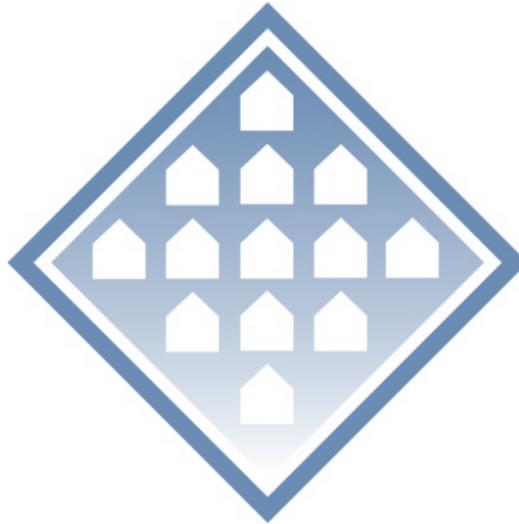


Moving to Work Annual Report

Vancouver Housing Authority



Fiscal Year 2011 Edited and Resubmitted to HUD June 5, 2012

Moving to Work Annual Report

Vancouver Housing Authority

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SECTION I. MOVING TO WORK GOALS AND OBJECTIVES

The Vancouver Housing Authority

The Vancouver Housing Authority (VHA) is located in the city of Vancouver in Clark County, Washington. The VHA is the only housing authority in the county and serves the unincorporated areas and the cities of Vancouver, Battle Ground, Camas, Ridgefield, and Washougal through intergovernmental cooperation agreements.

The Moving to Work Demonstration

The Moving to Work (MTW) demonstration offers Housing Authorities the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies. The program has three statutory objectives and in order to meet these objectives allows certain exceptions from federal rules governing the Public Housing and Section 8 Voucher programs. The VHA was among the original group selected to participate in MTW in 1999 and our program has been extended four times. Currently we have a ten-year agreement with the Department of Housing and Urban Development (HUD) that is scheduled to end in 2018.

VHA recognizes that the MTW demonstration is a valuable tool for meeting the housing needs of Vancouver and Clark County and that the statutory objectives align with VHA's goals of promoting resident empowerment and self-sufficiency, maximizing the use of federally subsidized housing and rent assistance, and providing opportunities to people who experience barriers to housing because of income, disability or special needs.

The Moving to Work Annual Plan and Report

Each year VHA adopts an Annual MTW Plan that describes the activities planned for the next fiscal year. The VHA's fiscal year is the same as the calendar year; January 1 through December 31. At the end of the year the VHA prepares an Annual MTW Report that compares the activities of the completed fiscal year with what was originally planned for that year. The VHA FY 2011 MTW Annual Plan and this MTW Annual Report are for the VHA's fiscal year 2011.

The Moving to Work Statutory Objectives:

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

SECTION II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Number of Public Housing Units at end of Plan Year

The VHA has an Annual Contributions Contract (ACC) with HUD for 575 Public Housing units. In 2011 VHA completed two disposition plans and removed 189 units from inventory leaving 386 physical units as of the end of the plan year.

Significant Capital Expenditures by Development

Table 1 details the planned and actual Capital Fund expenditures for 2011 and the final expenditures for the projects completed in 2011 that were funded under the 2009 American Recovery and Reinvestment Act (ARRA).

The \$450,000 expenses for the Skyline Crest green retrofit are the matching funds for the ARRA grant, as are the expenses for the Van Vista unit upgrades. The planned community center modernization is still pending due to the recent denial of the Skyline Crest disposition request. Single fund flexibility under MTW was utilized to fund the continuing operation of the community center while planning for its eventual role continues.

New Public Housing Units Added

No new Public Housing units were added in 2011. VHA has 186 replacement housing units available and is continuing to seek opportunities to utilize these replacement units in new or existing developments.

Public Housing Units Removed from Inventory

At the beginning of 2011 VHA had disposed of 27 units as part of a phased disposition plan for 89 single family units. Early in 2011 VHA received HUD approval to remove the remaining 62 homes and transfer them to Vancouver Affordable Housing. In addition VHA received approval for a

**TABLE 1
Planned vs. Actual Public Housing Capital Fund Expenditures FY 2011**

Public Housing Capital Fund			
Community	Planned Activity	Planned Expense	Actual Expense
Skyline Crest	Green Energy Retrofit	\$450,000	\$450,000
	Community Center Modernization	\$400,000	\$0
	Equipment	\$0	\$9,768
Scattered Sites	Weatherization and Interior Upgrades	\$200,000	\$72,465
Van Vista	Upgrade of 15 units to ADA Accessibility	\$0	\$45,680
Single Family	Relocation Assistance	\$0	\$8,400
PHA Wide	Capital Program Administration, Community Center Program, Management fee and Planning	\$160,000	\$419,937
2009 American Recovery and Reinvestment Act			
Community	Planned Activity	Grant Amount	2011 Expense
Skyline Crest	Green Energy Retrofit	\$1,437,500	\$1,277,165
Van Vista	Upgrade of 15 units to ADA Accessibility	\$698,500	\$304,398

disposition plan for Van Vista Plaza, a 100 unit high-rise that includes 60 units of assisted living. These units were also removed from inventory and the project was converted to Project-Based Vouchers. The total number of Public Housing units removed from inventory in 2011 was 162.

Number of MTW Vouchers Authorized

VHA started 2011 with 1,987 Housing Choice Vouchers funded under MTW. During the year we received 99 relocation vouchers as part of the disposition and conversion of Van Vista Plaza. These vouchers will be incorporated into the MTW ACC bring the total number of MTW voucher authorized by year end to 2,086. Although not part of the MTW ACC, the VHA administers and bills other housing authorities for a large number of port-in vouchers. MTW policies involving occupancy and housing assistance are applied to the families with these vouchers which total 351 as of the end of the year.

Number of Non-MTW Vouchers Authorized

During 2011 VHA was awarded an additional 30 VASH vouchers bringing the total number of non-MTW Vouchers authorized to 225. These were made up of 75 Mainstream Vouchers, 70 Veteran's Affairs Supportive Housing (VASH) Vouchers, 30 Project-Based VASH Vouchers, and 50 Family Unification Program (FUP) Vouchers.

Number of Project-Based Vouchers

At the end of 2011 VHA had 200 Project-Based Vouchers (PBV) under contract. 64 of these are part of a MTW activity involving collaboration with six community partners to provide housing tied to services. More information about this initiative can be found in the ongoing MTW activities section. 8 PBV units were included in a new mixed-income development the VHA opened in August 2011. 98 vouchers were utilized as part of the disposition and conversion of a Public Housing elderly high-rise. As part of the disposition HUD awarded VHA 99 relocation vouchers (one unit is being utilized for staff at the facility). Later in the year VHA received another award for 30 VASH PBV units that are being utilized at Central Park Place, 124 unit SRO owned by the VHA and located on the Veteran's Administration property under a 99 year lease. This brings the total number of vouchers being utilized for PBV to 200, the number authorized by the VHA Board. However, the Board is not counting new awards of vouchers so the VHA is still planning future projects using PBV. The total budget authority for PBV would be 436, should the Board decide to authorize additional Housing Choice Vouchers as Project-Based.

Overview of Other Housing Managed by the Agency

In addition to the Public Housing and Housing Choice Voucher programs, VHA owns and/or manages a large number of housing units in a variety of projects outside of the MTW demonstration. These projects include two Section 8 New Construction communities, Cougar Homes and Columbia House. Cougar Homes is comprised of 52 three- and four-bedroom single-family homes located in Vancouver and urban Clark County. Columbia House is a high rise building for the elderly, located in downtown Vancouver. The Columbia House property consists of 151 units (143 one-bedroom and 8 two-bedroom), built in 1976.

The VHA owns four shelters: two homeless shelters, one women's domestic violence shelter, and one youth shelter. All are operated by local nonprofit service providers.

The VHA partners with other agencies and service providers to address specific housing needs in our community. These properties include assisted living facilities, a single room occupancy program located on VA property, apartments for those with chronic mental disabilities, and other special needs housing.

The VHA manages 298 units of housing, in nine different properties, for Columbia Non-Profit Housing (CNPH). All of these properties are designated for elderly or disabled clients and most are federally subsidized under Section 202 or Section 811 funding.

The VHA owns 1,994 units of workforce housing, including a new mixed-income 51 unit development that opened in August 2011. The Workforce Housing initiative is a long-term strategy to diversify the housing authority, provide a local source of funding for more deeply subsidized housing programs, and provide a future supply of quality affordable rental housing for our growing population. Workforce Housing is helping to revitalize communities and maintain a balance of affordable housing near jobs. These properties are located throughout the urban area and are financed with tax exempt mortgage revenue bonds, tax credits, and state and local grants and loans.

B. Leasing Information

Number of MTW Public Housing Units Leased

As of December 2011 there were 378 units leased. Three units were offline and five were vacant for an occupancy percentage of 99%.

Number of Non-MTW Public Housing Units Leased

VHA has no non-MTW Public Housing units. All of VHA's Public Housing is included in the MTW demonstration.

Number of MTW Vouchers Leased

There were 1985 MTW Vouchers leased as of the end of the year. This is a utilization rate of over 95% of the MTW ACC.

Number of Non-MTW Vouchers Leased

There were 196 out of 225 non-MTW vouchers under lease in December 2011. This includes the recent award of 30 Project-Based VASH vouchers which were still in the process of leasing.

Leasing Issues

Public Housing staff maintained a very high leasing rate in 2011. The two remaining Asset Management Properties (AMPs) achieved an overall average monthly leasing rate for the year of 99.4%.

The HCV program ended the year with a success rate of 94.95%. This means almost 95% of new households admitted to the program were able to locate a unit and sign lease with a landlord, and this was achieved despite rising rents and a tightening rental market. The average time from voucher issuance to lease start was only 38 days.

Number of Project Based Vouchers Committed or in Use

Several new PBV contracts were signed in 2011. Camus Ridge, a new mixed income development, opened in August and utilized 8 vouchers. The Public Housing disposition of Van Vista Plaza was also completed in August and 98 vouchers were project-based in order to assure a continuation of assisted housing at that site. Finally, VHA received an award of 30 VASH PBV for use at a SRO located on the local VA facility campus.

C. Waiting List Information

Number and Characteristics of Households on VHA Waiting Lists

Table number 3 shows the characteristics of applicants on HCV program waiting lists as of December 31, 2011. Three new PBV waiting lists were created in 2011. The first is a list for applicants for the 40 units at Van Vista Plaza that are not in the assisted living part of the building. This list was developed by offering placement to applicants who had previously been on the Public Housing site based list as well as applicants on the tenant-based HCV list who expressed an interest in applying for Van Vista as well. A new list was created for the PBV units at Camus Ridge as well as one for Vista Court, a new 76 unit development for seniors scheduled to open early in 2012. Table number 4 shows the numbers and characteristics of the VHA waiting lists for Public Housing; note that the site-based lists for Van Vista and for the assisted living facility there have been eliminated due to the disposition of the property.

Description of Waiting Lists

Housing Choice Voucher Program

The waiting list for the Housing Choice Voucher program is based on the date and time of application, and has five local preferences:

TABLE 2
Project-Based Voucher Contracts

Property Name	PBV Units	Total Units	Percent PBV	Details
Anthem Park	3	58	5%	Part of MTW Activity 2008-01 PBV + Services
Esther Short	7	160	4%	Part of MTW Activity 2008-01 PBV + Services
Maple Knoll	25	148	17%	Part of MTW Activity 2008-01 PBV + Services
The Mews	6	51	12%	Part of MTW Activity 2008-01 PBV + Services
Park Lane	8	260	3%	Part of MTW Activity 2008-01 PBV + Services
Plum Meadows	8	162	5%	Part of MTW Activity 2008-01 PBV + Services
Spring Brook	8	290	3%	Part of MTW Activity 2008-01 PBV + Services
Camus Ridge	8	51	16%	New mixed income development
Van Vista Plaza	98	98	100%	Elderly/Disabled, formerly Public Housing
Central Park Place	30	124	24%	VASH Project-Based Vouchers
Total PBV Units	200			

1. A preference for VHA Public Housing tenants eligible to participate in the HCV Homeownership program.
2. Preference for graduates from an approved two-year transitional or housing-first supportive housing program.
3. Preference for tenants displaced by VHA disposition or condemnation actions.
4. Preference for elderly families, disabled families, and families with children or disabled dependents.
5. Preference for families not already housed in income-based subsidized housing.

The HCV tenant-based waiting list has been closed to new applicants since October 2006 and was purged in 2009 and again in 2011. VHA does not anticipate opening this list for new applicants for several more years except that the list is open to applicants who qualify for preferences 1, 2 or 3.

Public Housing

The VHA utilizes site-based lists for the two largest Public Housing developments, Skyline Crest and Fruit Valley. Site-based lists are also utilized for two properties located in communities outside the major population area in Clark County. The general list is for smaller properties and various duplexes and triplexes in the city of Vancouver. All of these lists were opened, at least for certain bedroom sizes, as recently as 2010. VHA does not anticipate the need to open them again for several years.

The general and site-based lists have the following local preferences:

1. Preference for applicants selected for participation in the CHASE program (added in 2011).
2. Preference for graduates from an approved two-year transitional or housing-first supportive housing program.

TABLE 3
Number and Characteristics of Households on HCV Waiting Lists

	Tenant Based	PBV Camas	PBV Van Vista	PBV Vista Court
Total Number of Households	1803	63	231	97
Distribution by Family Type				
Elderly	367	10	43	96
Disabled (Under age 62)	581	38	156	0
Other Family	855	15	32	1
Distribution by Household Size				
1 Member	767	46	18	88
2 Members	476	17	49	9
3 Members	234	2	1	0
4 Members	172	0	1	0
5 Members	77	1	0	0
6 Members	38	0	0	0
7 Members	23	0	0	0
8 Members	8	0	0	0
9 or More Members	8	0	0	0
Distribution by Income Range				
Below 30% of Area Median	1619	57	217	83
Between 30% and 50%	168	6	13	14
Between 50% and 80%	14	0	1	0
Above 80% of Area Median	1	0	0	0
Distribution by Race of HOH				
White	1472	48	191	82
Black / African American	197	12	28	3
American Indian / Alaska Native	40	0	3	0
Asian	59	1	2	5
Native Hawaiian / Pacific Islander	30	1	5	1
Unknown	5	1	2	5
Distribution by Ethnicity of HOH				
Hispanic or Latino	100	3	9	96
Not Hispanic or Latino	1703	60	222	1

3. Preference for tenants displaced by VHA disposition or condemnation actions.
4. Preference for applicants who agree to participate in the SmartChoices self-sufficiency program.
5. Preference for elderly families, disabled families, and families with children or disabled dependents.
6. Preference for families not already housed in income based subsidized housing.

Although the Public Housing waiting lists are currently closed for general applications, applicants who qualify for preferences numbered 1, 2 or 3 may apply.

Non-MTW Waiting Lists

In addition to the waiting lists for housing within the MTW demonstration, VHA operates an additional ten separate waiting lists for the Section 8 New Construction, Section 202, and Section 811 properties it manages.

TABLE 4
Number and Characteristics of Households on Public Housing Waiting Lists

	General List	Skyline Crest	Fruit Valley	Ridge field	Camas
Total Number of Households	888	166	124	50	74
Distribution by Family Type					
Elderly	70	1	2	1	0
Disabled (Under age 62)	468	37	8	3	7
Other Family	350	128	114	46	67
Distribution by Bedroom Size					
1 Bedroom	692	25	0	0	0
2 Bedroom	44	66	40	0	0
3 Bedroom	120	70	72	50	74
4 Bedroom	29	5	12	0	0
5 Bedroom	3	0	0	0	0
6+ Bedroom	0	0	0	0	0
Distribution by Income Range					
Below 30% of Area Median	816	148	107	41	64
Between 30% and 50%	69	14	13	6	8
Between 50% and 80%	3	4	4	3	2
Above 80% of Area Median	0	0	0	0	0
Distribution by Race of HOH					
White	721	116	89	35	48
Black / African American	88	19	9	3	5
American Indian / Alaska Native	17	2	4	1	3
Asian	23	7	2	4	2
Native Hawaiian / Pacific Islander	33	22	19	7	15
Unknown	6	0	1	0	1
Distribution by Ethnicity of HOH					
Hispanic or Latino	49	16	14	6	10
Not Hispanic or Latino	839	150	110	44	

SECTION III. NON-MTW RELATED HOUSING AUTHORITY INFORMATION

A. Planned vs. Actual Sources & Uses of other HUD or other Federal Funds

Table 5 details the sources and uses of other federal funds received in FY 2011. Other federally funded programs include 204 units under six contracts for Section 8 New Construction, Family Self Sufficiency (FSS) and Resident Opportunities for Self-Sufficiency (ROSS) grants, ARRA grants, and Housing Choice Vouchers funded outside MTW and targeted to special populations.

During 2011, we completed more capital improvements funded with ARRA funds on two Public Housing projects.

- Skyline \$770,915
- Van Vista \$309,489
- Total \$1,080,404

Other HUD and other federal fund programs sources and uses remained within budget.

B. Non-MTW Activities Implemented by the Housing Authority

Development Activity

Camus Ridge Apartments was completed in August 2011. This development is part of VHA's Workforce housing portfolio but also contains eight units with Project-Based Vouchers. The project followed Washington State "Evergreen Sustainable Development Standards." All units feature energy star appliances, added insulation, recycled material in a variety of construction components, engineered wood products, Cementitious siding materials, low VE paints and sealers, recycled paint, no formaldehyde in interior composite wood products, individual unit ventilation systems, insulated windows, and more. Energy efficient lighting is used throughout the project for interior and exterior lighting.

TABLE 5
Planned vs. Actual HUD or other Federal Funds not in MTW

Sources	Actual	Budget	Variance
Rental Income	544,291	574,906	(30,615)
HUD and Other Grants	2,740,775	2,675,512	65,264
HUD Capital Grants	1,080,404	868,176	212,228
Other Revenue	109,941	33,830	76,111
Investment Income	37,948	37,589	360
Transfer from/to Reserves	95,275	78,950	16,325
Total	4,608,635	4,268,963	339,672
Uses			
Administrative Expenses	1,223,157	1,126,861	96,296
Maintenance	103,657	155,980	(52,323)
Utilities	158,325	158,360	(35)
Insurance and other Expenses	60,023	112,322	(52,300)
Housing Assistance Payments	1,200,054	1,119,340	80,714
Interest Expense	77,985	80,933	(2,948)
Principle Payment	105,660	105,660	-
Replacement Reserves	295,200	295,200	-
Capital Improvements	1,169,479	868,176	301,303
Total	4,393,540	4,022,833	370,707
Difference	215,095	246,130	(31,035)

Construction began in early 2011 on Vista Court and concluded in January 2012. This project utilizes Project-Based Vouchers to provide 76 units for very low-income seniors. Located in downtown Vancouver, apartments feature easy access to public transportation, parks and local services.

Housing Stock Outside of MTW

The VHA has two Section 8 New Construction communities, Cougar Homes and Columbia House. Five projects, known collectively as Cougar Homes, comprise 52 three- and four-bedroom single-family homes located in Vancouver and urban Clark County; these units were built in 1979. Columbia House is a high rise building for the elderly, located in downtown Vancouver. The Columbia House property consists of 151 units (143 one-bedroom and 8 two-bedroom), built in 1976.

The VHA owns four shelters: two homeless shelters, one women’s domestic violence shelter, and one youth shelter. All are operated by local nonprofit service providers.

The VHA partners with other agencies and service providers to address specific housing needs in our community. These properties include assisted living facilities, a single room occupancy program located on Veterans Administration property, apartments for those with chronic mental disabilities, and other special needs housing.

The VHA manages 260 units of housing, in eight different properties, for Columbia Non-Profit Housing (CNPH). All of these properties are for elderly or disabled clients.

The VHA owns 1,994 units of workforce housing. The Workforce Housing initiative is a long-term strategy to diversify the housing authority, provide a local source of funding for more deeply subsidized housing programs, and provide a future supply of quality affordable rental housing for our growing population. Workforce Housing is helping to revitalize communities and maintain a balance of affordable housing near jobs. These properties are located throughout the urban area and are financed with tax exempt mortgage revenue bonds, tax credits, and state and local grants and loans.

SECTION IV. LONG-TERM MOVING TO WORK PLAN

Our Mission

The mission of the Vancouver Housing Authority (VHA) is to provide opportunities to people who experience barriers to housing because of income, disability or special needs in an environment which preserves personal dignity and in a manner which maintains the public trust. In carrying out its mission, the Vancouver Housing Authority is committed to: Vital neighborhoods; Respect for VHA clients and employees; Excellence in management and operations; Cooperative and respectful working relationships with the public, neighborhood and community organizations, and other units of local government; and Dispersal of assisted housing throughout Clark County where warranted by need.

VHA's long-term MTW vision integrates the mission of the agency with the purposes of the MTW statute. The flexibility provided by the MTW Agreement will help the VHA realize its long-term vision and maximize the use of federally subsidized housing and rental assistance programs to meet the needs of the Vancouver/Clark County community.

Aligning With Other Community Housing and Service Plans

The VHA's vision includes aligning its MTW plan with other community housing and service plans to ensure that community resources are used effectively and efficiently—to leverage resources in the most effective and efficient manner.

High Performer Status

The VHA is committed to maintaining its High Performer status in its Public Housing and Section 8 Housing Choice Voucher programs. VHA intends to use its MTW flexibility to focus its resources and adopt policies that support a high quality of service to its residents and to the community at large.

Excellence in Management and Operations

VHA intends to maximize efficient and effective delivery of its programs and will maintain its properties at or above community standards and demonstrate good stewardship of its properties, preserving them for future generations.

The VHA is committed to simplifying and streamlining program operations, eliminating unnecessary paperwork, and focusing its resources on providing direct service to residents in property management and promoting successful tenancy.

Promoting Resident Empowerment and Self-Sufficiency

VHA will target resources and utilize MTW flexibility to address the statutory requirement of providing “incentives to families with children whose heads of households 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.”

Priority will be given to policies and procedures that will assist residents in achieving self-sufficiency, including developing asset building initiatives, expanding resources and programs that promote self-sufficiency, and maintaining a Resident Advisory Board that provides a vehicle for resident input.

VHA is committed to enhancing opportunities for its residents and using its MTW status to create pathways that lead to self-sufficiency through targeted employment programs and opportunities for homeownership.

VHA sees self-sufficiency as a goal for all its residents—promoting employment and training opportunities for Work-Able adults, creating and enhancing programs to allow elderly residents to remain in their homes and be self-sufficient in daily living activities, and assisting youth in breaking the cycle of poverty.

Promoting Home Ownership

Over 160 MTW program participants have purchased homes. Program participants seeking home ownership will receive one-on-one counseling, attend pre-purchase home ownership classes offered by a local nonprofit, and participate in post purchase follow-up. Program participants may receive financial assistance from their Section 8 Housing Choice Voucher or be referred to local programs for down payment assistance.

Maximize the Use of Federally Subsidized Housing and Rent Assistance

The Vancouver/Clark County community has grown rapidly in the past decade and the demand for decent, affordable housing far surpasses the supply. The VHA is working with community partners to maximize Public Housing and Housing Choice Voucher resources by targeting resources and combining project based vouchers with service-enriched housing.

The VHA's MTW status allows it to make the best use of its Section 8 Housing Choice Voucher program to establish programs and create partnerships that serve the most vulnerable and expand opportunities for those seeking to break the cycle of poverty.

Building Community

For more than sixty years, the VHA has been engaged in building a healthy Vancouver/Clark County community and ensuring that there is a place for everyone, including low income and vulnerable populations. We have learned that affordable housing, like roads, is part of the infrastructure of a healthy community. We have made some policy decisions that will impact all of our future developments.

- Future developments will include workforce as well as service-rich housing for special populations.
- Developments will serve to address one of the following: create affordable housing opportunities in high-cost areas, address a revitalization need of the community, provide housing for special needs populations near services, and provide affordable housing in growth areas and along transportation routes.

- Replacement of units disposed will be planned in individual projects or accounted for in the overall housing portfolio. The housing portfolio will be reviewed for diversification needs, in that special needs programs requiring financial support will be adequately offset by market/near-market rate developments.
- Future project and program planning will be inclusive of City and County comprehensive plans. Developments will respond to noted types of populations with housing needs and geographic areas in which affordable housing opportunities are inadequate.

Adopting Sustainable Practices

The VHA's vision includes being a good steward of the resources within its control. We will put into practice decision-making that will result in actions that, in the words of the World Commission on Environment and Development, "meet the needs of the present without compromising the ability of future generations to meet their own needs." The decisions we make today, in operations and in development, will achieve current objectives and also serve to sustain the agency and the community over time. We will practice energy conservation, reduce environmental impacts, increase the durability of building components, reduce solid waste, achieve operational savings, and use sustainable building practices in affordable housing design. We will use the Evergreen Sustainable Development Criteria, developed by the state of Washington, in our new housing development. We will support other governmental, nonprofit, and for-profit entities in building a more sustainable Vancouver/Clark County community.

Community Partnerships

For all of its 67 years, the VHA has actively partnered with other community agencies and governmental entities to meet the housing needs of the community. The VHA works in partnership with a variety of local agencies that provide services for residents, and throughout this plan there are references to these partnerships. MTW is a vehicle through which these partnerships can be enhanced.

Residents, program participants, and key community constituencies are at the root of VHA's long-term planning. The agency's rich history of partnerships has resulted in innovations that have served the specific needs of residents and the establishment of programs and services, such as the Learn and Play program for the very young and Assisted Living for the frail elderly. Creation of a Resident Advisory Board provides a vehicle for resident empowerment and a vehicle for dialog. Creation of a Moving to Work Advisory Committee allows for greater participation from community stakeholders.

SECTION V. PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

A. MTW Activities Approved by HUD but not Implemented

Two activities approved by HUD for 2011 were not implemented. The first, Activity 2011-01, is to use a minimum rent and or a minimum income for applicants to new projects utilizing replacement public housing units. As no development opportunities that would allow for the inclusion of Public Housing units occurred last year, this activity was not needed. However, VHA still expects to be able to incorporate new Public Housing units in future developments so this activity will be retained.

The second activity not implemented was Activity 2011-03. If utilized, this activity would have allowed VHA to waive the 25% cap on the number of Project-Based Vouchers (PBV) contracted in a project allowing up to 50%. However, the two new projects utilizing PBV developed in 2011 did not require the use of this waiver. One only required eight units out of 51 units to be PBV, and the other was a property designated for elderly residents only allowing 100% of the units to be PBV. VHA may still utilize this activity in the future.

SECTION VI. ONGOING MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

Activity 2011-02: Floating Units in Project-Based Voucher Projects

Description of Activity

This activity allows Project-Based Voucher (PBV) units to “float” or change within a particular project when, for example, a new tenant needs a different size unit or when a current tenant no longer requires the subsidy but wants to remain in-place. Current regulations governing the program require an amendment to the Housing Assistance Payments (HAP) contract when changing specific units within a project. The flexibility this activity provides compliments the other PBV MTW activity that links PBV to services provided by local community agencies (MTW Activity 2008-01). One of the goals of that program is to have participants remain in their units once case-management is completed and the PBV subsidy ends (most is time limited). The ability to float the PBV subsidy to a vacant unit for the next program participant allows for a quick turnover without the added cost and complexity a contract amendment at every changeover.

Current Status

The activity was implemented at the beginning of 2011 and is ongoing in those properties with contracts for PBV tied to services

Impact on Statutory Objective

This activity is one additional component of Activity 2008-01, PBV Tied to Services, and allows households to remain in place after their time limit under that activity. In 2011 at least 10 exits had an opportunity to remain in place rather than be displaced.

MTW Activity Number: 2011-02

Plan Year Identified: FY 2011 MTW Annual Plan

Date Implemented: January 1, 2011

Statutory Objective/s: Increase housing choice

Authorization Cited: Sections D. 2.d., D. 4. & D.7. of Attachment C of the MTW Agreement

Provision/s Waived: 24 CFR § 983.203(c)

Metrics:

- Number of PBV units with services
- Number of households meeting case management goals

Baselines:

- Zero
- Zero

Benchmarks:

- 50
- 50% meeting goals at exit

Outcomes:

- 2010 • 41 leased as of December 2010
 - 16 of 29 exits (55%) meeting goal of renting without subsidy
- 2011 • 56 leased as of December 2011
 - 10 of 29 exits (34%) meeting goal of renting without subsidy

Activity 2011-04: VHA Staff to Perform HQS Inspections and Rent Reasonableness on VHA Owned Properties

Description of Activity

This activity allows VHA staff with the Housing Choice Voucher program to complete required HQS inspections and rent reasonableness determinations on HCV units located in VHA owned units or units owned by entities substantially controlled by the VHA. Previously VHA hired outside inspectors for these inspections as well as for rent-reasonableness determinations. The amount charged by the entities providing these inspections significantly exceeded the cost to VHA of our own inspectors.

VHA owned or controlled properties that are able to accept HCV tenants are managed by independent property management firms. They are typically inspected and have their rent monitored by independent agencies already (such as the State agency enforcing tax-credit programs). The rent reasonableness methodology that VHA uses is RentWatch, a web-based application from Nan McKay & Associates that assures an objective comparison regardless of who is requesting the data. For these reasons VHA does not have concerns that this activity will result in any conflict of interest issues.

Current Status

The activity was implemented at the beginning of 2011 and is ongoing.

Impact on Statutory Objective

A comparison between what VHA was previously charged per inspection compared to our actual costs when VHA staff perform inspections results in cost savings of \$6,917 for the 239 inspections of this type performed in 2011.

MTW Activity Number:	2011-04
Plan Year Identified:	FY 2011 MTW Annual Plan
Date Implemented	January 1, 2011
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Sections D. 2.c. and D. 5. of Attachment C of the MTW Agreement
Provision/s Waived:	Section 8 (o)(11) of the 1937 Act and certain sections of 24 CFR § 982.352(b) and 983.59(b)

Metrics:

- Number of HQS inspections completed on VHA owned units
- Cost savings compared to previous expense

Baselines:

- Zero
- Zero

Benchmarks:

- 175 Inspections
- \$5000 in savings annually

Outcomes:

- 239 inspections on VHA property performed by VHA staff
- \$6,917 in cost savings

Activity 2010-01: Community Involvement and Educational Initiative

Description of Activity

The Community Involvement and Education Program requires that HCV participants meeting program requirements be actively involved in their community through volunteer and/or educational activities. Adult participants must contribute eight hours per month of community service or participate in eight hours of training, counseling, classes or other activities that encourage self-sufficiency and economic independence. This requirement applies to all adult family members who are over 17 years old and under 62 years old, not disabled under the VHA's disability definition, not caring for a disabled family member, not working 25 hours per week or more, not attending a state recognized school full-time or not participating in a welfare to work program.

Current Status

This new requirement was implemented as HCV households were contacted regarding their required reexamination during 2010. For 2011 the activity was fully implemented as can be seen by the dramatic increase in community service hours performed.

Impact on Statutory Objective

It's too early yet to see if this activity has a significant impact on earned income (one measure of self-sufficiency), but it is providing a substantial amount of valuable experience for well over 1000 participants in the HCV program.

MTW Activity Number: 2010-01

Plan Year Identified: FY 2010 MTW Annual Plan

Date Implemented: January 1, 2010

Statutory Objective/s: Provide Incentive toward self-sufficiency

Authorization Cited: Section E of Attachment C of the MTW Agreement

Provision/s Waived: Certain provisions of Section 23 of the 1937 Act and 24 CFR § 984

Metrics:

- Average earned income of Work-Able Households
- Percent of Work-Able households with earned income
- Number of community service hours performed annually
- Number of participants required to participate

Baselines:

- Average earned income amount \$16,102 as of 12/2009
- 46.52% of Work-Able have earned income as of 12/2009
- Zero community service hours performed in 2009
- Zero

Benchmarks:

- Earned income to increase by 10% after two years
- Percent with earned income to increase by 20% after two years
- 36,000 hours of community service completed annually
- 1000 participants

Outcomes:

- 2010**
- Average earned income \$16,891 as of 12/2010
 - 44.23% of households have earnings as of 12/2010
 - 3994 hours of community service performed in 2010
 - 718 participants in 2010 (transition period)
- 2011**
- Average earned income \$16,949 as of 12/2011
 - 50.06% of households have earnings as of 12/2011
 - 167,041 hours of community service performed in 2011
 - 1064 participants in 2011

Activity 2010-02: Skyline Crest Campus of Learners

Description of Activity

The Skyline Crest Campus of Learners is a partnership between the VHA and the residents of Skyline Crest to invest in the long-term success of every child and young adult living in the development. VHA provides rich and varied activities to engage Skyline Crest children and young adults and their families in school and community, including homework help and tutoring, enrichment classes, clubs and activities, recreation, mentoring, and early childhood parent/child activities. VHA also supports parents and youth through family support and case management services. Each family develops a success plan centered on their children's school attendance and community involvement, and commits to helping make the community a positive, nurturing place for all youth. Elderly and disabled Skyline Crest tenants are not required to participate; however activities will be open for them as well.

Current Status

After an extended implementation, families completed their success plans in 2011, providing VHA the information needed to finalize the metrics for this activity.

Impact on Statutory Objective

The long-term goal of this program is to increase educational attainment of residents which is directly related to greater economic self-sufficiency and success.

MTW Activity Number: 2010-02
Plan Year Identified: FY 2010 MTW Annual Plan
Date Implemented: January 1, 2010
Statutory Objective/s: Provide Incentive toward self-sufficiency
Authorization Cited: Sections C. 5. and C. 10. of Attachment C of the MTW Agreement
Provision/s Waived: Certain provisions of section 6(c) of the 1937 Act and 24 CFR § 960.201

Metrics:

- Parental involvement survey
- High school graduation rate
- School attendance

Baselines:

- 80% average "true" score as of January 2012
- 48.1% on time, 55.2% extended rate
- 9.54 total absences per child, 6 explained, .42 due to suspension, 3.13 unexplained

Benchmarks:

- 90% average "true" score after two years
- Graduation rates equal to or greater than Vancouver School District wide rates after two years (64% on time and 70% extended in 2010)
- 7 total absences per child, 5.6 explained, .2 due to suspension, 1.2 unexplained after two years

Outcomes:

- Outcomes based on these new metrics will be reported beginning with the 2012 Annual Report

Activity 2010-04: Waiting List Preference for Applicants without Subsidized Housing

Description of Activity

This initiative provides a local preference on the Public Housing and HCV waiting lists for applicants without subsidized housing. This assures that available units and vouchers go first to those most vulnerable and/or rent burdened. It requires authorization under MTW because HCV regulations do not allow a local preference that excludes a Public Housing resident.

Current Status

This local preference was implemented in 2010 and is currently in place.

Impact on Statutory Objective

Impact on the statutory objective of reducing cost will be through fewer unit turnovers that occur when a Public Housing resident receives a voucher and vacates their unit. Since the Public Housing waiting list is much shorter than the one for the HCV program, and because historically both lists were kept open, many applicants choose a Public Housing unit as transitional housing until their name reaches the top of the HCV list. This results in more unit turnovers which on average cost the VHA \$3,000.

The impact in 2010 was low due to a number of factors including a relatively low number of applicants pulled from the HCV program waiting list. This has been more than made up for in 2011 with a substantial number of turnovers averted and an associated cost savings of \$57,000.

MTW Activity Number: 2010-04

Plan Year Identified: FY 2010 MTW Annual Plan

Date Implemented: January 1, 2010

Statutory Objective/s: Reduced cost and greater cost effectiveness

Authorization Cited: Sections C. 2. and D. 4. of Attachment C of the MTW Agreement

Provision/s Waived: Certain provisions of sections 3 and 8(o)(6) of the 1937 Act and 24 CFR § 960.206 and 982 Subpart E

Metrics:

- Number of Public Housing residents on S8 waiting list
- Imputed reduction in turnover costs

Baselines:

- 125
- Zero

Benchmarks:

- An estimated savings of \$24,000 annually based on eight potential unit turnovers as a cost of \$3000 per turnover

Outcomes:

- 2010 • Two potential turnovers averted for a savings of \$6,000
- 2011 • 19 potential turnovers averted for a savings of \$57,000

Activity 2009-02: Imputed TANF Income for Voluntary Grant Closures

Description of Activity

Current regulation (24 CFR 5.615) provides that if a TANF recipient's benefit has been reduced due to fraud or sanction, the housing authority will use an imputed TANF income amount in the calculation of tenant rent and housing assistance. This MTW activity extends this policy to include using the imputed TANF grant amount for income when a TANF recipient voluntarily closes their grant rather than participate in the economic self-sufficiency or work activities requirements of the TANF agency.

Current Status

This policy remains in place for both Public Housing residents and Housing Choice Voucher holders.

Impact on Statutory Objective

Although the number of situations where this policy is applicable remains relatively low, there is some anecdotal information showing it has an impact on self-sufficiency. Two of the four households whose income was imputed due to voluntary closure reopened their grants and became compliant with TANF work requirements within a short time.

Rent Reform Annual Evaluation and Report on Hardship Requests

One hardship request was made by a resident impacted by this activity. No hardship was found to exist as the resident did not provide any reasonable explanation as to why she could not participate in the work activities required of the TANF grant.

MTW Activity Number: 2009-02
Plan Year Identified: FY 2009 MTW Annual Plan
Date Implemented: January 1, 2009
Statutory Objective/s: Provide Incentive toward self-sufficiency
Authorization Cited: Sections C. 11. and D. 2. of Attachment C of the MTW Agreement
Provision/s Waived: Certain provisions of sections 3(a)(2) and 8(o)(2) of the 1937 Act and 24 CFR § 5.615

Metrics:

- Number of households with imputed TANF income due to MTW policy

Baselines:

- Zero

Benchmarks:

- Two annually

Outcomes:

- 2010 • Five instances of households closing grants and having TANF imputed
- 2011 • Four instances of households closing grants and having TANF imputed

Activity 2009-03: No Verification of Assets Less Than \$5,000

Description of Activity

This MTW policy provides that the VHA will not obtain third party verification when a tenant's declared assets are valued at less than \$5,000. The expense of preparing, mailing, following up, and receiving verifications for what are typically bank accounts with little or no balance and/or interest income made little sense. Assets valued at amounts greater than \$5,000 are still verified because they are anticipated to generate enough income to contribute more than a dollar or two to the rent determination.

Current Status

This policy continues to be in effect for both Public Housing and the Housing Choice Vouchers that are included in the MTW funding.

Impact on Statutory Objective

Data on resident assets (primarily checking and savings accounts) for the 2011 fiscal year showed almost 7,000 instances where verification was not necessary due to this activity. VHA estimates the annual cost savings in administrative expense for 2011 to be \$17,717.

MTW Activity Number:	2009-03
Plan Year Identified:	FY 2009 MTW Annual Plan
Date Implemented	January 1, 2009
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Sections C. 4. and D.3.b. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(2) of the 1937 Act and 24 CFR § 962.259 and 982.516

Metrics:

- Number of assets reported requiring verification
- Number of assets reported not requiring verification
- Estimated cost savings due to reduced verifications

Baselines:

- 3,850 assets requiring verification
- Zero assets reported not requiring verification
- 1.27% of reported assets valued above \$5,000

Benchmarks:

- 385 assets requiring verification, a reduction of 90%
- Assets valued above \$5,000 remain above 1% of total

Outcomes:

- | | |
|-------------|---|
| 2010 | <ul style="list-style-type: none"> • 82 reported assets required verification • 4,730 reported assets did not require verification for an estimated cost savings of \$11,707. • 1.7% of reported assets valued above \$5,000 |
| 2011 | <ul style="list-style-type: none"> • 97 reported assets required verification • 6,957 reported assets did not require verification for an estimated cost savings of \$17,717. • 1.4% of reported assets valued above \$5,000 |

Activity 2009-06: Alternate Required HQS Inspection Schedule

Description of Activity

This activity is designed to achieve cost savings through a reduction in the number of Housing Quality Standard (HQS) inspections required in the HCV program. VHA staff conduct an inspection at least every two years for ongoing tenancies. On alternate years landlords and tenants are required to inspect the unit and complete a form verifying that they believe the unit meets HQS.

Current Status

The activity was implemented on January 1, 2010 and has been ongoing since then. A modification was proposed in the VHA 2012 MTW Annual Plan that would basically drop the landlord/tenant certifications. Obtaining and tracking these documents has been problematic.

Impact on Statutory Objective

The activity is intended to reduce costs by significantly reducing staff time dedicated to annual HQS inspections. Significant cost savings have been achieved, however not as much as anticipated. The unpopularity of the landlord certification appears to have resulted in a much higher number of inspections conducted by VHA staff, either by request or because the form was not returned. The planned changes for 2012 should result in fewer inspections and bring the estimated cost savings back in line with the benchmarks.

MTW Activity Number: 2009-06
Plan Year Identified: FY 2007 and FY2009 MTW Annual Plans
Date Implemented: January 1, 2010
Statutory Objective/s: Reduced cost and greater cost effectiveness
Authorization Cited: Section D. 5. of Attachment C of the MTW Agreement
Provision/s Waived: Certain provisions of section 8(o)(8) of the 1937 Act and 24 CFR § 982. Subpart I

Metrics:

- Number of inspections performed annually
- Imputed cost savings

Baselines:

- 3,398 HQS inspections performed in 2008
- Zero cost savings

Benchmarks:

- A 30% reduction in inspections performed
- Cost savings of \$45,000

Outcomes:

- 2010 • 39% reduction in inspections performed (2084)
 - Imputed cost savings of \$59,727
- 2011 • 20% reduction in inspections performed (2728)
 - Imputed cost savings of \$30,860

Activity 2009-07: Investing in State Permitted Instruments

Description of Activity

This activity waives certain federal restrictions on investment options as long as the investments comply with Washington State law. This should allow the VHA to receive a higher rate of return on investments.

Current Status

This activity is being dropped after a closer examination of the regulations and what investment options are actually restricted by HUD. It was found that the VHA was in compliance with regulation and the previously reported outcomes were not actually due to the use of MTW. The authorization and the provisions waived are no longer required.

MTW Activity Number:	2009-07
Plan Year Identified:	FY 2009 MTW Annual Plan
Date Implemented	January 1, 2009
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Section B.5. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 6(c)(4) of the 1937 Act and 24 CFR § 982.156

Metrics:

- Interest rate on funds invested
- Additional interest income earned

Baselines:

- 0.2% rate at previous institution
- Zero

Benchmarks:

- Increase in interest rate of one point or more

Outcomes:

- 2010 • 0.7% interest earned
- \$19,600 in additional income
- 2011 • Not applicable , see narrative for current status

Activity 2009-08: Simplified Utility Allowance Schedule

Description of Activity

This MTW initiative simplifies the utility allowance used in the Housing Choice Voucher program to a single schedule based on the number of bedrooms to be used when the tenant is responsible for at least the heating of the unit. The same rate is used for all units with the same number of bedrooms regardless of the type of unit. The simple schedule does away with the need to calculate a utility allowance in order for a new voucher holder to determine whether a prospective rental is below their maximum family share. The simplified utility allowance will also encourage voucher holders to select units where the utility consumption will match the allowance; i.e., newer and more energy efficient units.

Current Status

This simplified utility allowance was used throughout the reporting year for all MTW Vouchers.

Impact on Statutory Objective

VHA is not seeing significant impact in the choice of unit that participants are making. However the activity remains popular among staff and participants because it allows for participants to know the exact amount that a prospective unit's rent can be for them to remain below the maximum family share and has almost eliminated the need to deny Requests for Tenancy Approvals for this reason.

Rent Reform Annual Evaluation and Report on Hardship Requests

No hardship requests were received in 2011 from participants impacted by this policy.

MTW Activity Number: 2009-008

Plan Year Identified: FY 2009 MTW Annual Plan Amendment

Date Implemented: September 24, 2009

Statutory Objective/s: Provide Incentive toward self-sufficiency

Authorization Cited: Section D. 2.a. of Attachment C of the MTW Agreement

Provision/s Waived: Certain provisions of section 8(o)(2) of the 1937 Act and 24 CFR § 982.517

Metrics:

- Percentage of assisted units built after 1980
- Percentage of assisted units that are single family

Baselines:

- 59.60% of units built after 1980 as of 12/31/2008
- 25.02% of units were single family as of 12/31/2008

Benchmarks:

- Increase to 65% after two years
- Decrease to 23% after two years

Outcomes:

- 2010 • 62.38% of units built after 1980 as of 12/31/2010
- 25.29% of units were single family as of 12/31/2010
- 2011 • 61.46% of units built after 1980 as of 12/31/2011
- 24.79% of units were single family as of 12/31/2011

Activity 2009-09: Limited Utility Allowance Payments

Description of Activity

Families in the Public Housing and the HCV program whose rent calculation results in a negative rent or Utility Allowance Payment (UAP) are limited to receiving the UAP for a period of up to six (6) months. After this six month period, The UAP is not paid and the tenant rent goes to zero. Families will be able to retain their UAP if they agree to participate in an approved self-sufficiency program, or if they are granted a waiver through the VHA hardship policy.

Current Status

This activity was in effect throughout the reporting year.

Impact on Statutory Objective

This activity is expected to provide incentive toward economic self-sufficiency by allowing those to join a self-sufficiency program to retain their UAP. In addition, others may attain higher income due to no longer receiving a check along with a rental unit at no charge. To date 23 participants have agreed to join a self-sufficiency program because of the policy.

Rent Reform Annual Evaluation and Report on Hardship Requests

VHA did not receive any requests for an exemption under the hardship policy for this activity in 2011.

MTW Activity Number:	2009-09
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	October 1, 2009
Statutory Objective/s:	Provide Incentive toward self-sufficiency
Authorization Cited:	Sections C. 11. and D. 2. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(2) of the 1937 Act and 24 CFR § 960.253 and 982.505

Metrics:

- Number of households receiving a UAP
- Number with a stopped UAP
- Number of UAP Household enrolled in self-sufficiency

Baselines:

- 127
- zero
- 1

Benchmarks:

- 25% reduction to 95
- 32
- 10 households enrolled due to this activity

Outcomes:

- 2010 • 61% reduction to 49
- 28
- 16 enrolled in exchange for continued UAP as of Dec 2010
- 2011 • 53% reduction to 60
- 118
- 7 additional enrolled in 2011 for a total of 23

Activity 2009-10: Replacement of Medical Expense Deduction

Description of Activity

For Public Housing and Housing Choice Vouchers included in the MTW demonstration, VHA has removed the deduction for medical expenses incurred by Elderly and Disabled families and replaced it with an increase in the standard deduction received by all Elderly and Disabled families from \$400 to \$700. This activity is estimated to be revenue neutral for the VHA as any decrease in subsidy due to no longer deducting medical will be offset by a corresponding increase due to the higher standard deduction.

Current Status

This activity was implemented in 2009 and continues to be in effect.

Impact on Statutory Objective

This activity continues to meet the benchmarks set for cost savings due to reduced administrative time. The actual cost saved is likely much higher than the metric because there was no data available for the baseline on the number of verifications completed in cases where no medical deduction was given because the expenses were below the 3% threshold.

Rent Reform Annual Evaluation and Report on Hardship Requests

Two requests for an exemption from this activity under the VHA hardship policy were received in 2011. In both cases the hardship committee did not find that a hardship existed based on the participants reported income and expenses.

MTW Activity Number:	2009-10
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	November 5, 2009
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Sections C. 11. and D. 2. Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 3(b)(5) of the 1937 Act and 24 CFR § 5.611

Metrics:

- Number of verifications required
- Imputed cost savings from reduced staffing and postage

Baselines:

- 1183 in FY 2007
- Zero

Benchmarks:

- 90% reduction to 118 annually
- \$6,000 in annual savings

Outcomes:

- 2010 • 100 (18 in PH, 82 in S8) verifications required
 - Imputed cost savings of \$6,314
- 2011 • 114 (4 in PH, 110 in S8) verifications required
 - Imputed cost savings of \$6,359

Activity 2009-11: 40% Maximum Family Share Expanded to Ongoing Tenancy

Description of Activity

The MTW activity expands the current 40% maximum family share at initial occupancy to ongoing tenancy in the HCV program. If, after moving into a unit, a subsequent reexamination results in the family share of the rent and utilities exceeding 40% of their adjusted monthly income they are notified that they must remedy the situation within 12 months. They must either increase their adjusted income enough to drop back below 40%, join a VHA approved self-sufficiency program, or relocate to a less expensive rental. After receiving numerous public comments during the planning process, the policy was modified to exempt families who were above the maximum family share prior to August 10, 2009 as long as they remain in the same rental unit.

Current Status

This policy remains in effect.

Impact on Statutory Objective

This activity began to impact participants in late 2011 because 12 months had passed since their notification that they must resolve the fact they were over the 40% maximum family share. However there is still a significant number (over 300) that remain exempt and that continue to limit the overall effect of this policy on the percentage of household above 40%. Two households did opt to join a self-sufficiency program in 2011.

Report on Hardship Requests

No hardship exemption requests were received in 2011 due to this activity.

MTW Activity Number:	2009-11
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	September 1, 2009
Statutory Objective/s:	Provide Incentive toward self-sufficiency
Authorization Cited:	Section D.2.a. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 8(o)(3) of the 1937 Act and 24 CFR § 982.508

Metrics:

- Number of households choosing self-sufficiency option
- Number of households that increase income
- Number of households that move to less expensive unit
- Number of households paying 40% or higher family share

Baselines:

- Zero
- Zero
- Zero
- 1047 as of December 2008

Benchmarks:

- Five annually
- Five annually
- Ten annually
- Reduction by 5% annually

Outcomes:

- | | |
|-------------|---|
| 2010 | • Zero households chose self-sufficiency |
| | • 368 households at 40% or higher as of December 2010 |
| 2011 | • Two households chose self-sufficiency |
| | • Two households increased income |
| | • Nine households moved to less expensive unit |
| | • 451 households at 40% or higher as of December 2011 |

Activity 2009-13: Next Required Reexamination 12 Months after Interim

Description of Activity

This activity is intended to further reduce the number of reexaminations and their attendant costs. For those families who are not on the new three-year schedule for fixed income, the due date for their next required reexamination will be updated if they have an interim review. The effective date of their next required review will be 12 months after the effective date of the interim.

Current Status

This activity was in effect throughout the reporting year.

Impact on Statutory Objective

VHA continues to believe that this activity results in significant cost savings through a reduction in the number of reexaminations that we are required to perform each year. However, the baseline is from a period where a different schedule for reexaminations was in place and since this activity was implemented at the same time as the current reexamination schedule it is difficult to measure the actual impact. The fact that 606 interim reexaminations were performed in 2011 probably means that about 50% of these households did not have the “annual” reexamination they would have had in 2011 absent this activity. That represents a cost savings of about \$32,760 in reduced staff time and overhead due to 303 fewer reexaminations.

MTW Activity Number:	2009-13
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	October 1, 2009
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Sections C. 4. and D.1.c. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(5) of the 1937 Act and 24 CFR § 960.257 and 982.516

Metrics:

- Number of required reexaminations
- Number of interim reexaminations
- Imputed cost savings

Baselines:

- 1,268 required reexaminations in 2009
- 956 interim reexaminations in 2009
- Zero

Benchmarks:

- A reduction in total reexaminations of 200
- Imputed cost savings of \$20,000

Outcomes:

- 2010
 - 2,080 required reexaminations completed
 - 458 interim reexaminations completed
- 2011
 - 1,767 required reexaminations completed
 - 606 interim reexaminations completed
 - Imputed cost savings of \$32,760

Activity 2009-15: Owners Restricted to Annual Rent Increases

Description of Activity

In addition to the current regulatory restriction that requires the initial term of a HCV lease to be one-year and does not allow the owner to increase the rent during that year, this MTW policy will restrict subsequent rent increases to no more than one per year. This policy came about due to a small number of owners on the program requesting rent increases as frequently as every four or five months after the first year of tenancy.

Current Status

This MTW activity was in effect throughout 2011.

Impact on Statutory Objective

The metrics for this activity continue to show a significant reduction in the number of 50058 actions completed solely for an owner request for a rent increase. This results in some cost savings for the VHA as well as some savings for participants. The number of active owners in the program remains above 800 and there are no indicators that owners have chosen not to participate due to this policy.

MTW Activity Number:	2009-15
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	September 1, 2009
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Section D. 2.a. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 8(o)(7) of the 1937 Act and 24 CFR § 982.308 and 982.451

Metrics:

- Number of 50058 actions for rent increase only
- Number of active owners

Baselines:

- 495 in 2008
- 864 active owners as of December 2008

Benchmarks:

- 10% reduction in rent increase actions
- No change in owners attributable to this activity

Outcomes:

- 2010 • 237 rent increase actions, a 52% reduction
- 842 active owners as of December 2010
- 2011 • 374 rent increase actions, a 24% reduction
- 835 active owners as of December 2011

Activity 2009-16: Renter Education Required for Applicants

Description of Activity

Applicants are required to complete a six week course in tenant education prior to being housed in the Public Housing or HCV programs. The course, titled Excellent Renting, is offered by a local non-profit that VHA has contracted with to provide this service. The course covers topics including money management and credit, landlord/tenant rights and responsibilities, how to be a good renter, and how to find landlords that will rent to you. Applicants who complete the course receive a certificate of completion that is recognized by many landlords in the community and can substitute for good credit and references in tenant screening policies.

Current Status

This activity continues to be in place.

Impact on Statutory Objective

This activity will increase housing choice for HCV participants by increasing both their options and chances when locating a rental unit after being issued a voucher. The activity will also increase self-sufficiency for both HCV and Public Housing residents through the money management and budgeting components of the training. VHA continues to receive anecdotal accounts from participants stating how much the class helped them. In addition VHA saw a significant improvement in the percentage of successful new voucher holders in 2011. An overall success rate of almost 95% (some months it was 100%) is unprecedented at the VHA and is for the most part attributable to this activity.

MTW Activity Number:	2009-16
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	September 1, 2009
Statutory Objective/s:	Increase housing choice
Authorization Cited:	Sections C. 2. and D. 4. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of sections 3 and 8(o)(6) of the 1937 Act and 24 CFR § 960.202 and 982.305

Metrics:

- Success rate of new voucher holders
- Average number of days new voucher holders take to lease
- Negative program exits in Public Housing and HCV programs

Baselines:

- 87% successfully lease (average of 2006 – 2008)
- 45 days (average of 2006 – 2008)
- 23 PH, 63 HCV (average of 2006 – 2008)

Benchmarks:

- Increase to 89%
- Decrease to 40 days
- 10% reduction to 21 & 57

Outcomes:

- 2010 • Success rate of 90.38% in 2010
- Days required to lease averaged 34
- 22 PH & 82 HCV Negative Exits
- 2011 • Success rate of 94.95% in 2011
- Days required to lease averaged 38
- 26 PH & 62 HCV Negative Exits

Activity 2009-19: No Waiting List for Assisted Living Facility

Description of Activity

The VHA operates a 60 unit assisted living facility within Van Vista Plaza, a 100 unit high-rise building in downtown Vancouver that was previously a Public Housing Project. The property recently underwent disposition and now utilizes Project-Based Vouchers. The waiting list requirement has always been problematic for the assisted living facility. Assisted living eligible clients are usually in a state of crisis at the time they are seeking a facility. Their advocates search for available vacancies until one can be located and then that is the unit they move into. If a facility has no vacancies, they search for one that does rather than go on a waiting list. When the facility was under Public Housing we attempted to operate a separate waiting list but that did not offer much advantage over the previously used general or site-based lists. Applicants that did go on the waiting list were not interested in a unit when it became available because they had moved into another facility rather than wait. When the property converted to PBV on August 1, 2011, it was decided to modify this MTW activity and operate with no waiting list.

Current Status

The previous program-based waiting list for assisted living was eliminated effective August 1, 2011. The facility has operated without a waiting list since that time.

Impact on Statutory Objective

This activity allows for a more efficiency run housing choice for tenants that would normally not be served in the Public Housing or HCV programs. We are measuring the number of admissions and whether there are any complaints or requests for a waiting list.

MTW Activity Number:	2009-19
Plan Year Identified:	FY 2009 MTW Annual Plan Amendment
Date Implemented	September 1, 2009
Statutory Objective/s:	Increase housing choice
Authorization Cited:	Sections C. 1. and D.4. of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 6(r) and section 8(o)(6) of the 1937 Act and 24 CFR § 903.7, 982 subpart E, and 983 subpart F
Metrics:	<ul style="list-style-type: none"> • Number of applicants/admissions • Number of requests to go on waiting list
Baselines:	<ul style="list-style-type: none"> • Zero • Zero
Benchmarks:	<ul style="list-style-type: none"> • Vacancies adequately filled • Zero requests for a waiting list
Outcomes:	<p>2011</p> <ul style="list-style-type: none"> • 9 new admissions since conversion • No requests for waiting list received since conversion

Activity 2008-01: Project-Based Vouchers Tied to Services

Description of Activity

VHA is using the ability to project-base Housing Choice Vouchers and the flexibility provided by MTW together with community partners to provide housing assistance tied to case management and other services. MTW allows the VHA to waive the bidding process for VHA owned units, and enables us to offer the rental units along with the needed subsidy to the partnering agency. Tenant selection may be done by the partner so that appropriate clients they have already identified can be readily served. The partnering agency may also place time limits on assistance and the availability of a tenant based voucher after one-year is also eliminated. The partnering agencies and the VHA enter into a Memorandum of Understanding (MOU) that details the responsibilities of both parties.

Current Status

During 2011 the number of PBV units for this activity increased from 50 to 64.

Impact on Statutory Objective

The program increases housing choice by making a housing subsidy quickly available to low-income families in crisis or otherwise identified for services by a partnering agency. In addition incentive toward financial self-sufficiency is provided through the case management services and the time limit on assistance. 10 families were able maintain self-sufficiency after their time on this program had expired.

MTW Activity Number: 2008-01
Plan Year Identified: FY 2008 MTW Annual Plan
Date Implemented May 28, 2008
Statutory Objective/s: Increase housing choice
Authorization Cited: Sections D. 2.d., D. 4. & D.7. of Attachment C of the MTW Agreement
Provision/s Waived: Certain provisions of sections 8(o)(13)(F)-(J) of the 1937 Act and 24 CFR § 983.

Metrics:

- Number of PBV units with services
- Number of households meeting case management goals

Baselines:

- Zero
- Zero

Benchmarks:

- 50
- 50% meeting goals at exit

Outcomes:

- 2010
- 41 leased as of December 2010
 - 16 of 29 exits (55%) meeting goal of renting without subsidy
- 2011
- 56 leased as of December 2011
 - 10 of 29 exits (34%) meeting goal of renting without subsidy

Activity 2007-02: Alternate Required Reexamination Schedule

Description of Activity

VHA has tried several alternative schedules for reexaminations before settling on the current schedule. Beginning in 2010 elderly and disabled families on fixed incomes are on schedule to have a required reexamination every three years. During years where a reexamination is not required the VHA revises rent and housing assistance by applying current payment standards and/or current utility allowances, and by applying the COLA published by the Social Security Administration. In addition EIV data is reviewed each year to check for any discrepancies or unreported changes. For households not considered elderly or disabled, or those that contain a Work-Able member in addition to the elderly or disabled member/s, an annual reexamination is required.

Current Status

The activity was in effect throughout the reporting year.

Impact on Statutory Objective

Compared to 2007, the last year that VHA conducted annual reexaminations without an alternate MTW schedule, this activity has reduced the administrative costs to the VHA by about \$60,000 in 2011. Since 2007 the size of the VHA's HCV program has grown by about 10%, so the actual savings are likely even higher.

MTW Activity Number: 2007-02

Plan Year Identified: FY 2007 MTW Annual Plan

Date Implemented: January 1, 2008

Statutory Objective/s: Reduced cost and greater cost effectiveness

Authorization Cited: Sections C. 4. and D.1.c. of Attachment C of the MTW Agreement

Provision/s Waived: Certain provisions of sections 3(a)(1), 3(a)(2) and 8(o)(5) of the 1937 Act and 24 CFR § 960.257 and 982.516

Metrics:

- Number of required reexaminations
- Number of interim reexaminations
- Imputed cost savings from reduced staff time

Baselines:

- 2,349 required (annual) reexaminations in 2007
- 947 interim reexaminations in 2007

Benchmarks:

- 50% reduction in required reexaminations
- Interims will remain below 1,184

Outcomes:

- 2010**
- 2,080 required reexaminations in 2010, a 11% reduction
 - 458 interim reexaminations in 2010
 - Imputed savings of \$28,514
- 2011**
- 1,767 required reexaminations in 2011, a 25% reduction
 - 606 interim reexaminations in 2011
 - Imputed savings of \$62,926

Activity 1999-08: No Flat Rent Option Offered in Public Housing

Description of Activity

VHA's initial program utilizing the MTW demonstration was to implement time limits and a mandatory self-sufficiency program. This was intended in part to turnover badly needed subsidized housing units and create more opportunities for applicants on the waiting list. When the flat rent option was introduced under the Quality Housing and Work Responsibility Act (QHWRA) VHA determined that it would be counter to VHA's goals and it was decided to not implement flat rents. Instead VHA continues to use ceiling rents and to limit occupancy for residents at ceiling rent to one-year. By doing this the VHA makes more subsidized units available to low-income families through greater turnover.

Current Status

This activity has been in effect since VHA entered the MTW demonstration in 1999.

Impact on Statutory Objective

This activity provides some administrative savings through the elimination of the need to offer the flat rent option to all residents each year and the associated notifications, communication and documentation. More importantly however, it encourages residents who have attained higher incomes to move to private housing and create vacancies for applicants.

Over the last few years we have seen a major drop in the number of families reaching ceiling rent and exiting due to the ceiling rent policy compared to previous years under this policy. We believe this is primarily due to the current economic conditions in Clark County.

MTW Activity Number: 1999-08

Plan Year Identified: 1999 MTW Agreement

Date Implemented: April 1, 1999

Statutory Objective/s: Increase housing choice

Authorization Cited: Section C.11. of Attachment C of the MTW Agreement

Provision/s Waived: Certain provisions of section 3(a)(2) of the 1937 Act and 24 CFR § 960.253

Metrics:

- Number of households at ceiling rent
- Number of exits due to ceiling rent

Baselines:

- Zero
- Zero

Benchmarks:

- Ten
- Five annually

Outcomes:

- 2010 • One as of December 2010
- Zero exits due to being at ceiling rent for one year
- 2011 • One as of December 2011
- One exit due to being at ceiling rent for one year

Activity 1999-09: No Earned Income Disallowance in Public Housing

Description of Activity

As in the case of the flat rent policy, this activity began when the VHA chose to use authorization under the MTW demonstration to not implement an element of the Quality Housing and Work Responsibility Act. In VHA's earlier MTW self-sufficiency program all families with new earned income were able to have that income apply toward an escrow account. If the newly earned income had been disallowed, then it would not have contributed to the escrow account. It was decided that building an asset was a more effective tool for eventual self-sufficiency than a temporary disallowance of income. The mandatory program no longer exists, but VHA still offers an escrow account through the Public Housing FSS program.

Current Status

This policy continues to in effect.

Impact on Statutory Objective

Measuring the impact of this activity has been challenging in the past because VHA does not have any baseline data regarding the cost of providing an earned income disallowance. Recently we obtained information from another MTW Agency that estimates the time spent annually tracking each disallowance. This information allows us to impute a cost savings by tracking the number of potential earned income disallowances we would be required to track absent the demonstration, assuming that we would spend an equal amount of time tracking as the agency that provided us an estimate, and by applying out staffing cost for that kind of activity. By doing this we estimate a cost savings of over \$17,000 in 2011.

MTW Activity Number:	1999-09
Plan Year Identified:	1999 MTW Agreement
Date Implemented	April 1, 1999
Statutory Objective/s:	Reduced cost and greater cost effectiveness
Authorization Cited:	Section C.11of Attachment C of the MTW Agreement
Provision/s Waived:	Certain provisions of section 3(a)(2) of the 1937 Act and 24 CFR § 960.255
Metrics:	<ul style="list-style-type: none"> • Number of reexaminations that would have resulted in a earned income disallowance • Imputed saving through reduced staff time
Baselines:	<ul style="list-style-type: none"> • Zero • Zero
Benchmarks:	<ul style="list-style-type: none"> • Five annually
Outcomes:	<p>2010</p> <ul style="list-style-type: none"> • 12 potential EID reexaminations in 2010 • \$9,048 in imputed cost savings <p>2011</p> <ul style="list-style-type: none"> • 23 potential EID reexaminations in 2011 • \$17,687 in imputed cost savings

SECTION VII. SOURCES AND USES OF FUNDING

A. Planned vs. Actual Sources and Uses of MTW Funds

Table 6 shows the planned vs. actual sources and uses of the three funding streams that together make up the MTW single fund. Rental income was below budget for the year primarily due to the disposition of the Van Vista Public Housing project in August 2011. This property was transferred to a closely held nonprofit (Vancouver Affordable Housing). Plans are in place to add a full service restaurant on site to better serve the 60 assisted living units within this 100 unit elderly project, funded with tax exempt bonds or other financing instruments.

Other Revenue increased by more than \$2.7 million. This was due to an accounting treatment change for portable vouchers. Starting with 2011 we show funding received from in-coming ports on this line item and show outgoing payments on the HAP expense line item.

TABLE 6
Planned vs. Actual MTW Funds

Sources	Housing Choice Vouchers			Public Housing			Capital Fund			Total MTW		
	Actual	Planned	Variance	Actual	Planned	Variance	Actual	Planned	Variance	Actual	Planned	Variance
Rental Income	-	-	-	1,042,283	1,362,600	(320,317)	-	-	-	1,042,283	1,362,600	(320,317)
HUD and Other Grants	13,161,516	12,707,194	454,322	1,619,924	1,543,724	76,200	434,394	446,666	(12,272)	15,215,834	14,697,584	518,251
HUD Capital Grants	-	-	-	-	-	-	691,553	510,000	181,553	691,553	510,000	181,553
Other Revenue	2,928,934	289,935	2,638,999	1,714,185	1,618,200	95,985	-	-	-	4,643,118	1,908,135	2,734,983
Investment Income	17,317	40,000	(22,683)	25,049	12,800	12,249	-	-	-	42,366	52,800	(10,434)
Transfer from/to Reserves	(68,172)	346,150	(414,322)	115,000	70,541	44,459	-	-	-	46,828	416,691	(369,863)
Public Housing Sales Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Total	16,039,594	13,383,279	2,656,315	4,516,441	4,607,865	(91,424)	1,125,947	956,666	169,281	21,681,983	18,947,810	2,734,173
Uses												
Administrative Expenses	1,956,510	2,085,410	(128,899)	1,915,564	2,144,608	(229,044)	424,461	410,542	13,919	4,296,535	4,640,559	(344,025)
Maintenance	6,418	9,000	(2,582)	309,071	344,350	(35,279)	-	-	-	315,489	353,350	(37,861)
Utilities	-	-	-	355,451	403,700	(48,249)	-	-	-	355,451	403,700	(48,249)
Insurance and other Expenses	6,053	3,444	2,609	169,379	111,405	57,974	9,934	-	9,934	185,365	114,849	70,516
Housing Assistance Payments	14,156,577	11,374,859	2,781,718	-	-	-	-	-	-	14,156,577	11,374,859	2,781,718
Interest Expense	-	-	-	1,641	-	1,641	-	-	-	1,641	-	1,641
Principle Payment	-	-	-	1,033	1,033	-	-	-	-	1,033	1,033	-
Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Capital Improvements	18,537	-	18,537	278,052	-	278,052	691,553	510,000	181,553	988,141	510,000	478,141
Adjustments	-	-	-	1,598,502	1,600,000	(1,498)	-	-	-	1,598,502	1,600,000	(1,498)
Transfer to (from)	(0)	(92,659)	92,659	-	(27,342)	27,342	-	-	-	(0)	(120,001)	120,001
Total	6,144,094	13,380,054	2,764,041	4,628,692	4,577,754	50,938	1,125,947	920,542	205,405	21,898,734	18,878,349	3,020,384
Difference	(104,500)	3,225	(107,725)	(112,251)	30,111	(142,362)	-	36,124	(36,124)	(216,751)	69,460	(286,211)

Administrative expenses ended lower than budget due to savings in staffing cost, mostly gained by not filling positions as staff retired. It was necessary to take this action to deal with fewer Public Housing units and the drastic reduction in Section 8 administrative fees.

B. Planned vs. Actual Sources and Uses of State or Local Funds

Table 7 details sources and uses of funds for State and local activities. VHA owns or manages approximately 2500 units of bond and tax credit financed properties. Most properties have reduced rents and serve families at 30% of Area Median Income and higher.

During 2011, we utilized \$1.5 million Public Housing Disposition funds towards the construction of two new projects in Camas and Vancouver. This amount was leveraged with Washington State funds, tax exempt bonds, loans and Low Income Housing Tax Credits equity. Without Public Housing Disposition funds, it would have been impossible to make these projects pencil.

We continue to strengthen our non-traditional housing portfolio in order to reduce reliance on federal funds and to create a local fund that augments the deep subsidy programs and supports other local efforts to serve special populations including the homeless. However, without federal funds and particularly Section 8 and Public Housing programs we are unable to provide deep subsidies required to house the extremely low income residents of our community.

**TABLE 7
Planned vs. Actual State or Local Funds**

Sources	Actual	Planned	Variance
Rental Income	18,657,205	17,502,450	1,154,755
HUD and Other Grants	-	84,000	(84,000)
HUD Capital Grants	-	-	-
Other Revenue	4,503,878	4,375,049	128,829
Investment Income	3,180,694	3,062,320	118,373
Transfer from/to Reserves	444,453	508,784	(64,331)
Public Housing Sales Proceeds	1,484,402	1,484,402	-
Total	28,270,632	27,017,005	1,253,626
Uses			
Administrative Expenses	8,456,427	8,249,224	207,203
Maintenance	1,974,255	1,855,741	118,513
Utilities	1,783,369	1,729,842	53,527
Insurance and other Expenses	1,541,522	1,678,463	(136,941)
Housing Assistance Payments	-	-	-
Interest Expense	8,235,745	8,187,401	48,344
Principle Payment	2,116,188	2,116,188	-
Replacement Reserves	685,728	685,728	-
Capital Improvements	1,883,460	1,484,402	399,058
Adjustments	717,459	580,703	136,756
Transfer to (from)	-	120,000	(120,000)
Total	27,516,354	26,707,949	808,405
Difference	754,278	309,057	445,222

C. Planned vs. Actual Sources and Uses of the COCC

We have rolled our COCC into Local Fund as permitted by HUD, so the COCC report is the same as Table 7 State and Local Funds.

D. Cost Allocation or Fee-for-Service

No deviations were made from the 1937 Act to allocate costs.

E. Planned vs. Actual Use of Single-Fund Flexibility

VHA used single fund flexibility amongst all three Federal programs of Housing Choice Voucher (HCV), Capital Fund Program and Low Rent Public Housing in the following manner.

HCV

We used Section 8 funds to create programs to promote work and self sufficiency. Activities benefited participants in Section 8 and Public Housing as well as those on the waiting list.

We did not use HCV funds towards the creation of additional affordable housing in 2011, but intend to do so in future years as permitted in the Agreement.

Capital Fund Program

During 2011, we used CFP funds to help fund adult and children education programs at the Rise and Stars Community Center. The majority of funds went towards physical rehabilitation of property.

Low Rent Public Housing

We utilized Public Housing operating funds to help pay for activities promoting resident empowerment and self sufficiency through tenant education and counseling.

F. Planned vs. Actual Reserve Balances

Table 8 is a comparison of reserve level between December 31, 2010 and December 31, 2011. HCV and Low Rent Public Housing reserves have remained stable for the past year. Other Federal programs also remained stable. Local Program reserves included certain cash reserves set aside for construction of the Springbrook project rehabilitation.

**TABLE 8
Reserve Balances**

Program	12/31/2010	12/31/2011
MTW	5,332,732	5,045,899
Other Federal Funds	702,875	774,118
Local Programs	8,205,643	12,042,870
Total	14,241,250	17,862,886

G. Actual Sources and Uses by AMP

Table 9 shows all three Public Housing AMPs and a separate fund to track the disposition of 89 Public Housing single family homes.

AMP 1 shows a higher loss than anticipated, which was caused by reduced federal operating subsidy. Capital improvements shown were paid for by local grants from Clark County and the local utility district towards an energy efficiency improvement project.

Other AMP’s finished the year close to budget.

Although AMP 1 shows a negative cash flow, from an operational standpoint, the project ended the year close to break even. All three AMP's contributed financially to the FSS efforts using single fund flexibility as described above.

TABLE 9
Sources and Uses by AMP

Sources	AMP 1		AMP 2		AMP 3		PH Disposition	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Rental Income	503,778	561,000	481,245	651,600	57,260	150,000	-	-
HUD and Other Grants	774,893	679,867	581,844	623,357	263,187	240,500	-	-
HUD Capital Grants	-	-	-	-	-	-	-	-
Other Revenue	101,608	8,000	12,180	10,200	482	-	1,592,823	1,600,000
Investment Income	8,767	5,800	8,793	5,800	2	1,200	7,487	-
Transfer from/to Reserves	-	-	-	-	-	-	115,000	70,541
Public Housing Sales Proceeds	-	-	-	-	-	-	-	-
Total	1,389,046	1,254,667	1,084,062	1,290,957	320,931	391,700	1,715,311	1,670,541
Uses								
Administrative Expenses	913,541	927,540	744,866	895,031	178,984	251,216	78,172	70,821
Maintenance	119,041	138,700	137,696	145,800	22,550	59,850	29,784	-
Utilities	168,402	179,310	174,721	210,000	6,804	14,390	5,525	-
Insurance and other Expenses	61,630	48,408	54,801	51,524	3,804	11,473	49,143	-
Housing Assistance Payments	-	-	-	-	-	-	-	-
Interest Expense	235	-	409	-	997	-	-	-
Principle Payment	-	-	1,033	1,033	-	-	-	-
Replacement Reserves	-	-	-	-	-	-	-	-
Capital Improvements	271,873	-	6,179	-	-	-	-	-
Adjustments	2,839	-	2,839	-	-	-	1,592,823	1,600,000
Transfer to (from)	-	(19,484)	-	(15,080)	-	7,222	-	-
Total	1,537,561	1,274,474	1,122,544	1,288,308	213,140	344,151	1,755,447	1,670,821
Difference	(148,515)	(19,807)	(38,483)	2,649	107,791	47,549	(40,136)	(280)

SECTION VIII. ADMINISTRATIVE

A. Correction or Elimination of Observed Deficiencies

- 1) The VHA was audited by the HUD Office of Inspector General (OIG) in 2011 regarding funds received under the American Recovery and Reinvestment Act of 2009 (ARRA). The OIG made a number of recommendations noted below along with the current status of VHA's response. Make the 15 upgrading units compliant with UFAS or repay \$530,000. The VHA has completed the work required to make the units compliant and received HUD acceptance.
- 2) Obtain a 30-year warranty for the Van Vista roof or repay \$120,000. Corrected warranty has been obtained and submitted.
- 3) Obtain a change order for the entry doors and boards under the sinks or repay \$17,651. Contractor has made changes to doors and issued a credit to VHA. Change order completed for insulation in lieu of baffle boards. HUD acceptance received.
- 4) Return \$10,963 for ineligible change order. VHA is attempting to collect from contractor, HUD to be reimbursed by VHA regardless of successful collection.
- 5) Provide support for unsupported positive change orders or return \$135,552. Waiting on HUD to determine if safe harbor percentages are acceptable for VHA response.
- 6) Provide support for unsupported negative change orders or return \$26,995. Same as number 5.
- 7) Obtain a waiver for foreign goods purchased or return \$420,872. Waiver submitted and accepted for heat pumps. Costs associated with components of toilets not made in America were isolated and VHA is providing reimbursement to the project. Reimbursement funds will be used for purchase of energy efficient appliances for the project site.
- 8) Develop and implement procedure to effectively monitor grant funds. VHA has made several staffing and organizational changes to more effectively monitor future construction grants.

B. Agency Directed Evaluations

The VHA has no agency directed evaluations outside of the required elements in the Annual MTW Plan and Report.

C. Performance and Evaluation Report for Non-MTW Capital Fund Activities

Not applicable, the entire VHA Public Housing portfolio along with the capital fund is in the MTW block grant.

D. Agency Certification

The VHA certifies that it 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.