

FY 2013 MTW Annual Report

Fiscal Year Ended June 30, 2013

Board Approved September 25, 2013

ATLANTA HOUSING AUTHORITY LEADERSHIP

Board of Commissioners

Daniel Halpern, Chair
Justine Boyd, Vice Chair
James Allen, Jr.
Cecil Phillips
Loretta Young Walker
Margarette Paulyne Morgan White

Management Team

Joy Fitzgerald
Interim President and Chief Executive Officer

Vona R. Cox
Chief Procurement Officer

Charlene Crusoe-Ingram
Chief Human Resources Officer

Gloria J. Green
Chief Legal Officer and General Counsel

Mark Kemp
Senior Vice President
Real Estate Oversight & Services

Edward (Mike) Proctor, Ph.D.
Chief Policy Officer

Suzi Reddekopp
Chief Financial Officer

Reneé Bentley Rice
Senior Vice President
Customer Services Group

Samir Saini
Chief Information Technology Officer

Tracey Scott
Vice President of Innovation

Vision

Healthy Mixed-Income Communities;
Healthy Self-Sufficient Families

Mission

Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community

Goals

AHA's business model as a "diversified real estate company with a public mission and purpose" has positioned it to achieve three goals:

- **Quality Living Environments** – Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.
- **Self-Sufficiency** – (a) Facilitate opportunities for families and individuals to build economic capacity and stability that will reduce their dependency on subsidy and help them, ultimately, to become financially independent; (b) facilitate and support initiatives and strategies to support great educational outcomes for children; and (c) facilitate and support initiatives that enable the elderly and persons with disabilities to live independently with enhanced opportunities for aging well.
- **Economic Viability** – Maximize AHA's financial soundness and viability to ensure sustainability.

Guiding Principles

In approaching its work, regardless of the funding source, strategy or programmatic initiative, AHA applies the following guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to assure long-term market competitiveness and sustainability of the community and to support excellent outcomes for families (especially children), with emphasis on excellent, high-performing neighborhood schools and high quality-of-life amenities, including first-class retail and green space.
3. Create mixed-income communities with the goal of creating market-rate communities with a seamlessly integrated affordable residential component.
4. Develop communities through public/private partnerships using public and private sources of funding and private sector know-how and real estate market principles.
5. Support AHA-assisted families with strategies and programs that help them achieve their life goals, focusing on financial self-sufficiency and educational advancement of the children with expectations and standards for personal responsibility benchmarked for success.

TABLE OF CONTENTS

HOW TO NAVIGATE THIS REPORT	3
I. EXECUTIVE SUMMARY.....	5
IMPORTANCE OF MOVING TO WORK.....	7
FY 2013 Accomplishments	9
II. AHA’s Impact and Innovations.....	10
PRIORITY: Advance AHA’s Real Estate Initiatives	11
PRIORITY: Advance Human Development Services	20
PRIORITY: Implement the Business Transformation.....	26
AHA’s Business Lines and Programs	31
Summary Financials.....	34
MTW Innovations & Policies	35
Appendices Table of Contents	41
III. Planned Activities Directory	42
IV. Appendices	50

HOW TO NAVIGATE THIS REPORT

In 2004, AHA submitted to HUD its first Business Plan, using its new statutory and regulatory framework pursuant to AHA’s MTW Agreement (herein referred to as the “Business Plan”). AHA’s Business Plan and its subsequent MTW annual implementation plans on a cumulative basis outline AHA’s priority projects, activities, and initiatives to be implemented during each fiscal year. Fiscal Year 2013 represents AHA’s tenth year of participation in the MTW Demonstration Program. For further details, see *Importance of Moving to Work*.

This report highlights AHA’s MTW-Eligible activities and priorities as identified in the FY 2013 MTW Annual Implementation Plan submitted to HUD on April 13, 2012.

- **AHA’s Impact and Innovations** highlights significant results achieved by AHA during FY 2013.
- **Planned Activities Directory** summarizes the results and status of AHA priority projects, activities, and initiatives as described in the FY 2013 MTW Annual Implementation Plan.
- **Appendices** section includes detailed charts, AHA Legacy Attachment B, Ongoing Activities Directory, and other HUD reporting requirements.

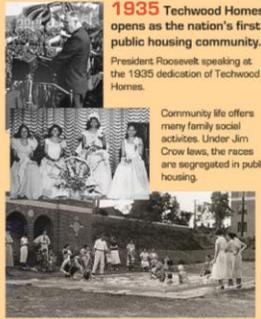
Birth of Public Housing & AHA



1933 Real Estate Developer Charles Palmer & Educator John Hope partner on clearing Atlanta's slums and securing funding for public housing.



Slums in inner-city Atlanta replaced by public housing projects.



1935 Techwood Homes opens as the nation's first public housing community.

President Roosevelt speaking at the 1935 dedication of Techwood Homes.

Community life offers many family social activities. Under Jim Crow laws, the races are segregated in public housing.



1937 University Homes, the nation's first housing project for African-Americans is dedicated.

United States Housing Bill signed by President Roosevelt removes federal government from direct production of public housing and subsidizes building of affordable public housing by local authorities.



June 11, 1938 AHA is founded with the Atlanta City Council resolution declaring the need for "safe, affordable housing for families facing temporary financial difficulty." Charles Palmer becomes first chairman.



1943 AHA houses World War II workers in Techwood and Clark Howell Homes as units become vacant.

Urban Renewal & Decline of Public Housing



1961 Housing Act signed by President Kennedy subsidizes senior public housing and admits disabled persons to public housing.



1964 Title VII of the Civil Rights Act signed by President Johnson outlaws discrimination against racial, ethnic, national and religious minorities, and women.

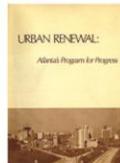
1964 City of Atlanta contracts with AHA to provide relocation assistance for households being displaced by highway construction and urban renewal.



1965 The Department of Housing and Urban Development (HUD) is created.

1965 AHA constructs the first senior high-rises—John O. Chiles and Antoine Graves. Both are open to all low-income persons, regardless of race.

1968 The Fair Housing Act signed by President Nixon prohibits racial discrimination in the sale, rental, and financing of housing.



1985 AHA publishes a report on urban renewal projects over the past few decades, involving civic and commercial construction and the relocation of public housing residents into new or refurbished housing. This "bricks and mortar" solution does not solve the worsening problems of concentrated poverty in public housing.



1990 Atlanta wins the bid to host 1996 Olympics, while public housing is in decline. Conditions have deteriorated and the projects have become islands of poverty where crime rates are spiking, crack cocaine is prevalent, and low-income families are becoming isolated.

The Atlanta Model Transforms Public Housing

1994 AHA has been on HUD's list of troubled agencies for years when AHA Board of Commissioners Chair Renée Lewis Glover becomes Executive Director. Glover begins a dramatic turnaround that will lead AHA into a new era of innovation.

HOPE VI Legislation, the last in a series of federal programs known as HOPE (Homeownership & Opportunity for People Everywhere) funds comprehensive revitalization of severely distressed public housing.



Groundbreaking at Centennial Place Made possible with HOPE VI funding and private investment by The Integral Partnership of Atlanta.



1995 Birth of the Atlanta Model—Based on a three-pronged strategy.

1. **Deconcentrating Poverty** through mixed-income communities.
2. **Leveraging HUD dollars with private investment** to offer more choices to residents.
3. **Focusing on community building**, including quality housing, excellent schools, access to transportation, recreation centers, daycare.



1996 Centennial Place opens as America's first master-planned, mixed-use, mixed-income community. It is built on the property where Techwood Homes once stood.



1996 With the Olympic Legacy Program, AHA fast-tracks the remaining development of Centennial Place and begins revitalization of three additional distressed communities: East Lake Meadows, John Hope Homes, and John Eagan Homes.

Moving to Work & Business Transformation

2003 AHA signs the Moving to Work (MTW) Agreement with HUD giving AHA the flexibility to allocate program funding based on annual, local plans developed by AHA and approved by HUD.

2004 AHA implements work requirement for non-elderly, nondisabled adults as a condition of receiving housing assistance for public housing units and vouchers.

2009 ARRA funding is awarded to AHA, providing \$26.5 million for repairs, demolition, modernization, and increased energy efficiency in public housing.

2010 Demolition of the last of the dilapidated public housing family projects—AHA retains 11 senior high-rises and two small communities for families.

2013 As an MTW agency, AHA has the flexibility to offer a variety of affordable housing solutions, accompanied by human development services.



AHA's Housing Choice Tenant-Based Voucher Program



AHA-Owned Residential Communities



Mixed-Income Communities Using Project-Based Rental Assistance



Supportive Housing



Human Development Services



AHA-Sponsored Mixed-Use, Mixed-Income Communities

2010 Multi-year business transformation of AHA operations is launched to introduce new tools and processes for working more cost-effectively, delivering better service, and serving more families.

2011 Forty-nine high school graduates who started out in Centennial Place kindergarten head to college—proof that the Atlanta Model is breaking the cycle of generational poverty.



Atlanta Housing Authority

EXECUTIVE SUMMARY

Renée Lewis Glover



The timing of AHA's 75th anniversary on June 11, 2013, was fortunate. AHA employees had been working extremely hard on the long and complex process of business transformation, while continuing to carry out the most important work in service to our families.

To navigate through this challenging time, we've had to keep our sights on the future state – a time when the new technology and systems we're putting into place will allow us to make our resources go farther, assist more families, and serve them even better.

The 75th anniversary gave us a point in time in the midst of business transformation to pause and participate in a valuable exercise – seeing our future in the context of our past. It inspired us to keep up our momentum and renewed our sense of purpose.

What we saw on a journey into our past

In preparation for our 75th anniversary, we traveled back in time. We reviewed documents in archived boxes. We looked through photos and publications and saw the faces of people AHA had served over the decades through challenging times: the Great Depression, World War II, the Civil Rights Movement. We viewed old videos and listened to accounts told by employees who still have vivid memories of an earlier era.

We found many stories to celebrate. We also saw times when we were challenged to live up to our founding vision and saw how we responded and how we became stronger.

In the last decade and a half, AHA reinvented the way we serve families and provide housing opportunities. We determined that concentrating families in poverty was destructive to families, neighborhoods, the city, and the nation.

AHA responded to that determination and completely transformed the way we meet our mission using three strategies: **mainstream the real estate, mainstream the families, and mainstream AHA.**

MTW priorities link to the strategy

This annual report is structured around our three FY 2013 MTW priorities, which align to the three strategies that transformed our way of working:

June 11, 2013 dedication of the 75th anniversary commemorative flag: "May this flag fly over our land, representing an organization that will always champion our vision of healthy mixed-income communities; healthy self-sufficient families."



Mainstreaming Real Estate: Because affordable housing opportunities in economically integrated environments open the door to opportunity, our goal is to be a best-in-class diversified real estate company with a public mission and purpose. We are mainstreaming real estate through public/private partnerships, thereby leveraging the know-how, balance sheets, and brands of great private sector real estate developers. We are also strengthening and structuring our capabilities to work effectively with these partners.

AHA plays a leadership role in bringing together partners to allocate real estate resources in new ways that create healthy environments where the families we assist can thrive. This report highlights the continuation of real estate projects that are complete, in progress, or planned.

Mainstreaming our Families: The combination of real estate and human development is where our success is determined. And our success for AHA is when a family makes the transition from assistance to self-sufficiency and moves into mainstream America, or when their children receive an education that prepares them to enter mainstream America. We help pave the way by encouraging and connecting families to the specific services that they need to move out of poverty and into the mainstream. This report covers a new customer-centric model that will help us connect families to human development services and a new approach to strengthening our service provider network.

Mainstreaming AHA: Our MTW priority of business transformation is about adopting the best practices from government, nonprofit, and private business sectors that will help us deliver improved service to our families more cost-effectively. These best practices include technology solutions along with organizational structures and practices. Our business transformation is a carefully planned reinvention driven by our vision.

The AHA Legacy

Our legacy of leadership, reinvention and partnership that began with John Hope and Charles Palmer has been driven by our passion for the founding vision of service.

By keeping the doors of affordable housing open in Atlanta, we have opened the doors of opportunity for people at every stage of their lives: youth, adults, the elderly, the disabled, veterans, and the homeless. We have made it possible for every child to fulfill their God-given potential.

Just two years ago, 49 high school graduates, who had all started out in the first class at Centennial Place kindergarten and grew up in one of AHA's mixed income communities, were college-bound. These high-achievers were headed off to exciting futures at different colleges and universities including Boston University, Georgia Tech, Howard, University of Georgia, Wesleyan, Morehouse, Princeton, Spelman and others.

On this momentous occasion, former President and CEO Renée Glover said, "Real change comes when a child feels hopeful and excited about their future. These 49 young people are re-writing the history of housing, education, economics, class, dependency, disenfranchisement, isolation, and despair."

Carrying forward our legacy

During our 75th anniversary year, we looked to our past to see which experiences we wanted to celebrate and carry forward into the future. We chose three legacies – *leadership*, *reinvention*, *vision* – which grew out of our founding story and the partnership between an African-American educator, Dr. John Hope, and a white real estate developer, Charles Palmer. These legacies still guide us today: the *courage* to lead in the face of adversity, the wisdom to *reinvent* when we need to find a better way, and the *vision* to open the doors of opportunity and brighter futures for the people we serve.

IMPORTANCE OF MOVING TO WORK

Meeting Local Needs Using Federal Resources

In 1996, Congress created the Moving to Work Demonstration Program (MTW Program), which gave the Secretary of HUD authority to negotiate agreements with up to 30 high-performing public housing agencies to demonstrate how flexibility, regulatory relief, and innovation could lead to better outcomes for low-income families and the broader community.

Congress wanted to create an environment that encouraged and demanded innovation, creativity, imagination, efficiency, effectiveness, and better outcomes for America's low-income families, cities, and counties. Congress also wanted to demonstrate that with greater flexibility more could get accomplished with the same, or possibly fewer, resources from HUD.

With these principles in mind, Congress authorized the Secretary, through these negotiated agreements, to waive all of the statutory and regulatory provisions under the 1937 Act, except certain core issues: Davis Bacon; Civil Rights laws and Fair Housing; 504, UFAS, and Americans with Disabilities laws; and demolition and disposition under Section 18. Under the first agreements, HUD and the early MTW agencies took an incrementalist approach. It was not until 2003 when AHA and other agencies were able to convince HUD to provide the complete spectrum of statutory and regulatory relief.

MTW has outperformed Congress's and HUD's expectations, and the MTW Program has been expanded beyond 30 housing authorities, and the timeline has been extended. In FY 2013, we are 39 MTW agencies out of 3,400 public housing authorities in the nation.

Over time, the MTW Program has yielded three major lessons:

1. All real estate is local, and conditions vary widely throughout the nation.
2. Local problem-solving based on the needs, aspirations, and market and financial realities in the locality (using a strategic planning framework) yields substantially better results.
3. The focus must be on outcomes and not process.

Simply put, MTW is the new way of making HUD programs and funding resources work better in localities and with better results.

MTW Statutory Goals

- Reduce costs and achieve greater cost effectiveness in federal expenditure.
- 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.
- Increase housing choices for low-income families.

Importance of MTW and Single Fund Authority to AHA

AHA applied for and was designated as an MTW agency in 2001. After extensive negotiations, AHA executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. Later, AHA was able to retain the unique provisions under its original agreement when it negotiated a 10-year extension with its amended and restated MTW Agreement on November 13, 2008, and further amended it on January 16, 2009. AHA's MTW Agreement may be automatically extended for additional 10-year periods, subject to HUD's approval and AHA meeting certain agreed-upon conditions.

Obtaining MTW status has allowed AHA to continue implementing our long-term strategy of mainstreaming families, mainstreaming real estate, and mainstreaming AHA. The legacy that began in 1994 with the revitalization of Techwood Homes/Clark Howell Homes has been enhanced by using MTW flexibility to further human development and use public/private real estate partnerships to revitalize communities.

While statutory and regulatory flexibility are foundational elements of the MTW Program, the Single Fund authority is essential to AHA's financial viability. AHA's MTW Agreement permits AHA to combine its low-income operating funds, Housing Choice voucher funds, and certain capital funds into an MTW Single Fund or, simply, MTW Funds. When individual funding sources are combined and converted to MTW Funds under AHA's MTW Agreement, they are relieved of their statutory and regulatory strictures and may be used for MTW-Eligible activities as set forth in AHA's Business Plan and its Annual Implementation Plan.

AHA's MTW Agreement has enabled AHA to leverage lessons learned and best practices of its HOPE VI revitalization program, apply private sector business principles to manage resources responsibly, and achieve dramatically better outcomes for AHA-assisted households, AHA-owned real estate, and AHA itself. The funding flexibility provided AHA under the MTW Agreement is essential to AHA's continued success and long-term financial viability.

Goals of MTW

In keeping with the spirit and intent of the MTW Program's statutory goals, AHA established three overarching goals:

1. Quality Living Environments
2. Self-Sufficiency
3. Economic Viability

To deliver on these three goals, AHA uses its MTW flexibility to focus on local strategies and solutions that will have a positive impact on the families, real estate, and the city of Atlanta. From the very beginning of AHA's official status as an MTW agency and as it moves forward, AHA has served and continues to serve substantially the same number of families.



Innovation using MTW

The MTW Single Fund is important because, after following a rigorous, participatory strategic planning process, AHA can use its MTW Funds for innovative approaches to meet the local needs that grow out of the planning process and as set forth in AHA's MTW Business Plan, as modified, refined and updated in its Annual Implementation Plans. With the MTW Single Fund, AHA is able to pursue opportunities that benefit low-income families and that are not available to non-MTW agencies.

Unique in this industry, AHA maintains a holistic view of itself as an MTW agency. That is to say, unless otherwise prescribed by Congressional appropriations language governing a specific program, AHA does not separate activities as either MTW or non-MTW. For example, AHA's policy innovations like the work/program requirement are applicable to all families across all AHA programs except for the elderly and persons with disabilities. The success that AHA has achieved as an innovator, fulfilling the promise of the MTW program envisioned by Congress, is apparent in a review of AHA's many initiatives. For more detail, see the section on *MTW Innovations and Policies*.

FY 2013 ACCOMPLISHMENTS

These following successes and others are highlighted in the enclosed report.

(Figures as of June 30, 2013)

- **21,174** Households Served
- **358 new households** were housed from the Housing Choice waiting list. **9,308 households** (**7,043** of whom live in the City of Atlanta) participated in the Housing Choice Voucher Program and received rental subsidy assistance during FY 2013.
- **35 veterans** were housed through the HUD- Veterans Affairs Supportive Housing (VASH) program and AHA's Supportive Housing Program. Based on this success and the local need identified by the Veterans Affairs Medical Center, HUD awarded AHA **185 additional** VASH vouchers.
- **14 students** were awarded **\$36,350** in scholarships through AHA's Atlanta Community Scholars Award.
- **100 new affordable rental units** were completed in FY 2013 as a part of AHA-Sponsored mixed-use, mixed-income communities developed on the sites of former public housing projects.
- **31** eligible, first-time **home-buyers** received down payment assistance from AHA.
- Through our Project Based Rental Assistance Program, AHA increased our focus on reducing homelessness in Atlanta by increasing our commitment from 700 to 1,000 vouchers available to the Regional Commission on Homelessness and the United Way.
- **\$15.7 million** in upgrades were completed using AHA's MTW Funds across the 13 AHA-Owned (public housing-assisted) Residential Communities. This included completion of a **\$9.3 million** multi-year project to repair and upgrade select units.
- Implemented – on-time – scheduled milestones of the **Business Transformation Initiative** and the Yardi Enterprise Resource Planning (ERP) solution.

Independent Studies of AHA's Atlanta Model

AHA has engaged multiple third-party academic researchers in evaluating the effectiveness of the Atlanta Model. The studies consistently demonstrate that the Atlanta Model is working and has improved. For copies of these studies, please visit atlantahousing.org

II. AHA'S IMPACT AND INNOVATIONS

Each fiscal year's accomplishments reflect progressive steps toward making AHA's vision a reality. Over the past 10 years as an MTW agency, AHA has creatively used the tools and flexibility afforded by its MTW Agreement to implement housing policy reforms across all programs (See details on MTW-enabled innovations in *MTW Innovations & Policies*).

During FY 2013, AHA followed the FY 2013 MTW Annual Implementation Plan focusing on the three priorities listed below.

AHA's Priorities Are Aligned with MTW Goals			
FY 2013 Priorities	AHA/MTW Goals		
	Quality Living Environment	Self-Sufficiency	Economic Viability
Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness, and long-term financial sustainability.	*		*
Advance the human development services strategy through strategic partnerships and new funding strategies.		*	*
Implement the business transformation initiative including the integrated Enterprise Resource Planning solution.	*	*	*

PRIORITY: ADVANCE AHA'S REAL ESTATE INITIATIVES

FY2013 Goal: Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness, and long-term financial sustainability.

Over the last 19 years, AHA and its private sector development partners have repositioned its public housing properties into 16 mixed-use, mixed-income communities with a seamless affordable housing component. The community-building model including human development strategies for mixed-use, mixed-income communities is a blend of private sector market principles and public sector safeguards, which AHA has branded the "**Atlanta Model.**"

Public/private partnerships are the key ingredient. AHA leverages its special standing under its charter, its goodwill, its land, its MTW Agreement, and HUD grants, while the private Development Partner leverages its balance sheet, know-how, brand, and track record to raise private equity and incur debt. In all cases, the partners align their interests so that both parties are focused on the success of the community.

Since 1995, AHA and its private sector partners have successfully created quality, mixed-use, mixed-income communities with an economic impact to date of approximately \$2 billion. As the real estate and financial markets strengthen, AHA and its development partners will continue to advance the community sustainability aspects of the Master Plans. These strategies are intended to ensure the long-term sustainability and stability of the communities and the families' progression to self-sufficiency. Most of these additional aspects will be developed using non-HUD funds.

IMPACT OF FY 2013 REAL ESTATE INITIATIVES

AHA and its partners continued to advance phases for the revitalization developments already underway. The following pages highlight supporting activities that advance our priority real estate initiatives as listed below:

1. Advance master plans for mixed-use, mixed-income communities
2. Pursue Choice Neighborhoods Implementation Grant
3. Implement conversion (reformulation) demonstration for Centennial Place, a mixed-use, mixed-income community
4. Utilize PBRA as a strategic tool to facilitate housing opportunities
5. Expand supportive housing opportunities
6. Continue EPC implementation and unit upgrades for AHA-Owned Residential Communities



SUPPORTING ACTIVITIES

Advance master plans for mixed-use, mixed-income communities

Revitalization Initiatives

Through communities developed, owned, and managed by public/private partnerships, AHA has helped to address Atlanta's need for additional high-quality affordable housing in economically integrated environments.

- **Scholars Landing (University Homes Revitalization)** – In FY 2013, AHA's development partner, Integral, completed 100 affordable rentals for seniors at Veranda at Scholars Landing. Due to demand and attractiveness of the location, the property was fully leased a record three months ahead of schedule. AHA has provided PBRA assistance for all the units.



In a development known as Oasis at Scholars Landing, AHA's private sector development partner submitted a 9-percent LIHTC application for the

development of a 60-unit affordable assisted living community with a preference for veterans and their families. This community is designed to allow elderly residents to age in place, provide alternatives to costly home care, and reduce Medicaid expenditures through a continuum of care. Phase I public improvements were substantially completed in FY 2013 and are slated for completion in FY 2014.

Scholars Landing

(Developer: Integral Development LLC) *Veranda at Scholars Landing, a 100-unit building located near the Atlanta University Center, was completed and 100% leased in record time.*

- **Auburn Pointe (Grady Homes Revitalization)** – During FY 2013, Integral, AHA's master developer, substantially completed construction on 150 mixed-income units at Ashley at Auburn Pointe II, and expects to begin leasing in FY 2014. Fifty-one of the rental units will be leased to AHA-assisted families, 39 units will be leased to unassisted tax credit-eligible families, and 60 units will be leased to market-rate families.

Acquisitions

To further long-term sustainability of the neighborhood defined by the master plan for West Highlands, AHA purchased a 12-acre property adjacent to the City's new Westside Park. AHA will work closely with the Master Developer to develop plans for this property. This acquisition was in accordance with AHA's MTW Agreement and the associated Implementation Protocols and AHA's approved FY 2013 MTW Annual Implementation Plan. The annual plan required a public review process in which AHA solicited comments from community stakeholders.

Land Transactions and Sale of Assets

AHA completed the sale of the Roosevelt Highrise property at fair market value to the Georgia Board of Regents (the governing and management authority of public higher education in Georgia) for the benefit of Georgia Tech. As part of the sale, Georgia Tech has agreed with Integral Development and AHA to support the evolution of Centennial Place Elementary School as a Georgia Tech-sponsored STEAM (Science, Technology, Engineering, Arts and Math) school. This effort is being led by Integral Development and is supported by AHA, the Metropolitan YMCA, Coca-Cola and other stakeholders. (See *Human Development* section for more details on AHA's education strategy.)

Homeownership Down Payment Assistance

Using its MTW flexibility, AHA partnered with the City of Atlanta, Atlanta Development Authority, AHA's master development partners, and local lenders to provide down payment assistance to 31 low-to-moderate income, first-time homebuyers purchasing homes throughout the city of Atlanta.

Pursue Choice Neighborhoods Implementation Grant

In FY 2011, as part of the revitalization of University Homes, AHA applied for and was awarded a \$250,000 Choice Neighborhoods Planning Grant (CNPB) from HUD for the former University Homes and the surrounding Atlanta University Center (AUC) neighborhood. With a strong emphasis on access to high-quality educational opportunities, the CNPB provides funds to develop plans to transform the University Homes site and the surrounding neighborhood into a healthy, sustainable mixed-use, mixed-income neighborhood.

As a requirement for applying for an Implementation Grant, in December 2012 AHA successfully submitted its Choice Neighborhoods Transformation Plan to HUD. Throughout the year and with the support of partners, AHA held community planning meetings. AHA plans to submit an application for a Choice Neighborhoods Implementation Grant in the next round in September 2013.

Choice Neighborhoods

People • Housing • Neighborhoods



At community planning meetings, AHA gathered input from many different stakeholders to incorporate in the Neighborhood Transformation Plan.

AHA Brought Together This Great Group of Partners for the Choice Neighborhoods Initiative

- The City of Atlanta
- Invest Atlanta
- The Integral Group
- United Way
- The Arthur M. Blank Family Foundation
- Georgia Pacific
- Annie E. Casey Foundation
- Atlanta University Center Schools
- Atlanta Public Schools (APS)
- University Community Development Corporation
- Atlanta Neighborhood Development Partnership
- Vine City Health and Housing Ministry
- Councilmembers Ivory Young and Cleta Winslow
- APS Board Vice-Chair Byron Amos
- Neighborhood Planning Units L and T
- Neighborhood associations, businesses, residents and former University Homes residents

Implement subsidy conversion demonstration for Centennial Place, a mixed-use, mixed-income community (Reformulation Demonstration Program)

On November 2, 2012, HUD approved AHA's proposal to pilot AHA's Reformulation Demonstration Program under the auspices of its MTW Agreement at Centennial Place. Centennial Place, which was developed as a result of the Techwood Homes/Clark Howell Homes revitalization, was the first mixed-use, mixed-income community in the United States with public housing units as a component. Of the 738 residential units in four development phases, 301 units receive public housing operating subsidy pursuant to Section 9 of the U.S. Housing Act of 1937, as amended (the Act).

Under the Reformulation Demonstration Program, the operating subsidy for the 301 public housing-assisted units will be converted to project based rental assistance (PBRA) as designed and implemented by AHA using its MTW flexibility. PBRA provides rental assistance to eligible households pursuant to Section 8 of the Act. AHA conceptualized the Reformulation Demonstration Program using its MTW flexibility in order to help update, sustain, and preserve public and private investments in AHA-sponsored mixed-use, mixed income communities with Centennial Place being established as the first community for reformulation. In conjunction with the reformulation of Centennial Place, AHA received additional Housing Choice voucher funding on April 23, 2013, which will be used as part of the PBRA funding to replace the public housing operating subsidy upon conversion.

Consistent with the purpose and intent of the Reformulation Demonstration Program, and in order to complete the conversion of subsidy from Section 9 to Section 8, AHA and the respective owners of the four development phases must terminate the current operating subsidy arrangement under the Regulatory and Operating Agreements for the four development phases and replace the public housing operating subsidy with PBRA pursuant to the terms of AHA's form of PBRA Agreement. This first stage of the subsidy reformulation will occur in early FY 2014.

As the second stage of the reformulation strategy progresses, the managing general partner of the owner entity of each development phase will raise debt and equity to renovate all 738 units on a phase-by-phase basis in order to upgrade and improve the quality, market competitiveness, and sustainability of Centennial Place. Residents will be temporarily relocated on-site or otherwise to accommodate the renovation work. The relocation costs are part of the development budget.

During FY 2013, to prepare in advance for the second stage of the reformulation strategy, the managing general partner of the respective owner entities of development Phases I and II of Centennial Place submitted 9-percent Low Income Housing Tax Credit (LIHTC) applications to raise equity for the renovations. These applications are currently being considered by the Department of Community Affairs, which administers the tax credit program for the State of Georgia.

LIHTC applications for Phases III and IV will follow as the Centennial Place reformulation progresses. The preliminary pro forma assumption is that the rents for the PBRA units will be funded at 60% of the area median income for metropolitan Atlanta. The ultimate objective of the Reformulation Demonstration Program at Centennial Place is to reposition the 301 AHA-assisted units so that these units will carry their aliquot share of the debt service, equity requirements, and operating costs for the property.

PBRA continues to facilitate housing opportunities

AHA continues to facilitate affordable housing opportunities for low income families under the PBRA program. Currently, AHA provides PBRA for 4,358 units in mixed-income communities. (See *Appendix D.*)

Expand supportive housing opportunities

When a person or family is in crisis because they lack safe and adequate housing or they are unable to maintain housing because of mental health or developmental disabilities, typical housing assistance policies and programs may be inadequate to address their various needs and the root causes.

Based on its past experience and lessons learned through such activities as the Homeless Demonstration Program, Mental Health Demonstration Program, and other Supportive Housing initiatives, AHA concluded that typical housing assistance policies and procedures are not always the best fit for supportive service plans and the varying housing needs of the client populations. In FY 2012 AHA's Board of Commissioners approved a new set of policies, the *Statement of Policies for Supportive Housing*. The new policies and procedures include alternative occupancy arrangements, rent determinations, and rules regarding continuing assistance.

In FY 2013, AHA began to structure its various pilots, procedures, and initiatives under a programmatic approach called Supportive Housing Strategy.

Supportive Housing Strategy

For AHA, supportive housing equals stable housing plus intensive support services for people with a variety of special needs: **homeless people, people with disabilities, military veterans, at-risk families and youth, and other target groups enrolled in supportive services programs.** By taking a strategic perspective, AHA leverages its resources, funding, and MTW flexibility to collaborate with private sector developers/owners and service provider partners to find solutions that help individuals and families stabilize and secure their future.

The challenges for these special needs populations are complex and the solutions require a coordinated approach, multiple partners, and multiple sources of funding.

For this reason AHA employs both place-based and tenant-based approaches to further its Supportive Housing Strategy.



Place-Based Approaches

Reducing Homelessness with Supportive Housing

Primary Population Served: Homeless individuals and families

Partners: In response to the need in the city of Atlanta, AHA continued its partnerships with the Regional Commission on Homelessness, the United Way of Metropolitan Atlanta, the Atlanta

mayor's *Unsheltered No More* Initiative, and HUD to provide housing opportunities for homeless populations.

Description: Under AHA's PBRA for Supportive Housing program, owners and developers of supportive housing receive housing subsidy under PBRA agreement with AHA for up to two years. In return, the owner is required to 1) work with a certified Service Coordinator such as the United Way and 2) enter into an agreement with one or more service providers who will provide appropriate intensive support services for the target population. They also agree to coordinate with any public agencies and nonprofit organizations that are providing additional case support to individual residents.

As funding becomes available, AHA periodically releases competitive Requests for Proposals for PBRA for Supportive Housing. In FY 2013, AHA issued a new competitive solicitation for developers/owners of new and existing supportive housing programs, which will remain open throughout FY 2014 until AHA has achieved its plan. AHA awarded a new PBRA agreement for 10 units to Quest Village III, a supportive housing community for homeless veterans. (See sidebar story.)

AHA has committed 700 vouchers – over 10 percent of its tenant-based Housing Choice vouchers in Atlanta – to support the Regional Commission's fight to end homelessness. As of June 30, 2013, 546 of these units were under current PBRA agreements and another 150 units were under commitment, with construction, completion and occupancy scheduled in FY 2014. (See *Appendix D*.) In FY 2013, AHA increased its commitment to 1,000 MTW vouchers to support a variety of initiatives to reduce homelessness in Atlanta.

Stabilizing Disabled Individuals

Primary Population Served: Mentally or developmentally disabled individuals

Partners: The Integral Group, Integral Youth and Family Project

Description: In FY 2009, AHA and its partner The Integral Group developed a 26-unit supportive services housing community – the Gardens at CollegeTown – for persons with mental or developmental disabilities. This development is part of the larger CollegeTown at West End master-planned, mixed-use, mixed-income community. The Integral Youth and Family Project coordinate supportive services with the vision of connecting persons to needed counseling and supportive services so they can live independently.



Quest Village Gives Veteran the Support She Needs To Get Back on Her Feet

In 2010 Shunita Averett lost her job, her house, and her marriage. Though she is an eight-year Navy vet with work experience as a surgical technician, she found herself in a tough situation and became homeless for over a year and a half.

In 2012, her life turned around when she moved into Quest Village, one of AHA's community partners that uses AHA's PBRA to provide supportive housing for up to 20 homeless men and women.

Now Shunita has a sense of stability. Not only does she have a safe place to live, she is getting job and life skills training that will help her find employment and get back on her feet.

Tenant-Based Approaches

Helping Veterans with VASH

Primary Population Served: Homeless veterans and their families

Partners: HUD, Veterans Administration (VA)

Description: Under this special voucher program, AHA issues vouchers based on referrals from the VA, then the VA provides case management and other services for each veteran.

In FY 2013, AHA successfully housed 25 veterans and their families using HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers awarded to AHA in FY 2012 in a cooperative program between HUD and the Veterans Administration (VA).

HUD-VASH is a key component of HUD's strategy to end homelessness among veterans by 2015. Based on AHA's success using the VASH vouchers and the local needs of the Veterans Affairs Medical Center, in FY 2013 HUD awarded AHA an additional 185 VASH vouchers, which will be issued in FY 2014.

Unifying Families and Youth with Family Unification Vouchers

Primary Populations Served: Homeless families with children and former foster care youth between the ages of 18 and 21

Partners: Department of Family and Children Services (DFCS) – Fulton County

Description: Family Unification Program (FUP) vouchers provide rental assistance to families under the care of the Fulton County Department of Family and Children's Services (DFCS) who require housing to stay together or come together. AHA reenergized this program by supplementing the DFCS case support with Family Self-Sufficiency coordinators who assist families with housing success.

Using Housing Choice Tenant-Based Vouchers for Pilot Programs

Primary Population Served: Homeless families and youth

Description: Using its MTW flexibility and funds in FY 2014, AHA is exploring various rent reforms and homelessness initiatives. For example, AHA is designing a Tenant-Based Supportive Housing pilot that would provide assistance for individuals and families that successfully "graduate" from a permanent supportive housing community into living independently. AHA is also exploring creation of a Short-Term Rental Assistance pilot to prevent homelessness and to support rapid re-housing of families dealing with temporary setbacks.

Supportive Housing is a Priority for AHA

As of June 30, 2013, AHA funds units and vouchers totaling 897. This figure includes PBRA, VASH and FUP special vouchers, and public housing units in AHA-Sponsored Mixed Income Communities. Based on its plans for new supportive housing initiatives and increased commitments, AHA will nearly double its annual budget to \$15 million by the end of FY 2014. Using its MTW flexibility to partner with the private sector, government agencies, and the service provider community, AHA will continue to expand its supportive housing programs to address the local housing needs of at-risk populations.

Continue EPC implementation and unit upgrades for AHA-Owned Residential Communities

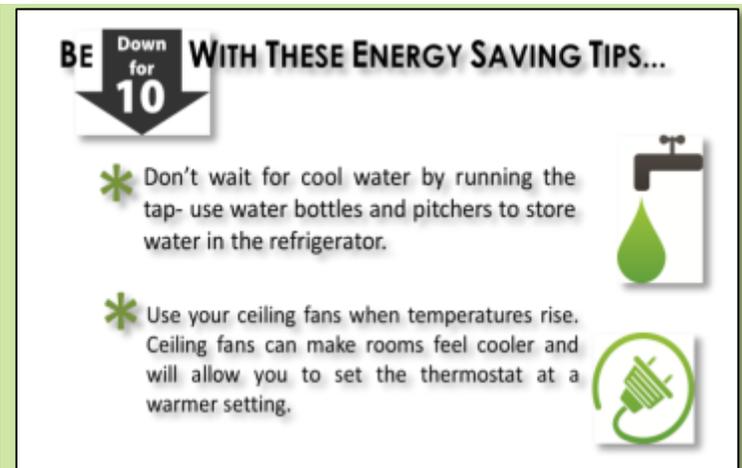
Under AHA's site-based and private property management business model, third-party professional property management firms (PMCOs: Lane Company, Integral Property Management, and the Habitat Company) managed the 13 AHA-Owned Residential Communities.

The PMCOs have provided comprehensive site-based management in accordance with AHA's goals, policies, and financial resources. Site-based management includes the daily property operations, maintenance, and capital improvements as well as admissions and resident services.

In FY 2013, the PMCOs provided comprehensive construction management for property and building rehabilitation work. This work included completion of a two-year rehabilitation project focused on upgrading units. During the project, AHA spent \$9.3 million on replacing 1,100 damaged kitchen cabinets, installing 574 new closet doors, and replacing worn flooring in 1,059 units as well as installing medicine cabinets, blinds and new appliances.

In addition to the unit rehabilitation and other capital improvement projects, working with Johnson Controls, AHA implemented its second energy performance contract (EPC). AHA combined a \$9.1 million EPC loan with \$2 million in MTW funds.

During FY 2013, AHA realized water/sewer savings from the installations of low-flow faucets, showerheads, and toilets and electricity savings from the installation of compact fluorescent lights. Through the EPC project, AHA has replaced HVAC systems with new energy-efficient systems and upgraded bathrooms with new sinks and light fixtures. As a result of these improvements and conservation by residents in all the AHA-Owned Residential Communities, AHA saved \$684,000 in utility costs, which have been used to pay the debt service under the EPC loan.



Tip sheet used at the senior high-rise communities for the "Down for Ten" Energy Conservation Program launched in FY 2013. This organized competition among all 11 high-rises is building residents' pride and morale in their communities while reducing utility costs. Each quarter, the winning community is the one closest to the 10 percent reduction goal. Residents of Barge Road were the first winners with a 6 percent reduction in electricity and a 4 percent reduction in water.

Reposition and expand property management strategy for AHA-Owned Residential Communities

Because existing contracts with AHA's three PMCO firms expired on June 30, 2013, during FY 2013 AHA reviewed its property management approach to consider how it aligned with AHA's long-term real estate strategy. AHA decided that, in order to bring the AHA-Owned Residential Communities to market-rate competitive standards, it needed to raise debt and equity in partnership with private sector developers. Therefore, AHA decided to add development to the scope of the future property management contracts.

After this evaluation and determination, AHA completed a competitive solicitation for new Property Manager-Developer (PMD) partners for the AHA-Owned Residential Communities. The solicitation included professional property management services and real estate development services with the intent of attracting private funding for updating and modernizing the properties to bring them up to market-rate competitive standards.

As an outcome of the procurement process, AHA selected The Integral Group, The Michaels Organization, and Columbia Residential. The PMDs took over comprehensive management of the AHA-Owned Residential Communities effective July 1, 2013. Through these new strategic relationships and leveraging debt and equity from private investors, the PMDs will also begin development planning in FY 2014 with the goal of completing the development plans within three years.

PRIORITY: ADVANCE HUMAN DEVELOPMENT SERVICES

FY 2013 Goal: Advance the human development services strategy through strategic partnerships and new funding strategies.

One of the key lessons AHA has learned through its strategic revitalization efforts to transform public housing for the 21st century is that human development services are essential to the success of those we serve. Using MTW funds, AHA continues to offer human development services provided by community partners. AHA-assisted customers are given referrals, as needed, to connect them to employment, training, education, and other opportunities. For customers who have more complex needs, we are establishing intensive coaching and counseling services through partnerships with professional firms.

IMPACT OF FY 2013 HUMAN DEVELOPMENT SERVICES INITIATIVES

The following pages highlight supporting activities that advance these two priority human development initiatives:

1. Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.
 - Working-Age Adults
 - Elderly and Disabled
 - Children and Youth
2. Advance early childhood education strategy and other education partnerships

FY 2013 Results

Work/Program Compliance
in mixed-income communities: 99%

Highrise Resident
Satisfaction Rating: 94%

College Scholarships Awarded: 14
Totaling \$36,350

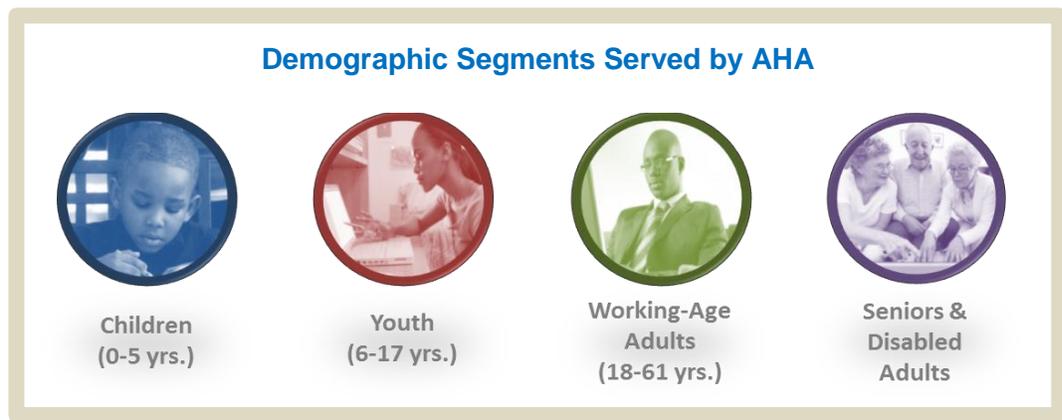
SUPPORTING ACTIVITIES

Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.

During FY 2013, AHA completed foundational work to refine our human development strategy to focus on distinct goals for four segments of our population: children, youth, working-age adults, and seniors and disabled adults.

Using this expanded segmentation, we assessed, and then matched the needs of each population with the appropriate mix of human development services and service provider partners. We established outcome goals for each segment. We then began aligning contracts with service providers and setting performance measures using the life-cycle model.

To build core capabilities aligning with each population segment, we added new staff positions, including a new



Director of Human Development Services, a gerontologist, and a youth programs specialist. AHA also spent Family Self-Sufficiency Program grant funds and MTW funds for on-staff Family Self-Sufficiency Coordinators that assist families in crisis, including counseling on being compliant with AHA’s work/program requirement.

Working-Age Adults

Demonstrating the importance of the Atlanta Model and the impact of mixed-income environments, 99 percent of AHA-assisted households with target adults* in AHA-Sponsored Mixed-Income and PBRA Communities were in compliance with AHA’s work/program requirement. Compliance requires that they maintain full-time employment or are engaged in a combination of school, job training, and/or part-time employment.

These adults succeeded because they have been positively influenced by a culture of work. They also benefited from private property management’s support and guidance for gaining and maintaining employment (under AHA’s site-based administration policies). This support also helps maintain the integrity and viability of the entire mixed-income community.

* Target adults are non-elderly, non-disabled adults between the ages of 18 and 61 years.

Work/Program Requirement

As a condition of receiving the housing subsidy, Households must meet the work/program requirement where:

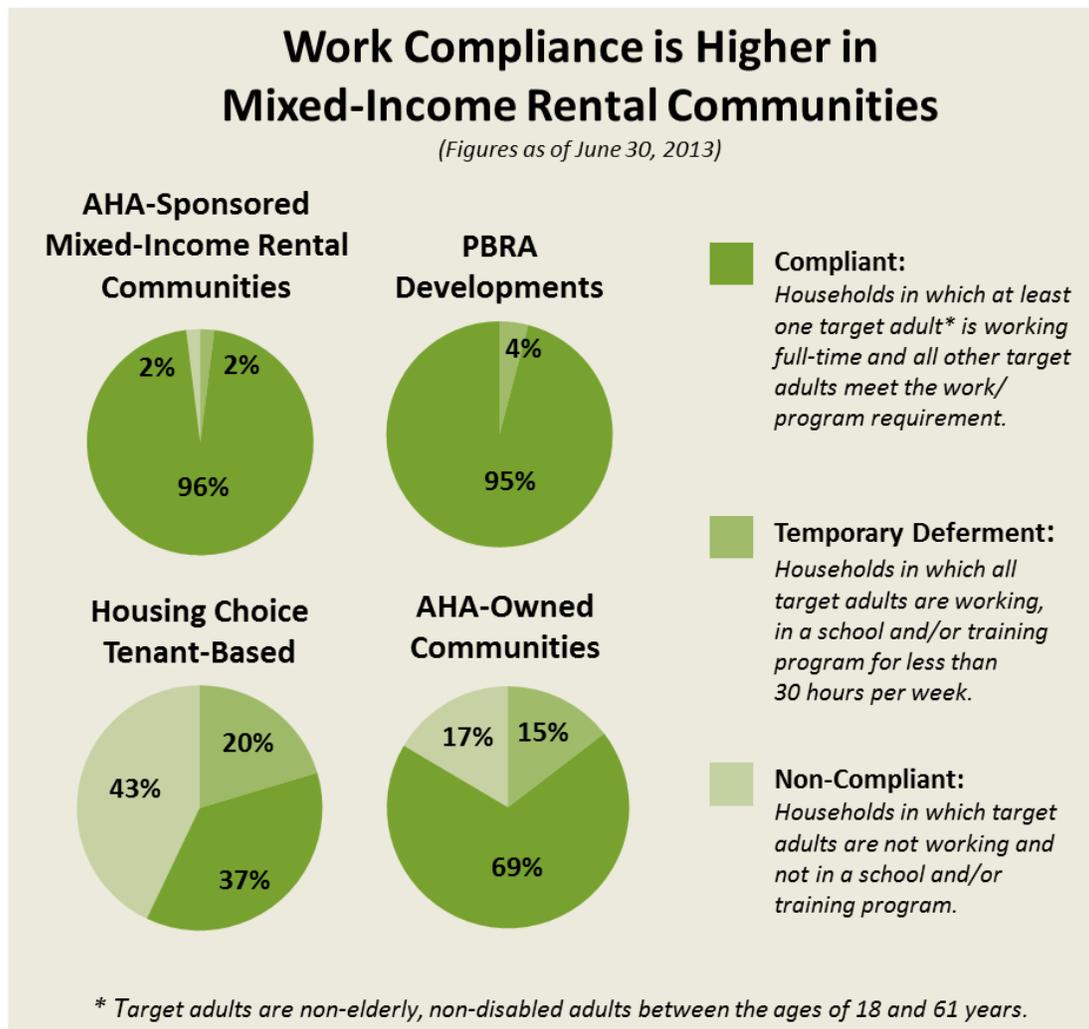
- (a) **one** non-elderly (18 to 61 years old), non-disabled **adult** household member must maintain continuous **full-time employment** (at least 30 hours per week)
- and**
- (b) **all other** non-elderly, non-disabled **household members** must also maintain employment with a minimum of 30 hours per week or **participate in a combination of school, job training and/or part-time employment.**

Further supporting this view, AHA found that among families living in the AHA-Owned Residential Communities, 84 percent of households were in compliance with the work/program requirement.

By contrast, target adults in the Housing Choice Voucher Program found it harder to find jobs or retrain for new ones. As of June 30, 2013, 57 percent of Housing Choice households were in compliance. This rate is composed of 37 percent of households working full-time plus 20 percent of households in which the target adults were engaged in a combination of work, school, or training for less than 30 hours per week (temporary deferments). AHA may grant temporary deferments to a household while target adults complete their education or job training program.

AHA recognizes that many families continue to need human development support. Adults may find it difficult to obtain full-time employment, especially if they lack marketable skills, knowledge, or certifications necessary for success in the new economy.

To help families along their path to self-sufficiency, target adults were referred to AHA's Service Provider Network partners such as the Atlanta Workforce Development Agency, which provided training and services for 1,770 participants in FY 2013. To further improve families' success, in FY 2014 AHA will invest in intensive coaching and counseling services for households that are non-compliant and need extra support in obtaining and retaining jobs.



AHA Puts Housing Choice Participants On Their Path to Training and Employment



Work Experience Program Develops New Skills

Through the Atlanta Workforce Development Agency (AWDA), Harvey Moton, 51, was referred to and enrolled in the Automotive & Diesel Technology program at Atlanta Technical College in July 2010.

After graduating in May 2012, Moton was able to enroll in a work experience program with the City of Atlanta Fleet Services as a mechanic.

Moton credits AWDA and AHA for encouraging him to take every opportunity to take his training to the next level.

“Back when I lost my job, I really didn’t know how I was ever going to get back on my feet,” Moton said. “Even though I was unsure of myself, AWDA really motivated me to go back to school and then to get involved in this training program.”



Work Program Leads To Job Training, Then To A Job

In 2011, after 30 years as a sales associate, Alicia Wheeler was laid off. Being thrust into the job market in the “new economy” was tough.

Alicia turned to AHA’s program for help. Through that program, she enrolled in a job readiness training class at the Atlanta Workforce Development Agency (AWDA). Once she completed that class, she was selected for the Occupational Skills Training Program, which prepared her to seek and secure a full-time job working with DTZ Unicoi Service on the Clark University campus.

Through AWDA, she continued working on getting her GED and says, “You are never too old to learn, and I thank AHA and AWDA for giving me the chance to realize that.”



GED and Technical Training Opens Up New Career

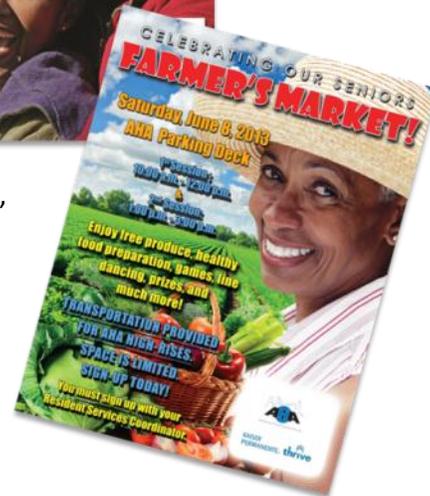
When she was 19, Cory Hackney, 26, decided to go back to school for her GED because she wanted to have a better life.

“I enrolled in the GED program with AHA and, after completing the state tests, I went on to obtain a Culinary Arts diploma from Atlanta Technical College,” Hackney said.

When she participated in an internship program at the Sheraton in 2011, managers observed her attention to detail (especially the fruit and vegetable trays, she said!) and hired her full-time.

Elderly and Disabled

AHA's Aging Well program encourages independent living and empowers older adults to be active and control decisions that affect their lives and aging process. It offers social engagement opportunities, enhances connections to family, friends, and the broader community, and promotes wellness. Based on the success of this program in the AHA-Owned Residential Communities, we will expand the offerings to elderly and disabled families in Housing Choice in FY 2014.



Building Harmony and Respect

Piloted in FY 2012 in two communities, this program uses cultural awareness, understanding, and communication to strengthen a sense of community and help the elderly enjoy a higher quality of life as they age in place. During FY 2013, 64 percent of residents (1,237 residents) at the AHA-Owned Residential Communities have participated. In the sessions developed and facilitated by Dr. Joy Carver, residents engage in dialogues that challenge their assumptions about racial, ethnic, and cultural differences. As result of this program, residents have come to appreciate the value of diversity in their communities.

Children & Youth

AHA hired a youth programs specialist who will help develop programs and strengthen partnerships with community organizations that support the educational advancement of youth.

AHA and the United Negro College Fund (UNCF) continued their partnership on the Atlanta Community Scholars Awards (ACSA). UNCF provides fiscal oversight for grants and gifts given by AHA and its employees, including disbursements and scholarships. The scholarships are awarded by a committee of AHA employees and other community benefactors. For the 2013/2014 academic year, AHA awarded 14 scholarships totaling \$36,350 to deserving AHA-assisted youth for post-secondary education.



ACSA Alumna – a Trail Blazer with Her Education – Is Working as a Civil Engineer with Big Dreams for Her Future

"My dream is to work for an international architecture company that will allow me to travel and see the world," said Sade Trammell, 23-year-old, Atlanta Community Scholars Award (ACSA) alumna and Georgia Southern University's first female Civil Engineering graduate.

Cont'd on next page

Cont'd... Trammell was living in Thomasville Heights, one of AHA's distressed public housing projects, when she graduated from Therrell High School. Going to college was an example she wanted to set for her siblings. "I'm the first in my family to make it this far with education. I didn't want my sisters to think they had to grow up and live from paycheck to paycheck or be stuck in that kind of neighborhood," she said.

Trammell worked with her high school guidance counselor to apply for college scholarships and was happy to learn about the ACSA Program. "AHA's scholarship helped me to go to Georgia Southern without any loans," Trammell said.

Trammell graduated from Georgia Southern in May 2013 and now works for the Georgia Department of Transportation. She is learning a lot working on a variety of projects, including road repaving and bridge building. In two years she plans to go back to school for a master's degree in structural engineering.

"I really appreciate AHA for the extra encouragement they are giving to students like me," Trammell said. "I'm so motivated to move forward! I've got goals, and I do not plan to stop!"

Advance early childhood education strategy and other education partnerships

In support of Centennial Place Elementary School, AHA and The Integral Group (AHA's master developer for Centennial Place) further advanced a partnership with the Georgia Institute of Technology (Georgia Tech). In a memorandum of understanding signed as part of the sale of the Roosevelt Highrise property to Georgia Tech, all parties – Georgia Tech, Integral, and AHA – agreed to strengthen and expand educational offerings at Centennial Place Elementary.



Georgia Tech has agreed to provide engineering and arts faculty expertise and student involvement to create a high-performing, state of the art, hands-on STEAM (Science, Technology, Engineering, Arts and Math) curriculum. Led by an affiliate of Integral, Atlanta Public Schools, AHA, the YMCA, Centennial Place Elementary PTA, and other community stakeholders have agreed to work collaboratively to expand Centennial Place Elementary from a K-5 school to pre-K to eighth grade in order to offer a seamless educational path from early childhood through college.

During FY 2013, AHA and its partners (Columbia Residential and BrockBuilt) supported the opening of Westside Atlanta Charter School, a new charter school adjacent to the West Highlands at Heman Perry Boulevard community. This new school provides a quality, public educational alternative for the economically and socially diverse Westside neighborhood.



The first day at the new Westside Atlanta Charter School is a day to celebrate because these children, including those who live in AHA's West Highlands community, will now have the opportunity to get an excellent education and foundation for future success.

PRIORITY: IMPLEMENT THE BUSINESS TRANSFORMATION

FY 2013 Goal: Implement the business transformation initiative including the integrated Enterprise Resource Planning solution in order to streamline and automate operations and ensure the economic viability of AHA.

AHA initiated a multi-year strategy in FY 2011, which continued through FY 2013, to strengthen AHA's business model as a diversified real estate company and prepare for the "new normal" in the real estate and financial markets.

In FY 2013, AHA's business transformation affected operations in every area of AHA and involved four dimensions of change: process, people, technology, and policy and procedures.

All our business process improvements in concert with our new technology platform will significantly increase business productivity, providing better customer service to AHA-assisted families, internal and external customers, partners, and the community at-large.



IMPACT OF THE BUSINESS TRANSFORMATION INITIATIVE

During FY 2013, AHA continued to make significant progress toward our goals of streamlining and automating core operations; automating third-party data-exchange with partners and service providers; and eliminating manual, redundant processes and paperwork. Aligned with this work, AHA strengthened our core competencies through staffing, coaching, training, and organizational restructuring.

The following pages highlight these supporting activities that are advancing our business transformation initiative:

1. Implement the ERP Solution
2. Build organizational capabilities
3. Implement a stakeholder education and engagement initiative
4. Develop new sources of revenue and funding

SUPPORTING ACTIVITIES

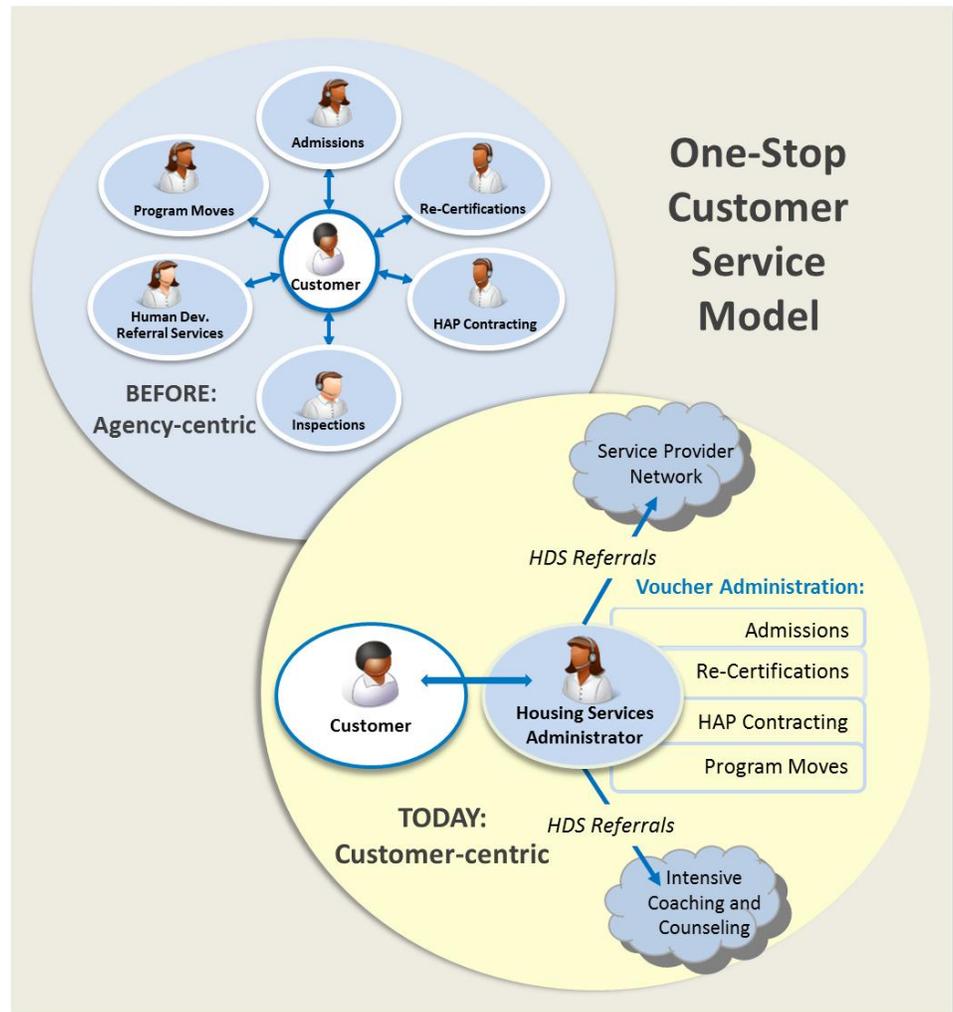
Implement the ERP Solution

The implementation of AHA's integrated ERP projects has resulted in cost and time efficiencies throughout the agency – all linked to providing more effective service to customer. The following examples illustrate the immediate impact of change in FY 2013:

- Improved Customer Service Model**

AHA reorganized and bolstered Housing Choice operations by providing one-stop services for families with one Housing Services Administrator assigned to each family. Before the reorganization, families regularly interacted with as many as six employees to carry out routine business. AHA also integrated the Human Development Services function with Housing Services to form the Customer Services Group.

The result is quicker turnaround, better customer care, improved efficiency, and greater visibility into human development challenges and solutions.



- Introduced a Corporate Card Program**

By replacing purchase orders for micro-purchases under \$5,000, AHA was able to reduce administrative costs by 80% from \$88 to \$17 per transaction. Use of corporate cards also reduced the number of small purchase orders by 66% from 1,500 to 530 in the initial year.

- Implemented an Automated Procurement System**

AHA implemented an automated Procurement Solution that allows vendor registration and management through an online platform. Over 300 new and existing suppliers used self-service features to register with AHA, which reduced AHA's sourcing administration costs by 40%.

- **Digitized and Centralized Millions of Documents**

AHA scanned over 2 million documents resulting in 5% reduction in off-site paper storage. In conjunction with a newly adopted retention schedule, centralized scanning of new documents increases the security and availability of information when working with customers.

- **Began Implementation of Yardi Core System and Automation**

AHA has used new technology to automate and streamline business processes. During FY 2013, AHA completed rollout of the Yardi Core System, as well as the Financial, Procurement and Grants modules and the operational elements for ports administration in the Housing Choice Voucher Program. Ports administration involves actions taken by the sending and receiving agencies to support a family's move from one jurisdiction to another.

Automation has resulted in increased efficiencies and productivity in ports administration, payment processing (Housing Assistance and Utility Allowance payments) and document management (including intake, search/retrieval, and workflow). For example, HAP processing times for ports have been reduced by 79%. With the full rollout of the ERP solution in FY 2014, AHA will realize further efficiencies and cost savings.

Build organizational capabilities

The effectiveness of new technology, tools, and systems is dependent on the people who use them. The following examples illustrate how AHA has built the core capabilities of our people through development, training, and restructuring to support collaboration and shared resources:

- **Strengthened Core Capabilities**

To prepare for the future state, AHA began by identifying the skills and capabilities that would best leverage the new technology and provide superior customer service to its participants and partners. To fill the skill gaps required for the future state and build bench strength around core competencies, AHA implemented a "Build-Buy-Borrow" strategy. *Build*: First, we developed, coached, and promoted qualified employees for future state roles. *Buy*: When a needed skillset did not exist internally, AHA recruited experienced talent externally. *Borrow*: For projects that have required immediate skills for a specific period with a defined beginning and end date, AHA hired contractors and consultants.

- **Reorganized and aligned operations with service delivery**

Before MTW flexibility, organizational structures and departments were created to align with sources of funding. Leveraging that flexibility, AHA has been able to change its organizational structure. We manage a variety of real estate assets, and all of our experts need to work closely together to make the best use of resources.

Using best practices in the real estate industry, AHA consolidated three areas into one Real Estate Group: 1) real estate development, 2) real estate



oversight and services, and 3) real estate investments and finance.

This organizational change will help strengthen AHA's core competencies and skills, open up new career development opportunities, facilitate more collaborative working relationships, and position the agency to deal more effectively with real estate professionals.

This consolidation of real estate activities, along with the restructuring of Housing Choice and Human Development into the Customer Services Group streamlined AHA's organization so that core work is performed in these two groups and all other departments are considered to be Centers of Expertise, providing professional services that support customers, partners, and other AHA departments.

- **Launched AHA University**

AHA launched AHA University to encompass both technical and professional development programs. In FY 2013, AHA created and introduced role-based training for positions that use the new Yardi system. The role-based approach supports sustained learning over time, and its modular framework enables AHA to customize the curriculum for each individual's role and align the future-state business processes with organizational goals. Role-based training also leverages its development investments by allowing efficient modifications or additions to modules, rather than to the entire curriculum, when processes or roles change.

AHA also implemented a core curriculum of leadership skills training needed by executives and managers. This work will be ongoing.

- **Developed and implemented a new orientation and onboarding program**

The new 90-day program called *Blueprint for Success* is designed to help all employees collaborate, connect and succeed from the start, knowing how their role ties into the agency's mission. The curriculum includes classroom education, an introduction presented by senior leadership to all areas of AHA, property tours, and a ride-along with an inspections team member to see their work firsthand.

AHA launched the program in April 2013 and requires it for all new hires, including anyone hired since April 2012.

Implement a stakeholder education and engagement initiative

During intense phases of business transformation in FY 2013, AHA focused education and engagement initiatives around its employees, who are primary stakeholders.

AHA took advantage of the 75th anniversary as a time to tell the story of how its business model and community-building strategy have evolved and continue to evolve to achieve better outcomes for AHA-assisted households and the city of Atlanta. This milestone celebration allowed AHA to share its story with a broader external audience including local and regional HUD officials, elected officials, and community partners who participated in presentations highlighting AHA's legacy and vision.

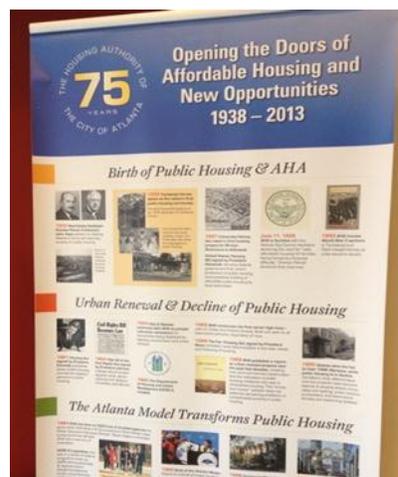


Chantil Coleman, a 2012 Gates Millennium Scholar and sophomore at Wesleyan College, grew up in the Centennial Place mixed-use, mixed-income community. Speaking to AHA employees on our 75th anniversary, she said, "I'm proud to be seen as a success story for AHA."

Expanded communications

Through an expansion of communications media, clear messaging, and increased frequency, AHA has kept employees engaged in changes and improvements to AHA processes and service enhancements. These are a few of the ways we expanded communications:

- **Installed monitors** on each floor to highlight news, training tips, and ERP milestone announcements giving context to the agency's mission and vision.
- **Held all-staff programs** with guest presentations from AHA-assisted families who have achieved successes to demonstrate the purpose and outcomes of our daily work.
- **Created 75th anniversary communications** to tell the story of AHA's founding and how its vision has endured over different eras of history into modern times.



AHA history banner on display in the lobby for our customers, visitors, and employees to view through 2013, tracks the critical eras of AHA, including its MTW designation.

Unrestricted sources of revenue

During FY 2013, through its ongoing business relationship with Georgia HAP Administrators, Inc., d.b.a. National Housing Compliance (NHC), AHA earned \$858,319 unrestricted revenue as a member of NHC. *(No MTW or other AHA restricted funds support this independent business operation.)*

AHA’S BUSINESS LINES AND PROGRAMS

AHA operates its business as an MTW agency pursuant to its MTW Agreement and facilitates quality affordable housing through five different housing solutions:

- AHA-Owned Residential Communities
- Housing Choice Tenant-Based Voucher Program
- AHA-Sponsored Mixed-Use, Mixed-Income Communities
- Mixed-Income Communities using Project Based Rental Assistance (PBRA)
- Supportive Housing

Each one is designed to leverage AHA’s resources – finances, knowledge and experience, grant funds, rental subsidies, and land.

Through this variety of programs, all supported by human development services, AHA is able to meet a broad spectrum of housing needs for low-income families, including at-risk populations, in the city of Atlanta.

AHA-Owned Residential Communities

1,942 households • 11 senior high-rises • 2 family communities

AHA owns 13 public housing assisted residential properties, including 11 senior high-rise communities and two small family communities.

AHA contracts with professional private Property Managers-Developers (PMDs) to manage each community in a comprehensive manner in accordance with AHA’s goals, policies, and priorities.

FY 2013 Highlight
Community Gardens were completed in all communities. Using a grant from Enterprise Community Partners, residents received training on sustainable gardening techniques.



Melissa Firestone, a resident of Cosby Spear Highrise, is pictured here gardening and showing off her bountiful produce. Ms. Firestone serves on the Commission on Disability Affairs (CODA). Her leadership is an asset to the community, where she encourages others to get involved in new programs like community gardening.

Housing Choice Tenant-Based Voucher Program

9,308 households



Bertha Wilcher moved into public housing when she was laid off from work. Later, when the “projects” were demolished, she was given the opportunity to rent a house using a Housing Choice voucher. Now she’s happy to have a home where it’s safe for her son to go out and play. Her son is flourishing in school. She says, “Today I am blessed. This is all I could hope for.”

AHA’s Housing Choice Tenant-Based Voucher Program offers families the greatest mobility and broader range of choice in selecting where they live. Using an AHA voucher, families can identify quality housing anywhere in the city of Atlanta with the assurance that they will not have to pay more than 30 percent of adjusted income towards their rent and utilities. Families may also choose to use their AHA voucher to move outside the city limits of Atlanta.

FY 2013 Highlight
Pulling from our Housing Choice waiting list, AHA provided assistance to 358 new families. AHA may open the waiting list in FY 2014, making housing vouchers available to more families in Atlanta.

Property owners/landlords of single family homes and apartments manage the properties and enter into landlord/tenant relationships with the families.

AHA-Sponsored Mixed-Use, Mixed-Income Communities

4,992 households • 16 communities

AHA’s Strategic Revitalization Program makes it possible for private real estate developers to create market-rate quality mixed-use, mixed-income communities on the sites of former public housing projects. The Master Plans for each site envision transformational community-building by

- developing new mixed-income rental and for-sale units – both affordable and market-rate,
- incorporating great recreational facilities and amenities,
- creating green space and parks,
- providing quality retail and commercial activities, and
- being child-centered and supporting the creation of high-performing neighborhood schools (pre-K to high school).

FY 2013 Highlight

AHA’s partners were awarded tax credits for the development of an affordable assisted living community to be named Oasis at Scholars Landing. The first affordable assisted living facility in Georgia, it will provide housing for aging residents who require more assistance.



150 mixed-income, family units at Auburn Pointe are currently under construction with occupancy anticipated in FY 2014.

Mixed-Income Communities using Project Based Rental Assistance

4,593 households

Using MTW flexibility, AHA created and implemented the Project Based Rental Assistance Program (PBRA) – AHA’s form of PBRA Agreement that streamlines program activities through site-based administration delivered at the property level.



This program leverages the value of a long-term rental assistance arrangement for private real estate developers and owners to develop or make affordable quality mixed-income communities. Upon completion of the community, AHA and the owner enter into a PBRA Agreement for a period up to 15 years to provide

rental assistance to eligible residents in the PBRA units covered by AHA’s commitment.

The PBRA Program has successfully increased the long-term availability of high-quality affordable units to low-income families in Atlanta.



FY 2013 Highlight

AHA actively engaged partners in the business transformation initiative by collaborating on ways to use technology to enhance and streamline business processes related to site-based administration and HUD reporting.

Supportive Housing

897 households (Sub-set across all business lines)

The purpose of supportive housing is to provide at-risk populations – who are often homeless or soon-to-be homeless – with a stable housing arrangement that includes

“wraparound services,” the specialized support services that address individual needs.

At-risk populations include homeless people, people with physical, mental or

developmental disabilities, military veterans, families separated due to the lack of housing, youth aging out of foster care, and other target groups that need quality, affordable housing. For AHA,

Supportive Housing holds a meaningful place among the housing opportunities we make available to low-income families and individuals.



FY 2013 Highlight

“As part of its standing commitment to be a facilitator of affordable and quality supportive housing, AHA expanded its supportive housing project based rental assistance program from 700 to 1,000 units.

AHA will implement two pilot programs, a tenant-based supportive housing pilot and a short-term rental assistance pilot to address episodic homelessness,” said Mike Proctor, AHA’s Chief Policy Officer.



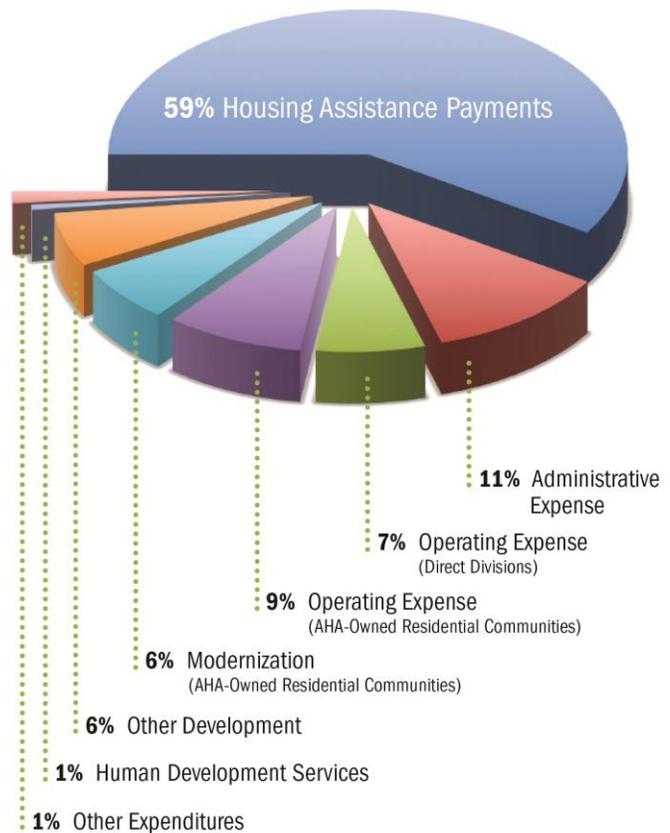
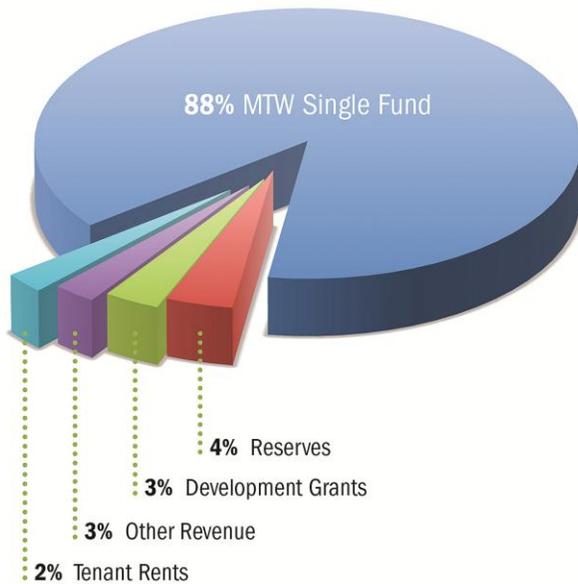
The historic 1910 Imperial Hotel in downtown Atlanta is being renovated by Columbia and National Church Residences to provide housing for homeless adults who need specialized supportive services. The development deal was made possible by AHA’s commitment to provide PBRA assistance for all 90 units.

SUMMARY FINANCIALS

For detailed financials, see **Appendix F: Financial Analysis - FY 2013 Budget vs. Actual (Unaudited)**.

FY 2013 Sources and Uses of Funds

(Preliminary & Unaudited Actuals)



Sources of Funds

During FY 2013, most of AHA's funding came from HUD in the form of Housing Choice Voucher Funds, Public Housing Operating Subsidy, and Capital Fund grants.

AHA also received revenue from these sources:

- Rents paid by residents of the 13 AHA-Owned Residential Communities
- Fees earned in connection with development activities under its Revitalization Program
- Participation with the individual Owner Entities in net cash flows from mixed-income, mixed-finance rental communities (in the form of interest payments or ground lease payments)
- Profit participation from the sale of single family homes
- Fees earned as a subcontractor and member of Georgia HAP Administrators, Inc. *dba* National Housing Compliance
- Planned use of Reserves for strategic projects

Uses of Funds

In FY 2013, AHA continued to facilitate quality affordable housing opportunities for low-income families in the following ways:

- Provided a total of \$90 million in housing assistance payments for households under the tenant-based Housing Choice Voucher Program
- Provided a total of \$33 million in PBRA payments supporting PBRA units in mixed-income communities
- Provided \$15 million in operating subsidy to cover operating costs for AHA-assisted units in the AHA-Sponsored Mixed-Income Communities
- Funded \$20 million in operating expenses including human development services to support 1,942 households in AHA-Owned Residential Communities

MTW INNOVATIONS & POLICIES

Under the MTW Agreement, AHA has strategically implemented its housing policy reforms across all programs. This consistency serves multiple purposes. One, families can expect to rise to the same standards that AHA believes lead to self-sufficiency. Two, AHA can align its values with contract terms in various agreements with developers and service providers. Three, AHA gains economies from systematic implementation across the agency. As a result of AHA’s participation in the MTW Demonstration and strategic implementation of numerous innovations or reforms, families are living in quality, affordable housing and improving the quality of their lives.

The following represents an overview of a number of key innovations and policy reforms AHA has implemented as a result of its participation in the MTW Demonstration Program and in accordance with the provisions of AHA’s Amended and Restated MTW Agreement with HUD.

Innovations & Policies



Designates an AHA invention or significant innovation

Economic Viability	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 Households Served (HUD Funding Availability) To address the volatility in the availability of HUD funding, this protocol defines “AHA households served” as all households in the Housing Choice voucher program and all households earning 80% and below of area median income (AMI) residing in communities in which AHA owns, sponsors, subsidizes, or invests funds.	Counts families based on funding source	Counts all households affected by AHA programs and investments
Fee-for-Service Methodology As a simplified way to allocate indirect costs to its various grants and programs, AHA developed a fee-for-service methodology replacing the traditional salary allocation system. More comprehensive than HUD’s Asset Management program, AHA charges fees, not just at the property-level, but in all aspects of AHA’s business activities, which are often not found in traditional HUD programs.	Cost allocation based on labor costs	Accounts for all costs
Local Asset Management Program A comprehensive program for project-based property management, budgeting, accounting and financial management. In addition to the fee-for-service system, AHA differs from HUD’s asset management system in that it defines its cost objectives at a different level; specifically, AHA defined the MTW program as a cost objective and defined direct and indirect costs accordingly.	HUD Asset Management	Effective, customized approach
 Revised MTW Benchmarks AHA and HUD defined 11 MTW Program Benchmarks to measure performance. AHA is not subject to HUD’s Public Housing Assessment System (PHAS) or Section Eight Management Assessment Program (SEMAP) because each party recognized that such measurements were inconsistent with the terms and conditions of AHA’s MTW Agreement.	PHAS & SEMAP	Simplified and focused on outcomes

Human Development and Self-Sufficiency	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <p>Work/Program Requirement This policy establishes an expectation that reinforces the importance and necessity for work to achieve economic independence and self-sufficiency. As a condition of receiving the housing subsidy, (a) one non-elderly (18 to 61 years old), non-disabled adult household member must maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled household members must also maintain full-time employment or participate in a combination of school, job training and/or part-time employment.</p>	None	All able-bodied adults must be working or engaged in programs to prepare for work
<p>Service Provider Network For the benefit of AHA-assisted households and individuals, AHA formed this group of social service agencies to support family and individual self-sufficiency, leveraging MTW Funds with resources and expertise from established organizations.</p>	None	Uses partnership model to leverage MTW Funds
 <p>Intensive Coaching and Counseling Services AHA has used over \$30 million of MTW Funds to pay for family counseling services for families transitioning from public housing to mainstream, mixed-income environments and for self-sufficiency.</p>	None	Enabled by MTW Single Fund
 <p>30% of Adjusted Income This innovation ensures housing affordability and uniformity of tenant payments, regardless of the source of AHA subsidy, by establishing that the total tenant payments of all AHA-assisted households (including HCVP participants) will at no time exceed 30 percent of adjusted income.</p>	Only applies to public housing	Increases housing choices in lower poverty neighborhoods
 <p>\$125 Minimum Rent Policy that raises standards of responsibility for some AHA-assisted families in public housing and Housing Choice by increasing tenant contributions towards rent to at least \$125. Policy does not apply to households where all members are either elderly and/or disabled.</p>	\$25	\$125
<p>Elderly and Non-Elderly Disabled Income Disregard This policy encourages healthy aging and self-sufficiency by excluding employment income when determining rental assistance for elderly persons or non-elderly persons with a disability.</p>	n/a	Encourages independent living and incents employment
 <p>4-to-1 Elderly Admissions Preference AHA created this policy to address sociological and generational lifestyle differences between elderly and young disabled adults living in the AHA-Owned Residential Communities (public housing-assisted communities). This policy creates a population mix conducive to shared living space for the elderly.</p>	None	Improves quality of life for all residents

Human Development and Self-Sufficiency Cont'd	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
<p>Rent Simplification AHA determines adjusted annual income with its own Standard Deductions that replace HUD's Standard Deductions, and, in most cases, eliminate the need to consider other deductions. This policy reduces errors and inefficiencies associated with the verification of unreimbursed medical and childcare expenses.</p>	<p>\$480 per child, \$400 for elderly/disabled and requires receipts</p>	<p>Simplifies administration: \$750 per child, \$1000 for elderly/disabled households</p>
<p>Good Neighbor Program An instructional program established in partnership with Georgia State University, the curriculum includes training on the roles and responsibilities necessary to be a good neighbor in mainstream, mixed-income environments. The program supports acceptance of the Housing Choice program by members of the community.</p>	<p>None</p>	<p>Improves quality of life and community acceptance</p>
<p> Aging Well Initiative Recognizing the needs of older adults to live independently and maintain their quality of life, AHA introduced a program to provide residents with vibrant physical spaces, active programming, support services, and enhanced opportunities for socialization, learning, and wellness.</p>	<p>None</p>	<p>Enabled by MTW Funds</p>
<p>Alternate Resident Survey This protocol, which replaces and satisfies the requirements for HUD's PHAS Resident Survey, allows AHA to monitor and assess customer service performance in public housing using AHA's own resident survey.</p>	<p>PHAS Resident Survey</p>	<p>AHA customized resident survey</p>
<p> MTW Benchmarking Study—Third Party Evaluation In order to measure the impact of AHA's MTW Program, AHA uses an independent, third-party researcher to conduct a study of the Program and its impact.</p>	<p>n/a</p>	<p>Empirical evaluation by independent third-party</p>
<p> Early Childhood Learning Because strong communities are anchored by good schools, AHA partners with the public schools, foundations and developers to create physical spaces for early childhood learning centers.</p>	<p>None</p>	<p>Leverages land to break cycle of poverty</p>
Expanding Housing Opportunities	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
<p> Mixed-Income / Mixed-Finance Development Initiative AHA strategically approaches development and rehabilitation activities by utilizing public/private partnerships and private sector development partners, and by leveraging public/private resources. AHA has evolved its policies and procedures to determine and control major development decisions. This streamlined approach allows AHA to be more nimble and responsive in a dynamic real estate market in the creation of mixed-income communities.</p>	<p>n/a</p>	<p>Pioneered by AHA and now called "The Atlanta Model"</p>

Expanding Housing Opportunities Cont'd	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <p>Public-Private Partnerships The public/private partnerships formed to own AHA-Sponsored, Mixed-Income Communities (Owner Entities) have been authorized by AHA to leverage the authority under AHA's MTW Agreement and to utilize innovative private sector approaches and market principles.</p>	n/a	Leverages public funds and private sector funds and know-how
 <p>Total Development Cost (TDC) Limits AHA replaced HUD's Total Development Cost (TDC) limits with a more comprehensive formula to better facilitate development transactions.</p>	Limited	Enables public-private partnership
<p>Managing Replacement Housing Factor (RHF) Funds AHA established a RHF Obligation and Expenditure Implementation Protocol to outline the process with which AHA manages and utilizes RHF funds to further advance AHA's revitalization activities.</p>	Restricted	Clearly defined options for combining or accumulating RHF funds
<p>Mixed-Finance Closing Procedures AHA carries out a HUD-approved procedure for managing and closing mixed-finance transactions involving MTW or development funds.</p>	n/a	Streamlines procedures
<p>Gap Financing AHA may support the financial closings of mixed-income rental communities through gap financing that alleviates the challenges in identifying investors and funders for proposed development projects.</p>	n/a	Enables opportunities to preserve and/or develop additional mixed-income communities
 <p>Project Based Rental Assistance (PBRA) as a Development Tool AHA created a unique program that incents private real estate developers/owners to create quality affordable housing. For PBRA development deals, AHA has authorization to determine eligibility for PBRA units, determine the type of funding and timing of rehabilitation and construction, and perform subsidy layering reviews.</p>	Project Based Vouchers program	Unique PBRA program developed with local Atlanta developers
 <p>PBRA Site-Based Administration Through AHA's PBRA Agreement (which replaces the former Project Based HAP contract), the owner entities of PBRA developments and their professional management agents have full responsibility, subject to AHA inspections and performance reviews, for all administrative and programmatic functions including admissions and occupancy procedures and processes relating to PBRA-assisted units. Allows private owners to manage and mitigate their financial and market needs.</p>	PBV administered by PHA	Allows private owner to optimize management and viability of property

Expanding Housing Opportunities Cont'd	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <p>Reformulating the Subsidy Arrangement AHA is implementing strategies to reformulate the subsidy arrangement for AHA-Sponsored Mixed-Income Communities and AHA-Owned Residential Communities from public housing operating subsidy (under the existing Annual Contributions Contract) to Project Based Rental Assistance (under an AHA-devised PBRA Agreement), in order to sustain and preserve investments in these rental communities.</p>	n/a	Unique program enhances long-term viability of real estate
<p>Supportive Housing AHA supports, in partnership with private sector developers, service-enriched housing for target populations such as the homeless, persons with mental health or developmental disabilities, at-risk families and youth, and others requiring a unique and supportive environment to ensure a stable housing situation. AHA utilizes PBRA funding to provide rental assistance and has established separate housing assistance policies for these developments that match the unique needs of the client population.</p>	Requires waivers for preferences	Expands affordable housing for at-risk populations
 <p>Builders/Owners Agreement Initiative Agreements with single-family homebuilders throughout Atlanta to provide down payment assistance for first-time buyers. Designed to facilitate great opportunities for low-income families in a soft real estate market, this initiative has successfully aided in the absorption of Atlanta's "excess" inventory of high-quality, recently constructed, single-family homes.</p>	n/a	Expands affordable, high-quality housing opportunities
 <p>Affordable Assisted Living AHA and a private sector partner are developing a facility primarily for elderly veterans and their spouses who require assistance with daily living activities. AHA seeks to fill the unmet need for affordable assisted living alternatives by leveraging multiple sources of funding.</p>	n/a	Expands affordable housing for at-risk population
<p>Housing Choice Voucher Program (HCVP) Reforms AHA's MTW Agreement allows it to develop its own Housing Choice Voucher Program. In addition to agency-wide policies, following are key features of the program.</p>		
<p>HCRA Agreement Replaces the HUD HAP Agreement and is based on private sector real estate models.</p>	Standard HAP agreement	Market-based with lease addendum
<p>Multi-family Rent Schedules By agreement with certain high-performing multi-family property owners, establishes standard rents and annual review for a property.</p>	Single Fair Market Rent for Atlanta	Increases availability of quality housing while reducing operational costs

Expanding Housing Opportunities Cont'd	REGULAR HOUSING AUTHORITY	AHA INNOVATION AND IMPACT
 <p>Atlanta Submarket Payment Standards AHA established standards in 13 local submarkets to account for varying local markets and to eliminate financial barriers during the housing search.</p>	Single Fair Market Rent for Atlanta	Increases choices for families
 <p>Rent Reasonableness Determinations AHA uses local market comparables to determine rents for each unit and ensure that AHA is not overpaying in any given market.</p>	Varies	Aligns rents with market
 <p>Leasing Incentive Fee (LIF) Allows families greater buying power in lower poverty neighborhoods where security deposits and application fees would normally create a barrier. Attracts more landlords in lesser-impacted markets.</p>	None	Lowers barriers for families
<p>Occupancy Policies Occupancy standards, including a broad definition of a family, are set by AHA to improve long-term self-sufficiency of the family.</p>	Strict	Increases access to housing
<p>Housing Choice Homeownership Policies AHA established its own policies, procedures, eligibility, and participation requirements for families to participate in the Housing Choice Homeownership Program and use their voucher for mortgage payment assistance.</p>	None	Supports long-term success of low-income families
 <p>Special Purpose Vouchers Program Flexibility Allows AHA to apply its program standards after the first year for vouchers such as Family Unification.</p>	Restricted by funding source	Aligns MTW goals and flexibility
 <p>Enhanced Inspection Standards AHA created more comprehensive inspections standards and processes than HUD HQS in order to improve the delivery of quality, safe and affordable housing to assisted families. Ensures the quality and financial viability of the product and the neighborhood.</p>	HUD's HQS	Unit + site and neighborhood
<p>Site and Neighborhood Standards In lieu of the HUD Site & Neighborhood Standards, AHA has adopted the PBRA Site & Neighborhood Standards as set forth in Section VII.B.3 of Attachment D of AHA's MTW Agreement for the evaluation of HOPE VI and other HUD-funded master planned developments.</p>	Limited	Flexible standards to leverage local market realities

APPENDICES TABLE OF CONTENTS

Attached to this document, AHA has included additional detailed statistics and reports.

Appendix A	MTW Annual Plan Cross-Reference Guides <ol style="list-style-type: none"> 1. AHA Legacy Attachment B Requirements 2. HUD Form 50900 Attachment B
Appendix B	FY 2013 MTW Report Resolution & Certifications <ol style="list-style-type: none"> 1. Secretary's Certificate 2. Resolution <ul style="list-style-type: none"> Exhibit EO-1-A: MTW Program Benchmarks – Measurable Outcomes Exhibit EO-1-B: Minimum Rent Policy Impact Analysis Exhibit EO-1-C: Elderly and Non-Elderly Disabled Income Disregard Policy Impact Analysis Exhibit EO-1-D: Rent Simplification Policy Impact Analysis 3. Certification to HUD Regarding the AHA's FY 2013 MTW Annual Report
Appendix C	Ongoing Activities Directory
Appendix D	Housing Opportunities <ol style="list-style-type: none"> 1. Households Served Information 2. Units Added 3. Units Under Commitment 4. Units Removed 5. Household Characteristics (Income, Family Size, Bedroom Size) 6. Waiting List Characteristics (AMI, Bedroom Size, Family Size)
Appendix E	Management Information for Owned / Managed Units at AHA-Owned Residential Communities and Assisted Units at Mixed-Income Communities <ol style="list-style-type: none"> 1. Occupancy Rate 2. Rents Uncollected 3. Emergency Work Order Completion 4. Routine Work Order Completion 5. Inspections 6. Security
Appendix F	Financial Analysis <ol style="list-style-type: none"> 1. FY 2013 Budget vs. Actual (Unaudited) 2. Planned vs. Actual Capital Expenditures 3. Annual Statement / Performance and Evaluation Reports 4. Housing Choice Vouchers Authorized 5. AHA Audit for the Fiscal Years Ended June 30, 2012 and 2011
Appendix G	Resident Satisfaction Survey, AHA-Owned Residential Communities

III. PLANNED ACTIVITIES DIRECTORY

The Atlanta Housing Authority's Planned Activities document lists activities, initiatives, and policies identified in AHA's FY 2013 MTW Annual Implementation Plan. This directory summarizes the status of activities/initiatives/policies that AHA has initiated during the Fiscal Year. Activities that have previously received HUD approval and have been operationalized are listed in the Ongoing Activities Directory (Appendix C). In accordance with AHA's MTW Agreement with HUD, HUD's approval of activities is cumulative and ongoing.

STATUS KEY:

IP	In Progress	Activity is in progress, but not yet operationalized.
C	Completed	Projects have been completed in the current fiscal year based on established beginning and end dates. Relative learning has been operationalized where applicable.
O	Operationalized	Activity is ongoing and continues to be implemented as part of AHA's ongoing business operations.
P	Postponed	Activity was postponed from full implementation; has potential for future implementation.
D	Discontinued	Activity was discontinued from further implementation; may be renewed if conditions warrant.

Goal of Activity	Status	Results/Comments
1. Implement the business transformation initiative including the integrated Enterprise Resource Planning solution		
A. Implement the ERP solution.	IP	<ul style="list-style-type: none"> Completed rollout of Yardi Core System, including the Financial, Procurement and Grants modules as well as the operational elements for Ports administration in the Housing Choice Voucher Program. Introduced a Corporate Card program, which reduced administrative costs by 80% from \$88 to \$17 per transaction. Implemented an Automated Procurement Solution by implementing an online platform for vendor registration and management. Over 300 new and existing suppliers used self-service features to register with AHA, which reduced AHA's sourcing administration costs by 40%. Scanned over 2 million documents, resulting in 5% reduction in off-site paper storage. In conjunction with newly adopted retention schedule, centralized scanning of new documents increases the security and availability of information when working with customers.

Goal of Activity	Status	Results/Comments
B. Implement a stakeholder education and engagement initiative.	O	<ul style="list-style-type: none"> AHA took advantage of the 75th anniversary as a time to tell the story of how its business model and community-building strategy have evolved and continue to evolve to achieve better outcomes for AHA-assisted households and the city of Atlanta. This milestone celebration allowed AHA to share its story with a broader external audience including local and regional HUD officials, elected officials, and community partners who participated in presentations highlighting AHA’s legacy and vision. Through an expansion of communications channels, clear messaging and increased frequency, AHA has proactively kept employees engaged in changes and improvements to AHA processes and service enhancements.
C. Build organizational capabilities.	IP	<ul style="list-style-type: none"> To prepare for the future state, we began by identifying the skills and capabilities that would best leverage the new technology and provide superior customer service to our participants and partners. To fill the skill gaps required for the future state and build bench strength around core competencies, we implemented a “Build-Buy-Borrow” strategy. Reorganized and aligned operations with service delivery leveraging MTW flexibility and using best practices in the real estate industry. AHA consolidated three areas into one Real Estate Group: 1) real estate development, 2) oversight and services, and 3) investments and finance. This consolidation of real estate activities, along with the restructuring of Housing Choice and Human Development into the Customer Services Group streamlines AHA’s organization so that our core work is performed in these two groups and all other departments are considered to be Centers of Expertise, providing professional services that support our customers, partners, and AHA departments. AHA launched <i>AHA University</i> to encompass both technical and professional development programs. This work will be ongoing. In FY 2013, AHA created and introduced role-based training for positions that use the new Yardi system. Developed and implemented a new orientation and onboarding program. The new 90-day program called <i>Blueprint for Success</i> is designed to help all employees collaborate, connect, and succeed from the start, knowing how their role ties into the agency’s mission.

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
D. Initiate a long-term strategic planning process.	P	This activity will resume in FY 2014.
E. Develop new sources of revenue and funding.	O	See Ongoing Activities Directory
2. Advance AHA’s real estate initiatives with the goals of community sustainability, market competitiveness and long-term financial sustainability. (See also detailed charts by community.)		
A. Advance master plans for mixed-use, mixed-income communities.	O	See details below.
<ul style="list-style-type: none"> Acquisitions 	O	To further long-term neighborhood sustainability of the master plan area for West Highlands, on April 5, 2013, AHA purchased a 12-acre property adjacent to the City’s new Westside Park that will provide mixed-income housing opportunities.
<ul style="list-style-type: none"> Proposed Land Transactions and Sale of Assets 	O	AHA completed the sale of the Roosevelt Highrise property at fair market value to the Georgia Board of Regents (the governing and management authority of public higher education in Georgia) for the benefit of Georgia Tech. As part of the sale, Georgia Tech has agreed with Integral Development and AHA to support the evolution of Centennial Place Elementary School as a Georgia Tech-sponsored STEAM (Science, Technology, Engineering, Arts and Math) school. This effort is being led by Integral Development and supported by AHA, the Metropolitan YMCA, Coca-Cola, and other stakeholders. (See <i>Human Development</i> section for more details on AHA’s education strategy.)
<ul style="list-style-type: none"> Homeownership Down Payment Assistance (DPA) Program 	O	Low-to-moderate income, first-time homebuyers closed on 31 homes using AHA-provided DPA. These homes are associated with the following revitalization efforts: 11 Mechanicsville (former McDaniel Glenn); 15 CollegeTown (former Harris Homes); 3 West Highlands (former Perry Homes).
<p>Auburn Pointe:</p> <p>Close on second multifamily phase of Ashley at Auburn Pointe.</p>	IP	Closed on the transaction on December 12, 2012 to construct 150 multi-family units (51 public housing, 39 LIHTC, and 60 market rate). 150 mixed-income units are currently under construction with certificate of occupancy anticipated for second quarter FY 2014.

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<p>Capitol Gateway:</p> <p>Continue negotiations with State of Georgia to swap state-owned land to the west of Capitol Gateway with AHA-owned land on the north side of the site.</p>	O	<p>The State of Georgia did not move forward on negotiations. These discussions will resume as the market conditions for development warrant.</p>
<p>CollegeTown at West End:</p> <ul style="list-style-type: none"> • Continue negotiations for a land swap with Boys and Girls Club of Metro Atlanta. • Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area. 	O	<ul style="list-style-type: none"> • The Boys and Girls Club of Metro Atlanta did not move forward on negotiations for the land swap. • AHA and its master developer continue to seek opportunities to support the master planned development.
<p>The Villages at Carver:</p> <ul style="list-style-type: none"> • Continue to work to develop retail sites on-site and off-site – to include both marketing and development. • Continue negotiations with Fulton County to develop a state-of-the-art public library on an off-site parcel owned by AHA. 	O	<ul style="list-style-type: none"> • AHA and its master developer worked with a real estate broker to complete a demand analysis for retail development. The results of the study will be used by the master developer for marketing retail opportunities to quality retailers. • Negotiations with Fulton County will continue in FY 2014.
<p>Mechanicsville:</p> <ul style="list-style-type: none"> • Determine utilization of warehouse site, which may include demolition or disposition. • Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area. 	O	<ul style="list-style-type: none"> • Due to the condition of the facility, AHA decided to demolish the warehouse structure. The Section 106 process was initiated and completed with the State Historic Preservation office, the National Advisory Council on Historic Preservation and HUD. Demolition design was completed and permits are pending with demolition to occur in early FY 2014. • AHA and its master developer continue to seek opportunities to support the master planned development.
<p>West Highlands at Heman E. Perry Boulevard:</p> <ul style="list-style-type: none"> • Continue to work on public improvements of the on-site land. Produce 6 for-sale affordable homes and 24 market-rate homes. • Continue to explore acquisition opportunities to further long-term neighborhood sustainability within the Master Plan area. 	IP	<ul style="list-style-type: none"> • A construction management agreement was executed in FY 2013 for public improvements for a portion of the on-site land to support the construction of single family homes. This phase to be completed in FY 2014. • AHA purchased 12 acres on April 5, 2013 to further long-term neighborhood sustainability within the master-planned area.

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<p>Scholars Landing:</p> <ul style="list-style-type: none"> Complete construction and lease-up of a 100-unit elderly building at Scholars Landing (former University Homes). Work with private sector development partner to submit an LIHTC application for the development of 60 affordable assisted senior living units. Oversee public improvements work. 	IP	<ul style="list-style-type: none"> Construction was completed on the 100-unit senior building known as Veranda at Scholars Landing. The building was 100% leased in record time – a tribute to the product and location adjacent to the Atlanta University area schools. An LIHTC allocation was received from the Department of Community Affairs for the Oasis at Scholars Landing, with a closing expected in FY 2014. Public works activities were substantially completed in FY 2013 for this first phase of development.
<p>Centennial Place:</p> <ul style="list-style-type: none"> Consider the Cupola Building for development of rental housing if financially feasible. 	IP	<ul style="list-style-type: none"> AHA and its master developer continue to seek opportunities to redevelop the structure. AHA committed PBRA assistance for 74 units at Centennial Place I and 70 units at Centennial Place II as part of a rental subsidy conversion demonstration program. <i>See below: Implement conversion (reformulation) demonstration for Centennial Place.</i>
<p>Roosevelt Highrise:</p>	O	<p><i>See above: Proposed Land Transactions</i></p>
<p>Palmer Highrise:</p> <p>Explore feasibility of using the site for development of off-site replacement housing for revitalization of University Homes to support the Choice Neighborhood Implementation application.</p>	P	<p>No action was taken, because AHA did not apply for the FY 2012 Choice Neighborhood Implementation grant.</p>
<p>B. Pursue Choice Neighborhood Implementation grant.</p>	IP	<p>AHA completed and submitted its Neighborhood Transformation Plan in December 2012, but after review of the FY 2012 NOFA and HUD’s requirements, AHA did not submit a response to the FY 2012 NOFA. AHA prepared and submitted an application for the FY 2013 Choice Neighborhood Implementation grant NOFA in September 2013.</p>
<p>C. Utilize PBRA as a strategic tool to facilitate housing opportunities.</p>	O	<p>AHA provided PBRA assistance to 100 independent living senior units completed at Veranda at Scholars Landing at the former University Homes site in the proposed Choice Neighborhood boundaries.</p>

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
D. Expand supportive housing opportunities.	IP	<ul style="list-style-type: none"> In FY 2013, AHA solicited new proposals from developers/owners of existing supportive housing programs and awarded a new PBRA agreement for 10 units to Quest Village III, a 28-unit supportive housing community located within the planned Choice Neighborhood boundaries. AHA issued a new competitive solicitation, which will remain open throughout FY 2014 until AHA has achieved its plan. AHA applied for and received 25 VASH vouchers, then was later awarded an additional 185 VASH vouchers. AHA began participating in the Homeless Management Information System (HMIS) to use initially for VASH vouchers. AHA increased its commitment from 700 to 1,000 MTW vouchers to support various initiatives to reduce homelessness in Atlanta.
E. Implement conversion (reformulation) demonstration for Centennial Place.	IP	<ul style="list-style-type: none"> Under the Reformulation Demonstration Program, the operating subsidy for the 301 public housing-assisted units will be converted to project based rental assistance (PBRA) as designed and implemented by AHA using its MTW flexibility. In conjunction with the reformulation of Centennial Place, AHA received additional Housing Choice voucher funding on April 23, 2013, which will be used as part of the PBRA funding to replace the public housing operating subsidy upon conversion. During FY 2013, to prepare in advance for the second stage of the reformulation strategy, the managing general partner of the respective owner entities of development phases I and II of Centennial Place submitted 9-percent Low Income Housing Tax Credit (LIHTC) applications to raise equity for the renovations. These applications are currently being considered by the Department of Community Affairs, which administers the tax credit program for the State of Georgia.

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
<p>F. Continue Energy Performance Contract (EPC) implementation and unit upgrades for AHA-Owned Residential Communities.</p>	<p>C</p>	<ul style="list-style-type: none"> In FY 2013, the PMCOs provided comprehensive construction management for property and building rehabilitation work. This work included completion of a two-year rehabilitation project focused on upgrading units. During the project, AHA spent \$9.3 million on replacing 1,100 damaged kitchen cabinets, installing 574 new closet doors, and replacing worn flooring in 1,059 units as well as installing medicine cabinets, blinds and new appliances. In addition to the unit rehabilitation and other capital improvement projects, working with Johnson Controls, AHA implemented its second energy performance contract (EPC). AHA combined a \$9.1 million EPC loan with \$2 million in MTW funds.
<p>G. Reposition and expand property management strategy for AHA-Owned Residential Communities.</p>	<p>O</p>	<p>AHA completed a competitive solicitation for new Property Manager-Developer (PMD) partners for the 13 AHA-Owned Residential Communities and selected The Integral Group, The Michaels Organization, and Columbia Residential. The solicitation included professional property management services and real estate development services with the intent of attracting private funding for updating and modernizing the properties to bring them up to market-rate competitive standards. Through these new strategic relationships, the PMDs will begin development planning in FY 2014 with the goal of completing the development plans within three years.</p>

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		

Goal of Activity	Status	Results/Comments
3. Advance the human development services strategy through strategic partnerships and new funding strategies.		
A. Implement comprehensive human development life-cycle strategies leading to family self-sufficiency.	IP	<ul style="list-style-type: none"> AHA completed foundational work to implement its three-year human development strategy. AHA completed segmentation analysis to focus on distinct goals for four segments: children (ages 0–5), youth (ages 6–17), working-age adults (ages 18–61) and senior and disabled adults. AHA hired a new Director of Human Development Services, a gerontologist, and a youth specialist to build its core capabilities in each segment.
B. Advance early childhood education strategy and other education partnerships.	O	<ul style="list-style-type: none"> In support of Centennial Place Elementary School, AHA and The Integral Group (AHA’s master developer for Centennial Place) further advanced a partnership with the Georgia Institute of Technology (Georgia Tech). In a memorandum of understanding signed as part of the sale of the Roosevelt Highrise property to Georgia Tech, all parties – Georgia Tech, Integral, and AHA – agreed to strengthen and expand educational offerings at Centennial Place Elementary. Georgia Tech has agreed to provide engineering and arts faculty expertise and student involvement to create a high-performing, state of the art, hands-on STEAM (Science, Technology, Engineering, Arts and Math) curriculum. During FY 2013, AHA and its partners (Columbia Residential and BrockBuilt) supported the opening of Westside Atlanta Charter School, a new charter school adjacent to the West Highlands at Heman Perry Boulevard community. This new school provides a quality, public educational alternative for the economically and socially diverse Westside neighborhood.
C. Explore establishment of an endowment fund for human development services.	P	This activity will resume in FY 2014.

STATUS KEY:

IP	In Progress	O	Operationalized	D	Discontinued
C	Completed	P	Postponed		