

MOVING TO WORK

FY2007

ANNUAL PLAN

DELAWARE STATE HOUSING AUTHORITY

MOVING TO WORK FY2007 ANNUAL PLAN

TABLE OF CONTENTS

1.0 INTRODUCTION

- 1.1 Overview and Goals of MTW Program**
- 1.2 Status of MTW Program and Accomplishments To Date**
- 1.3 Objectives/Activities Planned For The Current Year**
- 1.4 Programs Covered In The MTW Program And Included In This Plan**

2.0 NUMBER AND CHARACTERISTICS OF HOUSEHOLDS SERVED

- Table 1 - Number of Households Being Served**
- Table 2 - Published Area Median Income Levels**
- Table 3 - Income of Households Being Served**
- Tables 4a & 4b - Race/Ethnicity of Households Being Served**
- Table 5 - Number of Households on Waiting List**

3.0 OCCUPANCY POLICIES

- 3.1 Statement of Eligibility/Admissions Policies**
- 3.2 Deconcentration Policy/PH & S8**
- 3.3 Rent Policy**

4.0 CHANGES IN THE HOUSING STOCK

- 4.1 Number of Units In Inventory At Beginning Of Period**
- 4.2 Projected Number At The End Of The Year**

- Table 6 - Changes in Housing Stock**

5.0 SOURCES AND USES OF FUNDS

- Tables**
- Budget Narrative**
- Revenues**
- Expenditures**
- Excess (Deficit)**
- Operating Reserves**

6.0 CAPITAL PLANS

- 6.1 Statement Of Existing Needs**
- 6.2 Planned Capital Expenditures**
 - Table 7 - Five Year Capital Plan**
 - Table 8 - Capital Expenditures Planned for FY07**
 - Table 9 - Five Year Capital Expenditures Plan**
 - Table 10 - Current Expenditures - All CFP Programs**

7.0 MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

- 7.1 Occupancy**
- 7.2 Inspections**
- 7.3 Rent Collection**
- 7.4 Work Order Response Time**
 - Table 11 - Public Housing Management Information**
 - Table 12 - Public Housing Vacancy and Occupancy**

8.0 MANAGEMENT INFORMATION FOR LEASED HOUSING

- 8.1 Leasing Information**
- 8.2 Inspections**

9.0 OTHER PROGRAMS

- 9.1 Resident Programs**
- 9.2 Homeownership Programs**
- 9.3 Security**

10.0 SUMMARY OF HUD APPROVALS

10.1 Status Of Pending Approvals

10.2 New Approvals Sought

Attachment A

General Order

PHA Certification of Compliance with MTW Plan Requirements

Attachment B

Capital Fund Program Forms

Attachment C

Public Housing Budget Forms

Attachment D

Summary of Public Comments Regarding the FY2007 MTW Annual Plan

1.0 INTRODUCTION

This document serves as the Delaware State Housing Authority's (DSHA) *Moving To Work* (MTW) Annual Plan for FY2007, which begins July 1, 2006 and ends June 30, 2007. The Department of Housing and Urban Development (HUD) recently approved an extension of DSHA's MTW Demonstration Agreement until March 31, 2009. If permanent status is not forthcoming, then a five-year transition plan to honor the five-year contracts of our most recent MTW Program admissions will be prepared and submitted in accordance with the timeline established by HUD.

1.1 OVERVIEW AND GOALS OF MTW PROGRAM

The purpose of the MTW Program continues to be to reduce costs and achieve greater cost effectiveness; to give incentives to families to obtain employment and become economically self sufficient; and to increase housing choices for low-income families.

The goals and objectives under the DSHA MTW Program are outlined as follows:

1. To reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing (PH) and Housing Choice Voucher (Section 8) Programs as indicated below:
 - a. Merge the Certificate & Voucher Programs into the Voucher Program and administer under one set of regulations.
 - b. Combine the waiting lists for PH and Section 8 with preferences consistent between the two programs.
 - c. Increase the residents' share of the total tenant payment to 35% of adjusted gross income.
 - d. Time-limit housing assistance.
 - e. During the actual time a family is housed, it may not apply for an alternative form of subsidy.
 - f. At the end of the time period, residents of PH with monthly-adjusted incomes at or above the Safety Net threshold will be given the opportunity to rent their unit at market rent, which will free up the subsidy and allow an additional voucher to be issued.
2. To give incentives to families who are employed or seeking employment and self-sufficiency with the following initiatives:
 - a. Amend waiting list preferences to include working families and welfare reform participants.
 - b. To make work pay, cap rent, with all funds over the cap up to the 35% limit placed in a savings account for the MTW participant.

- c. All MTW participants continuously participate in case management and are offered services and/or resource referrals including job training and placement services, computer experience, educational opportunities and transportation stipends, as funds allow.
3. To improve housing options for our residents by offering or coordinating the following resources:
- a. Homeownership counseling and assistance.
 - b. Budget counseling.
 - c. Fair Market Housing counseling.
 - d. Assistance obtaining a Low Income Housing Tax Credit Unit.
 - e. MTW Savings Account as income increases.
 - f. Counseling to repair credit problems.
 - g. Financial Literacy Education.
 - h. Individual Development Account for approved participants.
 - i. Resident Homeownership Program

1.2 STATUS OF MTW PROGRAM AND ACCOMPLISHMENTS TO DATE

The accomplishments and status are cumulative from the date that the MTW Program started.

- 1. Holly Square added to the PH stock.
- 2. Certificate and Voucher Programs were combined into one Voucher Program.
- 3. Rents were increased to 35% of adjusted income for all MTW participants.
- 4. PH and Section 8 waiting lists were combined.
- 5. Working and welfare reform preferences added.
- 6. Case management services were established and Memorandums of Understanding signed with two nonprofit counseling agencies for all Section 8 MTW participants. All PH residents are assigned DSHA case managers at the time they enter the Program.
- 7. Report established to identify and monitor needs of the MTW participants.

8. Agencies have been identified and contacts established to provide services for unmet needs.
9. All funds are block granted.
10. MTW participants continue to be evaluated as they enter the program, and DSHA constantly networks with potential service providers and organizations to bring needed services to the participants and/or refer participants to services.
11. An Individual Development Account (IDA) Program has been implemented to help qualified MTW participants develop assets. So far, 26 families have completed their goals with 23 buying homes and three opening a business.
12. The Resident Homeownership Program (RHP) began accepting applications in FY-2004. There are six families now enrolled in the program.
13. DSHA has contracted with NCALL, a non-profit housing counseling agency for IDA Case Management, credit repair, budget counseling, fair market housing counseling and RHP homeownership counseling for PH MTW participants. NCALL will also handle the RHP counseling for Section 8 families. Up to 100 families at a time can be accommodated, and they are referred by their case managers based on need. This service has been identified as a critical need for the MTW participants. The same services are being provided by local non-profit agencies for all Section 8 MTW participants.
14. DSHA completed an automated MTW case management system which tracks all statistical information for both PH and Section 8 MTW participants. This system also includes an automated list that ensures timely compliance with quarterly reviews and completion of annual Resident Action Plans (RAP).
15. DSHA amended the RAP to include a certification by MTW participants that they understand the requirement that they must work or attend an educational program for at least 20 hours a week.
16. DSHA has awarded 100 educational scholarships from the MTW budget.
17. DSHA purchased an Adult Basic Education/GED computer program for each of its PH sites to assist residents working toward educational goals.
18. Since MTW implementation in August 1999, 370 families have successfully completed the MTW Program. One hundred and twenty-nine have purchased homes and 241 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. Though some of those families would undoubtedly have been successful without MTW, we feel that the majority became successful by taking advantage of the counseling and social services made available through the program as well as the savings they accumulated while in the program.
19. The time limit safety-net feature was implemented in FY2005. Families who have

not been able to increase their incomes to the level where 40% of their monthly adjusted income equals or exceeds the lower of their Section 8 gross rent or Voucher payment standard, or the fair market rent for their PH unit, are being transferred to safety net status. Their total tenant payment reverts to 30% and they forfeit the money in their MTW savings account. It is expected that about **85%** of DSHA=s MTW families will be eligible for the safety net. The condition for the family to retain the rental subsidy is that they must maintain employment of at least 20 hours per week, be involved in a full-time educational program or a combination of both which equals at least 20 hours.

Families whose monthly-adjusted incomes are at or above the safety-net threshold are having their subsidy terminated. PH families can either move or stay in their unit, sign a private-market lease and pay the market rent. Section 8 families will begin paying the full market rent to their current landlord. All families who have remained in compliance with MTW requirements will be given the money in their savings accounts at this time.

20. Funds from the Section 8 Reserves were used to provide security fencing at two of the PH sites. After discussions with local police, it was determined that fencing along the side and rear perimeters of the sites would be the most effective and efficient way to assist city police to control and deter crime on those two sites.

1.3 OBJECTIVES/ACTIVITIES PLANNED FOR THE CURRENT YEAR

The eighth-year Plan will concentrate on the following items:

1. All original MTW-eligible PH residents and Section 8 participants will have completed five full years of MTW or have been approved for a one-year extension during FY2006.
2. DSHA continues to work with the Department of Labor and the Delaware Economic Development Office to share information on new industry and business coming to Delaware, job trends and current job information. As needed, meetings will be scheduled for all parties as well as MTW participants.
3. DSHA continues to work with a local tenant advocacy group and efforts have been renewed to assist individual communities with forming Resident Councils. Funding to offer appropriate stipends to Resident Council Officers and for approved site activities has been included in the FY2007 PH budget.
4. DSHA will continue to require all MTW participants to complete financial literacy training. This 8 - 10 hour training is provided in conjunction with the annual completion of the RAP.

5. DSHA is working to continue providing services that were formerly funded under the Public Housing Drug Elimination Program (PHDEP). Funds from the Capital Fund Program will be used to provide limited security services during FY-2007. DSHA continues to advocate for a change in legislation to return the PHDEP to HUD's budget.
6. DSHA is working to continue providing services that were previously funded from the MTW Technical Assistance Grant. Computer education and scholarships were funded from this source. DSHA continues to work to identify potential sources for funding scholarships and computer education.

1.4 PROGRAMS COVERED IN THE MTW DEMONSTRATION AND INCLUDED IN THIS PLAN

The DSHA MTW Demonstration includes the following programs:

1. Low Rent Public Housing
2. Section 8 Housing Choice Vouchers
3. Capital Fund Program
4. Resident Homeownership Program

2.0 NUMBER AND CHARACTERISTICS OF HOUSEHOLDS SERVED (Both Public Housing and Section 8)

As of March 1, 2006, there were a total of 1,450 households currently being served by the Public Housing and Section 8 Programs. This is an increase of 202 families, or 14 percent, since MTW implementation in August of 1999. The income levels and racial and ethnic composition of the resident population have remained relatively unchanged. Please see Tables 1 through 4 for details which contain data for occupied units. Units in the Public Housing Homeownership Program are not included since those residents do not participate in the MTW Program.

TABLE 1

Number of households being served as of March 1, 2006

Public Housing						
	Total Households	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
Family	352	7	165	136	37	7
Elderly/ Disabled	145	93	33	13	6	0
Total	497	100	198	149	43	7
Section 8						
	Total Households	Bedroom Size				
		1 BR	2 BR	3 BR	4 BR	5 + BR
Family	301	5	119	159	17	1
Elderly/ Disabled	652	215	232	178	25	2
Total	953	220	351	337	42	3
TOTAL	1,450	320	549	486	85	10

TABLE 2

April 24, 2006

Published area median income levels effective 3/8/2006

Family Size	30% Median	50% Median	80% Median
One	11,900	19,850	31,750
Two	13,600	22,650	36,300
Three	15,300	25,500	40,800
Four	17,000	28,350	45,350
Five	18,350	30,600	49,000
Six	19,750	32,850	52,600

TABLE 3

Income of households being served as of March 1, 2006

Public Housing					
	Total Households	Less than 30% AMI*	30-50% AMI	50-80% AMI	Greater than 80% AMI
Number of Households	497	342	118	34	3
Percent	100%	69%	24%	6%	<1%
Change in Percent Since August 1999		- 2%	- 2%	+ 3%	None
Section 8					
	Total Households	Less than 30% AMI*	30-50% AMI	50-80% AMI	Greater than 80% AMI
Number of Households	945 **	732	193	19	1
Percent	100%	78%	20%	2%	<1%
Change in Percent Since August 1999		+ 2%	- 1%	- 1%	None

* Area Median Income

** Does not include eight portables

DSHA has not adopted any new policies that would have an effect on racial distribution. Since MTW implementation, no significant changes have occurred in the racial and ethnic compositions of the resident population of either Section 8 or Public Housing, and none are anticipated. See Tables 4a and 4b.

TABLE 4a

Race of households being served as of March 1, 2006

Public Housing						
	Total Households	White	Black	Alaskan/ Native American	Asian	Pacific Islander
Number	497	112	383	1	1	0
Percent		22.5%	77.1%	.2%	.2%	0%
Change in Percent Since August 1999		+ .6%	- .6%	0%	+ .2%	0%
Section 8						
	Total Households	White	Black	Alaskan/ Native American	Asian	Pacific Islander
Number	953	344	604	4	1	0
Percent	100%	36.1%	63.4%	.4%	.1%	0
Change in Percent Since August 1999		+ 7.8%	- 7.1%	- .1%	+ .1%	0%

Table 4b

Ethnicity of households being served as of March 1, 2006

Public Housing			
	Total Households	Hispanic	Non-Hispanic
Number	497	20	477
Percent	100%	4%	96%
Change in Percent Since August 1999		0%	0%
Section 8			
	Total Households	Hispanic	Non-Hispanic
Number	953	38	915
Percent	100%	4%	96%
Change in Percent Since August 1999		+ 2%	- 2%

The waiting list is a combined list for Section 8 Vouchers and Public Housing. MTW applicants are provided the type of housing that is available when their name comes to the top of the list. The waiting list has been open since 1991, and DSHA anticipates that it will remain open. There is little change in the

number of applicants since last year (see Table 5). Prior to the commencement of MTW, the wait for housing ranged from about 8 months for some bedroom sizes in Public Housing, to about 22 months for a Section 8 Voucher. Currently, the wait for those with an MTW preference and the elderly/disabled is approximately twelve months for Public Housing and 24 months for Section 8.

TABLE 5

Number of Households on the Waiting List by Program and Bedroom Size on 2/3/2006

Combined Public Housing and Section 8 Vouchers							
	Total Households		February 2006				
	FEB 2005	FEB 2006	1 BR	2 BR	3 BR	4 BR	5 + BR
Family	1,901	1,657	285	746	476	122	28
Elderly/Disabled	1,013	1,183	830	219	102	26	6
Total	2,914	2,840	1,115	965	578	148	34

3.0 OCCUPANCY POLICIES

3.1 STATEMENT OF ELIGIBILITY/ADMISSIONS POLICIES

1. DSHA has implemented the following changes to its leasing policies:
 - a. Combined PH & S8 waiting lists into one list with the exception of Holly Square, an elderly site, which remains a site-based waiting list.
 - b. Applicants who are employed or enrolled in the State of Delaware welfare reform initiative, TANF, are given a preference for available assistance, and equal preference is given to elderly and disabled applicants.
 - c. Families are offered the first available PH unit or S8 Voucher when their name comes to the top of the waiting list. Elderly and disabled applicants are able to select the type of housing program they desire.
 - d. All families who are eligible for MTW are required to sign a Contract of Mutual Participation (COMP) before they receive subsidy. A Resident Action Plan (RAP) must be completed and signed within one month after joining the MTW program.

3.2 DECONCENTRATION POLICY/PH & S8

DSHA is fortunate in that in its jurisdictional area poverty levels are relatively low in all

census tracts. All applicants are counseled when they receive their Voucher on the portability features of the Voucher Program. However, the portability feature is only available to the elderly and disabled and not to those participating in the MTW Program.

A survey of public housing family incomes was completed in February 2006 in compliance with CFR 24.903. The average family income of each public housing family development was compared with the average family income of all DSHA's public housing family developments. The results are provided on the chart below.

The survey showed that only one of DSHA's family developments is below the Established Income Range (EIR). This range is defined by HUD as a range from 85% of the average income for all DSHA's family developments to the higher of either 115% of the average income for all developments or the extremely-low income limit threshold established by HUD.

Based on the survey and CFR 24.903, the deconcentration requirements do not apply to DSHA's developments since they fall below the local extremely-low income thresholds. Income has decreased during the past year at four of the seven family sites (see chart). This can be attributed to an increase in the number of MTW participants completing their 5-year MTW contracts and moving from the site to private housing or electing to remain at their site and paying market rent. This would remove higher Average Gross Incomes for these families from the overall calculations, thus reducing Average Gross Income for the individual sites. There are 17 families that have chosen to remain at the site and pay market rent. They are spread over six of the seven family sites.

Property Name	Family Average Gross Income			Percent Increase/Decrease Over 2005
	Aug 1999	Feb 2005	Feb 2006	
McLane Gardens	\$9,723	\$14,389	\$12,240	-15%
Liberty Court	\$7,824	\$8,822	\$8,823	0%
Mifflin Meadows	\$10,785	\$12,306	\$11,678	-5%
Laverty Lane	\$7,881	\$11,943	\$11,412	-4%
Clarks Corner	\$9,007	\$10,784	\$10,706	-.7%
Burton Village	\$10,636	\$14,097	\$14,147	+4%
Hickory Tree	\$10,343	\$13,770	\$14,352	+4%
All Sites (weighted average)	Unavailable	\$11,859	\$11,476	-3.2%

Established Income Range per HUD regulations:

Kent County \$9,755 through \$15,300 *

Sussex County \$9,755 through \$14,900 *

*Extremely-low income level for 3 person family (3/8/2006 Income Limits)

3.3 RENT POLICY

1. Under MTW, DSHA made the following changes to the rent structure during the first year and subsequent changes in the third year. These changes only apply to families participating in the MTW Program. The changes are as follows:
 - a. The total tenant payment (TTP) is now based on 35% of the family=s adjusted gross income.
 - b. If a family enters MTW and their TTP is below \$120, a rent cap will be established and will be set at the higher of \$120 or their utility allowance and will increase only if the utility allowance increases. When income increases in the future to a point where TTP is higher than the rent cap, the difference between the rent cap and 35% of monthly adjusted income will be placed in a savings account by DSHA for the family. The family will still be required to pay the full amount of their tenant rent.
 - c. If a family enters the MTW program and their TTP exceeds the higher of \$120 or their utility allowance, the family=s rent cap will be set at that amount, not to exceed \$350, and will not increase. When the family=s income increases thereafter, the difference between the established rent cap and TTP will be placed in a savings account by DSHA for the participant. The family will still be required to pay the full amount of their tenant rent.
 - d. Children born ten months after the COMP is signed do not receive a \$480 deduction.
 - e. DSHA has established Fair Market Rents for each of its PH developments by bedroom size that reflect the market value of the units. No one will be required to pay more than Market Rent for their unit. New appraisals on all developments were completed in the fall of 2001 and again in November 2004. As a result, the Fair Market Rents were increased by \$25 to \$75 on March 1, 2005.
 - f. If a PH family=s 35% of monthly adjusted income exceeds the established market rent for their unit prior to the completion of their five-year COMP, they will have three options:
 1. Remain in the MTW Program for the remainder of their five-year COMP, stay in the Public Housing unit and pay into their savings account the difference between their rent cap and the market rent for their unit.
 2. Remain in the unit, sign a market-rate lease and begin to pay the market rent. The family will no longer be considered a Public Housing tenant.
 3. Terminate their Public Housing lease and move out.

4.0 CHANGES IN THE HOUSING STOCK

4.1 NUMBER OF UNITS IN INVENTORY AT BEGINNING OF PERIOD

The total number of PH and S8 Voucher units expected to be in the MTW program at the beginning of FY-2007 is 1,452. This number does not include our 15 scattered-site homeownership units in our PH Program, as they are not participating in MTW.

4.2 PROJECTED NUMBER AT THE END OF THE YEAR

We do not expect the total number of units to increase since it seems unlikely at this time that funding for incremental Vouchers will be included in the federal budget. See Table 6.

TABLE 6

Changes in Housing Stock

Program	August 1999	End of FY-2005	End of FY-2006 (Planned)
Public Housing	503	503	503
Section 8	803	949 *	949
Section 8 New Construction	209	65**	65**
Total	1,515	1,517	1,517

* Includes: 902 MTW baseline vouchers
47 vouchers made available due to 5% TTP increase during FY-2003

** No longer includes Capitol Green Apartments (144 units), which is now managed by a private management company and does not utilize DSHA waiting lists.

5.0 SOURCES AND USES OF FUNDS

The combined budget for the MTW program for FY07: \$10,320,310

Table 1
Sources and Uses of Funds

CATEGORY	FY05 ACTUALS	FY06 BUDGET	FY07 BUDGET
Revenue			
Dwelling Rent	\$465,213	\$458,310	\$556,070
Investment Income	59,158	83,170	54,990
Other Income	616,463	527,760	542,540
Operating Subsidy	2,094,322	2,225,639	2,082,070
Capital Funds	497,586	857,730	956,200
Section 8 Subsidies	5,842,658	5,923,480	5,838,698
Total Revenue	<u>\$9,575,400</u>	<u>\$10,076,089</u>	<u>\$10,030,568</u>
Expenses			
Administration	\$1,651,483	\$1,214,360	\$1,262,550
Tenant Services	515,847	509,380	450,900
Utilities	0	424,710	500,620
Maintenance	1,287,140	1,316,870	1,402,770
Protective Services	13,840	40,000	40,000
General	381,700	546,250	571,890
Resident Homeownership		0	25,000
Total Routine	<u>\$3,850,010</u>	<u>\$4,051,570</u>	<u>\$4,253,730</u>
Non-Routine Maintenance	113,289	115,540	82,720
Capital Outlays	2,504,001	625,000	1,013,480
Payments to Landlords	4,737,417	4,716,970	4,970,380
Total Expenses	<u>\$11,204,717</u>	<u>\$9,509,080</u>	<u>\$10,320,310</u>
Excess/(Deficit)	<u>(\$1,629,317)</u>	<u>\$567,009</u>	<u>(\$289,742)</u>

5.0 CONTINUED DETAILED SOURCES AND USES OF FUNDS BY REVENUE

The combined budget for the MTW program for FY07: \$10,320,310

Table 1
Sources and Uses of Funds

CATEGORY	FY05 ACTUALS		FY06 BUDGET		FY07 BUDGET
Revenue					
Dwelling Rent - Public Housing		\$465,213		\$458,310	\$556,0700
Investment Income					
Public Housing	\$31,617		\$26,150		\$50,900
S8 Vouchers (Includes Res	27,541	59,158	57,020	83,170	4,090
Total Revenue					54,990
Other Income					
Public Housing	\$187,981		\$126,200		\$142,160
Section 8 Voucher (MTW Forfeitures & Fraud)	93,482		66,560		65,380
Com. Svc. Block Grant	335,000	616,463	335,000	527,760	335,000
Operating Subsidy - Public Hsg.		2,094,322		2,225,639	2,082,070
PH Capital Fund		497,586		857,730	956,200
Section 8 Subsidies					
S8 Hsg. Choices Voucher		5,842,658		5,923,480	5,838,698
Total Revenue		<u>\$9,575,400</u>		<u>\$10,076,089</u>	<u>\$10,030,568</u>

Table 7
Sources and Uses of Funds

CATEGORY	PUBLIC HOUSING	SECTION 8 HSG CHOICE VOUCHERS	PUBLIC HSG CAPITAL FUND	COMM SERVICE BLOCK GRANT	TOTAL MTW
Revenue					
Dwelling Rent	\$556,070	\$0	\$0	\$0	\$556,070
Investment Income	50,900	4,090			54,990
Other Income	142,160	65,380		335,000	542,540
Operating Subsidy	2,082,070				2,082,070
PH Capital Fund			956,200		956,200
Section 8 Subsidies		5,838,698			5,838,698
Total Revenue	\$2,831,200	\$5,908,168	\$956,200	\$335,000	\$10,030,568
Expenses					
Administration	\$709,600	\$482,950	\$70,000	\$0	\$1,262,550
Tenant Services	15,000	100,900		335,000	450,900
Utilities	500,620				500,620
Maintenance	1,402,770				1,402,770
Protective Services	0		40,000		40,000
General	571,890				571,890
Resident Homeownership		25,000			25,000
Total Routine	\$3,199,880	\$608,850	\$110,000	\$335,000	\$4,253,730
Non-Routine Maintenance	\$0	\$0	\$82,720	\$0	\$82,720
Capital Outlays		250,000	736,480		1,013,480
Payments to Landlords		4,970,380			4,970,380
Total Expenses	\$3,199,880	\$5,829,230	\$956,200	\$335,000	\$10,320,310
Excess/(Deficit)	(\$368,680)	\$78,938	\$0	\$0	(\$289,742)

5.0 CONTINUED DETAILED SOURCES AND USES OF FUNDS BY EXPENDITURE

The combined budget for the MTW program for FY07: \$10,320,310

Table 1
Sources and Uses of Funds
CATEGORY

		FY05 ACTUALS		FY06 BUDGET		FY07 BUDGET
Expenses						
Administration						
Public Housing	\$681,570		\$734,790		\$709,600	
S8 Hsg. Choices Vouchers	908,402		402,380		482,950	
PH Capital Fund	61,511	\$1,651,483	77,190	\$1,214,360	70,000	\$1,262,550
Tenant Services						
Public Housing	\$9,566		\$25,000		\$15,000	
S8 Hsg. Choices Vouchers	171,281		149,380		100,900	
PH Capital Fund	0		0		0	
Com. Svc. Block Grant	335,000	515,847	335,000	509,380	335,000	450,900
Utilities - Public Housing		0		424,710		500,620
Maintenance						
Public Housing		1,287,140		1,316,870		1,402,770
Protective Services						
Public Housing	\$0		\$0		\$0	
PH Capital Fund	13,840	13,840	40,000	40,000	40,000	40,000
General - Public Housing		381,700		546,250		571,890
Resident Home Ownership		0		0		25,000
Total Routine		\$3,850,010		\$4,051,570		\$4,253,730
Non-Routine Maintenance						
Public Housing	\$0		\$0		\$0	
PH Capital Fund	113,289	113,289	115,540	115,540	82,720	82,720
Capital Outlays						
Public Housing	\$0		\$0		\$0	
PH Capital Fund	308,946		625,000		763,480	
S8 Hsg. Choices Voucher	2,195,055	2,504,001	0	625,000	250,000	1,013,480
Payments to Landlords						
S8 Hsg. Choices Voucher		4,737,417		4,716,970		4,970,380
Total Expenses		\$11,204,717		\$9,509,080		\$10,320,310
Excess/(Deficit)		(\$1,629,317)		\$567,009		(\$289,742)

FY07 - BUDGET NARRATIVE

REVENUES

The Agency's MTW budget revenues consist of Dwelling Rent, Investment Income, Other Income, Operating Subsidies, Capital Funds and Section 8 Subsidies. These funding streams, each with their own funding methodologies, are described below.

- o **Dwelling Rent.** The estimated dwelling rental income was determined by an analysis of November 2005 through January 2006 rent roll (dwelling rent less utility allowances and MTW escrow savings), FY05 actuals and FY06 year-to-date (YTD) income as well as recognizing rising utility allowances as a factor. The 89.46 PUM for dwelling rent is an increase compared with FY05 actuals of 74.84. This increase is first attributed to some MTW participants reaching the end of the five year contract period having not reached the goal of unsubsidized housing, falling into the safety net where savings stop and rental income usually increases. Secondly, some MTW participants have chosen to become Fair Market Renters at the end of their contract period. This scenario also increases rental income. Finally, an average wage increase since the start of the program has had an increased effect on rental income.
- o **Investment Income.** After examining the Appropriations and Money Market balances for Public Housing from January 2005 thru December 2005, interest earned in FY05 and FY06 YTD, an estimated FY07 investment income (EII) was established based on CY05 earnings utilizing current interest rates.

Section 8 investment income was based on FY06 YTD interest earned recognizing current interest rates and diminished reserves.

- o **Other Income.** Daycare Centers in the Community Buildings of Lavery Lane and Hickory Tree generate monthly income in the amount of \$600 and \$500 respectfully. Public Housing laundry machines are supplied by a vendor and the Authority receives 50% of the revenue generated. DSHA also receives a small percentage of telephone receipts. Also included in other income is maintenance charges, court fees, late fees received from residents and MTW savings forfeitures. Savings forfeitures for the period July 2005 through January 2006 were \$45,888.

Section 8 Housing Choice Vouchers receives other income from fraud recovery payments and forfeitures of MTW Escrow savings. Savings forfeitures for the period July 2005 through January 2006 were \$42,919. Other income was derived from a two year average of FY05 actuals and FY06 YTD annualized receipts.

Community Services Block Grant provides funding in support of five case managers through two Nonprofit Agencies: First State Community Action Agency and Peoples Place. These case managers will work with DSHA's Section 8 Voucher holders. The funds are provided to the State Division of Community Services as a pass through from the U.S. Department of Health and Human Services. The estimated yearly value of the State Match is \$335,000 and is reflected as other income.

- o **Operating Subsidies.** The agency receives an operating subsidy for its Public Housing units that is calculated in two parts: utility and non-utility. The amount of non-utility subsidy is determined by the per unit non-utility subsidy that the agency received in the prior year. This figure is then adjusted annually for inflation. The agency receives a subsidy equal to the utility consumption, on a three year rolling base, that was in place for the MTW base year (FY99) and is then adjusted by current utility rates. The combined subsidy PUM amounts for FY07 are \$372.17.

HUD 52723 shows an increase of subsidy, in the amount of \$37,544 for the settle-up of FY02 (7,030), FY03 (11,924), FY04 (12,845) and FY05 (5,745) utilities after proration. Supporting HUD 52722-B forms are attached. This amount is shown in Section F as instructed. Agencies were informed that Utility settle-ups will not be funded at this time. So, for reporting purposes, subsidy is shown at \$334.95 per unit month (PUM) or \$2,082,070 which is prior to the utility settle-ups and after a projected 90% proration which was suggested by the HUD field office in Philadelphia.

- o **Modernization/Capital Fund.** Typically, an agency receives a proportionate share of the national appropriation for modernization based on its "formula factor", a figure that considers the agency's needs relative to the nation as a whole. Under MTW, this formula factor is, for all practical purposes, frozen during the five years of the demonstration period, regardless of any changes in the agency's Public Housing stock. But, Capital Funding has been lowered in each of the past consecutive four years.

In accordance with new guidelines under GAAP, the income reported as budgeted to be received from the Public Housing Capital Fund is the expense amount that the agency actually anticipates incurring in all prior-year funds, not necessarily the amount that the agency anticipates being awarded in new funds in FY07, which often takes up to three years to expend. Please see Capital Fund "Awarded Budget" as shown in Attachment B of this Plan.

- o **Section 8 Housing Choice Voucher.** The amount of funding that the agency received in prior years was a function of the average monthly subsidy paid for each Section 8 Existing and/or Voucher unit in the year before MTW. This figure was then adjusted annually from MTW year two forward, for inflation and multiplied by the number of Section 8 Voucher (under MTW, all contracts are called vouchers) units per original ACC contracts (902 units), and again by 12 months, to determine the annual Section 8 Block Grant. However, starting in January 2005, Section 8 Voucher funding will be awarded by calendar year. The approved funding of \$5,838,698 at 94.599% proration for CY06 was used to estimate the Grant for FY07. Funding may be decreased if a larger proration percentage is applied for CY07.

While the amount of funding is calculated separately, the agency can use the above funds flexibly. To this end and pursuant to Article 1.B of DSHA's MTW Agreement, all of the MTW funds will be deposited in State of Delaware accounts, which is consistent with both the preservation of principal, the maximizing of return, and DSHA's standard practice for the administration of all other HUD funds.

EXPENDITURES

MTW program expenses for FY07 consists of Administration Expense, Tenant Services, Utilities, Maintenance, Protective Service, General Expense, Resident Home Ownership Program, Non-Capitalize Expense, Capital Outlays and Payments to Landlords. Expenses are calculated after reviewing prior years expense levels plus an inflation factor and adding any new contractual obligations. A broad overview by Program is listed below.

- o **Administration Expense.** Public Housing, Section 8 and Capital Funds Program include salaries, legal, staff training/travel, auditing fees, supplies, postage and indirect costs where appropriate.
- o **Tenant Services.** Public Housing expenses include education and recreational activities for children, Internet access at all sites, and \$4,170 to fund organized tenant councils. Expenses formerly paid by the Resident Services Assistance Grant including scholarship opportunities for residents have been moved to this line.

Section 8 covers financial awareness counseling for program participants through contracts with two non-profit agencies NCALL, and People's Place.

Community Services Block Grant covers the expense of five case managers who work with Section 8 Voucher holders.

- o **Utilities.** Attached HUD-52722B forms provide details of actual utility consumption. Additional funds were budgeted in this line based upon upcoming rate hikes for electric usage in the state of Delaware.
- o **Maintenance.** Maintenance salaries of site personnel, building materials, supplies, and contractual costs including trash pickup, grass cutting, exterminating and routine painting of empty units at all sites are combined in this category.
- o **Protective Service.** State Police and Local Policing authorities provide after hours protection to targeted Public Housing sites as a deterrent to criminal activity. Due to the elimination of the Drug Elimination Grant and Budgetary constraints within the Public Housing Program, these costs will be covered in FY07 by the Capital Funds Program (\$40,000). In FY06, security fencing was installed at Mifflin Meadows and Security Cameras were installed at Clark's Corner funded by the Capital Fund Program.
- o **General Expense.** Grouped in this area are payments in lieu of taxes to counties and school districts, insurance coverage costs, benefit contributions for administrative and maintenance employees and any loss on collections.
- o **Resident Home Ownership Program.** This program was established to assist MTW Participants with mortgage down payment and settlement costs. Funds from Section 8 reserves will be issued as deferred loans to Participants.
- o **Non-Capitalized Expense.** Represents expenses incurred by the Capital Fund Program for cyclical painting, building maintenance, appliance installation/repair, interior/exterior

door replacement, community equipment, maintenance equipment, and grounds maintenance at all Public Housing sites which are under the capitalization threshold of \$25,000.

- o **Capital Outlays.** The Capital Fund Program expends funds for general equipment, air conditioning/heating upgrades, land improvements and building/ground improvements at Public Housing sites. FY07 expenditures will complete roof replacements at Liberty Court, sewer repairs at the Laverty Lane community building and replace exterior doors at Hickory Tree.
- o **Payments to Landlords.** The Section 8 payments to landlords budget is based on current spending levels. Also, DSHA has developed a Resident Home Ownership Program for MTW participants. This program is in the formulative stage with the first expenditures expected to be recognized in FY07.

EXCESS/(DEFICIT)

Public Housing. A decrease in operating reserves in the amount of \$368,680 is expected for FY07 and could be smaller or greater once pro-ration figures are established.

Section 8 Housing Choice Vouchers. An increase in reserves of \$78,938 is expected for FY07 depending on the funding and proration levels for CY07.

Operating Reserves

The increase in Operating Reserves for Public Housing and the decrease in Vouchers shown in FY05 actuals are supported by documentation submitted with the FY05 Annual Report dated August 31, 2005.

The decrease to Operating Reserves for Public Housing and Section 8 Vouchers shown in FY06 (estimated) are supported by documentation submitted with the FY06 Annual Plan submitted on 04/30/05 and current estimates.

The \$368,680 decrease in Public Housing Operating Reserves for FY07 is supported by the attached documentation including the Consolidated Budget for the FY07 MTW Program, the Sources and Uses of Funds, the Detailed Sources and Uses of Funds by Revenue and the Detailed Sources and Uses of Funds by Expenditure.

Under the Public Housing Assessment System (PHAS), a PHA receives an A for “cash reserves”. If such reserves exceed 15 percent of total routine operating expenses. Based on DSHA FY99 (DSHA’s MTW Base Year) scoring under this systems’ ratings, the Agency would maintain its “A” scoring throughout the life of the MTW demonstration. **Under MTW, however, there is no longer any specific threshold for reserves and the Authority will not report on Financial components under PHAS or any future scoring system during the MTW demonstration period and any subsequent extensions.**

Operating Reserves for the Section 8 Housing Choice Voucher Program are shown to increase by \$78,938 in FY07 to bring reserves to a balance of \$78,938.

Operating Reserves

Operating Reserves	FY05 (Actuals)			FY06 (Estimated)			FY07 (Projected)		
	Beginning of Year	Increase/ Decrease	End Year	Beginning of Year	Increase/ Decrease	End Year	Beginning of Year	Increase/ Decrease	End Year
Public Housing	\$1,003,874	\$419,157	\$1,423,031	\$1,423,031	(\$121,427)	\$1,301,604	\$1,301,604	(\$368,680)	\$932,924
Section 8 Housing Choice Vouchers	\$2,326,006	(\$2,048,474)	\$277,532	\$277,532	(\$277,532)	\$0	\$0	\$78,938	\$78,938
Total MTW	\$3,329,880	(\$1,629,317)	\$1,700,563	\$1,700,563	(\$398,959)	\$1,301,604	\$1,301,604	(\$289,742)	\$1,011,862

6.0 CAPITAL PLANS

6.1 STATEMENT OF EXISTING NEEDS

The total amount of DSHA existing capital needs is approximately \$3,282,170 which is \$6,739.57 per unit. These funds will be used over a five-year period to modernize and update our developments, some of which are 29 years old.

DSHA has received on average \$884,561 annually for the past five years. The FY2005 Capital Fund Program was funded at \$827,148.

6.2 PLANNED CAPITAL EXPENDITURES

The five-year capital plan for DSHA is broken down by fiscal year. The plan reflects Capital Fund Program funds equal to the amount we will receive for FY2006, which is \$827,148. The appropriate planning process and public hearings were held to get input from our residents and the public.

Table 7 that follows shows our five-year capital plan, including the planned use of the most recent funding.*

TABLE 7

Five Year Capital Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
Physical Improvements	\$656,434	\$656,434	\$656,434	\$656,434	\$656,434
Administration	\$82,714	\$82,714	\$82,714	\$82,714	\$82,714
Management Improvements	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
Fees & Costs	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
TOTAL	\$827,148	\$827,148	\$827,148	\$827,148	\$827,148

*Attached as Appendix B are HUD form Annual Statement, Supporting Pages, Implementation Schedule, Summary and Work Activities.

TABLE 8**Capital Expenditures Planned for FY06**

Capital Project (list by Name)	Total Planned Expenditure in Current Year (specify year)	
Clarks Corner	\$ 0	2006
McLane Gardens	\$ 123,000	2006
Peach Circle	\$ 53,360	2006
Mifflin Meadows	\$ 107,700	2006
Burton Village	\$ 159,550	2006
McLane Gardens Annex	\$ 102,000	2006
Laverty Lane	\$ 17,350	2006
Hickory Tree	\$ 24,674	2006
Scattered Sites – Phase I	\$ 0	2006
Liberty Court I	\$ 41,000	2006
Liberty Court II	\$ 5,000	2006
Holly Square	\$ 12,800	2006
Scattered Sites – Phase II	\$ 10,000	2006
Total	\$ 656,434	

TABLE 9

April 24, 2006

Five-Year Capital Expenditures Plan

Property (list)	2006	2007	2008	2009	2010
Clarks Corner	\$ 0	\$22,500	\$12,500	\$ 0	\$ 0
McLane Gardens	\$123,000	\$252,200	\$5,000	\$70,000	\$70,175
Peach Circle	\$53,360	\$160,160	\$10,160	\$35,160	\$10,159
Mifflin Meadows	\$107,700	\$10,890	\$183,875	\$202,700	133,100
Burton Village	\$159,550	\$0	\$ 0	\$60,000	\$0
McLane Gardens Annex	\$102,000	\$58,200	\$25,000	\$84,300	\$0
Laverty Lane	\$17,350	\$8,000	\$73,000	\$189,274	\$98,000
Hickory Tree	\$24,674	\$106,484	\$5,000	\$5,000	\$5,000
Scattered Sites Phase I	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Liberty Court I	\$41,000	\$5,000	\$191,299	\$5,000	\$195,000
Liberty Court II	\$5,000	\$5,000	\$150,600	\$5,000	\$145,000
Clarks Corner II	\$ 0	\$0	\$0	\$ 0	\$ 0
Holly Square	\$12,800	\$28,000	\$ 0	\$ 0	\$ 0
Scattered Sites Phase II	\$10,000	\$ 0	\$ 0	\$ 0	\$ 0
PHA – Wide	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
Administration	\$82,714	\$82,714	\$82,714	\$82,714	\$82,714
Other	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
TOTAL	\$827,148	\$827,148	\$827,148	\$827,148	\$827,148

TABLE 10**Current Expenditures, All CFP Programs**

Program	Year Awarded	Amount Awarded	Amount Expended as of End of Prior Year (specify date)	Amount Anticipated to be Expended in Current Year (specify year)	Balance Remaining as of End of Current Year (specify date)
CFP502	appr 2002	\$902,457	\$897,480 - 6/30/05	\$4,977 - 2006	\$0 - 6/30/06
CFP503	appr 2003	\$890,509	\$399,719 - 6/30/05	\$425,940 - 2006	\$64,850 - 6/30/06
CFP504	appr 2004	\$857,730	\$0 - 6/30/05	\$523,460 - 2006	\$334,270 - 6/30/06
*CFP505	appr 2005	\$827,148	\$0 - 6/30/05	\$31,250 - 2006	\$795,898 - 6/30/06
Totals		\$3,477,844	\$1,297,199	\$985,627	\$1,195,018 - 6/30/06

* Estimate of amount to be awarded.

7.0 MANAGEMENT INFORMATION FOR OWNED/MANAGED UNITS

This section of the Plan describes DSHA=s current and anticipated performance in managing the Public Housing units.

7.1 OCCUPANCY

The public housing occupancy rate has been on average 98% over the past few years (see Tables 11 & 12). The high turnover rates experienced at some sites are the result of DSHA=s strict enforcement of rent payment and anti-crime policies. The importance of timely rent payment is constantly stressed to residents by the housing managers as well as the MTW case managers. Though criminal background checks are performed prior to admission of all new residents 18 years of age and older, we still lose families because of drug-related criminal activity, many times involving their non-resident visitors.

7.2 INSPECTIONS

DSHA inspects all of its public housing units twice a year to insure that 100% of the units meet Housing Quality Standards. Each resident=s file has documentation of these inspections. We expect to continue this level of performance for the upcoming year.

7.3 RENT COLLECTION

See Table 11. We project that for FY06 and FY07, rent collection will be 97% due to a decrease in fair market renters.

7.4 WORK ORDER RESPONSE TIMES

DSHA responds to 100% of emergency work orders within 24 hours and 100% of non-emergency work orders in less than 30 days.

	<u>FY05 Actual</u>
Emergency	Non-Emergency
2 hrs	4 days

TABLE 11

Public Housing Management Information

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 7/1/05 – 1/31/06
Occupancy Percentage Overall	99%	99%	98%	97%
Average Turnover Time - Days	20	22	30	20
Rent Collections	97%	96%	96%	93%
Inspections - # of units	503	503	503	503

TABLE 12**Public Housing Vacancy and Occupancy - 7/1/03- 1/31/06***

Development	# of Units	Units Vacated			Occupancy 1/31/06
		FY-03	FY-04	FY-05	
Burton Village	51	5	6	11	96%
Clarks Corner	70	13	16	11	97%
Hickory Tree	55	6	11	12	100%
Holly Square	24	4	5	1	96%
Lavery Lane	50	5	4	10	96%
Liberty Court	108	27	22	25	98%
McLane Gardens	29	6	1	5	100%
McLane Gardens Annex	21	2	2	4	91%
Mifflin Meadows	54	4	10	14	100%
Peach Circle	32	2	5	5	100%
Scattered-site rentals	9	0	4	1	100%
Total	503	74	86	99	

* Does not include transfers to other DSHA Public Housing units.

8.0 MANAGEMENT INFORMATION FOR LEASED HOUSING

8.1 LEASING INFORMATION

DSHA's utilization rate is currently at 104%, and that number is expected to increase to fully utilize the funding for vouchers made available from the extra five percent TTP charged to families in the MTW Program. Seventeen vouchers are now also available from the families who have successfully completed the MTW Program and remained in their public housing unit on a private market lease and pay full market rent for the unit.

Lease-up figures for the past 12 months show that 71% of families on the waiting list successfully leased a unit within 120 days after receiving their new voucher. This is about 5% higher than the historical average. We are not optimistic that families will be any more successful in the near future since neither the fair market rents proposed by HUD nor the results of DSHA's random digital dialing survey submitted to HUD in November 2004 are higher than the previous FMRs overall.

Applicants are given in-depth information about DSHA's extension policy at voucher briefing sessions and reminders are mailed at the end of the 60-, 90- and 120-day periods.

They are also given an extensive list of landlords willing to participate in the Section 8 Program. The extension approval policy is liberal and only requires voucher holders to show a list of landlords who have been contacted during the period. Extensions beyond the maximum 120-day search period are given to disabled families who are having difficulty finding a suitable unit. Apathy and poor rental history seem to be the major reasons for failure to lease a unit since almost a quarter of the vouchers expire after only 60 days.

Ninety-two (92) new landlords joined the voucher program during calendar year 2005. Landlord recruiting information on DSHA's website, word of mouth and a voucher payment standard at 110% of HUD's Fair Market Rents are all major contributors to the high interest in DSHA's voucher program.

DSHA implemented a new on-line rent reasonableness system in March 2004 which helps ensure more objectively and accurately that Section 8 units are rented at rates comparable to the local markets.

8.2 INSPECTIONS

DSHA performs initial, annual and special (complaint) Housing Quality Standards (HQS) Inspections. DSHA consistently meets the goal of inspecting all units within the required time frames. Units that fail re-inspection following the annual inspection have the HAP abated for the period they are out of compliance.

9.0 OTHER PROGRAMS

9.1 RESIDENT PROGRAMS

From July 1999 to the date of this Plan, DSHA has funded, partnered, obtained or coordinated annual and ongoing activities, events and programs to enhance the quality of life for our residents. One unit at two sites has been provided for activities due to space and scheduling conflicts in the community buildings at those sites.

1. Holiday Parties - Each community has appropriate holiday celebrations in which the residents take the lead on planning and organizing the event.
2. Computer access and instruction for youth and adults – DSHA provides computers with Internet access at all sites. The computer labs are monitored by volunteers from DSHA staff, outside agencies, GED instructors or other non-profit organizations. DSHA will be seeking grants from private organizations to continue funding this service. It was previously funded from PHDEP funds.
3. Student Award Program for Honor Roll, Perfect Attendance and College Acceptance – Each year DSHA hosts a Student Award Luncheon to recognize students who make the extra effort to succeed. Winners receive a backpack filled with age-appropriate school supplies and are treated to lunch with DSHA’s Director and Management staff. A guest speaker is invited to address the group. This event has been very successful and a positive motivation for the students and parents at our sites.
4. DSHA has signed MOUs with the Boys and Girls Club of Delaware to provide after-school programs, including pregnancy prevention, at one site. Youth from other sites have access to Boys and Girls Clubs located at facilities nearby. Funding is provided through grants from the Division of Public Health and the United Way.
5. DSHA has signed an MOU with the University of Delaware to provide 4-H programs at two sites. Services include after-school homework assistance and recreation. DSHA is working with 4-H staff to develop programs for other sites.
6. DSHA in continuing participation in a statewide group in providing an Individual Development Account (IDA) Program. MTW participants are eligible to participate in the program which teaches financial literacy and enables asset acquisition. Qualified participants work with case managers toward specific goals, and upon successful completion, will earn a 2:1 match on IDA Savings.
7. DSHA has MOUs with two outside agencies to provide case management services to the MTW Voucher Participants.

Peoples Place II has experience and expertise with case managing homeless families and individuals with multiple issues to address. They case manage the

MTW Section 8 participants in Dover and Kent County. Funding is provided by the federal Community Service Block Grant (CSBG) and from DSHA's MTW budget.

First State Community Action Agency provides many community programs in rural Sussex County and is providing case management to the MTW Section 8 families in Sussex County. They are funded through the CSBG which is administered by the Department of Health and Social Services.

8. DSHA has awarded 100 Scholarships to MTW participants and expects to continue this service from MTW Budget funds.
9. DSHA signed a Memorandum Of Understanding with James Groves Adult High School to provide Adult Basic Education and GED classes for two communities.
10. Children and Families First - Provides pregnancy testing, family planning material, STD testing, treatment and counseling; and also organizes resources for grandparents and relatives raising someone else's children.
11. Delmarva Rural Ministries - Provides counseling and treatment for drug and alcohol abuse. Also administers the Mobile Access to Community Health (MATCH) van health program that travels to low-income areas including all DSHA sites, upon request, throughout Kent and Sussex Counties. The MATCH van provides basic health care, screening and referrals as needed.
12. Even Start - Offers parenting classes to families with children under the age of eight. Activities involve both parent and child(ren) at two sites.
13. Child, Inc. - Provides one-on-one case management services upon request or referral. Offers parenting classes.
14. Consumer Credit Counseling provides financial counseling and assists with budgeting and establishing credit.
15. DSHA has signed a contract with NCALL, a non-profit housing counseling agency to provide one-on-one case management for public housing participants in the DSHA IDA Program. This is funded by the MTW budget.
16. University of Delaware Cooperative Extension - provides information on parenting, nutrition, life skills, sewing, cooking and other classes or information as requested.
17. Career Closet - A store which offers high quality, stylish used business clothing for sale. DSHA is a partner in assisting to keep the store operational. No funding is required.
18. Rental Assistance/Other financial assistance - First State Community Action Agency, Catholic Charities, Salvation Army, CASA San Francisco, State Service Centers and local churches.

19. First State Community Action Agency - Provides limited financial assistance, administers the Summer Food Service Program for Sussex County sites and offers employment training at a center in Georgetown.
20. Department of Labor - Provides all aspects of employment training, including assistance preparing resumes and applications and improving interviewing skills and workplace training. DSHA serves on the Workforce Investment Board for Delaware. This board administers the state's requirements and initiatives for employment and job training.
21. Delaware Technical and Community College, Kent County Poly-Tech, Sussex Tech, Delaware State University - All institutions have various courses available for general education as well as specific job training. They require a minimum number of participants to come to DSHA sites, but individuals can go to the schools for classes. Many courses are free of charge, based on income, or have a small fee.
22. DSHA has installed GED tutorial software at multiple sites. The program is used by instructors giving group instruction and by residents who study independently.
23. DSHA continues to be a co-sponsor with the Delaware State Police for the Summer Slam Basketball league. Youth participate free of charge. Although this program was funded through the PHDEP, DSHA now serves the program by providing space for meetings and serving on the Executive Committee.
24. In a partnership with DSHA's Clarks Corner Public Housing site, Lake Forest School District, University of Delaware Cooperative Extension, Greater Milford Area Boys and Girls Club and Kidz Kottage received a 21st Century Grant of \$335,000 to provide a variety of youth and family programs including educational and social activities. This is the fourth of 5 funded years.
25. DSHA participants on the Interagency Council for Adult Literacy. This is a group from various agencies that are working to address literacy issues for Delaware. The group meets regularly and is planning to develop adult literacy at some DSHA sites.
DSHA consistently evaluates both the individual families and communities to determine the services and programs that are needed. Additionally, all MTW families are reviewed and assessed quarterly for progress on their RAP. Each year at the recertification, the family prepares a RAP for the next year. These quarterly and annual reviews/contacts enable DSHA to make current, accurate plans and recommendations for appropriate services. The statistics from the MTW Program are reviewed and evaluated regularly to determine trends, progress, compliance with the Program and to make recommendations for possible changes to MTW.

9.2 HOMEOWNERSHIP PROGRAMS

MTW participants will be able to take advantage of several DSHA Homeownership Programs as they move out of a rental situation and into their first home. The programs

include first mortgage financing and down payment assistance at below-market interest rates for both low- and moderate-income borrowers.

In addition, DSHA will also be able to help the MTW participants with down payment and closing costs through the Second Mortgage Assistance Loan (SMAL) program. Saving for the down payment and closing costs is probably the biggest obstacle these families will face when looking for their first home. The SMAL program provides up to \$5,000 of assistance with principal and interest loan repayments deferred until the property is sold, transferred or no longer the borrower's primary residence. Borrowers under this program will only need to provide \$1,000 of their own funds toward the home purchase.

DSHA implemented a Resident Homeownership Program this year. This program allows qualified participants from either the Public Housing or Section 8 program to use a Section 8 subsidy toward the mortgage for up to 15 years on a first home. Additionally, a deferred loan of up to \$25,000 from the Section 8 reserves will also be available as down payment assistance for those participants who have difficulty finding affordable homes that are decent, safe and sanitary.

DSHA MTW participants, who have established a savings account under the program, have access to those funds for homeownership. Participants must provide verification of moving into non-subsidized housing in order to be eligible for these funds.

9.3 SECURITY

As the Public Housing Drug Elimination Program is no longer available, DSHA is consistently seeking resources to continue security services. Limited funds are available from the MTW Budget and reserves, and additional lighting and fencing have been installed at three DSHA sites. Security cameras have been installed at one site and there is an agreement with the local police to monitor the cameras. DSHA meets with all local law enforcement agencies to provide some security and to participate in site prevention activities. In addition, DSHA has a "One-Strike" Policy and, through reports received from the police, DSHA tracks arrests made on DSHA properties.

Through strong lease enforcement, DSHA is able to create a standard of pride and care that greatly inhibits drug and criminal activity.

DSHA plans to use funds from CFP to continue extra duty police security, even though funding for the PHDEG has been discontinued. DSHA's Housing Capacity Building Program continues to seek funding sources to assist with this expense.

10.0 SUMMARY OF HUD APPROVALS

10.1 STATUS OF PENDING APPROVALS

1. None.

10.2 NEW APPROVALS SOUGHT

1. None.

Attachment A

General Order

PHA Certification of Compliance with MTW Plan Requirements

Attachment B

Capital Fund Program Forms

Attachment C

Public Housing Budget Forms

Attachment D

Summary of Public Comments Regarding the FY2007 MTW Annual Plan

Attachment A

General Order

PHA Certification of Compliance with MTW Plan Requirements

GENERAL ORDER NO. 476

**GENERAL ORDER ADOPTING
THE MOVING TO WORK ANNUAL
PLAN FOR FY07**

WHEREAS, the Delaware State Housing Authority entered into a Moving to Work Demonstration Agreement with HUD; and

WHEREAS, the Moving to Work Demonstration Agreement requires that the Delaware State Housing Authority submit an Annual Plan; and

WHEREAS, the Moving to Work Demonstration Agreement requires certification that a public hearing was held regarding the Moving to Work Plan; and

WHEREAS, the Annual Plan shall describe the activities and sources and uses of funding that Delaware State Housing Authority is undertaking through the Moving to Work Demonstration.

NOW THEREFORE, BE IT ORDERED as follows:

1. The director has reviewed and approved the Moving to Work Annual Plan for FY07.
2. The Delaware State Housing Authority certifies that it held public hearings regarding the FY07 Moving to Work Annual Plan.

DELAWARE STATE HOUSING AUTHORITY

Date

BY: _____
Saundra R. Johnson, Director

Attachment D

Summary of Public Comments

SUMMARY OF COMMENTS
FOR DELAWARE STATE HOUSING AUTHORITY'S
MOVING TO WORK FY2007 ANNUAL PLAN
PUBLIC HEARING AT LIBERTY COURT
APRIL 18, 2006

The hearing convened at 6:30 p.m. with Christopher A. Whaley, Housing Management Program Administrator, presiding. He started by explaining that the purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the FY2007 Moving To Work Annual Plan before it is submitted to the U. S. Department of Housing and Urban Development (HUD) for final approval.

Mr. Whaley said HUD has recently approved DSHA's extension request, and the Moving To Work Program has been extended to March 31, 2009. He said there were no major changes in the proposed Plan from last year. He said the paragraph under Section 1.0 Introduction on Page 4 is being changed to the following:

"This document serves as the Delaware State Housing Authority's (DSHA) *Moving To Work* (MTW) Annual Plan for FY2007, which begins July 1, 2006 and ends June 30, 2007. The Department of Housing and Urban Development (HUD) recently approved an extension of DSHA's MTW Demonstration Agreement until March 31, 2009. If permanent status is not forthcoming, then a five-year transition plan to honor the five-year contracts of our most recent MTW Program admissions will be prepared and submitted in accordance with the timeline established by HUD."

He said the reason for this change is that there is currently legislation before Congress to make MTW permanent. Although DSHA believes MTW will continue, DSHA must state clear intentions to proceed with a transition plan if the legislation fails to pass.

He highlighted some additional changes:

Page 4, paragraph 1.0,1.1,1.f., added "with monthly-adjusted incomes at or above the Safety Net threshold". Then asked the hearing participants to please read page 7, #20 to describe the Safety Net.

Page 6, removed #9 regarding the Van program that was discontinued.

Page 7, paragraph 1.3, and changed the seventh year to the eighth year.

Page 7, paragraph 1.3, 1., added "or have been approved for a one-year extension"

Mr. Whaley commented on the changes in graphs throughout the MTW Plan.

Mr. Whaley commented that there were minor changes to Resident Services Programs on page 33-36. He identified that wording was deleted from the Individual Development Account that is ending in September 2006 and will be continue to be provided by nonprofit organizations.

Mr. Whaley identified and explained Attachment B (FY 2007 Capital Fund Program) and Attachment C (FY 2007 Public Housing Budget Forms).

Mr. Whaley opened the floor for comments and discussion.

- Sadie Nance, a resident of McLane Gardens and President of the State Wide Association of Tenants (SWAT) was concerned with residents that can't get to work because the Van program has been terminated. She also wanted to know if the lack of participation was caused by the vans

not showing on time.

- Rebecca Kauffman, Social Service Senior Administrator for DSHA explained the lack of participation with the program, what it cost to have the program each year in addition to recent accidents that caused the insurance to go up and that DSHA is looking into ways to provide transportation to the sites and she welcomed any suggestions the residents may have.
 - Regarding the vans not showing on time, when the program first started, there were problems, however, the past couple years, there hasn't been many complaints.
 - Jan Clowes, Social Worker/Case Manager Supervisor for DSHA encouraged the use of public transportation and suggested the residents attend Public Hearings for the Central Delaware Transit program. Let them know what we need, with residents at the hearing; it would push the need for more stops at the Public Housing areas. DSHA would also provide transportation to these hearings.
- Mrs. Clowes commented that TANF has changed their requirements and participants are now required to work 30 hours a week, versus 20 hours. She suggested that DSHA consider changing the requirement to 30 hours also for the MTW program. To be successful with the MTW program it is difficult for someone working 20 hours or less at the end of the 5 years. There were concerns regarding the availability of jobs and transportation that would need to be considered. This suggestion must be discussed internally before considering implementation.
 - Mrs. Kauffman commented on changing the item on page 13, paragraph 3.1, 1.b. which allows TANF participants to have a preference for available housing assistance. She recommended omitting TANF participants as being eligible for a preference on the waiting list because it is in conflict with MTW requirements and goals. This recommendation needs to be discussed internally before it is considered for implementation.
 - Carolyn Crossman, a resident at McLane Gardens and Executive Director of SWAT commented on Page 26 paragraph 6.2. She discussed concerns relating to resident input in revising the MTW Plan.
 - Mr. Whaley explained that the two scheduled hearings are the forum for not only resident input, but also public comment in general. He went on to explain how the Public Hearings are advertised and copies of the draft MTW Plan are available for public review. It was also suggested that tenants can be notified through notices posted on the rent statements in future years.
 - Carolyn Crossman identified page 5, paragraph C that speaks of all MTW participants being offered services to include job training and placement services. She wanted to know what kind of job training DSHA provided.
 - Mr. Whaley explained that case managers assist the MTW participant in helping them locating job training, they help with resumes and mock interviews, essentially they are there to refer, assist and identify services and provide resources for someone to find a job or get job training. Based on the comment made by Ms. Crossman the wording in this paragraph has been revised to read “**...offered services and or resource referrals...**”.
 - Carolyn Crossman discussed items shown as Capital Improvements on the Annual Statement/Performance and Evaluation Report for McLane Gardens. She noticed that it is projecting new windows, porch lights, siding and reinforced stairways.
 - Mr. Whaley explained the budget process and how financial decision are made as to Capital improvements over a five-year plan.
 - Ms. Nance and Ms. Crossman stated that they thought the MTW Program should continue and would like to be included in discussions for the future of the program. They also asked what they could do as residents

to ensure that public housing and the MTW program will continue in the future.

Both Mr. Whaley and Mrs. Kauffman thanked them for their support and encouraged them to be proactive working with elected officials regarding federal funding for these programs.

There were some general questions asked regarding MTW Program requirements and procedures, and these issues were discussed. There were no further questions or comments regarding the Plan.

Mr. Whaley reminded attendees that another hearing would be held tomorrow night at Burton Village in Rehoboth Beach and welcomed any additional comments concerning the Plan.

There were no further questions or comments, and the hearing was adjourned at 7:41 p.m.

SUMMARY OF COMMENTS
FOR DELAWARE STATE HOUSING AUTHORITY'S
MOVING TO WORK FY2007 ANNUAL PLAN
PUBLIC HEARING AT BURTON VILLAGE
APRIL 19, 2006

The hearing convened at 6:30 p.m. with Christopher A. Whaley, Housing Management Program Administrator, presiding. He started by explaining that the purpose of the hearing was to provide interested parties with an opportunity to present questions and/or comments regarding the FY2007 Moving To Work Annual Plan before it is submitted to the U. S. Department of Housing and Urban Development (HUD) for final approval.

There were no members of the public nor representatives of any other agencies in attendance, and the hearing was adjourned at 6:45 p.m.