



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

October 16, 2008

Mr. Carl Greene  
Executive Director  
Philadelphia Housing Authority  
12 South 23rd Street, 6th Floor  
Philadelphia, PA 19103

Subject: Executed Moving to Work Agreement

Dear Mr. Greene:

Enclosed please find an executed copy of the Philadelphia Housing Authority's (PHA) Moving to Work (MTW) Agreement (MTW Agreements), dated October 16, 2008.

We received your board resolution dated August 21, 2008, authorizing the Executive Director to complete negotiations and execute the agreement. You advised us in a conference call with my staff and HUD counsel that PHA held a public hearing on the draft MTW Agreement.

As we advised in our call, Attachment E represents pre-conditions of the MTW agreement, not deviations from the 1937 Act. As such, it was not necessary that they be included in the public hearing, and thus the public process that you described was appropriate, so long as the proposed MTW Agreement discussed on the call substantively represents what was discussed at the public hearing. We also want to clarify the definition of the base year in Attachment A as being FY 2000, and the initial year as FY 2001.

If you have any questions or need any assistance, please contact Ivan Pour, MTW Team Leader at 202-402-2488. We look forward to continuing to work with you as you use the flexibilities provided with this MTW agreement to continue implement innovative approaches to serving the low-income families in Philadelphia.

Sincerely,

A handwritten signature in black ink, appearing to read "Dominique Blom".

Dominique Blom  
Deputy Assistant Secretary  
Office of Public Housing Investments

### **Moving to Work Agreement**

This Moving to Work Demonstration Agreement (Agreement) is entered into on this 16<sup>th</sup> day of October, 2008 by and between the United States of America through the U.S. Department of Housing and Urban Development (HUD) and the Philadelphia Housing Authority (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, on the 28<sup>th</sup> day of February, 2002, HUD and the Agency executed an MTW Agreement, and on the 22<sup>nd</sup> day of October, 2004, HUD and the Agency executed an MTW Amendment, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the Agency to participate in MTW; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Agreement; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

**I. Statutory Authorizations**

- A. This Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
  2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
  3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).
- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict

between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.

- E. Notwithstanding any provision set forth in this Restated Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Restated Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

## II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.<sup>1</sup>
- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)<sup>2</sup>, and abide by project level

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<sup>1</sup> Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

<sup>2</sup> The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.

- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with Section 504 of the Rehabilitation Act of 1973 and its implementing regulations. In addition, the Agency shall comply with the Provisions Governing Public Housing Accessible To Individuals With Disabilities set forth in Attachment E to this Agreement. Attachment E does not limit the PHA's obligation to comply with all requirements of Section 504 and HUD's implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Agreement does not apply to Section 8 assistance that is required:
  - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
  - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or
  - 3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the

1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Agreement.

### **III. Rent Reform Initiatives**

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

### **IV. Evaluation**

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
  - 1. The Agency is in compliance with this Agreement.
  - 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Agreement; and
  - 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Agreement.

### **V. Amendments and Continuation of Activities**

- A. Amendment of this Agreement. This Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.
- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by

means of invoking an authorization included in Attachment C or Attachment D of this Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Agreement that the Agency wishes to continue beyond the expiration of the Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Agreement. The extended features shall remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

## VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
  1. Operating Fund subsidies
    - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
    - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
  2. Capital Funds and Other Grants
    - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
      - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.
      - (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under

Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.

- (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
  - (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
  - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

## **VII. Administrative Responsibilities**

### **A. Annual MTW Planning and Reporting.**

#### **1. Annual MTW Plans**

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
  - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
  - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
  - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act<sup>3</sup>;
  - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
  - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

## 2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.
- d. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.

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<sup>3</sup> Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
  - f. All HUD forms and other reporting mechanisms required by this Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Agreement.

### **VIII. Termination and Default**

- A. If the Agency violates this Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Agreement:
  1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
  2. Material misrepresentation in the application process that led to the MTW Agreement;
  3. Use of funds subject to this Agreement for a purpose other than as authorized by this Agreement;
  4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Agreement;
  5. Material breach of this Agreement; and/or
  6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.

7. Material noncompliance with any of the Provisions Governing Public Housing Accessible to Individuals With Disabilities set forth in Attachment E to this Agreement or any material misrepresentation in any certification submitted to HUD in accordance with those Provisions.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
  2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
  3. Change the method of payment to the Agency;
  4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
  5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Agreement;
  6. Suspend the MTW waiver authorization for the affected activities;
  7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
  8. Require reimbursement by the Agency to HUD for amounts used in violation of this Agreement;
  9. Reduce/offset the Agency's future funding;
  10. Terminate this Agreement and require the Agency to transition out of MTW;
  11. Take appropriate action under 24 C.F.R. Part 8.
  12. Take any other corrective or remedial action legally available; and/or
  13. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.

PHILADELPHIA HOUSING AUTHORITY

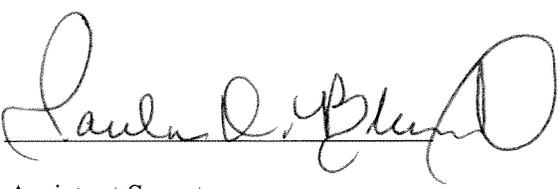
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BY: 

ITS: Executive Director

Date: 10-16-2008

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

BY: 

ITS: Assistant Secretary

Date: 10/16/08

**FIRST AMENDMENT  
TO THE  
MOVING TO WORK AGREEMENT**

This First Amendment to the Moving to Work (MTW) Agreement (“Agreement”) is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development (“HUD”) and the Philadelphia Housing Authority (“Agency”) and is effective as of the effective date of the MTW Agreement, as defined below. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

**AGREEMENT**

1. **Termination.** Termination of the Agreement by HUD in accordance with Section IV of the MTW Agreement may only occur in accordance with the default and cure provisions of Section VIII of the Agreement, as modified by this First Amendment. The second sentence of Section VIII of the Agreement is deleted and replaced with the following: “HUD will give the Agency written notice of any default which shall identify with specificity the measures which the Agency must take to cure the default.”
2. **Remedies and Due Process.** HUD must follow all applicable statutory and regulatory requirements relating to any defaults and enforcement actions pertaining to this Agreement.
3. **Evaluation of MTW Demonstration.** If developed by HUD, HUD’s evaluation plan for the MTW Demonstration may be reviewed by the Agency in advance of implementation by HUD. The Agency has thirty (30) days to review the evaluation criteria and any objections to the evaluation will be forwarded to HUD for further consideration.
4. **Extension of Successful Demonstration Initiatives.** HUD will consider extending successful demonstration activities beyond the term of the MTW demonstration where legally permissible. To the extent that MTW activities will not continue past the term of the demonstration, the Agency shall fully cooperate with HUD in developing and implementing a transition plan for terminating the Agency’s MTW demonstration program and providing for the continued administration of the public housing and Section 8 programs, as applicable.
5. **Section I.E.** Section I.E. of the Agreement is deleted.
6. **Local Asset Management Program Within MTW.** Section II.F. of the Agreement is deleted and the following is substituted in lieu thereof:
  - F. **Local Asset Management Program.**
    1. The Agency may design and implement a local asset management program for its Public Housing Program and shall describe such program in its Annual MTW Plan (or in its Annual MTW Report, if the Agency deems it appropriate). For purposes of this

Agreement, the term “Public Housing Program” means the operation of properties owned or subsidized by the Agency that are required by the U.S. Housing Act of 1937 (42 U.S.C. 1437, et seq.) to be subject to a public housing declaration of trust in favor of HUD. The Agency’s local asset management program shall include a description of how it is implementing property-based management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements, as described below. The Agency may use the Annual MTW Report to provide information on asset management fees, including documentation in support of fees, allocation methodologies, indirect cost rates, and related items in support of the Agency’s local asset management program for its Public Housing Program. The Agency agrees that as part of its local asset management program it will adopt cost accounting and financial reporting methods that comply with OMB Circular A-87 (regarding cost allocation, and hereinafter, “A-87”), OMB Circular A-133 (regarding audit requirements), and generally accepted accounting practices (“GAAP”).

2. HUD and the Agency agree that the following principles and understandings apply to the Agency’s local asset management program for its Public Housing Program:
  - a. Costs incurred by the Agency under this Agreement must be necessary and reasonable, meet the statutory objectives of the MTW program, and be consistent with the single-fund budget authority described in this Agreement.
  - b. Under A-87, there is no universal rule for classifying costs as either direct or indirect. A cost may be direct with respect to some specific service or function, but indirect with respect to the final cost objective.
  - c. Costs shall be accorded consistent treatment. A cost may not be assigned as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated as an indirect cost; each item of cost will be treated consistently in like circumstances as either a direct or indirect cost.
  - d. Costs shall be determined in accordance with GAAP.
  - e. Costs must be adequately documented, as agreed upon by HUD and the Agency.
  - f. Requirements under 24 CFR 990.280 (b) (5) and other HUD guidance pertaining to excess cash flow for purposes of fungibility among projects will not apply to the Agency. The Agency will retain full authority to move MTW funds and project cash flow among projects, without limitation, under its local asset management program.
  - g. The Agency agrees that in designing its local asset management program for its Public Housing Program, it will use HUD’s asset management requirements (such as the chart of accounts, balance sheet, and direct/indirect cost determinations) as a starting point; provided, however, that the Agency may, in its discretion, deviate from such requirements if it describes such deviations and the reasons for such deviations in its local asset management program.

- h. HUD shall modify the systems and reports described in Section 2 below, to accommodate any differences between HUD asset management requirements and the Agency's local asset management program.
  - i. If the Agency implements a fee-for-service approach, then HUD shall consider the Agency's fee income to be de-federalized.
- 3. **Period of Experimentation.** The Agency may use its local asset management program to test and develop accounting practices designed to support and complement the fungibility of public housing and voucher funds that may be combined under the MTW demonstration program ("MTW Funds") and the programmatic flexibility provided under the MTW program. This period of experimentation for its Public Housing Program shall be available to the Agency until the negotiated rule making authorized in 24 CFR 990 is completed and a rule adopted. At that time, HUD and the Agency shall mutually determine the effect of said rulemaking on such cost accounting system, and how such a system can be continued.
- 4. **Identification of Cost Approach Under A-87.** The local asset management program will describe the Agency's cost accounting system. Cost accounting options available to the Agency include:
  - a. **Fee-for-service methodology.** The Agency may establish a fee-for-service methodology that:
    - i. Is consistent with 24 CFR Part 990 (with respect to operating funds for the Public Housing Program), uses property level management, accounting, and budgeting, and establishes a Central Office Cost Center (COCC);
    - ii. With such justification as is required by A-87, allows for fees that exceed the levels set forth by HUD asset management requirements with respect to operating funds for the Public Housing Program;
    - iii. Allows the Agency to apply local determinations with respect to front line, prorated, and shared resources, fee costs, and other aspects of such requirements, to meet the objectives of the MTW program. Such determinations, when they differ from HUD's requirements, must be specifically noted in the Agency's local asset management program;
    - iv. In making local determinations with respect to front line and fees, the Agency acknowledges that cost must be treated in a consistent manner; and
    - v. When fees established by the Agency exceed HUD guidelines the Agency agrees to justify such fees and that the Agency's annual audit shall include a review and test of fee reasonableness.
  - b. **Indirect cost rate methodology.** In accordance with A-87, the Agency may elect to establish a cost allocation methodology, instead of a fee-for-service methodology, to allocate direct and indirect costs and establish an indirect cost rate.

The cost allocation plan along with the indirect cost rate shall be described in the local asset management program. The Agency agrees to justify the indirect cost rate established and that the Annual Audit shall include a review and test of the rate's reasonableness.

5. **Establishment of Cost Objectives under MTW**

- a. **Multiple cost objectives.** If the Agency establishes multiple cost objectives (such as separate cost objectives for public housing properties, vouchers, capital funds, and services) under its MTW agreement, it may elect to use a fee-for-service methodology for one objective and an indirect cost rate methodology for other objectives, provided that the same cost objective may not use both a fee-for-service and a cost allocation/indirect cost rate methodology.
- b. **Option for a Single Cost Objective.** In accordance with A-87, the Agency may propose in the Annual MTW Plan that its MTW program is a single cost objective and may establish a cost accounting plan that uses a single indirect cost rate for the entire MTW program, which may include operating funds provided for the Public Housing Program. In doing so, the Agency agrees to provide a description of the cost accounting plan as part of its local asset management program, including how the indirect cost rate is determined (such as the grouping of costs and distribution base), and how that rate is applied across major functions. Use of such a single cost objective is subject to the Annual MTW Plan or Report approval process.

7. **Financial Reporting.** The Agency agrees to describe how it has assigned costs as part of its local asset management program in its Annual MTW Plan. The Agency agrees that irrespective of the cost accounting method selected above, a project-level accounting system will be used to track costs at the asset management property level. Any differences between the local asset management program and HUD's asset management requirements will be described in its Annual MTW Plan and Report in order to facilitate recording of actual property costs and submission of such cost information to HUD.

The Agency agrees to submit information to HUD through the following reporting systems, provided that HUD, in cooperation with the Agency, shall modify such systems, as necessary, so that they are capable of accepting reports from the Agency, as to both form and content, in a manner that is consistent with the Agency's authorizations under this Agreement and with the implementation of MTW:

- (a) PIH Information Center (PIC);
- (b) Voucher Management System (VMS);
- (c) HUD Financial Data Schedule (FDS) on an annual basis; and
- (d) The Annual Audit, with necessary supplemental schedules.

All such reporting shall be to the extent necessary for the Agency to report MTW activities consistent with the MTW Agreement. Should a report not be modified for MTW the Agency will continue to submit information through the Annual MTW Plan and Report.

The Agency may, in satisfaction of the annual audit requirement, submit its independently audited Comprehensive Annual Financial Report (CAFR), prepared consistent with its MTW financial structure and GAAP, and including supplemental un-audited balance sheets and income and expense statements for public housing properties.

All reporting under this section shall be subject to and shall not interfere with the Agency's right to combine and use public housing operating funds, public housing capital funds, and Section 8 voucher funds for the activities and in the manner described in the MTW Agreement.

HUD shall not limit through any asset management requirements or otherwise, including through any other provision of this Addendum or the MTW Agreement to the extent there is a conflict with this Attachment D, the Agency's ability (as provided in the MTW Agreement), to use a single fund budget as an authority-wide funding source for MTW activities.

#### **8. Other Reporting.**

**Annual Plan and Report Under Attachment B.** HUD affirms that it has obtained Office of Management and Budget ("OMB") approval for the information collection currently required by Attachment B to the Agency's Original MTW Agreement (HUD Form 50900, OMB Control Number 2577-0216; and hereafter, "Original Attachment B"). The Agency is not required to use the Attachment B to this Agreement (hereafter, "Revised Attachment B"), until such time as HUD has obtained approval from OMB of such Revised Attachment B.

Subject to the paragraph immediately above, the Agency agrees to submit information in accordance with Revised Attachment B for the fiscal year following such OMB approval; provided, however, that:

- i. if OMB does not approve a Revised Attachment B at least 120 days prior to the date for submission of the MTW Plan, then the Agency may defer compliance with Revised Attachment B until submission of the Annual MTW Plan and Report in the subsequent fiscal year;
- ii. the Annual MTW Report for a given fiscal year will use the same form of Attachment B as was used for that fiscal year's Annual MTW Plan; and
- iii. the Agency and HUD agree to use the first submission of Revised Attachment B to identify any problems and potential improvements in its use, as to both form and substance, and that HUD and the Agency will work together to modify Revised Attachment B, as necessary, in order to improve it as an information tool for subsequent fiscal years. The Agency and HUD further agree that Revised Attachment B may require modifications in subsequent years of the MTW Agreement and that HUD will facilitate a process to solicit comments from the Agency and modify Revised Attachment B as necessary.

**CFDA Number.** HUD affirms that it has received a Catalog of Federal Domestic Assistance ("CFDA") number from OMB for the MTW program. HUD will create a corresponding compliance supplement to assist auditors in performing the required audits of the Agency. HUD will develop such compliance supplement in consultation with the Agency and shall direct, and hereby does direct, any auditor of the Agency to consider such supplement and other related

supplements and OMB Circulars in determining the compliance requirements that could have a direct and material effect on the Agency's participation in the MTW program. The MTW compliance supplement issued by HUD shall have an effective date that provides the Agency with sufficient notice for implementation.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives.

PHILADELPHIA HOUSING AUTHORITY

By: Carl Green

Its: Executive Director

Date: 10-16-2008

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: Paula D. Blunt

Its: Assistant Secretary

Date: 10/16/08

## Attachment A

### Calculation of Subsidies

During the term of this MTW Agreement, HUD will provide the PHA with operating subsidy, capital funds, and Section 8 assistance as described below:

#### Definitions in this Attachment:

Initial Year: The first fiscal year for the PHA in which the PHA begins operating under its MTW authority, which may be the same year as that in which this Agreement is executed.

Base Year: The most recently completed Agency fiscal year prior to the Initial Year.

MTW Units: Units authorized for participation in MTW activities, as provided in Section 1 of the Appendix to this Agreement.

#### 1. Operating Subsidy

Operating subsidies will be calculated in two parts, utility subsidy and non-utility subsidy.

##### A. Formula

Each year, the PHA will calculate Operating Subsidy, in accordance with the following:

**Utility Subsidy.** The PHA's utility consumption is frozen for the life of the demonstration based on the three-year rolling-base in effect in the base year. Each year thereafter, the PHA multiplies this frozen consumption by utility rates that are in effect at the time of the budget submission. The agency is held harmless for any changes in utility prices (resulting in year-end adjustments for actual utility rates) but takes the risk/reward for any change in consumption. Any reduction in utility rates that result from administrative actions taken by the agency will be shared equally with HUD in accordance with regulations in effect upon execution of this Agreement.

##### **Non-utility Subsidy.**

The Agency will receive under MTW an amount equal to the non-utility subsidy eligibility in the based year assuming 97 percent occupancy. This amount is then adjusted annually based on that year's annual occupancy rate, as well as the simplified delta and the Allowable Expense Level (AEL) inflation factor. The PHA will be responsible for justifying any occupancy rate lower than 97 percent on an annual basis. Dwelling rental, non-dwelling rental, and add-ons are fixed in the base year, with the following adjustments (units approved for demolition or disposition will be removed from the inventory of units approved for subsidy once the unit is vacant):

- Occupancy percentage. In the base year and each year thereafter the PHA may request an adjustment based on the current actual occupancy rate as well as add-on for vacancies beyond the control of the PHA. If approved, these vacant units will be funded at the base year dwelling rental income, multiplied by the cumulative AEL inflation factors.

- Add-ons. Transition funding for demolished units, long-term vacant unit funding for deprogrammed units will not be fixed in the base year but will be treated as add-ons each subsequent year. Additionally, if the PHA fixes a Family Self-Sufficiency (FSS) add-on into the base year, it must continue to maintain an equivalent level of effort throughout the demonstration for FSS-type activities.
- Simplified delta. In the first year, the simplified delta (.005) is multiplied by the actual amount entered on line 2a of the HUD-52723 from the base year. The resulting figure is then carried forward to the next year and multiplied again by the simplified delta and inflation factor. This procedure is to be followed in years three through seven.

#### B. Unit Months Available (UMAs)

UMAs cannot exceed those UMAs established on the Performance Funding System (PFS) worksheet for the initial year of the demonstration. An agency may draw down additional UMAs, up to the number of units under Annual Contributions Contract (ACC), as of August 21, 1996, provided that the PHA did not receive Section 8 replacement housing for these units and provided that the agency remains accountable for serving substantially this number of households.

#### C. Subsidy Pro-ration

The PHA will be subject to the same subsidy pro-ration as non-MTW agencies. Hence, if the Congress appropriates funding for a given year that is sufficient to fund only 98 percent of total estimated operating subsidy requirements, the PHA will receive only 98 percent of its block grant operating subsidy for that year.

#### D. Demolition

For any units demolished during the demonstration period, the PHA will have three options:

- Retain the UMAs by serving the same number of eligible families and not receive transitional funding or Section 8 replacement housing;
- Apply for Section 8 replacement housing. Once received, the agency will no longer be eligible for transitional funding and will reduce its UMAs; or
- Receive transitional funding, but not Section 8 funding. The UMAs will then be reduced as the transitional funding becomes effective

#### E. Mandatory Year-end Adjustment

Mandatory year-end adjustments will be performed for actual utility rates and any change in UMAs. An agency may also request year-end adjustments for any vacancies beyond the PHA's control that were not budgeted for and if the subsidy pro-ration projection provided by HUD was later modified.

## 2. Capital Funds Program

- A. The PHA's formula characteristics and grant amount will continue to be calculated in accordance with applicable law and regulations.
- B. For modernization funds provided in years prior to the execution of this Agreement, the PHA may submit, and HUD will approve, a request to reprogram, by grant year, any unobligated funds for eligible MTW purposes. Such requests will be made in accordance with current procedures governing amendments to the Annual Plan, except that no public consultation will be necessary prior to submission of the request.
- C. All funds programmed for MTW purposes will be recorded and drawn down from MTW-designated line items on relevant HUD forms.

## 3. Section 8 Tenant Based Assistance Units Eligible for Inclusion in Flexible Block Grant

- A. Conversion of existing Section 8 housing vouchers to Moving To Work units will be conducted according to instructions provided by HUD. A list of Section 8 units eligible for inclusion in the block grant ("MTW units") upon execution of this Agreement will be provided by HUD, along with the instructions.
- B. The number of MTW units will not be adjusted throughout the duration of this Agreement unless:
- 1) any units under ACC that are not available upon execution of this Agreement become available for MTW purposes upon renewal or as otherwise authorized by HUD; or
  - 2) the PHA receives incremental Section 8 units, which the PHA may choose to convert into the block grant or to operate as a separate program, as provided by law; and

## 4. Calculation of Annual (Section 8) Subsidy

- A. Initial year of MTW Participation:

For the certificate and voucher programs, respectively, divide Total Funds Required (minus the cost of Family Self Sufficiency Coordinators) by the Number of Unit Months, as provided in year-end settlement data for the base year. Multiply this amount by the inflation factor established for the calculation of renewals (using the inflation factor, or annual adjustment factor(AAF) is published annually in the Federal Register (Table 1, the factor with the highest utility cost included)) to arrive at an inflation-adjusted, MTW program per unit cost (MTWPUC) for the initial year (to be adjusted for funds already paid).

Multiply the MTWPUC by the total number of MTW units and the number of months [MTWPUC X MTW Units x 12] to arrive at a total MTW subsidy amount to be disbursed that year.

B. Second and Subsequent Years of MTW Participation:

Multiply the total MTW subsidy established in the previous year (excluding reserves) by the annual inflation factor established for the calculation of renewal of Section 8 contracts to arrive at the current year's inflation-adjusted Section 8 MTW subsidy.

C. Reserve

1. An amount equal to one month's program costs ( $MTWMPUC \times MTW \text{ UNITS}$ ) will be made available from the existing PHA reserves for use as project reserves for MTW eligible units.
2. There will be no year-end settle-up of annual funds provided for MTW Units. All funds provided through this calculation will remain available for authorized purposes.

**Form 50900: Elements for the Annual MTW Plan and Annual MTW Report**

**Attachment B**

**to**  
**AMENDED AND RESTATED MOVING TO WORK AGREEMENT**  
**BETWEEN**  
**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**AND**  
**AGENCY**

The information on this form is being collected so the Department is able to respond to Congressional and other inquiries regarding outcome measures obtained and promising practices learned throughout the Moving to Work (MTW) demonstration. The information reported through this form is not confidential. Respondents will report outcome information to accurately evaluate the effects of MTW policy changes on residents, the Agency's operations and the local community. The estimated burden per year per Agency is 81 hours. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The Agency may not conduct or sponsor, and are not required to respond to, a collection of information unless that collection displays a valid OMB control number. All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the standard Amended and Restated Agreement, and will follow the following order and format.

<b>Annual MTW Plan</b>	<b>Annual MTW Report</b>
<b>I. Introduction</b>	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities. An MTW activity is defined as any activity the Agency is engaging in that requires MTW flexibility to waive statutory or regulatory requirements.	B. Overview of the Agency's ongoing MTW goals and objectives.
<b>II. General Housing Authority Operating Information</b>	
A. Housing Stock Information:	A. Housing Stock Information:
Number of public housing units at the beginning of the year;	Number of public housing units at the end of the Plan year, discuss any changes over 10%;
General description of any planned significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year);	Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year );

Description of any new public housing units to be added during the year by development (specifying bedroom size, type, accessible features, if applicable);	Description of any new public housing units added during the year by development (specifying bedroom size, type, accessible features, if applicable);
Number of public housing units to be removed from the inventory during the year by development specifying the justification for the removal;	Number of public housing units removed from the inventory during the year by development specifying the justification for the removal;
Number of MTW Housing Choice Vouchers (HCV) units authorized;	Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;
Number of non-MTW HCV units authorized; and	Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;
Number of HCV units to be project-based during the Plan year, including description of each separate project.	Number of HCV units project-based during the Plan year, including description of each separate project; and
	Overview of other housing managed by the Agency, eg., tax credit, state-funded, market rate.
<b>B. Leasing information, Planned – this information is estimated and may be subject to change during the Plan year.</b>	
Anticipated total number of MTW PH units leased in the Plan year;	Total number of MTW PH units leased in Plan year;
Anticipated total number of non-MTW PH units leased in the Plan year;	Total number of non-MTW PH units leased in Plan year;
Anticipated total number of MTW HCV units leased in the Plan year;	Total number of MTW HCV units leased in Plan year;
Anticipated total number of non-MTW HCV units leased in the Plan year; and	Total number of non-MTW HCV units leased in Plan year;
Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH).	Description of any issues related to leasing of PH or HCVs; and
Optional in Plan: Number of project-based vouchers in-use at the start of the Plan year.	Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).
<b>C. Waiting List Information</b>	
Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged); and	Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year; and
Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s).	Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year.
<b>III. Non-MTW Related Housing Authority Information (Optional)</b>	
A. List planned sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and	A. List planned vs actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and

B. Description of non-MTW activities proposed by the Agency.	B. Description of non-MTW activities implemented by the Agency.
<b>IV. Long-term MTW Plan (Optional)</b>	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.

<b>V. Proposed MTW Activities: HUD approval requested</b>	
<i>(provide the listed items below grouped by each MTW activity)</i>	
A. Describe each proposed MTW activity;	A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these activities were not implemented.
B. Describe how each proposed activity relates to at least one of the three statutory objectives;	(All proposed activities that are granted approval by HUD will be reported on in Section VI as "ongoing activities.")
C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;	
D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules;	
E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;	
F. Cite the authorization(s) detailed in Attachment C or D of this Restated Agreement that give the Agency the flexibility to conduct the activity. Every reasonable effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative; however, failure to cite the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual MTW Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative; and	
G. Provide the following information for any rent reform initiatives:	
<ul style="list-style-type: none"> <li>· Agency's Board approval of policy;</li> <li>· Impact Analysis;</li> <li>· Annual reevaluation of rent reform initiative;</li> <li>· Hardship case criteria;</li> <li>· Transition period; and</li> <li>· Documentation of public hearing (may be same as Annual Plan hearing).</li> </ul>	
<b>VI. Ongoing MTW Activities: HUD approval previously granted</b>	
<i>(provide the listed items below grouped by each MTW activity)</i>	
A. List activities continued from the prior plan year(s); specify the Plan Year in which the activity was first identified and implemented;	A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented;

<p>B. Provide an update on the status of the activity;</p>	<p>B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests. [The Agency will need to develop benchmarks and evaluation metrics for all ongoing MTW activities. For MTW activities that were implemented prior to the execution of this Amended and Restated Agreement, the Agency does not have to provide this information for past years. The Agency will establish the benchmarks and metrics in the first year that it Reports under this new format.];</p>
<p>C. For the Plan year, indicate if the Agency anticipates any changes, modifications, or additions to Attachment C authorizations; and</p>	<p>C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;</p>
<p>D. Describe if the Agency is using outside evaluators.</p>	<p>D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases);</p>
	<p>E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;</p>
	<p>F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary; and</p>
	<p>G. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity. With respect to requirements related to statutory or regulatory cites, the following is agreed: Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative; However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative.</p>
<p><b>VII. Sources and Uses of Funding</b></p>	
<p>A. List planned sources (Operating, Capital, HCV) and uses of MTW funds;</p>	<p>A. List planned vs actual sources (Operating, Capital, and HCV) and uses of MTW Funds (excluding HOPE VI). Provide a narrative description of any major changes from the approved MTW Plan;</p>

B. List planned sources and uses of State or local funds;	B. List planned vs actual sources and uses of State or local funds;
C. If applicable, list planned sources and uses of the COCC;	C. If applicable, list planned vs actual sources and uses of the COCC;
D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the deviations and the reasons therefore; and	D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the actual deviations that were made during the Plan year; and
E. List or describe use of single-fund flexibility, if applicable, describe uses across traditional program lines or special circumstances in support of an MTW activity.	E. List or describe planned vs actual use of single-fund flexibility.
F. Optional - List reserve balances at beginning of the Plan year.	F. Optional - List planned vs actual reserve balances at the end of the plan year.
G. Optional - In Plan Appendix, provide planned sources and uses by AMP.	G. Optional - In plan appendix, provide planned vs actual sources and use by AMP.
<b>VIII. Administrative</b>	
The Agency will provide the following:	The Agency will provide the following:
A. Resolution signed by the Board of Commissioners, or other authorized PHA official if there is no Board of Commissioners, adopting the Annual MTW Plan Certification of Compliance (provided at the end of this Attachment B); and	A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable;
B. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable.	B. Results of latest Agency-directed evaluations of the demonstration, as applicable;
	C. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and
	D. Certification that the Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

**Annual Moving to Work Plan  
Certifications of Compliance**

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

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning \_\_\_\_\_, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).

17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

\_\_\_\_\_  
PHA Name

\_\_\_\_\_  
PHA Number/HA Code

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

\_\_\_\_\_  
Name of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT C****STATEMENT OF AUTHORIZATIONS****TO  
AMENDED AND RESTATED MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND  
AGENCY****A. General Conditions**

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Restated Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

**B. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers**

1. Single Fund Budget with Full Flexibility

*This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.*

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
  - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
  - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
  - iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
  - v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
  - vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
  - vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
  - viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
  - d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
  - e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

The Agency may partner with for-profit and non-profit entities, subject to 24 C.F.R. Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency (“Agency Partners”), to implement and develop all or some of the initiatives that may comprise the Agency’s MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency’s participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. *This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency’s Annual MTW Plan.*

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency’s Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency’s public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency’s Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency’s Annual MTW Plan.*

### **C. Authorizations Related to Public Housing Only**

#### **1. Site Based or Geographic Area Waiting List System**

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

#### **2. Local Preferences and Admission and Continued Occupancy Policies and Procedures**

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the Amended and Restated MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

#### **3. Deconcentration Policy**

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

#### **4. Initial, Annual and Interim Income Review Process**

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

*Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.*

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

7. Simplification of the Development and Redevelopment Process for Public Housing

*This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.*

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

*necessary to implement the Agency's Annual MTW Plan.*

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

**D. Authorizations Related to Section 8 Housing Choice Vouchers Only**

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
- d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
- e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
- f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
- g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*

## 2. Rent Policies and Term Limits

- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan;*

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan;* and
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

### 3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan;* and
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

### 4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

7. Establishment of an Agency MTW Section 8 Project-Based Program

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

*Agency's Annual MTW Plan;*

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
  - i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
  - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
  - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
  - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

**E. Authorizations Related to Family Self Sufficiency**

The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

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ATTACHMENT D

LEGACY AND COMMUNITY-SPECIFIC AUTHORIZATIONS

**TO  
MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND  
PHILADELPHIA HOUSING AUTHORITY**

This Attachment D describes and authorizes activities which may be implemented by the Philadelphia Housing Authority (the “Agency”) pursuant to the MTW Agreement between the Agency and HUD dated October 16, 2008, which together with any and all attachments, exhibits, and appendices thereto is hereinafter referred to as the “Agreement.” Notwithstanding any other provision of this Agreement the PHA is authorized as described below.

I. Administrative Issues

- A. The Agency has continued to operate pursuant to the HUD-developed transition plan since April 1, 2008. Upon execution of this Agreement, the Agency will operate under the terms and conditions of this Agreement.
- B. For purposes of this agreement, the “Agency’s public housing assisted units” referred to in Section A.2 of Attachment C to this Agreement (“Attachment C”) include, but are not limited to, the public housing homeownership program developed, funded, owned or operated by the Agency, its subsidiaries or partners.
- C. This Agreement shall be subject to all the terms and conditions of the ACCs and the provisions of the U.S. Housing Act of 1937 (the “1937 Act”) and HUD requirements except as expressly provided in this Agreement as determined by HUD to be necessary for the Agency to implement its MTW demonstration, as approved by HUD.
- D. Energy Performance Contracting
  - 1. PHA may, without prior approval from the Department, modify the current energy performance contract or enter into new performance contracts with Energy Service Companies (ESCOs), also called Energy Service Agreements (ESAs), and determine the terms and conditions of energy performance contracts, provided that, with respect to each contract, (i) the term does not exceed 20 years, and (ii) and PHA maintains adequate file documentation demonstrating EPC performance. PHA may also function as its own ESCo, provided that any financing complies with requirements (i) and (ii) of this paragraph. However, in agreeing to forego said prior approval, PHA agrees that no security interest or

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physical encumbrance shall be placed on public housing property or public housing assets as part of any modified or future performance contract. If such a security interest or physical encumbrance is proposed, PHA shall seek prior approval from the Department for said performance contract.

2. PHA is authorized to pledge its reserves or other funds for use during the term of the MTW demonstration to guarantee the payment of debt service in the event that projected energy savings are not adequate to cover the debt service costs for an energy conservation project undertaken during the term of the MTW demonstration. However, any action taken by the PHA in conjunction with a pledge of its reserves or other funds shall contain the following statement: "PHA's obligations are not obligations of or guaranteed by HUD or the United States of America. No action taken pursuant to these documents shall result in any liability to the federal government. PHA is solely responsible for such obligations and it makes such obligations at its own risk."
3. In the event that the EPC(s) extends beyond the term of the MTW agreement, the Department reserves the right to determine reporting requirements for purposes of calculating Operating Subsidy. Where the EPC extends beyond the term of the MTW agreement, the rolling base consumption level for the project and utilities involved may be frozen for the entire term of the approved EPC pursuant to 24 C.F.R. 990.185.
4. EPC Reporting Requirements: Each year, PHA shall report on the performance of its EPC(s) in its Annual MTW Report. Reporting requirements include an audited consumption baseline and an annual measurement and verification of cost and consumption savings report. The Annual MTW Report will include the following data elements for each asset management project (AMP), by project number:
  - Is the project ESCo or Self-developed;
  - What are the number of rehabilitated units in the energy project;
  - What are the number of rehabilitated AMPS in the energy project;
  - What is Total Investment;
  - What is Total financed;

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- What is Debt Service (Annual);
- What are Guaranteed savings (Source: Investment Grade Energy Audit);
- What are Actual Savings (Source: annual Monitoring and Verification report);
- What is the Investment per unit;
- What is the Finance per unit;
- What is the Savings per unit;
- What is the Savings per project (AMP);
- What is the Term of the contract;
- What date was the Request for Proposal issued;
- What was Date audit executed;
- What was Date Energy Services agreement executed;
- What was Date Repayment starts; and
- What Types of Energy Conservation Measures were installed at each AMP site.

II. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

A. Single Fund Budget with Full Flexibility

1. The funding methodology in Section VI.A of the Agreement shall include any funding from any successor funding source to those referenced in Section VI.A that may by law be included in this Agreement.
2. In addition to the items in Section B.1.b. of Attachment C, the following are added: “ix. Making units accessible in accordance with the requirements of

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Section 504 of the Rehabilitation Act of 1973"; "x. operation and development activities, consistent with Article II.D of the MTW Agreement and otherwise consistent with the 1937 Act as waived or modified by the terms of the Agreement, undertaken in connection with the operation, development and preservation of locally developed housing programs, including municipal neighborhood preservation and blight elimination programs which the Agency has determined to be part of a comprehensive site and neighborhood strategy;" and "xi. Any additional activities may be undertaken with HUD approval."

3. Attachment C, Section B.1.b(vii) shall include, but not be limited to, rehabilitation of units currently serving or available to people of low income.
4. Program-specific funding regulations governing allowable expenditures are suspended to the extent they are necessary for the implementation of activities authorized and identified under this Agreement and contained in an Annual MTW Plan.
5. The Agency may use public housing funds to maintain a reasonable operating reserve for public housing purposes consistent with sound public and private housing management practices.

B. Supportive Services Housing Program

The programs authorized at B.4 of Attachment C may require participation in supportive services as a condition of residence in the transitional/housing program site. Such supportive services may include, but are not necessarily limited to, drug and alcohol counseling, employment counseling, educational services, and services to assist disabled persons. Supportive services may be provided to public housing or housing choice voucher participants using funds from the Agency's Single Fund Budget; provided, however, that services for persons who are not public housing or housing choice voucher participants will not be funded using the Agency's Single Fund budget. The Agency may establish admission and continued occupancy standards for transitional/conditional housing program sites which differ by site and which differ from public housing or housing choice voucher standards otherwise applicable to the Agency's public housing and voucher programs.

C. Inspections

The Agency is authorized to develop property and system inspection protocols in lieu of the current HUD standards, subject to compliance with housing quality standards approved by HUD and provided that the Agency ensures that its property is safe, decent, sanitary and in good repair in accordance with Section II.E of the Agreement.

D. Rent Policies and Rent Reform

The Agency may adopt and implement any reasonable policies for setting rents for public housing, or rents or subsidy levels for tenant-based assistance, notwithstanding

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the U.S. Housing Act of 1937, provided that the Agency submits the policy to HUD annually and upon any material change to the policy and provided that:

1. The Agency's board approves of the policy, and any material changes, and approved an analysis of the impact of the policy on current households, and on households on the waiting list, including an analysis of the severity of rent burdens on such households that would have rent burdens greater than 30 percent of adjusted income;
2. The Agency reevaluates its rent and subsidy level policies annually, including preparing a revised impact analysis;
3. The Agency adopts a policy for addressing hardship cases;
4. The Agency provides a reasonable transition period for rent increases for existing tenants; and,
5. A public hearing is held regarding the policy; provided however, that in the first year of the demonstration, this may be the same public hearing that was held regarding (a) the Agency's MTW application, as long as the policy was included in the MTW application or (b) the Agency's Annual Plan, as long as the policy was included in the Agency's Annual Plan.

The rent policy, or any material changes to the rent policy will be effective upon incorporation in, and approval by HUD of, the Agency's Annual Plan.

E. Annual and Interim Review Process in Section 8 and Public Housing.

The review process at Sections C.4 and D.1.c of Attachment C may include, but is not limited to, change in income or hardship in order to affect the number of reviews a participant receives in any calendar year.

III. Authorizations Related to Public Housing

A. Simplification of Property Management Practices

In addition to the authorizations at Section C.9 of Attachment C, the following are added:

1. Subject to HUD regulations, the Agency may develop and adopt reasonable policies and procedures that will simplify, streamline and enhance the delivery of management and maintenance services to the Agency's owned and operated developments that will remain in effect throughout the term of this Agreement.
2. The Agency is authorized to develop and adopt a new form of lease, which will be consistent with local standards; provided that no-cause evictions are not permitted and a grievance process is retained. This lease would be subject to the same

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community, resident and the Agency governing board review process as amendments to this MTW Agreement.

3. The Agency is authorized to develop its own energy auditing protocols and frequencies in lieu of the HUD requirement that energy audits be performed every five years.

B. Simplification of the Development and Redevelopment Process for Public Housing

The Agency is authorized to develop and adopt reasonable policies and procedures that will allow local conditions to determine and control major development decisions as follows:

1. Section C.7.b of Attachment C is stricken and replaced with the following: "The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by existing program requirements provided that any disposition of current public housing must be approved in advance by HUD. The homeownership program design will be approved in advance by HUD."
2. In determining the location of newly constructed or substantially rehabilitated housing units or developments, the Agency is authorized to adopt, in lieu of 24 C.F.R. 941.202(b)-(d), the alternate Site and Neighborhood Standards set forth in Section D.7.c of Attachment C, as modified in accordance with this Attachment D, Section IV.B.3 below and applicable fair housing statutes.

IV. Authorizations Related to Section 8 Housing Choice Vouchers

A. Local Section 8/Rent Subsidy Program

The Agency is authorized to develop its own local Section 8/rent subsidy program through exceptions to the standard Section 8 Program rules and regulations.

1. The parties agree that the operation, development, and preservation of the local Section 8/Rent Subsidy Program must be consistent with Article I.D of the Agreement. All programs or activities must be integral to the viability of the affordable housing activities authorized in this Agreement. Approved local Section 8/Rent Subsidy Program activities include, but are not limited to, the following:
  - a. Direct rental assistance at a level that insures availability of, and private investment in, quality housing throughout the city;
  - b. Investigatory and enforcement staff to insure that both landlords and tenants are complying with the terms of the local Section 8/Rent Subsidy Program lease;

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- c. Neighborhood revitalization activities to insure the continued availability of affordable housing in quality neighborhoods;
  - d. Comprehensive family self sufficiency and other support services to expedite residents' economic self-sufficiency and decrease their dependence upon housing assistance; and
  - e. Activities that facilitate home ownership for the local Section 8/Rent Subsidy Program participants and have a more permanent impact on the lives of its recipients.
2. In addition to the authorizations at Section D of Attachment C, the Agency is authorized to determine the following for the local Section 8/Rent Subsidy Program:
- a. Tenant ability to exceed Brooke Amendment rents, subject to Article III of the Agreement;
  - b. Elements to be included in the Agency's Administrative Plan;
  - c. Type of assistance to owners in screening prospective tenants;
  - d. Policies related to application of utility allowances (UA) including methodology to calculate UAs, schedule for updating UAs, and all other elements of the UA policy;
  - e. Family obligations to the Agency regarding uses and occupancy of units;
  - f. Type and level of supportive services to be provided to tenants; and
  - g. Programs, services and terms available to landlords to insure availability of affordable quality units throughout the city of Philadelphia and to encourage neighborhood acceptance of the local Section 8/Rent Subsidy Program.

B. Establishment of an Agency MTW Section 8 Project-Based Program

The program authorized at Section D.7 of Attachment C, which may also be known as a "Unit-Based Program," includes, but is not limited to, the following authorizations:

1. Funds for the Unit-Based Program are not limited to housing choice vouchers received under Section 8(o) of the Housing Act of 1937. The program may be funded using the Single Fund Budget authorized at Section B.1 of Attachment C.
2. The Site Selection Standards described at Section D.7.c of Attachment C may be in lieu of, as applicable, 24 C.F.R. Section 983.57 or 24 C.F.R. 941.202(b)-(d). Section D.7.c(ii) shall include the following: "(7) an area designated by the City of Philadelphia as a blight elimination zone."

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3. The Agency is authorized to determine the effect of subsidy on rent to owners and the duplication of subsidy or excessive subsidy, subject to the requirements regarding subsidy layering as set forth in the HUD Reform Act of 1989.
4. The negotiation protocol used for the selection of Unit-Based Program housing providers will be an on-going performance based procurement which allows the most streamlined and efficient methods possible to solicit broad participation by the private sector in Unit-based housing consistent with 24 C.F.R. § 85.36.

V. Authorizations Related to Family Self Sufficiency Programs

The Agency is authorized to operate its Family Self-Sufficiency (“FSS”) program exempt from HUD FSS Program requirements and without any specific requirements governing program size or participation requirements including whether to establish escrow accounts and other rent incentives; provided, however, that if the Agency receives funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. The Agency’s FSS program must be available to all eligible tenants served by the Agency, including the elderly and persons with disabilities.

## ATTACHMENT E

### Provisions Governing Public Housing Accessible to Individuals With Disabilities

As a condition of executing the MTW Agreement, the parties agree that: (a) in accordance with Section II.J of the MTW Agreement, the PHA shall ensure that its public housing program complies with the requirements of Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 ("Section 504"), Title II of the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 *et seq.*, the Fair Housing Act of 1968, as amended, 42 U.S.C. § 3601 *et seq.*, the Architectural Barriers Act of 1968, 42 U.S.C. § 4151 *et seq.*, Section 109 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5301 *et seq.*, and HUD's implementing regulations for each act. 24 C.F.R. Part 8, Part 40, Part 100, §§ 570.601-570.602, 960.103, and 982.53; and (b) PHA shall operate its public housing programs in accordance with the following Provisions to resolve all remaining outstanding issues relating to HUD's Letter of Findings dated September 19, 2006 and HUD's Letter of Determination dated January 12, 2007:

1. On or before December 31, 2008, and annually thereafter in each of the four succeeding years under the MTW Agreement, PHA shall submit an Annual Accessible Housing Plan to the Assistant Secretary for Fair Housing and Equal Opportunity of HUD (FHEO). In each Annual Accessible Housing Plan, PHA shall:
  - (a) identify not less than 152 public housing units that satisfy all of the requirements of paragraph 2 below;
  - (b) include a certification by a licensed architect or engineer (together with a fully completed survey and other backup documentation supporting the certification) that:
    - (1) each unit identified by the PHA together with the associated common areas either: (i) meets all UFAS standards applicable to newly constructed public housing, or (ii) will meet all UFAS standards applicable to newly constructed housing upon completion of the modifications specified in the certification; and
    - (2) the certification was prepared in conformance with the standards and requirements of paragraph 3 of these Provisions;
  - (c) include a certification by the Executive Director of the PHA that the PHA has set aside adequate funds to complete all of the modifications specified in the certifications submitted pursuant to paragraph 1(b) of these Provisions and will take such steps as may be necessary to ensure that such modifications are completed within one year after submission of the Annual Accessible Housing Plan to HUD, provided however, that the Executive Director may authorize a designee to make these certifications so long as the designee has authority to bind the PHA; and

(d) include a report of all Selected Units (by address) that are occupied by individuals who do not have a disability that requires the accessibility features of the particular unit and, for each such unit, the projected date for occupancy by individuals whose disability requires the accessibility features of the unit.

2. Public housing units identified by the PHA under paragraph 1(a) of these Provisions (“Selected Units”) shall meet all of the following requirements:
  - a) To the maximum extent feasible, and subject to reasonable health and safety requirements, Selected Units shall be: (i) distributed throughout PHA’s developments and sites; and (ii) available in a sufficient range of sizes and amenities so that a qualified individual with disabilities’ choice of living arrangements is, as a whole, comparable to that of other persons eligible for housing assistance under the same program;
  - b) Selected Units shall not include more than 28% of the total units in any single PHA development provided, however, that up to 100% of the public housing units in Germantown House and Nellie Reynolds Garden Senior Developments may be Selected Units;
  - c) Selected Units included in each Annual Accessible Housing Plan shall not include any public housing unit identified by the PHA as a Selected Unit in a prior Plan submitted to HUD under paragraph 1 of these Provisions;
  - d) Selected Units may include a unit in a public housing development that is newly constructed or substantially rehabilitated, and becomes available for initial occupancy on or after October 1, 2008, only if and to the extent that the number of UFAS-compliant units in the development exceeds 5% of the total public housing units in that development;
3. A certification that a public housing unit meets or will meet all UFAS standards applicable to newly constructed housing pursuant to Paragraph 1(b) of these Provisions shall be prepared in conformance with the following standards and requirements:
  - (a) Where UFAS requirements specify that a measurement must be more than a stated minimum, less than a stated maximum, or within a stated range of measurements, a building industry tolerance may not be applied. A building industry tolerance may be applied where UFAS specifies a fixed measurement without specifying a minimum or maximum, provided, however, that the PHA must obtain HUD’s prior written approval for any building industry tolerance in excess of 1/8 inch. With respect to the dimensional requirements in UFAS Section 4.34.5.2(1) and Fig. 47(a), the center line of the water closet in a Selected Unit shall be not less than 16 inches nor more than 18 inches from the nearest wall adjacent to the water closet as measured from the location on that wall where grab bars are mounted or to be mounted. With respect to the requirement in UFAS Section 4.26.2 that “the space between the wall and the grab bar shall be 1-1/2 inches (38mm),” any tolerance applied shall not exceed 1/8 inch.

- (b) In accordance with UFAS Section 4.34.3, kitchens and bathrooms may be designed for either permanent accessibility or adaptability. Adaptable bathrooms must meet the criteria in Section 4.34.5 and adaptable kitchens must meet the criteria in Section 4.34.6. No adaptable features shall be permitted except as authorized by UFAS Sections 4.34.3, 4.34.5 and 4.34.6. In each Selected Unit with adaptable features, PHA shall provide the consumer information set forth in UFAS 4.34.4.
  - (c) UFAS requirements may not be waived by a particular tenant or tenants. If variations from UFAS are necessary to accommodate a disability of a particular tenant, the PHA may alter a Selected Unit accordingly for the duration of that tenant's occupancy. As long as all other features of the unit meet the requirements of UFAS, a unit that has been modified solely to accommodate the disability of a particular tenant shall continue to be treated as a UFAS-compliant unit for the purposes of these Provisions throughout the duration of that tenant's occupancy. A unit shall not be certified as UFAS compliant when a tenant requests a variance from UFAS requirements for reasons unrelated to his or her particular disability. PHA shall maintain, and provide to HUD upon request, documentation which indicates the specific unit elements modified to accommodate the tenant's disability and the documentation supporting the disability-related need for such modification.
  - (d) Selected Units shall comply with all UFAS requirements applicable to newly constructed housing regardless of any assessment by the PHA, or any of its agents or contractors, regarding whether the unit is functional and/or usable by individuals with disabilities, and regardless of whether any other industry standard purports to authorize or permit features that are inconsistent with the requirements of UFAS.
  - (e) Selected Units that provide adequate space for a standard size appliance and are otherwise in compliance with UFAS shall not be rendered non-compliant where the turning radius or clear floor space is reduced below what UFAS would permit solely because a tenant has installed an appliance that is larger than the standard size of that appliance.
  - (f) Peepholes in doors in Selected Units shall be accessible to and usable by individuals who use wheelchairs and shall be located at a height which allows viewing from a seated position.
4. The PHA may modify an Annual Accessible Housing Plan submitted to HUD pursuant to Paragraph 1 of these Provisions only with the prior written approval of the Assistant Secretary for FHEO, or his or her designee.
  5. On or before November 30, 2009, and within thirty days after the end of each succeeding year covered by an Annual Accessible Housing Plan, the Executive Director of the PHA shall certify to the Assistant Secretary for FHEO that the PHA has completed all modifications specified in the certifications submitted in connection with that Annual Accessible Housing Plan, provided however that the

Executive Director may authorize a designee to make these certifications so long as the designee has the authority to bind the PHA.

6. Upon fifteen days prior written notice, the Assistant Secretary for FHEO, or his or her designee(s), may inspect any unit(s) that the PHA certifies to be in compliance with UFAS standards to verify that such unit(s) are in compliance with all requirements of these Provisions.
7. On or before January 31, 2009, PHA shall develop and submit for HUD's approval a centralized system for tracking and tenanting all accessible units in the PHA's inventory, regardless of whether the unit is managed and/or operated directly by the PHA or by an Alternate Management Entity (AME), including accessible units in developments with site-based waiting lists. The system shall:
  - (a) Ensure that information regarding the availability of accessible units reaches eligible individuals with disabilities;
  - (b) Ensure that the PHA and each of its AMEs are taking reasonable non-discriminatory steps to maximize the utilization of accessible units by individuals with disabilities who require the accessibility features of the unit in conformance with the requirements of 24 C.F.R. §8.27;
  - (c) Ensure the timely transfer of families who occupy an accessible unit but do not need the accessible features of that unit to any unit in the PHA's inventory of the appropriate size, and not limited to the development in which the accessible unit is located, even where that development is otherwise managed by a site-based waiting list;
  - (d) Provide that an AME may not allow occupancy of an accessible unit by a household that does not require the accessible features of that unit unless PHA confirms that no current tenant or applicant of any PHA- or AME-managed property needs an accessible unit ; and
  - (e) Require that, upon initial occupancy and recertification of all households occupying an accessible unit, PHA will execute lease riders requiring the family to relocate to any unit of appropriate size in the PHA's inventory, in accordance with paragraph 7(c) of these Provisions.

RESOLUTION NO. 2 11241

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDED AND RESTATED MOVING TO WORK ("MTW") AGREEMENT WITH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD")

WHEREAS, the United States Department of Housing and Urban Development ("HUD") administers a Moving to Work ("MTW") Demonstration Program that is designed to provide the opportunity for selected Housing Authorities to explore and demonstrate more efficient ways to provide and administer low-income housing; and

WHEREAS, pursuant to PHA Board of Commissioners Resolution No. 12 dated February 21, 2002, PHA executed a Moving To Work Agreement with HUD effective April 1, 2001 with an expiration date of March 31, 2008; and

WHEREAS, the April 1, 2001 Moving To Work Agreement has expired, and PHA and HUD have negotiated an Amended and Restated Moving To Work Agreement; and,

WHEREAS, PHA has provided opportunities for public notice and comment on the Amended and Restated Moving To Work Agreement; and,

WHEREAS, the Amended and Restated Moving To Work Agreement includes the maximum number of waivers HUD is prepared to grant to PHA;

THEREFORE, BE IT NOW RESOLVED that the Board of Commissioners of the Philadelphia Housing Authority does hereby take the following actions:

- 1. Authorizes the Executive Director to execute the Amended and Restated Moving To Work Agreement with HUD

I hereby certify that this was APPROVED BY THE BOARD ON 8-21-8  
[Signature]  
ATTORNEY FOR PHA