Data Collection Process

HACC will use its Tenmast software system to determine the number of households that are elderly/disabled and have an annual re-certification prior to implementation. On an annual basis HACC will pull data from the system to measure the progress towards the benchmarks. In addition we will conduct a time study survey to collect data on staff hours spent processing annual re-certifications.

F. Authorizations

The Agency is authorized to undertake this initiative through Attachment C (C)(4) which waives certain provisions of Sections 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257 and Attachment C(D)(1)(c) which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

G. Rent Reform Initiatives

Board Approval – The Board approved the initial MTW Application which included this activity.

Impact Analysis - The chart below reflects the number and percent of elderly/disabled households in each program. Based on this current analysis, 30% of households in all programs will be impacted by this activity.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY			
	Total Impacted	Total Households	% Impacted
PUBLIC HOUSING			
Total Elderly/Disabled Households	331	362	91%
HOUSING CHOICE VOUCHER			
Total Elderly/Disabled Households	217	1460	15%
TOTAL ALL			
Total Elderly/Disabled Households Impacted by Bi-Annual Re-certifications	548	1822	30%

The chart below demonstrates an example of rent paid over a three year period with an annual re-certification transaction versus a bi-annual re-certification transaction. As shown, using annual re-certifications, the tenant rent will increase at the beginning of both the second and third year; using a bi-annual re-certification, the rent will increase only at the beginning of the third year. In calculating the total rent to be paid over a three year period, the tenant on a bi-annual re-certification will actually pay 1% less rent.

SAMPLE TENANT RENT PAYMENTS		
Transaction	Annual Re-cert	Bi-Annual Re-cert
Tenant Rent	\$150	\$150
Year 1 Rent	\$1,800	
Annual Re-cert Rent	\$155	
Year 2 Rent	\$1,854	
Rent Paid for 2 Years	\$3,654	\$3,600
Bi-annual Re-cert	\$159	\$159
Rent Paid Year 3	\$1,910	\$1,908
TOTAL RENT 3 YEARS	\$5,564	\$5,508

Annual Re-evaluation – HACC will re-evaluate this activity and its impact on residents at least annually.

Hardship Criteria - It is anticipated that this activity will not create any hardship as there is no negative impact on tenants.

Transition Period –This activity will be implemented as of January 1, 2011.

Documentation of Public Hearing - HACC conducted a public hearing as part of the overall MTW application process which included this activity. Documentation of the public hearing was previously submitted in section 5 of the MTW application.

STATUTORY OBJECTIVE 2 – Give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participation in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

Activity 3 – Mandatory Local Family Self-Sufficiency Program

A. Description of Proposed MTW Activity

HACC will create a Mandatory Local Family Self-Sufficiency (FSS) Program for all non-elderly households in both the Housing Choice Voucher and Public Housing Programs. This activity will require mandatory participation for all household members ages 18 and older. It will also include educational requirements for all household members ages 5 through 18.

Participation in the Mandatory Local FSS Program shall be a condition of eligibility for new admissions and continued occupancy for existing residents and shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance.

An initial assessment of each family will be conducted at the first annual re-certification as of July 2011 and a self-sufficiency plan developed pursuant to the unique needs of the family members. The head of the household will be held accountable for progress of the self-sufficiency plan for all household members. The ultimate goal for each adult household member will be employment appropriate to skill level.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility.

Households in which all members age 18 and older have been employed for 12 months or more for a minimum of 20 hours or more shall be exempt from the Mandatory FSS Program. Households shall be considered as having completed their Mandatory Self-sufficiency program when all members age 18 and older are employed a minimum of 20 hours or more per week for at least one year.

An incentive payment will be provided for families that successfully accomplish their goals on an annual basis. An incentive payment schedule shall be established prior to implementation of the program. Additional financial analysis and consultation with residents will assist HACC in determining the exact amounts of the incentive schedule.

Each year at the time of annual re-certification, the FSS Plan will be reviewed and HACC will determine if the family has satisfactorily met its goals for the past year. If so, an incentive payment will be provided to the family in one of two ways (family choice): a monthly credit against their rent for the upcoming year; or, a commercial “gift” card equal to 50% of the annual incentive payment.

This activity will be implemented as an eligibility requirement for new admissions effective July 1, 2011. Existing residents and HCV participants will be enrolled in the program at the time of their annual re-certification beginning with July 2011 re-certifications, resulting in full implementation for existing residents by June 2012.

B. Relation to Statutory Objectives

This activity directly relates to the Statutory Objective to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

C. Anticipated Impact of MTW Activity

The anticipated impact of this activity will be to incentivize families to reach self-sufficiency goals and improve personal accountability and financial responsibility through timely rent payments.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has identified two baselines for this activity: individuals engaged in self-sufficiency activities; and, families with late rent payments. The number of household with late rent will serve as a measurement of personal accountability and financial responsibility.

Since prior the MTW designation, HACC did not collect any data regarding self-sufficiency activities or late rent payments, HACC has estimated the number of individuals engaged in any type of self-sufficiency activity as 228. This estimate is based on current individuals that are employed.

HACC has estimated the number of households with late rent payments at 30% of total family households or 343 families. This estimated is based on a review of late rent payment in the Public Housing Program and applying an equal percent to the HCV Program.

The baseline numbers will be adjusted upon implementation of this activity which will include collection of the necessary data to establish a more accurate baseline.

HACC has established a goal of 5% annual increase in individuals engaged in self-sufficiency activities and a 2% decrease in the number of individuals with late rent payments.



E. Data Collection Process

The initial assessment for each family will entail collecting data regarding any current self-sufficiency activities in which families are engaged to identify the individuals engaged in any self-sufficiency activities. Annual re-certification requirements will include documentation from landlords confirming rent payment. HACC will secure separate software for case management in which self-sufficiency activities will be tracked. Success of this activity and its ability to incentivize the families will be measured annually by the University of Illinois tracking and evaluation process.

F. Authorizations

HACC is authorized to undertake this activity through Attachment C(E) which waives certain provisions of Section 23 of the 1937 Act and 24 CFR 984; and Attachment C (B) 1 which waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 CFR 982 and 9990 as necessary.

G. Rent Reform Initiatives

This activity is not a rent reform initiative and therefore this section is not applicable.

Activity 4 - Employment Requirement

A. Description of Proposed MTW Activity

HACC will implement an employment requirement for all work-able participants age 18 and older. For existing residents, this requirement will be implemented gradually beginning with annual re-certifications as of July 2011. The re-certification numbers listed below represents the annual re-certifications after July 2011.

- Second Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the institution in a training or educational program;
- Third Re-certification – one adult member must be employed 20 hours or more per week; **or**, enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Fourth Re-certification – one adult member must be employed 20 hours or more per week; **and**, all other adult members must also be employed 20 hours or more per week **or** be enrolled on a full time basis as defined by the institution in a training or educational program;
- Fifth Re-certification – all adult members must be employed 20 hours or more per week; **or**, one adult member must be employed 20 hours or more per week **and**, all other adult members must enrolled on a full time basis as defined by the educational institution in a degree seeking program;
- Sixth Re-certification – all adult members must be employed 20 hours or more per week.

Waivers will be provided for full time students in good standing seeking a degree that requires more than three years to obtain per the educational institution. All adult members will be required to work a minimum of 1040 hours per year as a condition of continued housing assistance.

The employment requirement shall be a condition of eligibility for new admissions and continued occupancy for existing residents and shall be mandated by the Public Housing Lease Agreement and the HCV Statement of Family Obligations. Counseling assistance will be available to all households but failure to comply with the Program will ultimately result in termination of housing assistance (See Appendix C).

HACC will implement this activity only after it has implemented the Mandatory Local Family Self-Sufficiency Program and the economy has improved. By first implementing the Mandatory FSS Program, families will have access to community partners that can assist them in reaching self-sufficiency goals.

HACC shall define self-sufficiency as successful completion of the goals and objectives established in the family plan and demonstrated behavior that exhibits personal accountability and financial responsibility. Since the ultimate goal for each household member must be employment appropriate to skill level, self-sufficiency shall also include some level of employment.

B. Relation to Statutory Objectives

This activity is directly related to the Statutory Objective to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

C. Anticipated Impact of MTW Activity

The anticipated impact of this MTW Activity is that each adult household member will be engaged in a self-improvement activity that will lead to economic self-sufficiency which HACC has defined as a level of employment commensurate with skill levels.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has identified two baselines for this activity. HACC will determine the aggregate total amount of earned income currently in each program and the number of individuals currently employed 20 hours or more per week.

HACC has estimated the number of individuals employed as 228 (individuals with earned income). HACC has estimated the aggregate annual value of earned income as \$3.4 million for both programs.

The baseline numbers will be adjusted upon implementation of this activity which will include further collection and analysis of the necessary data to establish a more accurate baseline.

We have established a goal of a 3% annual increase of aggregate earned income and 2% annual increase of individuals employed 20 hours or more per week by December 31, 2011; 5% increase of individuals employed 20 hours or more per week by December 31, 2012; 15% increase by December 31, 2013; 25% increase by December 31, 2014; 50% by December 31, 2015; and 75% by December 31, 2016, as the economy improves.

Baseline 1. Total dollar value of employment income for the PH and HCV Programs: estimated at \$3.4 million.

Baseline 2. Number of individuals employed: estimated at 228.

Metric 1. Amount of employment income.

Metric 2. Number of individuals employed.

Benchmark 1: 3% annual increase in employment income.

Benchmark 2: Gradual increase in number of individuals employed as detailed in narrative above.

Anticipated Schedule: Implementation will begin on July 1, 2011 for new admissions; and as of the second re-certification for existing residents.

E. Data Collection Process

The current Tenmast software system will provide HACC with the total dollar value of employment income for each program and the number of individuals that are currently employed. A baseline report will be established to track these two indicators annually with revised data as annual re-certifications are completed.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C(3)(b) which waives certain provisions of Section 16(b) and 8(o)(4) of the 1937 Act and 24 CFR 5.603, 5.609, 5.611, 5.628, and 982.201.

G. Rent Reform Initiatives

This activity is not a rent reform initiative and therefore this section is not applicable.

Activity 5 - Minimum Rents by Bedroom Size

A. Description of Proposed MTW Activity

HACC will adopt minimum rent levels based on the bedroom size of the unit or the voucher size of the family. The minimum rent is the amount of tenant rent to be paid to HACC or to the Landlord. No utility allowance will be applied.

The schedule of minimum rents was determined based on the median tenant rent (total tenant payment based on 30% of monthly adjusted income, less average utility allowances). The median was then adjusted to the next highest increment of \$10.00.

This activity will be implemented for new admissions as of April 1, 2011. Existing residents will pay 50% of the applicable minimum rent upon the second annual re-certification after April 2012 and will pay 100% upon the third re-certification after April 2013. The chart below reflects the anticipated revised minimum rents and their effective dates of implementation.

MINIMUM RENT SCHEDULE			
BR SIZE	MINIMUM RENT	SECOND RE-EXAM	THIRD RE-EXAM
0 BR	\$30	\$15	\$30
1 BR	\$40	\$20	\$40
2 BR	\$80	\$40	\$80
3 BR	\$120	\$60	\$120
4 BR	\$160	\$80	\$160
5 BR	\$200	\$100	\$200

B. Relation to Statutory Objectives

This activity is directly related to the Statutory Objective to give incentives to families with children whose heads of household are working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

C. Anticipated Impact of MTW Activity

HACC anticipates that the impact of this activity will be to incentivize families to reach self-sufficiency goals and increase household income. HACC also anticipates that this activity will encourage families to more readily accept appropriate sized housing when changes in family circumstances result in over-housing. HACC realizes that some families will have legitimate hardship situations and has accounted for these hardships through a gradual implementation of this activity and by providing for temporary waivers as described in Appendix C.

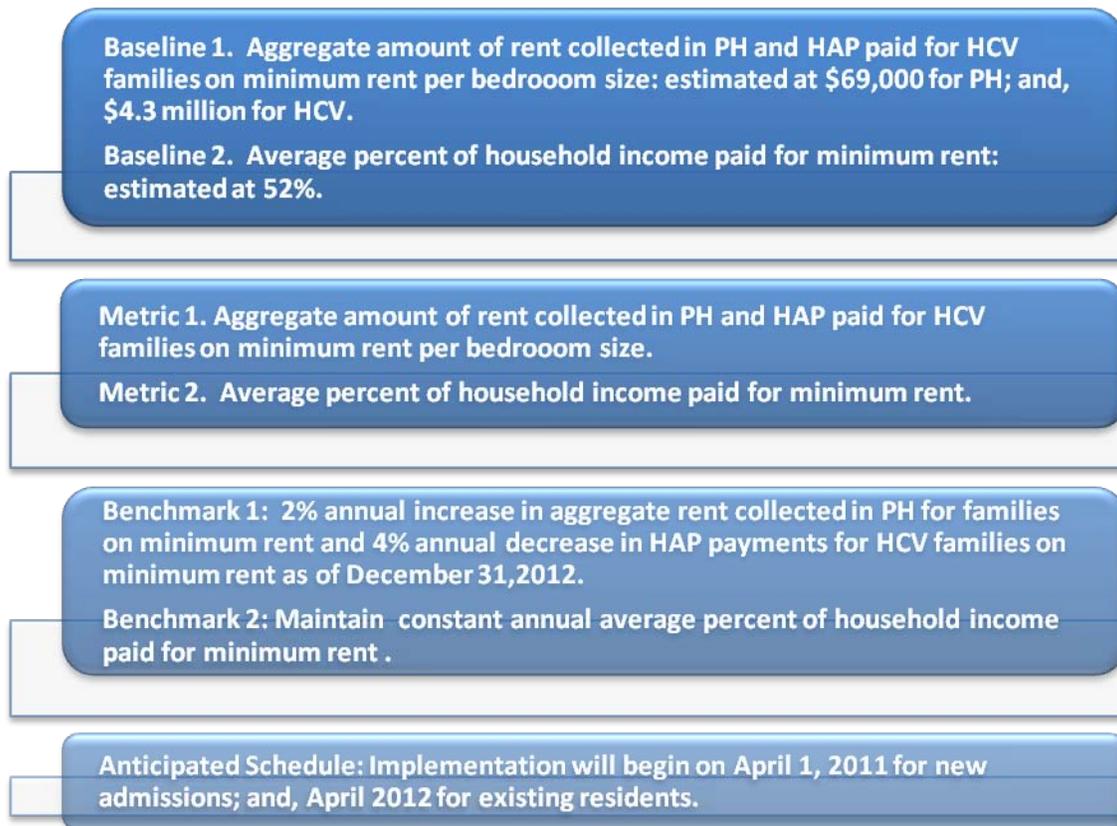
D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established the following baselines and benchmarks for this activity. It is our intent to measure the ability of this activity to provide incentive for the families to aggressively work towards their self-sufficiency goals.

HACC has estimated the aggregate annual amount of rent collected in the PH Program for minimum rent households at \$69,000 using the current minimum tenant rent times the number of minimum rent households.

HACC has estimated the annual average amount of HAP paid for minimum rent households at \$4.3 million based on average per unit HAP costs per month times the number of minimum rent households. HACC has estimated the average percent of household income paid for minimum rent at 52% of gross income.

The baseline numbers will be adjusted upon implementation of this activity which will include collection of the necessary data to establish a more accurate baseline.



E. Data Collection Process

HACC will use its Tenmast software system to determine the aggregate amount of minimum rent collected and HAP payments made for minimum rent households by bedroom size. The average percent of household income paid for minimum rent will be extracted by taking the total income for all minimum renters and the total rent collected to determine the average percent of household income paid for minimum rent. This same data set will be extracted and analyzed annually to calculate the benchmarks.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (C)(11) which waives certain provisions of Sections 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 as well as 966 Subpart A. In addition, HACC is authorized through Attachment C (D)(2)(a) which waives certain provisions of Sections (8)(o)(l), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H-I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

G. Rent Reform Initiatives

Board Approval – The Board approved the initial MTW Application which included this activity.

Impact Analysis – The chart below illustrates the impact of the minimum rent by bedroom size on both the Public Housing and HCV households. A total of 115 households in the PH program and 592 households in the HCV program currently pay less tenant rent than the amount proposed under this activity. This represents a total of 26% of total family households in the PH program and 47% of family households in the HCV program.

MINIMUM RENT SCHEDULE					
BR SIZE	MINIMUM RENT	SECOND RE-EXAM	THIRD RE-EXAM	HOUSEHOLDS PAYING LESS	
				PH	HCV
0 BR	\$20	\$10	\$20	14	0
1 BR	\$40	\$20	\$40	32	57
2 BR	\$80	\$40	\$80	22	156
3 BR	\$120	\$60	\$120	29	254
4 BR	\$160	\$80	\$160	9	103
5 BR	\$200	\$100	\$200	9	22
			TOTAL	115	592

Annual Re-evaluation – HACC will re-evaluate this activity and its impact on residents at least annually.

Hardship Case Criteria – The hardship policy will allow for temporary waiver of minimum rent based on documented hardship. Families will be required to request a hardship in writing and each case will be evaluated on a case by case basis. Hardship waivers will be granted for a maximum of six months. After one month without a hardship waiver, the family may be eligible for an additional waiver. The number of waivers shall not be limited provided the family can provide the documentation required to substantiate the hardship.

The specific hardship criteria are detailed in Appendix C of this Plan.

Transition Period – The transition period for minimum rents by bedroom size will occur within three years from adoption of the MTW Plan. As noted above, existing households will be required to pay 50% of the minimum rent by bedroom size upon the 2nd annual re-examination and 100% of the minimum rent by bedroom size upon the 3rd annual re-examination after adoption.

Documentation of Public Hearing - HACC conducted a public hearing as part of the overall MTW application process which included this activity. Documentation of the public hearing was previously submitted in section 5 of the MTW application.

Activity 6 – Tiered Flat Rents

A. Description of Proposed MTW Activity

HACC will adopt a Tiered Flat Rent schedule for both the Public Housing and the Housing Choice Voucher Programs. Tiered rents have been determined based on the following:

- ◇ The current regulatory rent formula is based on the establishment of a Total Tenant Payment which generally represents 30% of household monthly adjusted income less an allowance for tenant paid utilities.
- ◇ Monthly adjusted income under current regulatory provisions includes certain deductions which require extensive verification creating an excess administrative burden and frequently result in calculation errors.
- ◇ Analysis of current HACC households indicates that the tenant rent, if calculated based on gross monthly income with no utility allowances, averages 15% of income.
- ◇ A flat tiered rent schedule reduces the complexity of the current HUD rent calculation process, significantly reducing administrative burden and the probability of errors.
- ◇ A flat tiered rent schedule is more easily understood by residents, landlords and the general public.
- ◇ The tiered rent schedule will provide a notable incentive to the families because the rent will remain constant until such time that the total household income reaches the next tier.

Example: If the household gross annual income is \$ 15,000 (between 20% and 30% of the AMI), the family would be responsible for paying the lower payment of 20% of AMI: \$147.00. The family rent would not increase until total household income reaches or exceeds the next tier.

The chart below identifies the Tiered Flat Rents.

TIERED FLAT RENT SCHEDULE			
% OF AMI	Annual Income	Monthly Income	15% of Monthly Income
10	\$5,870	\$489	\$73
20	\$11,740	\$978	\$147
30	\$17,610	\$1,468	\$220
40	\$23,480	\$1,957	\$294
50	\$29,350	\$2,446	\$367
60	\$35,220	\$2,935	\$440
70	\$41,090	\$3,424	\$514
80	\$46,960	\$3,913	\$587
90	\$52,830	\$4,403	\$660
100	\$58,700	\$4,892	\$734

Relationship between Minimum Rent By Bedroom Size and Tiered Flat Rent – Households will be required to pay the greater of the minimum rent for the bedroom size or the Tiered Flat Rent.

Example: A family resides in a three bedroom unit which has a minimum rent of \$80.00. The family's gross annual income is below 10% of AMI resulting in a flat rent of \$73.00. In this case, the family would pay the minimum rent of \$80.00. If the family's gross annual income was greater than 10% of AMI and less than 20% of AMI, the family would pay the flat rent of \$147.00.

This activity will be implemented for new admissions as of April 1, 2011 and for existing residents at the annual re-certification that occurs after April 1, 2013.

B. Relation to Statutory Objectives

This activity directly relates to the Statutory Objective to give incentives to families with children whose heads of household are working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

The relationship of this activity to the second statutory objective is the incentive provided to increase income which will decrease rent burden as the percent of income to rent will be less under this activity.

C. Anticipated Impact of MTW Activity

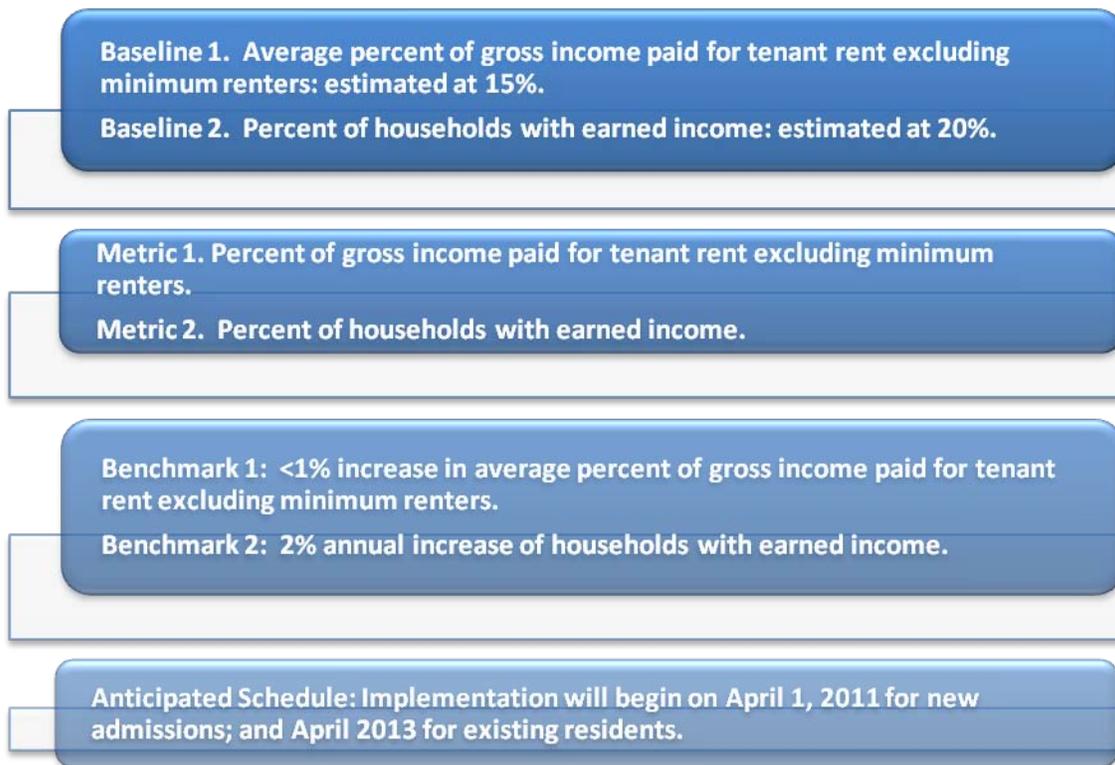
HACC anticipates that the impact of this activity will be to incentivize families to reach self-sufficiency goals and increase household income. Families will realize a significant savings in rent costs through a flat rent that allows increases in household income ranging from 10% to 40% without any increase in rent. We realize that some families will have legitimate hardship and have accounted for these hardships through a gradual implementation of this activity and providing for temporary waivers as described below.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established a baseline of the average percent of gross income paid towards rent excluding minimum renters and the percent of household with increased earned income to measure how this activity impacts self-sufficiency.

HACC has estimated the average percent of gross income paid towards rent excluding minimum renters as 15% for both programs. HACC has estimated that percent of households with earned income as 20%. These estimates are based on average tenant rent (TTP less utility allowance) divided by the average gross income per household for households paying greater than minimum rent.

The baseline numbers will be adjusted upon implementation of this activity which will include collection of the necessary data to establish a more accurate baseline.



E. Data Collection Process

HACC will use its Tenmast software system to determine the average percent of monthly income paid for tenant rent excluding minimum renters and the percent of households with earned income. This same data set will be extracted and analyzed annually to calculate the benchmarks.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (C)(11) which waives certain provisions of Sections 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 CFR 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 as well as 966 Subpart A. In addition, HACC is authorized through Attachment C (D)(2)(a) which waives certain provisions of Sections (8)(o)(l), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H-I) of the 1937 Act and 24 CFR 982.508, 982.503 and 982.518.

G. Rent Reform Initiatives

Board Approval – The Board approved the initial MTW Application which included this activity.

Impact Analysis - The chart below illustrates the impact of the tiered flat rents for both the Public Housing and HCV households. A total of 61% of all households will be impacted by this activity.

TIERED FLAT RENT SCHEDULE						
% OF AMI	Annual Income	Monthly Income	15% of Monthly Income	Number of Households	Percent of Total	Number Paying Less
10	\$5,870	\$489	\$73	419	23%	256
20	\$11,740	\$978	\$147	929	51%	567
30	\$17,610	\$1,468	\$220	292	16%	178
40	\$23,480	\$1,957	\$294	91	5%	56
50	\$29,350	\$2,446	\$367	36	2%	22
60	\$35,220	\$2,935	\$440	18	1%	11
70	\$41,090	\$3,424	\$514	36	2%	22
80	\$46,960	\$3,913	\$587	0	0%	0
90	\$52,830	\$4,403	\$660	0	0%	0
100	\$58,700	\$4,892	\$734	0	0%	0
TOTAL				1822	100%	1111

Annual Re-evaluation – HACC will re-evaluate this activity and its impact on residents at least annually.

Hardship Case Criteria – The hardship policy will allow for temporary waiver of the Tiered Flat Rent based on documented hardship. Families will be required to request a hardship in writing and each case will be evaluated on a case by case basis. Hardship waivers will be granted for a maximum of six months. After one month without a hardship waiver, the family may be eligible for an additional waiver. The number of waivers shall not be limited provided the family can provide the documentation required to substantiate the hardship.

The specific hardship criteria are detailed in Appendix C of this Plan.

Transition Period - This activity will be implemented for new admissions as of April 1, 2011 and for existing residents at the annual re-certification that occurs after April 1, 2013.

Documentation of Public Hearing - HACC conducted a public hearing as part of the overall MTW application process which included this activity. Documentation of the public hearing is found in section 5 of the MTW application.

Activity 7 – Modified Definition of Elderly

A. Description of Proposed MTW Activity

The definition of elderly families in the Public Housing Program only, not the HCV Program, will be modified from head or co-head age 62 or older to all household members age 50 or older. This activity will enable HACC to expand housing choice for near elderly households which currently are excluded from public housing unless otherwise disabled. This activity will be implemented as of January 1, 2011.

B. Relation to Statutory Objectives

This activity meets the statutory objective to increase housing choices for low income families.

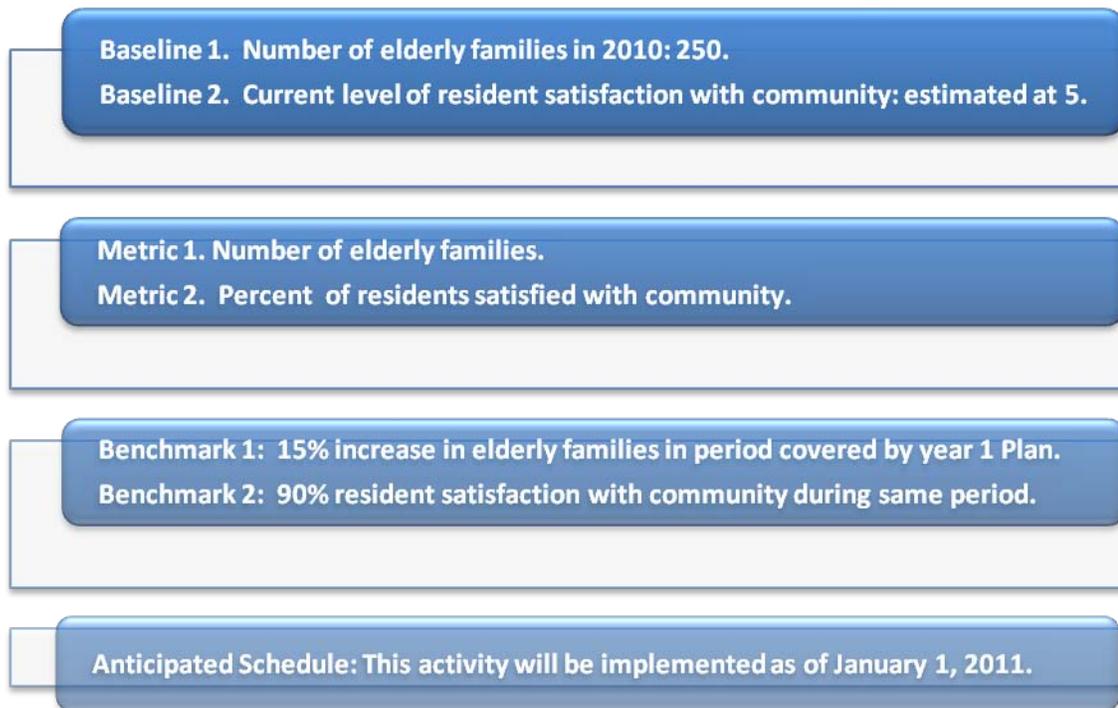
C. Anticipated Impact of MTW Activity

The anticipated impact of this MTW Activity will allow able bodied households between the ages 50 and 61 access to public housing in designated cohesive properties that serve a population with compatible lifestyles. HACC anticipate that resident satisfaction in designated properties will significantly increase.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

HACC has established two baselines that will be measured throughout the implementation of this MTW Activity. The actual number of elderly units affected by this activity in the public housing program is 250. HACC has estimated the current level of resident satisfaction as a 5 on a scale of 1 to 10.

The baseline number for resident satisfaction will be adjusted upon implementation of this activity which will include collection of the necessary data to establish a more accurate baseline.



E. Data Collection Process

HACC will extract data from its current software system to analyze the number of elderly households under the current definition and the number under the modified definition implemented through this MTW Activity to establish the baseline. On an annual basis HACC will analyze data to determine the progress in the increase of elderly households.

A resident satisfaction survey will be issued prior to commencement of this activity to establish the baseline for overall satisfaction with the community in which they reside. Subsequent resident satisfaction surveys will be administered annually to measure the change in satisfaction with the community in which the residents reside. The survey will be administered through our partnership with the University of Illinois to assure an objective third party analysis.

F. Authorizations

HACC is authorized to undertake this activity through Attachment C (B)(3) of the MTW Agreement. This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 CFR 5.403.

G. Rent Reform Initiatives

This activity is not a rent reform and therefore section G is not applicable.

Activity 8 - Local Homeownership Program

A. Description of Proposed MTW Activity

HACC will create a local homeownership program which will include the following components:

- ◇ Down payment and closing cost assistance not to exceed a total of \$10,000.
- ◇ A monthly flat fee to assist towards total housing costs not to exceed 30% of total housing costs (principal, interest, taxes, insurance, utilities and maintenance reserve) or 50% of gross monthly income.
- ◇ A short term (not to exceed six months) emergency assistance plan
- ◇ Maximum lifetime assistance as follows:

HOUSING AUTHORITY OF CHAMPAIGN COUNTY	
LOCAL HOMEOWNERSHIP PROGRAM	
MAXIMUM ASSISTANCE	
Total Household Income	Maximum Combined Assistance
60% - 70% of AMI	\$40,000
71% - 80% of AMI	\$30,000
81% - 100% of AMI	\$20,000

The following criteria shall establish eligibility to participate in the Homeownership Program:

1. The family must have a demonstrated history of compliance with all other MTW activities.
2. At least one adult member of the household must have a consistent employment history of a minimum of five years.
3. The total household income must be a minimum of \$25,000 annually.

4. The family must meet all underwriting criteria to secure a private mortgage.
5. The family must participate in pre- and post-purchase counseling.

This activity will be implemented as of July 1, 2011.

B. Relation to Statutory Objectives

This activity is directly related to the Statutory Objective to give incentives to families with children whose heads of household are working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

C. Anticipated Impact of MTW Activity

The anticipated impact of this MTW Activity is more participation in the Homeownership Program and more participants who successfully purchase a home.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

We have established the following baselines and benchmarks for this activity. It is our intent to measure the ability of this activity to provide incentive for the families to aggressively work towards their self-sufficiency goals.

HACC estimated the number of households that currently meet underwriting criteria for private mortgages as 23. HACC identified the number of homes currently purchased as zero.

The baseline number for the number of households that meet underwriting criteria will be adjusted upon implementation of this activity which will include collection of the necessary data to establish a more accurate baseline.

Baseline 1. Number of families that meet underwriting criteria for private mortgage: estimated at 23.

Baseline 2. Number of homes purchased annually: estimated at 0.

Metric 1. Families meeting underwriting criteria.

Metric 2. Number of homes purchased.

Benchmark 1: 2 families meeting underwriting criteria in 2012; 5 families in 2013; 10 families in 2014.

Benchmark 2: 1 home purchased in 2012; 3 homes purchased in 2013; 5 homes purchased in 2014.

Anticipated Schedule: This activity will be implemented as of October 1, 2011.

E. Data Collection Process

The initial assessment for each family under the Local Mandatory FSS Program as well as income data from the current software system will identify potential homeownership families. HACC will initially work with these families in developing their individual self – sufficiency plans to move into homeownership. Other families will be identified throughout the life of the MTW Program as they progress on their self-sufficiency initiatives.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C(D)(8)(a and b) which waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 CFR 982.625 through 982.643.

G. Rent Reform Initiatives

This activity does not include a rent reform initiative and therefore this section is not applicable.

Activity 9 - Local Project Based Voucher Program

A. Description of Proposed MTW Activity

HACC will develop and implement a local Project Based Voucher (PBV) Program to ensure that a greater number of quality units are available to low-income families throughout Champaign County. The local PBV Program will include the following components:

- ◇ Project based assistance at properties owned by HACC or an affiliate of the Authority that are not public housing.
- ◇ Establishment of a reasonable competitive process for project basing leased housing assistance at units in which HACC or a related affiliate has no ownership interest that meet existing Housing Quality Standards or any standards developed by HACC pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, and for-profit housing entities.
- ◇ Adoption of alternate standards for determining the location of existing, new constructed or substantially rehabilitated housing to receive subsidy in compliance with the requirements outlined in Attachment C of the MTW Agreement.
- ◇ Establishment of project based waiting lists and processing of all project based activities at the property by the respective property management company.

This activity will be implemented as of October 1, 2010.

B. Relation to Statutory Objectives

This activity directly relates to the Statutory Objective to increase housing choices for low-income families.

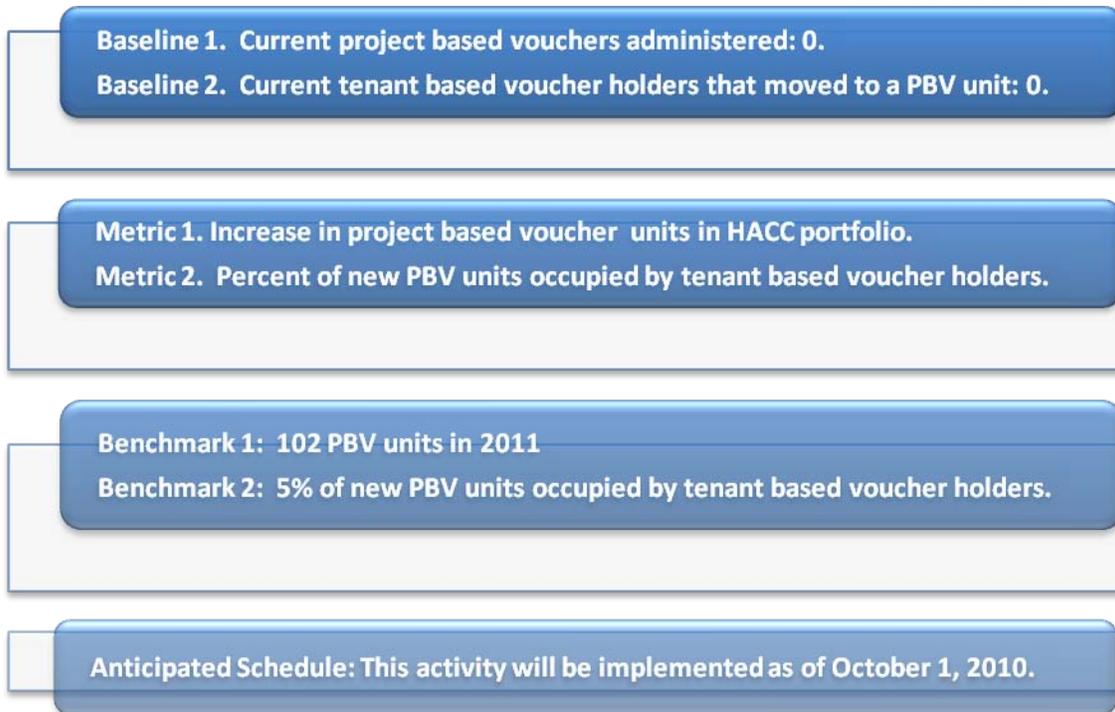
C. Anticipated Impact of MTW Activity

HACC anticipates that this activity will broaden provisions to provide project based subsidy to new housing units and expand the ability to provide special needs housing. HACC also anticipates that this activity will improve the financial viability for new development and for existing public housing through conversion of some existing properties. This activity will also increase the total affordable housing portfolio owned directly or indirectly by HACC and increase the number of tenant based voucher families that voluntarily move to project based units because of improved quality of housing that does not exist in the existing rental housing inventory in Champaign County.

D. Baselines, Benchmarks, Metrics and Anticipated Schedule

The baseline for this activity is the current project based units in HACC's portfolio. Currently HACC administers no Project Based Vouchers; as a result, no tenant based voucher holders have occupied any Project Based Voucher unit.

The metrics for this baseline are the number of additional affordable housing units created and the percent occupied by current tenant based voucher participants. A benchmark has been established to develop 200 additional affordable housing units over five years of which 5% will be occupied by current tenant based voucher holders that desire to improve the quality of their current housing unit.



E. Data Collection Process

A report will be developed to track the new housing units developed each year and the number of new units under PBV contracts. An initial occupancy report for each project will be used to determine the tenant based voucher holders that choose to relocate to these newly developed units.

F. Authorizations

HACC is authorized to undertake this initiative through Attachment C (7) which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983, 983.51, 983.57 as well as Section 8(o)(8) of the 1937 and 24 CFR 982 Subpart I.

G. Rent Reform Initiatives

This activity does not include a rent reform initiative and therefore this section is not applicable.

IMPLEMENTATION SUMMARY SCHEDULE

The chart below provides a summary of the implementation dates for each of the Moving to Work activities described above. As noted, some activities have a single effective date while others have two separate effective dates: one for households admitted to the program after the effective date of the activity; and, one for existing residents already receiving housing assistance at the time of the activity effective date.

HOUSING AUTHORITY OF CHAMPAIGN COUNTY			
MTW IMPLEMENTATION DATES			
ACTIVITY #	DESCRIPTION	IMPLEMENTATION EFFECTIVE DATE	
1	Local Investment Policies	January 1, 2011	
2	Bi-annual Re-certifications	January 1, 2011	
		NEW ADMISSIONS	EXISTING RESIDENTS
3	Mandatory Local FSS Program	July 1, 2011	July 1, 2012
4	Employment Requirement	April 1, 2011	2nd Re-exam after July 1, 2011
5	Minimum Rent by Bedroom Size	April 1, 2011	2nd Re-exam after April 1, 2012
6	Tiered Flat Rents	January 1, 2011	1st Re-exam after April 1, 2013
7	Modified Definition of Elderly	January 1, 2011	
8	Local Homeownership Program	July 1, 2011	
9	Local Project Based Voucher Program	October 1, 2010	

VI. ONGOING MTW ACTIVITIES

This MTW Plan is HACC's initial plan; therefore, this section is not applicable.

VII. SOURCES AND USES OF FUNDING

Planned Sources and Uses of MTW Funds

The chart below summarizes HACC's Consolidated MTW Budget for the initial plan period: October 1, 2010 through December 31, 2011. This chart lists all planned revenues and expenditures for all funding sources that comprise the MTW Block Grant including Section 9 Operating Funds; Section 9 Capital Funds; Section 8 Housing Assistance Payments; and, Section 8 Administrative Fees.

Based on the anticipated change in the fiscal year, HACC has itemized the revenue and expenses for the period of October 1, 2010 through December 31, 2010 and for Calendar Year 2011.

Since the time of submission of the initial MTW application and the preparation of this revised plan, HACC has received two additional allocations of funding under the Housing Choice Voucher Program. These additional funds include payment of a funding shortfall for 2009 and tenant protection funding for a local "opt-out" property. Receipt of these funds will enable HACC to increase the overall number of households served in the HCV program from the current 1256 to 1460 during this plan year, representing an increase in program size of 16%. These additional funds will also eliminate the need to utilize any HCV net restricted assets (NRA/reserves) to support current families.

The MTW activities outlined in this plan will require use of the authorization under the Single Fund Block Grant (See Appendix A, Single Fund Budget) to allocate sufficient financial resources to assure successful implementation. HACC has included additional operational expenses as follows:

1. Increased staff necessary to implement the Mandatory Self-sufficiency Program;
2. Costs for the University of Illinois to complete the MTW baseline assessment; and evaluation; and,
3. Additional funding for development activities to increase the overall number of "hard" units that are owned directly or indirectly by HACC.

October 1, 2010 through December 31, 2010		
REVENUE	10/1/10 - 12/31/10	CY2011
Housing Assistance Payments (HAP) Subsidy	2,740,053	11,620,402
Administrative Fees - Pro-Rated @91%	210,680	877,765
PH Subsidy - Pro-Rated 2010 (100%) CY11 (90%)	372,769	1,393,327
PH Rental Income	157,500	630,000
Capital Fund Grants	661,005	1,146,460
Investment Interest	20,000	100,000
Other Income	3,000	12,000
Total Revenue	\$4,165,007	\$15,779,954

EXPENSES		
Administrative & General	403,356	1,874,765
Utilities	98,880	431,473
Operations & Maintenance	310,620	1,279,754
Housing Assistance Payments	2,520,000	10,512,000
Capital Funds	661,005	1,146,460
Development Projects	100,000	500,000
Total Expenses	\$4,093,861	\$15,744,452
Net Cash Flow from Operations	71,146	35,502
Net Income (Loss)	\$71,146	\$35,502

Planned Sources and Uses of NON-MTW Funds

The chart below summarizes the HACC Consolidated Budget for NON-MTW Funds for the initial plan period: October 1, 2010 through December 31, 2011.

NON -MTW CONSOLIDATED FUNDS SOURCES AND USES		
October 1, 2010 through December 31, 2011		
REVENUE	10/1/10-12/31/10	CY2011
HAP - New Construction & SRO	82,650	337,212
Administrative Fees - New Construction & SRO	8,210	33,497
Replacement Housing Funds	250,000	500,000
ROSS Grant	20,000	80,000
WIA Youth Program	7,625	31,000
S8 FSS	7,800	33,000
FHLB Grant	200,000	0
Total Revenue	\$576,285	\$1,014,709
EXPENSES		
Administrative & General	41,254	166,516
Housing Assistance Payments	82,650	337,212
Development	250,000	500,000
Total Expenses	\$373,904	\$1,003,728
Net Cash Flow from Operations	\$202,381	\$10,981
Net Income (Loss)	\$202,381	\$10,981

The chart above details all planned revenues and expenditures for all funding sources for additional HUD funds that are not eligible MTW Block Grant funds and non-HUD funds, including Section 8 New Construction, Single Room Occupancy, ROSS Grants, Section 8 FSS Coordinator Grant, and the Federal Home Loan Bank Grant. This chart also includes Replacement Housing Factor Funds that HACC has received to date. As noted under expenses, we anticipate utilization of a portion of these funds in the initial plan period. The net income reflects RHF funds that we will not use in the initial plan period.

Planned Sources and Uses of Central Office Cost Center

The chart below summarizes the HACC's Central Office Cost Center Budget for the initial plan period: October 1, 2010 through December 31, 2011. This chart lists all planned revenues and expenditures for all central office cost center operations.

CENTRAL OFFICE MTW CONSOLIDATED FUNDS SOURCES AND USES		
January 1, 2010 through December 31, 2010		
REVENUE	10/1/10-12/31/10	CY2011
Public Housing Management Fees	76,654	306,617
Public Housing Bookkeeping Fees	9,730	38,916
Public Housing Asset Management Fees	13,470	53,880
Capital Fund Pgm Mgt Fee	25,409	95,387
S8, EOM & SRO Management Fee	53,064	220,896
S8, EOM & SRO Bookkeeping Fees	33,165	138,060
System Administration Fees	1,500	6,000
Investment Interest	1,200	6,000
Other Income	300	1,500
Total Revenue	214,492	867,256
EXPENSES		
Administrative Salaries	95,730	390,578
Administrative Benefits (28%)	25,847	105,456
Legal	10,750	45,000
Staff Training	2,100	3,000
Travel/Meetings	4,500	12,000
Audit	1,000	6,000
Telephone	900	4,000
Forms & Office Supplies	6,000	24,000
Computer Support/Operations	2,500	20,000
Administrative Other	14,022	56,088
Total Administrative	163,349	666,122
Water	386	1,158
Electric	4,325	15,137
Gas	3,582	8,955
Other Utilities Expense	63	252
Total Utilities	8,356	25,502
Maintenance Salaries	10,750	43,860
Maintenance Benefits (28%)	3,010	12,280
Materials/Office Supplies	1,560	8,000
Contracts:	11,189	44,756
Total Maintenance	26,509	108,896

Insurance	9,536	40,051
Other	1,000	4,000
Total General Expenses	10,536	44,051
Total Routine Expenses	208,750	844,571
Net Cash Flow	5,742	22,685

Cost Allocation or Fee for Service Methodology

HACC will continue to utilize the HUD prescribed Fee for Service approach with no deviations for Calendar Year 2011.

**VIII. ADMINISTRATIVE
A. Board Resolution**

The Board Resolution to Accompany the Annual Moving to Work Plan was submitted with the original MTW Application package.

**VIII. ADMINISTRATIVE
B. Evaluation**

University of Illinois

Prior to the development of this MTW Plan, HACC conducted significant research of other MTW Plans. In our research, there appeared to be a lack of empirical and quantifiable data regarding the challenges and successes of the MTW demonstration to date. While many plans had various self-sufficiency goals and objectives, no one seemed to have measured the impact of various activities to determine what incentives are necessary to motivate a family or individual to work towards self-sufficiency. There also seemed to be a lack of comprehensive analysis of the impediments to low income individuals reaching self-sufficiency. Lacking this analysis, it is difficult to identify what type of activities will be most successful in achieving the statutory goals. Activities must address how impediments will be removed so that lasting economic self-sufficiency can occur.

HACC’s plan is centered on the statutory objective of self-sufficiency and includes a third party objective evaluation and analysis to be done by the University of Illinois Health and Consumer Economics Department. While we will track the most obvious of impediments for low income individuals such as educational and income levels, we have identified less obvious impediments such as lack of access to adequate health care and other health related issues such as undiagnosed mental health problems.

The University of Illinois will conduct an initial baseline evaluation of all families and identify key personal development indicators that impact economic independence including literacy; formal education; income; multi-generational dependence on government assistance; developmental challenges; physical and mental health limitations and access to basic health care that have restricted previous development of economic self-sufficiency. Annual evaluations will be conducted by the University to measure the overall changes in these key personal development factors along with a resident survey to determine which incentives provided in our MTW activities have provided the most motivation for the families to achieve their annual self-sufficiency goals.

We believe that the collection and analysis of quantifiable data and a correlation between impediments and motivation will assure that the plan can serve as a replicable model that promotes the statutory purpose of the MTW Program.

APPENDIX A

Single Fund Budget

Pursuant to the authorization under Attachment C (B)(1) which waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 CFR 905, 982 and 990, HACC will combine resources (Public Housing Operating Funds; Public Housing Capital Fund and Housing Choice Voucher funding) under a single fund block grant.

Use of the single fund block grant will enable HACC to allocate federal resources to support the local initiatives described under this plan and provide flexibility to redistribute resources among federal programs based on actual needs.

As discussed earlier in this Plan, HACC is transitioning its fiscal year from a March 31st year end to a December 31st year end. As a result, the transition to a single fund budget will have three phases as described below.

1. Financial reports from April 1, 2010 through September 30, 2010 will be prepared in accordance with program requirements without MTW Authority.
2. Financial reports from October 1, 2010 through December 31, 2010 will be prepared using the single fund budget authority.
3. Separate financial reports from January 1, 2011 through December 31, 2011 will be prepared using the single fund budget authority.

HACC will work closely with the local HUD office, REAC and OPHI to complete the transition of the fiscal year and the corresponding reporting requirements as described above.

APPENDIX B

Revision of Asset Management Projects (AMPS)

Pursuant to the First Amendment to the Moving to Work Agreement, Section 6, Local Asset Management within MTW, HACC will adopt the following under this authorization.

1. HACC will separate the current Asset Management Projects and operate each public housing development as a single project.
2. HACC will move its fiscal year from a year end of March 31st to a year end of December 31st as detailed above under the Single Fund Budget.

As HACC assesses the long term viability of its portfolio, each property must be analyzed individually. If properties are repositioned with private sector financing, the lenders will require operational data that is property specific. If properties remain combined under HUD's AMP system, HACC will not be able to adequately address the unique needs of each property.

APPENDIX C

Hardship Criteria for All Rent Reform Activities

Temporary Waiver

HACC has established various rent reform initiatives under the Moving to Work Program. However, if a family requests a hardship under any of the rent reform initiatives, HACC will allow for a temporary waiver based on documented hardship.

Hardship

Families will be required to request a hardship in writing and each case will be evaluated on a case by case basis. A hardship will be considered under any of the following circumstances:

1. When a family has lost eligibility for or is waiting for an eligibility determination for a federal, state or local assistance program;
2. When a family would be evicted because of inability to pay rent pursuant to the rent reforms and the family has provided documentation which substantiates the pending eviction;
3. When the income of the family has decreased because of changed circumstances including loss of employment through no fault of the family member; or,
4. When a death has occurred in the assisted family household.

Rent Reform Suspension

The rent reform initiative will be suspended effective the first of the month following the month in which the hardship request was submitted in writing to HACC. The tenant rent will be suspended (reduced to zero) during the suspension period.

No Hardship

If HACC determines there is no qualifying hardship as described above, the rent reform will be applied and rent charged to the family in accordance with the applicable reform initiative including back payment of any rent owed during the suspension period.

Waiver Time Limit

Hardship waivers will be granted for a maximum of six months. Families with suspended rent will be required to report monthly to HACC and provide documentation of continued hardship.

Repayment

If the hardship period was determined to be 90 days or less, rent will not be imposed for the approved hardship period. At the end of the rent suspension period, the applicable rent will be imposed retroactively to the time of suspension and HACC will allow the family to enter into a repayment agreement for any rent not paid during the suspension period.

If the hardship exceeds 90 days, the family shall be exempt from rent payment for each 30 day period in excess of 90 days but not to exceed the maximum of 180 days. At the end of the exemption period, HACC will credit the tenant account for the amount of rent in excess of 90 days and allow the family to enter into a repayment agreement for any rent owed for 90 days.

Subsequent Hardship Requests

After one month without a hardship waiver, the family may be eligible for an additional waiver. The number of waivers shall not be limited provided the family can provide the documentation required to substantiate the hardship.

APPENDIX D

Performance & Evaluation Reports–Capital Fund Program

HACC currently has three open formula Capital Fund Grants: 2008; 2009 and 2010; and, one open American Recovery and Reinvestment Act (ARRA) grant: 2009. Attached are the Annual Performance and Evaluation Reports (HUD 50075.1 forms) for these corresponding grants.