

King County Housing Authority

MTW Annual Plan

2013

600 Andover Park W; Tukwila, WA 98188

King County Housing Authority

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SECTION I: Introduction and FY 2013 Initiatives

A. General Background

Since 2003, KCHA has been among a handful of select, high-performing Public Housing Authorities (PHAs) participating in the Department of Housing and Urban Development's (HUD's) Moving to Work (MTW) demonstration program. Established by Congress in 1996, the MTW demonstration provides these Public Housing Authorities with the regulatory and financial flexibility necessary to develop new approaches to addressing the housing needs of low-income residents in their region. A key feature of the demonstration is the ability of participating PHAs to combine Public Housing Operating, Capital and Section 8 funding into a single MTW block-grant and to allocate these resources outside of traditional program silos.

Given the freedom to move away from HUD's standardized programs and procedures, KCHA has implemented a variety of innovative, locally designed approaches to achieve the three statutory goals established by Congress:

- ❑ Increase housing choices for low-income families;
- ❑ Provide incentives and resources to enable families to attain economic self-sufficiency;
- ❑ Reduce costs and achieve greater cost effectiveness.

As an MTW agency, KCHA is required to submit an MTW Annual Plan to HUD prior to the beginning of each fiscal year. This is KCHA's FY 2013 MTW Annual Plan covering the fiscal year that begins January 1, 2013 and ends December 31, 2013. Following HUD's rigidly prescribed format, the Annual Plan serves as a compilation of both ongoing MTW initiatives previously approved by HUD and new initiatives proposed for implementation during the next fiscal year.

Major initiatives made possible under the MTW Demonstration Program have enabled KCHA to:

- ❖ **Strengthen the physical, operational, environmental and financial sustainability of our Public Housing and creatively finance the inventory's backlog of unmet capital needs**
- ❖ **Expand and preserve the supply of affordable housing in the region**

- ❖ Increase housing choices for low income households, including access to housing and services for disabled and chronically homeless populations
- ❖ Deconcentrate poverty and revitalize extremely low-income neighborhoods
- ❖ Begin to address the achievement gap for low income youth
- ❖ Promote economic self-sufficiency
- ❖ Streamline program operations and improve customer service
- ❖ Reduce the environmental footprint of the Housing Authority's operations

B. KCHA's Initiatives for FY 2013

Looking forward to FY 2013 and beyond, KCHA intends to increase its focus on providing residents and program participants – especially children and young adults – with the educational and training opportunities necessary for academic and economic success. Mixing this commitment with previously implemented and ongoing MTW activities, KCHA's planned activities during the next fiscal year include:

- ❖ Expanding the number of extremely low income households KCHA serves. By the end of FY 2013 KCHA anticipates providing assistance to nearly 600 more households than at the start of the year, bringing the total number of households assisted to 14,326. The increase in households served reflects new public housing completing construction, conversions of non-subsidized units to public housing utilizing "banked" ACC authority, initial lease-up of new incremental vouchers, the over-leasing of Section 8 vouchers authorized by the Board of Commissioners and additional households assisted under new short-term or flexible rental assistance programs.
- ❖ Committing additional MTW resources to the elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory. In FY 2013 KCHA intends to invest more than \$22.5 million in public and private financing to improve quality, reduce maintenance costs and extend the life expectancy of its federally assisted housing stock.
- ❖ Continuing to develop a pipeline of new projects intended to increase the supply of housing dedicated to housing extremely low-income households. In FY 2013, KCHA

- will fund pre-development activities at two sites already acquired by the Housing Authority which are anticipated to begin construction in 2014 and 2015. MTW funds may also be used to close outstanding equity gaps in the financing of these projects.
- ❖ On-going implementation of comprehensive rent reform policies, including revised recertification and utility allowance schedules and the elimination of flat rents, intended to streamline operations and provide families with incentives to attaining employment and increasing economic self-sufficiency. By the end of FY 2013 KCHA anticipates that nearly 200 higher income households will have transitioned out of Public Housing under revised rent policies, making these units available to extremely low income households currently on the waiting list.
 - ❖ Continuing efforts under its Resident Opportunities Plan to support and move families along the path to economic self-sufficiency. During FY 2013, KCHA anticipates assisting 50 households under this program. In addition, KCHA has 300 Public Housing and Section 8 households enrolled in its Family Self-Sufficiency program.
 - ❖ Developing new and expanded approaches to assisting KCHA youth to succeed in school through deepening partnerships with local school districts and KCHA residents. In FY 2013 KCHA will move into the next stage of implementation for its place-based initiatives in three communities and initiate classroom stability counseling on a broad scale. As part of this initiative KCHA and three local school districts have executed data sharing agreements and are developing a long-term framework for tracking educational outcomes with initial metrics focused on achieving grade level reading competency by the end of third grade. Additional program and policy options will be explored this year to support these efforts. These may include modification to KCHA's lease agreements and administrative and occupancy policies as well as possible design and implementation of a matched savings account program.
 - ❖ Increasing partnerships to address the multi-faceted needs of our most vulnerable populations: disabled veterans; chronically mentally ill individuals cycling between the street, the jail system and hospital emergency rooms; youth who are homeless or transitioning out of foster care; and high-need, homeless families engaged with the child welfare system. At the end of 2012, KCHA was housing 75 formerly homeless young adults in supportive housing. In FY 2013, in support of King County's Plan to Reduce Young Adult Homelessness, KCHA intends to significantly increase

this number – providing up to 50 additional rental subsidies in combination with supportive service funding from partner agencies. FY 2013 will also mark the first full year of operation for the Passage Point Program, which reunites parents exiting the criminal justice system with their children. In support of these initiatives KCHA is developing new flexible and conditional housing program designs.

- ❖ Expanding assistance to homeless and at-risk households through a short-term rental assistance pilot. During FY 2013, in support of identified best practices to prevent and reduce homelessness, KCHA will partner with the Highline School District and their McKinney-Vento liaisons, to develop a pilot program that provides short-term rental assistance to homeless families and reduces mandated transportation costs for the school system under the McKinney-Vento Act.
- ❖ Ensuring cost effective operation of housing programs through streamlining of business processes, digitalization of client files and transition to a new software platform for core business functions. In FY 2013, KCHA will complete a review of core business processes, with a focus on enhanced customer service, more efficient use of staff resources and improved program administration and evaluation. This will be followed by the selection and the initial phases of conversion to a new housing management software system. In addition, the entire portfolio of public and affordable housing directly managed by KCHA, with approximately 3,500 resident files containing 1.25 million pages of documents, will be converted to digital files. Total annual savings from MTW-authorized modifications to KCHA’s business processes and policies are projected to reach 3,200 hours by the end of 2013.
- ❖ Improving the geographic mobility of low-income households and increasing housing choice through programs and policies that reduce barriers to access to low-poverty, high opportunity neighborhoods. This initiative includes a multi-pronged approach that combines the use of multiple payment standards, mobility counseling and new property acquisitions with the project-basing of Section 8 vouchers in targeted opportunity neighborhoods. As of the end of FY 2011, a total of 18.2 percent of KCHA’s Section 8 households resided in designated “opportunity zones”. In FY 2013, despite the increasing geographic segregation by income levels seen regionally, KCHA will look to sustain and increase the percentage of households residing in these neighborhoods.
- ❖ An on-going reduction in the environmental impact of KCHA’s programs and facilities. FY 2013 will be the third year of operation under KCHA’s Resource

Management Plan. The Plan details a broad range of strategies to reduce KCHA's energy and water consumption, divert materials from the waste stream, handle hazardous waste and influence tenant behavior. This year KCHA will begin receiving "whole building" consumption data from local utility companies, enabling it to track and assess energy usage more accurately and assisting it in achieving five year goals.

- ❖ Continue exploring ways in which MTW agencies can collaborate to advance the goals of the MTW demonstration and work with HUD to simplify and streamline oversight of the program and take to scale successful innovations made possible under the demonstration.

In developing its FY 2013 MTW Annual Plan, KCHA has remained dedicated to open and clear communication with residents, the Resident Advisory Committee, community stakeholders and the public. As required under the terms of its MTW Agreement, copies of the draft Plan were made publicly available for a period of no less than 30 days. On September 24th, 2012, following public notice, a Public Hearing was held to review the MTW Plan components and receive community and resident comments and feedback. A compilation of comments received was reviewed by KCHA's Board of Commissioners prior to their approval of the draft Plan on October 15th, 2012 and, together with KCHA's responses, is incorporated into Section VIII of this document.

SECTION II: General Housing Authority Operating Information

A. Housing Stock Information

Since 2003, KCHA has implemented a number of initiatives designed to increase households served across the Puget Sound region. Cost savings initiatives, such as modification of HQS inspection protocols and designing Payment Standards that consider the unique rental sub-markets of the County, have allowed KCHA to expand the size of its Public Housing and Section 8 programs, as well as partner with local support service agencies to increase affordable housing resources for some of the County's most at-risk populations. As shown below, KCHA anticipates its inventory, exclusive of HCV port-ins, will reach more than 11,900 units by the end of FY 2013.

TABLE II.A: INVENTORY BREAKDOWN for FY 2013

(Public Housing, HCV, Other-HUD and Local programs)

Program	Inventory at MTW Program Entry:	Inventory at Beginning of Fiscal Year: Jan. 1, 2013	Anticipated FY 2013 Inventory Additions:	Anticipated FY 2013 Inventory Removals:	Inventory Projected at FY End: Dec. 31, 2013
Public Housing	3292	2006	185	0	2191
HCV: General MTW ¹	6024	5761	175	0	5936
HCV: Project-based MTW	0	1520	508	0	2028
HCV: Local MTW-funded ²	0	275	0	0	275
Other MTW: Local Subsidy Programs	0	142	20		162
TOTAL MTW UNITS	9,316	9,704	888	0	10,592
HCV: VASH, non-MTW	0	270	50	0	320
HCV: Mainstream, non-MTW	350	350	0	0	350
HCV: Designated, non-MTW	0	100	0	0	100
HCV: Certain Develop, non-MTW	0	100	0	0	100
HCV: FUP-2009-2011, non-MTW	0	139	0	0	139
HCV: Tenant Protection, non-MTW	0	563	136	563 ³	136
Total non-MTW Vouchers	350	1,522	186	563	1,145
Other HUD: Sec 8 New Constr/236	174	196	0	196	0
Other HUD: Preservation	272	41	0	0	41
Other, non-HUD: LOCAL	303	149	0	0	149
Total OTHER programs	749	386	0	196	190
TOTAL Non-MTW UNITS	1,099	1,908	186	759	1,335
Total Housing Stock	10,415	11,612	1,074	759	11,927

¹ Does not include 2,431 HCV port-ins administered by KCHA (data as of 8/1/12) or possible addition of vouchers awarded through competitive grants in FY 2013.

² Represents HCV units funded above HUD's established baseline through use of MTW block grant resources.

³ Reflects units that will transfer to the MTW block grant during FY 2013; these are included as additions to HCV General and Project-based MTW categories above.

❑ **Description of Planned Significant Capital Expenditures:**

During FY 2013, KCHA plans to expend over \$22.5 million to complete critical capital improvements to its Public Housing communities. In addition to completing the redevelopment of the public housing at Park Lake Homes Site II under the HOPE VI program, the agency's capital plan will continue to address the substantial backlog of critical repairs across the rest of its federally subsidized housing inventory. Funding for these projects will be provided from a range of sources including Public Housing Capital and RHF funds, accumulated MTW working capital and leveraged private capital through innovative financing strategies. Although KCHA does not anticipate that any individual activity will approach HUD's 30 percent reporting threshold, major rehabilitation projects and their related expenditures, including multi-year projects continued from FY 2012, are listed below:

- **Community Facilities Project - FY 2013 Expenditures: \$1,083,944.** KCHA will complete the reconstruction and expansion of community facilities at Spiritwood Manor and Hidden Village in 2013 in order to provide critical support for education and self-sufficiency programs sited directly on resident's doorsteps. These are the last of seven federally assisted developments where community facilities built or expanded under this initiative are enabling enhanced after-school programming for kids and support for their parents. When complete KCHA will have 20 early-learning and after-school centers operating on-site at its developments. Funding is being provided through a mix of MTW working capital, capital grants and local philanthropic support.
- **Green River Homes Renovation/Reconstruction Project - FY 2013 Expenditures: \$409,000 (project closeout).** One of KCHA's oldest Public Housing developments, Green River Homes required significant reinvestment beyond the level available under current Public Housing Capital Fund levels. To finance necessary renovations, the property was leased to Green River Homes 2 LLC, a KCHA-controlled tax-credit partnership, in late 2011. KCHA assembled funding for the \$12.84 million renovation by combining federal low-income housing tax credit (LIHTC) equity with public and private debt collateralized with MTW single-fund resources. The debt will be supported by Project-based Section 8 rent subsidies and RHF funds. Major milestones include:

<u>February 2011</u>	Conditional approval by HUD for disposition via lease to a partnership controlled by KCHA
<u>November 2011</u>	Entry of tax-credit partner and lease of property to partnership
<u>December 2011</u>	Permanent financing in place
<u>February 2012</u>	Start of renovation
<u>December 2012</u>	Projected date for substantial completion of renovation and re-occupancy of property
<u>June 2013</u>	Projected date for meeting all investor and tax credit requirements

While the renovation will decrease the public housing inventory by 60 units, Section 8 vouchers provided by HUD in connection with the disposition of this site will increase the number of households served by KCHA’s HCV program by 59 families. All units will receive a project-based Section 8 subsidy, assuring no net loss of affordable inventory. The transition from public housing to Section 8 subsidy will not change the demographic make-up of the community. All households were assisted according to Section 18 of the United States Housing Act of 1937 and have the right, if they have remained in good standing with the Housing Authority, to return to the site after completion of construction.

As indicated above, funding is being provided from multiple sources including private debt secured by MTW single-fund resources. The debt will be partially repaid with the RHF resulting from the disposition of Green River and the 509 units of scattered-site public housing referenced in this Plan and approved by HUD in 2012. The first 5-year increment of RHF resulting from the disposition of Green River will be included in the FFY 2013 Capital Fund Program Award and used to make the first semi-annual debt service payment occurring after the funds are available. The first increment of RHF for the 509 units is also expected to be available in the FFY 2013 Award. The last year of the second 5-year RHF increment will be funded in FFY 2022.

KCHA is using authorization provided under its MTW Agreement to utilize its capital funds to support project-based Section 8 housing at this site.

Table 1 identifies the projected funding sources for the acquisition (lease payments) and renovation costs.

Table 2 shows the projected debt service for the KCHA-issued bonds and the Capital Fund Program RHF Grant Amounts for both Green River and the 509 Units.

Table 1 Development Funding Sources – Green River Homes Renovation		
Source	Use	Amount
Manager Equity and Investor Tax Credit Equity	Lease Payments (Incl. Interest)	\$4,525,000
	Project Management, A&E, Legal	434,000
		<u>\$4,959,000</u>
KCHA Re-Loan of \$9.5m Bond Proceeds and \$3.0m MTW-Funded Loan plus deferred Developer fee	Renovation. A&E, Project Mgmt.	\$12,147,000
	Financing, Legal, Title	160,000
	Relocation	300,000
	Other Soft Costs	153,000
		<u>\$12,760,000</u>
Total Sources & Uses		\$17,719,000

Table 2 Debt Service and RHF Grant Awards – Green River Renovation ¹				
Year	Green River ³	509 Units ^{3,6}	Annual Award ⁴	Debt Service ⁵
2012				\$250,000
2013	\$82,403	\$699,055	\$781,459	250,000
2014	82,403	699,055	781,459	1,374,999
2015	82,403	699,055	781,459	1,352,272
2016	82,403	699,055	781,459	1,329,545
2017	82,403	699,055	781,459	1,306,817
2018	82,403	699,055	781,459	1,284,090
2019	82,403	699,055	781,459	1,261,363
2020	82,403	699,055	781,459	1,238,635
2021	82,403	699,055	781,459	1,215,908
2022	82,403	699,055	781,459	1,193,181
2023				1,170,453
2024				1,147,727
2025				
Totals ²	<u>\$ 824,030</u>	<u>\$6,990,550</u>	<u>\$7,814,590</u>	<u>\$14,374,990</u>
1 – RHF Per Unit Grant amounts used for FFY 2013 and subsequent years are the average of the FFY 2012 CFP.				
2 – Totals may not foot due to rounding differences.				
3 – Year is year of FFY funding and amounts are total funds awarded.				
4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.				
5 – Payments made semi-annually, two payments of interest and one of principal; additional principal payments may be made if surplus cash is available, as permitted by bond holder.				
6 – Assumes RHF from 509 Units available starting in FFY 2013.				

- **“509” Project Upgrades – FY 2013 Expenditures: \$7,486,000.** KCHA has received authorization from HUD to convert 22 scattered-site Public Housing developments to Project-based Section 8 subsidy. Commencing in FY 2013, the sites will undergo significant capital improvements including building envelope and site infrastructure upgrades, indoor air quality mitigation and interior unit modernization. At Kirkwood Terrace (28 units - Kirkland, WA) and Vista Heights (30 units – Renton, WA), where persistent drainage failures and flooding have caused significant damage, repairs to the existing storm drainage systems began in the third quarter of FY 2012. Installation of additional catch basins and new tight-lined run-off systems in addition to foundation and crawl space drainage improvements at these two sites will continue in FY 2013. Capital improvements to this scattered-site inventory, intended to address years of deferred capital investment, will involve an estimated \$33 million in repairs over the next ten years. Absent disposition approval, KCHA estimates these repairs would require more than 37 years of capital funding allocations to ensure long-term viability.
- **Wayland Arms – Sewer, Site and Common Area Upgrades – FY 2013 Expenditures: \$1,143,830.** The initial scope of work for the Wayland Arms development (67 units – Auburn, WA) was limited to replacement of the sewer main servicing the site. However, additional engineering analysis completed in FY 2012 identified significant settlement issues in the building’s concrete slab that required expansion in the project’s scope and a year’s delay in commencing repairs. Funding for this work will be provided through KCHA’s MTW working capital and will involve replacement of a portion of the concrete slab and structural reinforcement of the slab foundation to prevent further settling and erosion as well as repair of the sewer main.
- **Unit Upgrade Project - FY 2013 Expenditures: \$3,300,000.** KCHA’s ongoing effort to significantly upgrade the interiors of its Public Housing and affordable housing inventory as apartments turn over will continue during FY 2013. Using KCHA’s in-house skilled workforce, the Housing Authority anticipates renovation of an additional 150 apartments. Renovations include installation of new flooring, cabinets and fixtures that will extend the useful life of unit interiors by 20 years. Projected savings when compared to a “whole building/outside contractor” approach are estimated at \$17,000 per unit – a total of \$2.5 million in annual savings. This project is supported in full by KCHA’s MTW block-grant

using the Single-fund Budget and Use of Funds flexibility under the MTW program.

- **Building Envelope Upgrades: FY 2013 Expenditures: \$6,856,000.** The KCHA building envelope upgrade initiative continues in FY 2013. Using MTW resources, building exterior improvements will commence at Campus Court, Gustaves Manor, Hidden Village, Northridge I, Shoreham, and Victorian Woods. A portion of the \$400,000 in scheduled envelope and site work at Nike Manor, a KCHA-owned emergency and transitional housing campus in Kent, may also be funded from MTW working capital. These building envelope upgrades address life cycle replacement issues, improve envelope performance, implement energy conservation measures and enhance the physical appearance of the developments – helping to ensure their physical and financial viability over the long-term and reducing on-going utility costs and energy consumption for both KCHA and residents.
- **Valli Kee Site-based Management Office and other Capital Projects: FY 2013 Expenditures: \$1,400,000.** Completion of the new community facility at Valli Kee will enable KCHA to convert the existing community building to a much needed site-based management office – allowing KCHA to expand on-site management services for the site’s residents. In addition, KCHA will replace deteriorated waste and domestic water lines at Ballinger Homes, Valli Kee, Eastridge House, Northridge I and II, Boulevard Manor, and Casa Juanita, complete water intrusion repairs at Park Royale and install new walkways at Island Crest. These improvements will be funded from MTW working capital.
- **Use of RHF Funding: FY 2013 Expenditures: \$617,856 for Birch Creek Apartments (formerly Springwood) and \$781,459 for Green River Homes.** In FY 2013, KCHA will use first and second increment RHF funding available from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments for bonds issued by KCHA and lent to Soosette Creek LLC to pay for development costs incurred in the renovation of Birch Creek (see Table 3 below). KCHA may also use RHF Funds from the disposition of Green River Homes and the 509 units to make debt service payments on the Birch Creek bonds in future years; and KCHA may use RHF funds from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments on the Green River bonds in future years.

Similarly, starting in 2013 KCHA will use the First Increment RHF funds as they become available from the dispositions of Green River Homes and the 509 units to make debt service payments on bonds issued by KCHA and lent to the Green River partnership. See Table 2 above included with the Green River Renovation Capital Expenditures description for projected debt service and RHF Grant awards.

KCHA plans to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of public housing. Pursuant to the amendment of Attachment D to KCHA’s Restated and Amended MTW Agreement, KCHA intends to use 100 percent of the ten (10) years of RHF funding available for both Birch Creek and Green River to make debt service payments on bonds issued by KCHA to pay for a portion of the renovation costs for these properties. KCHA will utilize any remaining RHF funds in LOCCS from previous years as well as new award amounts to pay principal and interest due in FY 2013 and beyond. Note: The last payment on the bonds for Birch Creek is scheduled to be made in 2038; and the last payment on the bonds for Green River is projected to be made in 2025.

Table 3 Debt Service and RHF Grant Awards – Birch Creek Renovation ¹				
Year ³	Birch Creek ³	Park Lake ^{3,6}	Total Annual Award ⁴	Debt Service ⁵
2008-2012	\$2,313,329	\$1,934,559	\$4,247,888	\$11,611,000
2013	358,737	182,068	540,805	3,450,000
2014	346,419	259,119	605,538	3,527,000
2015	346,419	259,119	605,538	3,570,000
2016	346,419	259,119	605,538	3,660,000
2017	346,419	77,051	423,470	3,339,000
2018	346,419	77,051	423,470	3,415,000
2019		77,051	77,051	3,480,000
2020		77,051	77,051	2,227,000
2021		77,051	77,051	1,423,000
2022-38				24,049,000
Totals ²	<u>\$4,404,161</u>	<u>\$3,279,239</u>	<u>\$7,683,400</u>	<u>\$63,751,000</u>

1 – RHF Per Unit Grant amounts used for FFY 2013 and subsequent years are the same as FFY 2012.

2 – Totals may not foot due to rounding differences.

3 – Year is year of FFY funding and amounts are total funds awarded.

4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.

5 – Payments made semi-annually, two payments of interest and one of principal each year.

6 – Park Lake calculation assumes 50 more units worth of RHF available starting with FFY 2013.

❑ **New Public Housing units to be added during FY 2013: 185 units**

While there are no new properties currently in the acquisition pipeline, KCHA intends to utilize previously approved MTW authority to acquire new inventory where banked Public Housing ACC can be utilized as opportunities present themselves in the market. Competition for commercial residential real estate in the Puget Sound market is intense and success depends upon an ability to move quickly to secure an option when a property is placed on the market. Typically KCHA utilizes a corporate line of credit to initially secure suitable properties and then uses MTW program flexibility to support long-term debt financing and, when appropriate, to bring “banked” Public Housing or other single-fund subsidies on-line as described in Sections VI and VII of this Plan.

Previously acquired sites currently considered for possible addition to KCHA’s Public Housing inventory during FY 2013 include:

- ❖ **Westminster Manor**, a 60-unit development located in Shoreline, Washington. Purchased by KCHA in 2010, the site’s HUD-subsidized Section 236 contract (covering 24 units) will expire in 2013. To ensure Westminster Manor remains a viable housing resource for low-income elderly and disabled households, KCHA is considering a variety of options for replacing the current HUD contract - including the potential for adding the site to its Public Housing or Project-based Section 8 inventory.
- ❖ **Island Crest**, a 30-unit family development located on Mercer Island. This property was acquired in 2011 and is currently managed, but not funded, through KCHA’s Public Housing Department. Accessing “banked” public housing ACC or Section 8 HAP funding will strengthen the cash flow on this property and help ensure that rent burdens for existing and future tenants remain reasonable. Provision of housing affordability in this “high opportunity” area will provide low-income families with children access to high achieving schools and a solid employment base. In tandem with the addition of this site to its federally assisted housing inventory, KCHA may implement a waiting list priority for families currently living on Mercer Island in order to ensure the city’s existing low-income residents are not economically displaced from the island by rising market rents.

❖ **Shelcor Apartments**, an 8-unit family development located in the city of Kent, Washington. Owned by KCHA since 1985, the site was previously leased to the YWCA and operated as transitional housing for homeless families under KCHA’s Local Program. A shift in programming next year at the YWCA may result in the property being turned back to KCHA. Shelcor is conveniently located near the downtown Kent business corridor, providing easy access to a large employment base, support services and transportation. Addition of the site to KCHA’s Public Housing inventory will help ensure its long-term viability as a housing resource for extremely low-income households residing in southeast King County.

In addition to conversion of previously acquired sites, KCHA anticipates the completion of the **Fairwind Apartments** during the next fiscal year. Located in the heart of KCHA’s newly rehabilitated Seola Gardens HOPE VI community, construction and occupancy of the Fairwind phase of the Seola Gardens’ development will be completed in the fall of 2013. This public housing development includes 87 units with a mix of one, two, three, four and five bedroom apartments using a mix of flat and town-house housing typologies.

Table 4		
NEW Public Housing Units to be Added to Inventory: FY 2013		
Site	Unit Type	# Units
Westminster Manor⁴	1-bedroom - Elderly	60
Island Crest³	Family	30
Shelcor Apartments	Family	8
Fairwind Apartments	Family	87
TOTAL Units to be ADDED to INVENTORY in FY 2013: 185		

⁴ Final determination of program assignment is pending – KCHA is currently considering a variety of options for ensuring these units remain affordable for low-income residents including but not limited to: use of banked PH ACC to increase the Public Housing inventory, adding the units to its Project-based program or using a mix of available subsidy resources to ensure adequate financial resources are available to support long-term viability of the developments,

❑ **Number of Public Housing units to be removed from inventory during the FY: 0 units**

KCHA anticipates that the disposition of Public Housing units under the “509 Project” (proposed in 2011) will be completed by the end of FY 2012. KCHA does not currently intend to request the removal of any additional Public Housing units in FY 2013.

❑ **New Project-based units placed under contract during the FY: 136 units**

Using authorizations provided through participation in the MTW demonstration, KCHA has developed a Section 8 Project-based program that is administered under a locally-designed Administrative Plan. The plan identifies nine policy objectives that can be furthered through the project-basing of vouchers including:

- ❖ Increase the supply of the affordable housing stock in King County through the support of new development.
- ❖ Increase the level of affordability of existing affordable housing stock.
- ❖ Preserve and revitalize existing affordable housing stock.
- ❖ Increase housing choice for “special needs” households by strengthening and expanding the continuum of supportive housing programs in King County.
- ❖ Focus on the needs of extremely low income households.
- ❖ Assist in reaching KCHA’s goal to deconcentrate poverty in the region by replacing public housing units targeted for demolition with units located in opportunity neighborhoods.
- ❖ Reduce concentrations of subsidized households, especially families with children.
- ❖ Enhance the opportunities for families to become economically self-sufficient.
- ❖ Maximize coordination of Section 8 assistance, housing development and support service resources.

KCHA anticipates adding a total of 136 Housing Choice Vouchers to its Project-based inventory during FY 2013 in conjunction with new and on-going MTW activities outlined in this MTW Plan and KCHA’s locally developed Project-based administrative policies.

NEW Project-based Units to be Added to Inventory: FY 2013		
Development Name	Number of Units	Description
Burien Park	102	“Expiring use” Section 8 New Construction project. Permanent housing for 102 elderly households to be project-based under KCHA’s preservation strategy: 102 1-bedroom units
The Northwood	34	“Expiring use” Section 8 New Construction project. Permanent housing for 34 elderly households to be project-based under KCHA’s preservation strategy: 34 1-bedroom units
TOTAL new Project-based units in FY 2013: 136		

At the end of FY 2013, KCHA anticipates that the Authority will have 2,206⁵ units under Project-based Section 8 HAP contracts – representing approximately 25 percent of KCHA’s overall Section 8 program inventory.

⁵ Includes Project-based MTW, Tenant Protection and VASH voucher units.

B. Leasing Information

KCHA continues to use its MTW flexibility to expand the number of households served, to align housing and services for hard-to-house populations and to expand geographic choices for program participants in the Housing Choice Voucher and locally designed leasing programs.

In FY 2013, KCHA anticipates it will provide housing subsidy to more than 429 households above its HUD Section 8 baseline. Of these, up to 275 households will be served through over-issuance of Housing Choice Voucher assistance to households selected from the Authority's primary waiting list. An additional 154 households – among them individuals and families who would not traditionally qualify for KCHA's standard Public Housing and Section 8 programs - will be assisted through local subsidy programs made possible as a result of KCHA's participation in the MTW program. For example, KCHA's Sponsor-based program (initiated in FY 2007) provides funding to non-profit service providers to house targeted populations including homeless youth and chronically homeless mentally ill individuals under a "housing first" model. This innovative program demonstrates the benefits of providing PHAs the freedom and flexibility to develop and implement local solutions to local housing challenges. In FY 2013, KCHA intends to expand upon the success of the Sponsor-based program, developing housing options for program graduates and will also explore flexible and short-term housing assistance programs that will allow KCHA to rapidly re-house additional households.

At the same time, KCHA will continue to project-base Section 8 in "high opportunity" areas of the region, ensuring greater access to educational opportunities and enabling working families to live in the communities in which they are employed. In FY 2011, KCHA executed a Memorandum of Understanding with A Regional Coalition for Housing (ARCH), a consortium of 15 cities in East King County that administers combined funding from these multiple jurisdictions for the development of affordable housing. The MOU commits KCHA to project-basing 80 Housing Choice Vouchers in housing being constructed or acquired by non-profit housing providers utilizing funding from ARCH. Under the agreement, a total of 50 percent of these units must be dedicated to formerly homeless households. While no new Housing Assistance Payment contracts are anticipated to be executed in 2013, several new projects may enter the development pipeline.

In addition, KCHA is seeking to consolidate its multiple HUD rental subsidy programs. Reduction in the number of different subsidy programs has been identified as a high priority goal under HUD’s legislative agenda. A reduction in the number of different sets of rules properties are operated under will create administrative efficiencies across the Authority. During FY 2013, KCHA intends to convert two contract-based Section 8 complexes (136 units) to project-based Section 8 subsidies.

Table II.A (shown on page 6) provides the total number of “hard units” owned by KCHA together with the number of HCV units administered by KCHA. In contrast, the “Leasing Information” shown in this Section of the MTW Plan in Table II.B below details the total number of **actual households served** inclusive of Section 8 “port-ins” administered by KCHA. In total, by the end of 2013 KCHA anticipates serving 570 more households under its federally subsidized programs than it was at the beginning of the year.

TABLE II.B: Total HOUSEHOLDS UNDER LEASE for FY 2013			
(Public Housing, HCV, Other-HUD and Local programs)			
Program	Households at MTW Program Entry:	Projected Households at Fiscal Year Begin: January 1, 2013	Projected Households at Fiscal Year End: December 31, 2013
Public Housing: MTW	3259	1966 ⁶	2147 ⁵
HCV: General MTW ⁷	6903	8705	8808
HCV: Project-based MTW	0	1234	1653
HCV: Local MTW-funded ⁸	0	275	275
Other-MTW: Local Subsidy programs	0	124	154
Total MTW Households	6,903	12,304	13,037
HCV: VASH, non-MTW	0	214	274
HCV: Mainstream, non-MTW	350	350	350
HCV: Designated, non-MTW	0	100	100
HCV: Certain Develop, non-MTW	0	100	100
HCV: FUP-2009 -2011, non-MTW	0	139	139
HCV: Tenant Protection, non-MTW	0	163	136
Total non-MTW Vouchers	350	1066	1099
Other HUD: Sec 8 New Constr / 236	174	196	0
Other HUD: Preservation	271	41	41
Other, non-HUD : LOCAL	303	149	149
Total OTHER programs	748	386	190
Total Households Served	11,260	13,756	14,326

⁶ Assumes 98 percent occupancy

⁷ Includes a total of 2,431 HCV port-ins that are anticipated at the beginning of FY 2013 - this number is expected to remain steady through FYE 2013.

⁸ Voucher units funded above KCHA’s HUD authorized baseline using MTW block grant resources.

❑ Description of potential difficulties in leasing units

KCHA staff works proactively to hold unit turnover time in its Public Housing inventory to an absolute minimum. With adjustment for approved off-line units and those undergoing modernization, KCHA maintains an overall occupancy rate above 98 percent. In addition, as FY 2013 approaches, with the exception of vouchers awarded within the last six months, KCHA's Section 8 Housing Choice Voucher program lease-up rate remains above 100 percent. KCHA intends to maintain this high level of operational excellence in 2013.

At the same time, KCHA will continue to target assistance to "hard-to-house" households and maintain its commitment to developing programs that eliminate barriers to housing access for chronically homeless and mentally-ill households - increasing housing choice for this high need population. Key initiatives underway include vouchers targeted through the VASH and FUP programs. Historically, lease-up of these units tends to lag that of other programs due to delays in VA and service provider referrals, difficulties in securing landlord approvals, and the need to ensure that appropriate services are in place to provide support to assisted households. While every effort will be made to meet established lease-up benchmarks for KCHA's assisted inventory, the continued targeting of assistance to highly vulnerable households who require intensive assistance in securing landlord approvals may impact leasing outcomes.

Once housed, careful coordination with regional service systems helps ensure the long-term success of these households in retaining their housing assistance. During FY 2013, KCHA will work in close collaboration with community partners to support housing stability. As part of this commitment KCHA has recently signed a Memorandum of Understanding with the Veterans Administration to "embed" VA caseworkers in KCHA's Section 8 offices, ensuring close day-to-day coordination between the two systems. A similar arrangement is in place with the region's YWCA, which provides case support to many of the Section 8 program's disabled clients.

C. Waiting List Information

❑ Description of anticipated changes in waiting lists (site-based; community-wide; HCV; merged)

KCHA operates separate waiting lists for its Public Housing, Section 8 and Project-based programs. Generally, applications for the **Section 8 Housing Choice Voucher program** are accepted during specified periods only. At the end of a designated application period, the waiting list is closed and KCHA enters a limited number of applicants (typically 2,500) on the Section 8 waiting list through random “lottery” number assignment. From the pool of 2,500, eligible applicants meeting local preference criteria are selected for program participation according to their assigned lottery number. In addition to the lottery process for its general voucher pool, separate waiting lists for vouchers targeted by HUD to priority populations are maintained in conjunction with KCHA agency partners. Applicants for these special program vouchers (such as those available under the VASH and Mainstream programs) may apply year-round.

KCHA’s **Public Housing program** currently operates under a Site-based, Regional and Set-aside waiting list system as well as a set of local preferences. Applicants may choose to apply for up to two (2) Site-based, or two (2) Regional waiting lists. Combined use of Site, Regional and Set-aside waiting lists provides KCHA maximum flexibility in matching client needs and preferences to unit type, location and available resources. Site-based waiting lists allow applicants to choose specific developments in which they wish to reside. The Regional waiting lists allow applicants to access a greater number of units for which they can be selected for residency - providing applicants who may have an urgent need for assistance faster entry into KCHA’s housing programs. At the same time, Set-aside waiting lists allow KCHA to collaborate with regional service systems to ensure a continuum of support for families moving along a path toward self-sufficiency. Under this approach every third vacancy in KCHA’s Public Housing family developments is prioritized for formerly homeless families graduating from the Sound Families transitional housing system. In addition, a specific site-based waiting list is in place for Pacific Court, KCHA’s only Public Housing development with intensive on-site supportive services designed to provide chronically homeless, disabled households with permanent housing. During FY 2013, the Housing Authority will continue to monitor the current waiting list system. Changes (such as modified preferences and priorities, etc.) may be implemented during the year to improve efficiency, increase program access, expand housing choice and address the needs of low-income households in the region. In

particular, during FY 2013, KCHA may apply a residency preference to its Island Crest development that provides homeless low-income households living on Mercer Island with priority access to Public Housing units on the Island as they become available.

Excluding units in KCHA's transitional and supportive service programs, the **Project-based Section 8** waiting lists operate in similar fashion to the Public Housing waiting lists and are administered by KCHA's Central Applications Center. Applicants can apply through Site-based or Regional waiting lists. During FY 2010, KCHA modified program administration to allow direct referrals by the managers of housing in which Project-based units are sited when KCHA is unable to locate a suitable applicant to fill a vacancy in a timely manner. As noted, additional changes in waiting list preferences and priorities may be implemented during FY 2013 to further streamline program administration, expand housing choice, address regional needs and improve cost efficiency.

KCHA does not currently plan to implement major modifications of the existing waiting list systems for its Public Housing, HCV or Project-based programs. However, changes may be identified and become necessary as KCHA moves forward with the planned replacement of its property management software system. Minor modifications currently being reviewed by KCHA for possible implementation in 2013 include revisions to the definition of "Elderly Households" to include households whose head and/or spouse is age 55 or over - simplifying waiting list management by eliminating the need to separately track eligibility of "near-elderly" (those between age 55 and 62) households. Changes in demographics relating to the split between elderly and non-elderly households on the waiting list (participating in KCHA's programs) would likely result from implementation of this proposal. A second possible modification would clarify the definition of "Family" to require that an eligible household include either an elderly or disabled household member or a minor child. In addition, during FY 2013, KCHA may consider merging waiting lists between all or a portion of its subsidized programs in order to generate savings through increased staff specialization and streamlined program administration.

❑ **Description of anticipated changes in the number of families on the waiting list(s) and/or opening closing of the waiting lists**

KCHA continues to see an increase in the number of households actively seeking housing assistance through its Public Housing program. Currently more than 13,000 households are listed as applicants on KCHA's **Public Housing and Project-based** waiting

lists. With demand for affordable housing continuing to out-pace supply, rapidly rising rents and the slow economic recovery in the region, it is anticipated the number of households seeking assistance through KCHA's affordable housing programs will continue to escalate. As a result, KCHA intends to continue to provide open access to its Public Housing and Project-based Section 8 waiting lists. However, during FY 2013, in addition to any changes resulting from ongoing process reviews, KCHA may undertake efforts to purge the waiting list – requiring applicants to indicate their continued interest in housing services. Such action may result in a reduction in the number of applicants reported at the end of the fiscal year.

The **Section 8 Housing Choice Voucher (HCV)** waiting list last opened in May 2011 following extensive community outreach to publicize the process. During the two-week opening – its first since May 2007 – KCHA received over 25,000 applications. Significant increases in minority and non-English speaking households, large families and those reporting no income were reported. The volume of applications received reflects the impact of both on-going reductions in federal, state and local programs to assist low-income households, rising rents and stagnant employment levels. The reduced income levels of new applicants entering the program will place an increased strain on KCHA's Section 8 budget as the Authority's HCV subsidy levels under its funding agreement with HUD are not re-benchmarked annually to reflect actual program costs.

A review of current voucher turnover rates and internal commitments for HCV resources indicates that applicants on the current Section 8 waiting list will not be fully served until at least 2014. As a result, KCHA does not anticipate re-opening the Section 8 waiting list during FY 2013.

SECTION III: Non-MTW Related Housing Authority Information

KCHA elects not to include this OPTIONAL section. Additional information regarding KCHA's non-HUD funded housing inventory and local programs can be found at www.kcha.org.

SECTION IV: Long-Term MTW Plan

As a participant in the MTW demonstration program, KCHA is using the single-fund and regulatory flexibility provided by this initiative to support the Authority's overarching strategic goal of addressing affordable housing needs in the Puget Sound region. Approaches will evolve as regional priorities, demographics and housing markets shift. Two key strengths of the MTW concept are that it enables the Authority to reshape the use of federal resources as necessary to respond to changing circumstances in the region and that it enables KCHA to engage in multi-year financial planning in executing long-term strategic initiatives.

Basic strategic initiatives for the Authority include the following:

- ❖ **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of the portfolio of over 8,000 affordable housing units that KCHA owns or controls.
- ❖ **Strategy 2:** Expand the number of units in the region affordable to households earning below 30 percent of Area Median Income (AMI) through development and preservation of housing and through expanded rental subsidy programs.
- ❖ **Strategy 3:** Provide expanded geographic choice for low-income households, including disabled and elderly households with mobility impairments - providing KCHA's clients the opportunity to live in neighborhoods with high achieving schools, ready access to quality services, mass transit and employment.
- ❖ **Strategy 4:** Close coordination with the region's public and behavioral healthcare and human services systems to help end homelessness through the development of an adequate supply of supportive housing for chronically homeless and special needs populations.
- ❖ **Strategy 5:** On-going "place-centered" revitalization of King County's low-income neighborhoods, involving both a focus on housing and on the wide array of other physical improvements, services and partnerships that create strong, healthy communities.
- ❖ **Strategy 6:** Working with King County, regional transit agencies and suburban cities to support sustainable regional development through the integration of new affordable housing into regional growth corridors aligned with mass transit.

- ❖ **Strategy 7:** Expand partnerships with Public Health, Head Start programs, school districts, after-school providers, community colleges, the philanthropic community and (most importantly) our residents to eliminate the achievement gap for low-income households we serve and significantly improve educational and life outcomes for youth.
- ❖ **Strategy 8:** Promote economic self-sufficiency for subsidized households by addressing barriers to employment and providing incentive and access to training and education programs with the intent of enabling movement, where appropriate, to market-rate housing.
- ❖ **Strategy 9:** Continue to develop institutional capacity and efficiencies at the Housing Authority to ensure efficient, effective use of Federal resources. Continue to expand KCHA's non-federally subsidized programs to both address the region's need for additional workforce housing and to support and ensure the financial sustainability of Authority initiatives.

SECTION V: Proposed FY 2013 MTW Activities – HUD Approval Requested

Table V.1, shown below, summarizes planned new initiatives proposed by the Housing Authority for implementation during FY 2013. In accordance with HUD’s prescribed MTW Plan format, details regarding each of the activities summarized below are provided immediately following this table.

TABLE V.1: Proposed Activities Table

Activity #	Activity Name
1	Passage Point Conditional Housing Program
2	Flexible Rental Assistance Program
3	Short-term Rental Assistance Program

PROPOSED FY 2013 MTW Activities

Activity #1: Passage Point Conditional Housing Program

a. Description of MTW Activity:

Passage Point is a unique supportive housing program targeting a prisoner re-entry population. All applicants must be parents seeking to reunify with their

children post-incarceration and in need of supportive services to stabilize and move forward with their lives.

At Passage Point, KCHA provides project-based assistance to 46 units (40 one-bedroom and six two-bedroom units) and the YWCA provides property management and supportive services. Given that the property is located outside the region's urban core and offers mostly one-bedroom units, it is anticipated that most successful residents will eventually move to larger subsidized units in the region's urban area.

The YWCA conducts outreach directly in prisons and correctional facilities to engage participants and refer them to Passage Point. Once housed at Passage Point, supportive services are available on-site to help residents rebuild their lives and successfully reunify with their children. Residents who have successfully completed the service program and regain custody of their children may submit a graduation packet for KCHA's Public Housing program. Similar to the Sound Families program, these households will be given priority placement on the waitlist. In contrast to the typical transitional housing program, which have strict 24-month occupancy limits, participants in the Passage Point Conditional Housing program may remain in place until they have completed the service program and can demonstrate they can succeed in independent housing. Thus, if a household requires an extended period of service participation to successfully graduate, that flexibility is granted under the Conditional Housing program. It is expected that all families will be engaged in services for at least one year prior to becoming eligible for a graduation unit. The YWCA is currently seeking funds to continue to provide services to graduates for one year after exiting Passage Point. This will help further ensure the long-term stability of these vulnerable families.

b. Relationship to MTW Statutory Objective:

This initiative increases housing choice and promotes self-sufficiency by providing housing access and services for households who would not traditionally meet eligibility and suitability requirements for the Public Housing program.

c. Anticipated Impacts:

KCHA expects increasing housing choice in this manner will provide greater opportunity for participants who would otherwise exit the prison system into homelessness. Preventing homelessness and providing a support system that successfully allows children to reunite with their families shortens the time children spend in out-of-home placement and strengthens parent-child connections.

d. Metrics, Baselines & Benchmarks:

Metric Description	Baseline	Benchmark
# of households attaining goals and transferring from Passage Point.	0 households	7 per year
# of households re-uniting with their children.	0 households	10 per year

e. Data Collection:

KCHA’s internal tenant database and service provider/DSHS information will be used to track this activity.

f. Authorization Cited:

Transitional/Conditional Housing Program (Attachment C, Item B.4); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2); Public Housing and Section 8 Transfer Policies (Attachment D, Item C.3)

g. Agency Required Documentation:

None required

Activity #2: Flexible Rental Assistance Program

a. Description of MTW Activity:

KCHA is interested in expanding its ability to provide assistance to underserved homeless individuals, especially chronically homeless single adults and homeless youth who cannot access Section 8 or Public Housing programs and require permanent supportive housing in order to maintain stability and recovery. The Housing Authority seeks to implement a new initiative that would pair intensive, evidence-based supportive service programs implemented by social service providers with flexible rental assistance that could be made available to clients to provide non-time-limited deep rental subsidy, security deposits, and move-in costs. Each service provider would conduct outreach, screen in, and refer clients to the program according to their service program's eligibility criteria. The provider would assist the client in housing search and begin providing services immediately on engagement. Once housed, intensive, community-based services would continue to be provided to the client to promote recovery and independence and to maintain housing stability. KCHA's current sponsor-based program contracts, which provide only rental assistance in master-leased units could be modified, where appropriate, to become a Flexible Rental Assistance program. Although the program remains in development, current program design envisions participants who meet program requirements and are subsequently determined ready to graduate from the intensive, community-based support services program may transition to other housing options provided by KCHA. In addition, KCHA's current hardship policy (adopted as part of its MTW Rent Reform initiative) would be available to residents as applicable in order to address unusual cases of hardship.

b. Relationship to MTW Statutory Objective:

This initiative will serve to increase housing choice by providing assistance to underserved households who would not typically meet KCHA's Public Housing or Section 8 eligibility and suitability requirements.

c. Anticipated Impacts:

Implementation of this pilot program will allow KCHA to increase the number of households served.

d. Metrics, Baselines & Benchmarks:

Metric Description	Baseline	Benchmark
# of households assisted under the pilot	0	Year 1: 10

e. Data Collection:

Data regarding households assisted under the program will be collected in collaboration with partner agencies via monthly reports. Additional data will be collected from the County’s Homeless Management Information System (HMIS).

f. Authorization Cited:

MTW Use of Funds (Attachment D, Item A); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2)

g. Agency Required Documentation:

None required

Activity #3: Short-Term Rental Assistance Program

a. Description of MTW Activity:

Nationally, the success of Rapid Rehousing (RRH) programs in stabilizing and quickly rehousing homeless families has been widely noted. Providing small amounts of rental assistance to homeless families has led to success in enabling significant numbers of families to be successfully rehoused without a subsequent

return to homelessness. KCHA is interested in testing this model locally to see if a similar program could expand the number of homeless families we assist by providing short-term rental assistance coupled with targeted assistance and support services.

KCHA plans to design and implement one or more pilot programs in partnership with local school districts that would pair short-term rental assistance with housing stability and employment connection services for families experiencing homelessness or about to become homeless. Homelessness impacts the ability of children to learn, contributing to performance inequalities for low income youth, and costs school districts significant expenditures to comply with homeless student transportation costs under the requirements of the McKinney-Vento Act. In the 2010/2011 school year, school districts in King County spent \$2.6 million on transportation costs for homeless students.

KCHA will enter into contracts with local service providers to administer rental assistance for up to twelve months combined with supportive services as needed to stabilize families referred by school district McKinney–Vento coordinators. Providers would be given flexibility to determine what type and amount of funds were needed for their clients. Assistance provided could be used to cover a number of client needs including one or more of the following: rent, move-in assistance, security deposits and application fees, rent arrears, and utility assistance payments. Although the program remains in development, KCHA’s current hardship policy (adopted as part of its MTW Rent Reform initiative) would be available to residents as applicable in order to address unusual cases of hardship. Providers would be held accountable for housing retention outcomes for their clients who receive this assistance.

b. Relationship to MTW Statutory Objective:

This objective increases housing choice by providing the short-term financial assistance and support services needed to stabilize households in crisis.

c. Anticipated Impacts:

This activity will allow KCHA to assist a greater number of homeless households and result in increased housing stability among participants.

d. Metrics, Baselines & Benchmarks:

Metric Description	Baseline	Benchmark
# of additional households assisted	0	20
# of households who retain housing 12 months after rental assistance ends	0	16 (80% of households retain housing)
\$ saved through reduced transportation of homeless children back to "home" school	0	TBD

e. Data Collection:

KCHA's contracted service partner and participating school districts will track information regarding the number of households served and the amount and type of assistance provided. The agency, together with King County's HMIS system, will track and report on the success of the households in maintaining housing stability.

f. Authorization Cited:

MTW Use of Funds (Attachment D, Item A); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2)

g. Agency Required Documentation:

None required

SECTION VI: Ongoing MTW Activities – HUD Approval Previously Granted

KCHA has utilized the flexibilities of the MTW program since 2003 to significantly reshape its federally subsidized housing programs. Through strategic planning and multi-year budgeting KCHA has successfully created innovative and sustainable solutions that meet the specific housing needs and markets of the Puget Sound region. Specific activities implemented by KCHA are summarized in **Table VI** below. This table illustrates the breadth of KCHA’s use of MTW program flexibilities to design and test alternate approaches that strengthen program delivery, increase housing choice and move our residents along the path toward economic self-sufficiency. During FY 2013 these previously implemented activities are subject to modification as a result of KCHA’s ongoing review of program effectiveness, regulatory changes (such as regulatory changes that would result from passage of AHSSIA legislation) and continuing analysis of the impact of MTW initiatives on KCHA clients and the communities we serve. Mid-course alterations of policies and programs may be undertaken during the fiscal year in order to ensure activities remain on track to attain targeted results.

Table VI: On-going MTW Activities

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2013 Activity
08-1	Acquire and/or develop new Public Housing - Increase inventory through use of "banked" PH ACC	Use banked PH ACC to turn-on Public Housing subsidy in units owned or acquired by KCHA	Increase housing choices	2008	Implemented - 94 units added to inventory by FYE 2012. Additional sites under consideration.	KCHA will continue to seek program expansion under this initiative and will make MTW financial resources available to purchase, develop and/or preserve suitable units as opportunities are identified during FY 2013. In particular, during FY 2013, will use MTW resources to begin developing 3.7 acres adjacent to its Vantage Glen site in Renton into 77 units of federally subsidized housing for elderly/disabled households.
04-2	Develop a local Project-based Section 8 program	Develop a local Project-based program that streamlines contract and program management. Detail of specific areas of policy modification using MTW authority are bulleted below:	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - individual policy / program changes are noted below:	Possible FY 2013 modification of PBS8 program to further streamline administration and increase tenant choice
	(a): Waitlist Management	Allow the project sponsor to manage the waiting list rather than the Housing Authority; Allow KCHA to solicit applications directly from service providers (2005).	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

(b): Rent Reasonableness	Allows KCHA to determine Rent Reasonableness for units using same process as Tenant-based program - does not require 3rd party appraisals	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(c): Site Assignment	Allow priority assignment of PBS8 subsidy to (1) units located in low-poverty census tracts, including those with poverty rates below 20% (15% for families with children and off-site HOPE VI replacement units); (2) a limited number of demonstration projects not qualifying under standard policy in order to serve an important public purpose.	Increase housing choice	2004	Implemented	Assignment of PBS8 subsidy (up to 80 units) to ARCH (A Regional Coalition for Housing) for allocation to developers in low-poverty census tracts in the North and East areas of King County anticipated FY 2013
(d): Occupancy standards	Allow participants in wrong-sized units to remain in place and pay higher rent under limited circumstances	Increase housing choice	2005	Implemented	
(e): Payment Standards	(1) Assign HCV Payment Standards to the program, but allows modification with Exec. Director approval where appropriate/necessary; (2) Allow KCHA to cap rent at the Payment Standard (rather than the Tax Credit Rent) for LIHTC units (2005)	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(f): Program Cap	Allow KCHA to exceed the 25% cap on the number of units per development that can be project-based for transitional, supportive or elderly housing programs and/or sites with fewer than 20 units. Also removes cap when used to re-develop former PH sites (2008)	Increase housing choice	2004	Implemented	
(g): PBS8 Subsidy Allocation	Allow KCHA to (1) allocate PBS8 subsidy non-competitively to KCHA controlled units and transitional housing; (2) use a local procurement process for project-basing Section 8; (3) assign subsidy to projects financed through a conduit financing program with a minimum contract term of 20 yrs. (2005)	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(h): Inspections	Modify HQS inspection rules to allow (1) owners/agents to conduct their own construction /rehab inspections; (2) the management entity to complete initial inspections and (3) implements inspection sampling at annual review. Also allows KCHA to inspect units at contract execution rather than at the proposal date (2009)	Reduce costs and achieve greater cost effectiveness Increase housing choices;	2004	Implemented	
(i): Exit Vouchers	Replace requirement to provide an exit voucher with priority access to KCHA's Public Housing program	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

	(j): Eligible unit types	Modify the types of housing accepted under a PBS8 contract to include: (1) shared housing; (2) cooperative housing; (3) transitional housing and (4) hi-rise buildings. (5) manufactured homes, Excludes Rehab category of units from eligibility	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(k): HAP Contract	Allow KCHA to modify the HAP contract to ensure consistency with MTW changes	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(l) Operating rules	Allows PBS8 subsidy to conform to operating rules of other government subsidy program when used in mixed finance setting or when subsidy has been assigned in connection with the redevelopment of a former PH site (added 2008)	Reduce costs and achieve greater cost effectiveness	2005	Implemented.	
	(m) Tenant Selection Preferences	Expand use of Public Housing preferences to all PBS8 programs - in lieu of HCV preferences	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(n) Homeless Households	Modifies the definition of Homeless households to include overcrowded households entering transitional housing to align with entry criteria for non-profit operated transitional housing.	Increase housing choice	2004	Implemented	
	(o): Existing Housing definition	Expands definition of Existing housing to allows assignment of PBS8 subsidy to units that could meet HQS within 180 days	Increase housing choices;	2009	Implemented	
	(p): Tenant Selection	Allow direct owner referral to vacant PBS8 units when a unit remains unfilled after 30 days.	Reduce costs and achieve greater cost effectiveness	2010	Implemented	
	(q): HCV Budget Authority	Waive the 20% cap on the amount of HCV budget authority that can be project-based - allowing KCHA to determine the size of its PBS8 program	Increase housing choices	2010	Implemented	
04-03	Public Housing Site-based and Regional waiting lists	Implement a streamlined waiting list system for Public Housing that combines Site-based, Regional and Set-aside waiting lists; streamlines implementation rules	Increase housing choices;	2004	Implemented - possible modification in future plan years	Possible modification to further streamline administration
05-04	Modified rules for determining and applying Payment Standards	Develop local rules for developing and assignment of Payment Standards to increase affordability in high opportunity neighborhoods and ensure the best use of limited financial resources	Reduce costs and achieve greater cost effectiveness; Increase housing choices	2005	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2013
	(a): Application of Payment Standard decreases	Delays application of any decrease in the KCHA approved Payment Standard until the next Annual Review date	Reduce costs and achieve greater cost effectiveness	2005	Implemented	

	(b): Payment Standard exceptions	Allows KCHA to approve exceptions to established Payment Standards for amounts up to 120% of FMR for HCV program (and above 120% for Reasonable Accommodation) without the need to obtain prior HUD approval	Increase housing choices;	2007	Implemented - but over-written in 2008 by item (c) below	
	(c): Locally determined Payment Standards	Decouples Payment Standards from Fair Market Rents entirely, allowing the HA to establish standards that fit local and neighborhood conditions without HUD approval	Increase housing choices;	2008	Implemented	
04-05	Modified HQS Inspection Protocols	Implement locally determined protocols relating to the HQS inspection process that reduce program administration and increase cost effectiveness. Specific changes are noted below:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Modification to further streamline administration is currently under review and may be implemented in FY 2013. For example, KCHA may modify PH program HQS protocols and/or may consider implementation of a modified schedule of inspections and/ or implement a system of risk-based inspections for PH, PBS8 and Section 8 program units - including implementation of a biennial (or other) inspection schedule for all or a portion of its inventory. In addition, KCHA may implement HUD's Homeless Prevention and Rapid Re-housing inspection protocols for housing offered through partner-based programs in lieu of standard HQS requirements.
	(a) Minor Fails	Allows KCHA to release HAP with minor fail at initial inspection and owner agreement to repair within 30 days (expanded in 2007 to include all inspection types). Eliminates the need to re-inspect units that have failed the HQS inspection as a result of minor deficiencies only.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) Annual Inspection schedule	Increase efficiency of operation through reduction in repeated visits to the same property annually; Annual inspections completed within 8-20 months of initial inspection and annually thereafter to allow inspections to be grouped (clustered) according to location/property	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Inspection of KCHA-owned units	Allows KCHA staff, rather than a 3rd party entity, to complete HQS inspection of KCHA-owned properties.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
07-6	Sponsor-based Housing program	Uses MTW Block Grant resources to fund a Local Sponsor-based program - provides housing funds to service provider who sub-leases to targeted households in conjunction with wrap-around support services	Increase housing choices	2007	Implemented	Continued program expansion to address the needs of the local community as feasible. Program may be modified in FY 2013 to simplify administration and access for targeted households.

04-7	Streamline PH and S8 Forms, Processes and Data Processing	Develop and implement program, policy and procedural changes that reduce or remove non-value added activity from the business process. Specific changes implemented include:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	This is an ongoing initiative. Additional modifications during FY 2013 are anticipated. to further streamline processing of applicant and tenant data and administration of HCV, PBS8 and PH programs. Among the changes proposed during FY 2013 is the modification of HUD's standard "Elderly" definition to include persons age 55 or older. (per Attachment C, item B.3)
	(a) State Agency payments to Landlords	Excludes payments made to a landlord by a state agency (DSHS) on behalf of a tenant from income and rent calculation under the Section 8 program	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) \$0 HAP clients	Allows Section 8 participants for whom \$0 HAP is paid to self-certify their annual income	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Resident Service Stipends	Allow residents to retain earnings from Resident Service stipends up to \$500 without inclusion in rent calculation	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(d) Asset income	Streamline verification of assets by changing definition to include only assets valued above \$50,000; Income of assets below threshold is excluded from income calculation; Tenant is allowed to self-certify when assets are valued below \$50,000.	Reduce costs and achieve greater cost effectiveness;	2008	Implemented	May further streamline by eliminating requirement to calculate imputed asset income and disposal costs
	(e) HCV move-out notice	Require participants to provide notice to move by the 20th of the month in order to have the paperwork processed that month	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(f) DSHS childcare pass through	Allow Section 8 program participants to self-certify \$50 or less received as pass through from DSHS childcare subsidy	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(g) Household membership	Allows applicants to self-certify membership in the household at the time of admission	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(h) Tenant selection preferences - Section 8	Simplify process for determining placement on the waiting list by allowing Section 8 applicants with income below 75% of 30% of AMI allowed to self-certify housing preference	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	
	(i) Tenant selection preferences - Public Housing	Provides PH applicants with income below 30% of AMI a preference of "economically displaced" without the need to provide additional documentation. PBS8 applicants provided preferences to mirror PH (2009)	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	

	(j) SSN verification	Modified SSN verification/documentation - required verification of SSN for household members 18 and older - rather than the regulatory requirement of age 6	Reduce costs and achieve greater cost effectiveness	2004	Implemented - however, PIC reporting currently limits cost savings of this initiative
	(k) Verification expiration	Extends the term over which verifications are valid to an outside limit of 180 days	Reduce costs and achieve greater cost effectiveness	2008	Implemented
	(l) HQS Inspections	Modified HQS procedures to allow streamlined processing of inspection data	Reduce costs and achieve greater cost effectiveness	2010	Implemented
	(m) Interim Reviews	Implemented streamlined procedures for completing Interim rent adjustments resulting from wholesale reductions in state entitlement program	Reduce costs and achieve greater cost effectiveness	2011	Implemented
07-8	Remove Cap on Voucher Distribution	Allow KCHA to maintain utilization above 100% during year without impact on funding; current allocation formulas require avg utilization at or below 100%	Increase housing choices	2007	Implemented Possible modification to further increase housing choice may be implemented in FY 2013
04-9	Rent Reasonableness modifications	Implement revised policies that reduce program costs while ensuring integrity of approved rents and appropriate HAP calculations	Reduce costs and achieve greater cost effectiveness	2004	Implemented Possible modification to further streamline administration may be implemented in FY 2013
	(a) Frequency of RR reviews	Allows KCHA to complete Rent Reasonableness determinations only when a Section 8 Landlord has asked for an increase in the contract rent	Reduce costs and achieve greater cost effectiveness	2004	Implemented Possible modification to further streamline administration may be implemented in FY 2013
	(b) KCHA-owned sites	Allow KCHA staff to perform Rent Reasonableness inspections of KCHA-owned properties	Reduce costs and achieve greater cost effectiveness	2004	Implemented Possible modification to further streamline administration may be implemented in FY 2013
08-10	Easy Rent Policy for Elderly and Disabled Households living on a Fixed Income	Streamline income, rent and recertification policies for elderly and disabled households.	Reduce costs and achieve greater cost effectiveness	2008	Implemented Policy changes may be implemented including, but not limited to, changes relating to application of KCHA's Hardship policy and interim and annual review process as a result on ongoing implementation monitoring (see #08-11 below for additional detail). Additional changes may be implemented in order to align EASY Rent program rules with WIN Rent policies.
	(a) Frequency of reviews	Moves clients to reviews every 3 years with automatic annual application of SS COLA increases; Implements hardship policy to address unique circumstances; Re-define causes for interim recert (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented
	(b) % of Income to Rent	Rent set at 28.3% of AMI rather than 30%; adjusted to 28% (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented

	(c) Deduction bands for medical expenses	Breaks medical expenses into bands with \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500; deduction capped at \$10,000	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2008	Implemented	
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21;	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
	(f) Flat Rents	Eliminates HUD requirements relating to Flat Rents for PH developments	Reduce costs and achieve greater cost effectiveness Encourage employment and economic self-sufficiency;	2010	Implemented	
08-11	Develop Revised Rent Policies for Work-able and Working Households	Develop a revised rent policy for working and work-able households that encourages self-sufficiency and income progression and increases positive graduation from subsidized housing while increasing administrative efficiency and cost effectiveness	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness;	2008	Implemented - 2010	Continued monitoring may result in changes including but not limited to: (1) require an interim review when tenant income rises above an established maximum; (2) hardship policy application and qualification (3) denial of rent reductions resulting from client caused reductions in income (4) revised rent calculations for Mixed Family households that would result in a flat fee of \$50-\$100 per person for households members who are not citizens or eligible U.S. residents in order to equalize treatment between programs.
	(a) Frequency of reviews	Moves clients to reviews every 2 years; Implements hardship policy to address unique circumstances; Implements hardship policy to address unique circumstances; Limits Interims to 2 in a Recertification cycle; re-define causes triggering an interim	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(b) % of Income to Rent	Rent set according to Income Bands - creates sliding scale that allows income to grow without impacting rent	Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(c) Deduction bands for medical expenses	Breaks childcare expenses into bands with \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500 - deduction capped at \$10,000	Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21;	Reduce costs and achieve greater cost effectiveness; Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	

	(f) Flat Rents	Eliminates HUD requirements relating to FLAT Rents for PH developments	Encourage employment and economic self-sufficiency;	2008	Implemented - 2010	
05-12	Increase the Rent Cap	Moves the Section 8 program rent cap to 40% of Gross Rent, up from the 40% of adjusted rent standard	Increase Housing Choice	2005	Implemented	Possible modification to increase mobility may be implemented in FY 2013
04-13	ESCO development	Use of MTW program and single fund flexibility to develop and operate our own ESCO	Reduce costs and achieve greater cost effectiveness	2004	Implemented	May consider contract term extension in FY 2013
07-14	MTW-Enhanced Transfer Policy	Increase Housing Choice for residents by developing a policy that allows transfers between KCHA subsidized programs. Established policy for encouraging under/over housed residents to transfer when an appropriate sized unit becomes available (2009) and allows expedited access to UFAS rated units (2010)	Increase housing choice; Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2013
08-15	Combined Program Management	Streamline program administration through a series of policy changes that ease operations of units converted from PH to PBS8 subsidy or those located in sites supported mixed funding streams.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration and increase tenant choice
	(a) Childcare Unit	Establishes specific policies relating to designated childcare units at Greenbridge.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(b) Lease term	Modify lease term for PH units at Tax Credit Sites - Current regs conflict with Tax Credit renewal terms which required lease to be no more than 1 year.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(c) Eligibility	Additional changes to accommodate combined program approach in relation to NIA development: eligibility for 2 bdrm units; income cap at 50%; Tenant selection	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
04-16	Occupancy requirements of Section 8 households	Allows tenants to remain in occupancy when family size exceeds standards by 1 member	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
08-17	Eligibility	Allow modified eligibility requirements in order to streamline waitlist management and focus KCHA resources on those greatest in need	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration may be implemented in FY 2013. In particular, KCHA may implement a modified definition of "Family" that requires an eligible household to include either an elderly or disabled family member or a minor child.

	(a) PH program eligibility	Allow Public Housing program to restrict eligibility of single person households who do not otherwise qualify as elderly, near-elderly, disabled, or displaced - unless assigned to targeted program				
	(b) Section 8 eligibility	Section 8 programs - Restrict eligibility of single person households who are neither elderly or disabled or near-elderly - similar to PH	Reduce costs and achieve greater cost effectiveness	2009	Implemented	
07-18	Resident Opportunity Plan (ROP)	Develop a local FSS-like program pilot that empowers residents to increase income and successfully graduate from housing subsidy	Give incentives that assist in obtaining employment and becoming economically self-sufficient	2007	Implemented	Possible program expansion to new markets in FY 2013
07-19	Section 8 Applicant Eligibility	Increase program efficiency by removing eligibility for those currently on a Federal Subsidy program	Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration may be implemented in FY 2013
08-21	Utility Allowances - PH - S8	Develop alternate protocols for establishing and applying Utility Allowances for PH, PBS8 and S8 households	Reduce costs and achieve greater cost effectiveness	2010	Implemented	Continue to review / monitor and modify in conjunction with WIN and EASY Rent policy modifications
11-1	Transfer of Public Housing units to Project-based Subsidy	Preserve long-term viability of 509 units of Public Housing with disposition to KCHA controlled entity. Allows HA to leverage \$ to accelerate capital repairs, and increase tenant mobility through transfer to project-based funding of all 509 units	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2011	Implemented	HUD disposition approved in early 2012. KCHA is currently working with HUD to finalize requirements relating to project-based subsidy assignment. Tenant relocation currently underway.
12-1	Inter-Agency Domestic Violence Transfer Program	Allows residents who are victims of domestic violence to move to another MTW agency jurisdiction with relocation assistance and link to DV support services	Increase housing choice	2012	In progress	Execution of partnership agreement between other MTW PHAs in the Western Region in order to facilitate resident moves for Victims of Domestic Violence to safe, secure housing in times of crisis currently pending.
12-2	Promoting Mobility: Family Choice Initiative	Provides opportunity for residents to make informed choices about where they will live. Creates incentive for residents to move to high-opportunity neighborhoods to increase educational and employment opportunities	Increase housing choice; Encourage employment and economic self-sufficiency;	2012	In progress	Program development and implementation will continue during FY 2013. In addition to policy modifications designed to encourage residents to move to high opportunity neighborhoods, KCHA intends to develop policies targeted toward increasing classroom stability (such as those designed to limit mid school-year moves by participants) in order to provide greater opportunity for children to attain educational goals.
12-4	Supplemental Support for the Highline Community Healthy Homes Project	Provides supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project - but who require assistance to avoid loss of affordable housing	Increase housing choice	2012	Implemented	Possible modification to further streamline administration may be implemented in FY 2013

12-5

Use of MTW Block-Grant funds to support Local, Non-traditional MTW Activities	Allows KCHA to use funds for activities outside of Section 8 and 9 of the Housing Act - in accordance with terms of the MTW Agreement and pursuant to guidance of PIH Notice 2011-45	Increase housing choice; Encourage employment and economic self-sufficiency;	2012	Pending	Final HUD approval of Technical Amendment to FY 2012 Plan pending
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Approved MTW Activities Scheduled for Possible Implementation

Allow double subsidy between programs (PBS8/PH/S8) in limited circumstances to allow transition to new program	Increase landlord participation, reduce impact on PH program when tenants transfer	Increase housing choice	2008	Under review for possible implementation
Definition of Live-in Attendant	Consider changes that redefine who is considered a "Live-in Attendant"	Reduce costs and achieve greater cost effectiveness	2009	Following initial review item placed on hold for future consideration.
FSS Program modifications	Explore possible changes to increase incentives for resident participation, income growth and decrease costs of program management	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2008	Temporarily placed on hold - will consider following implementation of Rent Policy changes for PH, S8 HCV and PBS8 residents
Income Eligibility - maximum income limits	Consider policy that would cap the income residents may have and still be eligible for KCHA programs	Increase housing choice	2008	May be considered in future years if WIN Rent policy changes do not sufficiently address need.
PBS8 Local program: Contract term	Consider possible changes to lengthen the allowable term of the Section 8 Project-based contract	Increase housing choice	2009	On hold. May be brought forward if need warrants
Performance Standards	Develop locally relevant performance standards and benchmarks to evaluate the MTW Program	Reduce costs and achieve greater cost effectiveness	2008	In progress but delayed however will be impacted by pending PHAS reporting requirements - MTW Agencies currently reviewing potential for alternate reporting tool
Supportive Housing for high-need homeless families	Develop demonstration program for up to 20 households in Project-based FUP-like environment	Increase housing choice and encourage economic self-sufficiency	2010	Deferred. Program partners opted for tenant-based model in current FY. May be brought forward in future program year.
Limit number of moves for a Section 8 participant	Increase family stability and reduce program administration by limiting the number of times a HCV participant can move to once per year	Reduce costs and achieve greater cost effectiveness; increase economic self-sufficiency	2010	Deferred for consideration in a future year if need arises
Implement a Maximum Asset Threshold for program eligibility	Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010

	Incentive Payments to Section 8 participants to leave the program	Offer incentive to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010
11-2	Redesign of the Sound Families program	Develop alternative to Sound Families program - combining HCV with DCFS service \$ to continue support of at risk homeless households in "FUP-like" model.	Increase housing choice	2011	Limitation in Federal requirements for use of DSHS/DCFS funds has delayed implementation. May be brought forward in FY 2013.

MTW Activities Completed

	Block Grant non-mainstream vouchers	Expand KCHA's MTW Block Grant to include all non-Mainstream program vouchers	Reduce costs and achieve greater cost effectiveness	2006	Completed
	Develop a local PH Asset Mgmt Funding model	Streamlines current HUD requirements to track budget expenses and income down to the AMP level	Reduce costs and achieve greater cost effectiveness	2007	Completed
	Resident Satisfaction Survey	Develop internal Satisfaction Survey in lieu of requirement to comply with RASS portion of HUD's PHAS system	Reduce costs and achieve greater cost effectiveness	2010	KCHA internal survey process is in place. However, KCHA has temporary exemption from HUD's RASS reporting requirements Will determine need for use as a RASS substitute upon publication of revised PHAS rule.
	ROSS Grant Homeownership	Financial Assistance funded through MTW reserves, Modified rules to meet local circumstances: eligibility to allow use for PH residents with an HCV; minimum income requirement; min savings prior to entry, not limited to first time homebuyers, etc	Increase housing choice;	2004	Complete - program exceeded goal to assist 30 households over 3-year term

Previously Approved and Implemented MTW Activities (Required use of Single Fund Budget Only)

	Client Assistance program	Pilot program - utilizes MTW reserves to provide emergency financial assistance to qualified residents	Reduce costs and achieve greater cost effectiveness	2008	Implemented
	Use MTW Reserves to fund Resident Incentives	Develop policies to encourage lease compliance - fund using MTW single-block-grant authority and accumulated reserves	Reduce costs and achieve greater cost effectiveness	2010	Initiated in FY 2010 with policy to allow payment of \$200 to encourage over-housed residents to accept first unit offer. Will consider other incentive payments as warranted in future years.

SECTION VII: Sources and Uses of Funding

A. Sources and Uses of MTW Funds

As an MTW Block Grant agency, KCHA combines all Public Housing Operation, Capital and Section 8 resources into a single fund with full funding flexibility. The tables below detail KCHA's anticipated sources and uses of funds for the fiscal year beginning January 1, 2013 and ending December 31, 2013. It should be noted that revenue and expense levels shown are preliminary estimates as actual budgeted amounts cannot be precisely established until HUD funding levels for the year have been finalized and KCHA's FY 2013 budget adopted by the Board of Commissioners. KCHA anticipates a shortfall in revenue necessary to carry out planned program activities and is planning, to the extent available, to utilize MTW working capital (including committed reserves) to cover projected deficits between sources and uses of funds during FY 2013.

Sources of MTW funds	Planned Amount
HCV block grant	\$ 98,624,000
Public Housing subsidy	\$ 8,528,000
Public Housing rental income	\$ 4,000,000
Public Housing non-rental income	\$ 102,000
Public Housing Capital Fund	\$ 400,000
Interest income	\$ 70,000
Transfers from Committed Reserves	\$ 2,006,000
Transfers from General Reserves	\$ 81,000
Total	\$ 113,811,000

Uses of MTW funds	Planned Amount
HCV Housing Assistance Payments & Admin	\$ 87,067,000
Supportive Housing program	\$ 1,041,000
Short-term Rental Housing Assistance pilot program	\$ 250,000
Agency-managed housing operations	\$ 6,176,000
Resident service activities	\$ 2,712,000
Utilities	\$ 1,831,000
Debt repayment	\$ 302,000
Rehabilitation of Public Housing units	\$ 10,500,000
General development costs	\$ 500,000
Subsidy for mixed-finance developments	\$ 1,757,000
MTW program administration	\$ 710,000
New computer software system	\$ 965,000

Total \$ 113,811,000

B. Sources and Uses of State and Local Funds

Sources of State/Local funds	Planned Amount
Washington State Dept. of Commerce	\$ 2,449,000
Puget Sound Energy	\$ 1,100,000

Total \$ **3,549,000**

Uses of State/Local funds	Planned Amount
Home Repair & Weatherization	\$ 3,549,000

Total \$ **3,549,000**

C. Sources and Uses of Central Office Cost Center Funds

Sources of COCC funds	Planned Amount
Fees charged for management of housing units	\$ 3,883,000
Construction management fees	\$ 900,000
Fees charged to Section 8 program	\$ 2,695,000
Fees to PH AMPS for regional maintenance support	\$ 2,398,000
Cash transfers from locally-owned properties	\$ 2,300,000
Other sources of revenue	\$ 492,000

Total \$ **12,668,000**

Uses of COCC funds	Planned Amount
Salaries & Benefits	\$ 9,761,000
Supplies & Equipment	\$ 554,000
Prof Services & Admin Contracts	\$ 554,000
Transportation	\$ 42,000
Travel & Training	\$ 220,000
Communications	\$ 158,000
Other Administrative Expenses	\$ 537,000
Occupancy Expenses	\$ 352,000
Other Expenses – Debt Service	\$ 367,000
Purchase of Fixed Assets	\$ 100,000
Total	\$ 12,645,000

D. Changes in Cost Allocations from 1937 Act Regulations

To date, changes from 1937 Act Regulations have not been implemented. Although no changes are currently planned, KCHA reserves the right to implement changes to current cost allocations should any be identified as necessary during FY 2013.

A description of KCHA’s Local Asset Management Plan, as proposed and adopted under its FY 2008 MTW Annual Plan is attached as Appendix E to this Plan.

E. Uses of Single Fund Flexibility

KCHA has utilized the funding flexibility of the MTW Block Grant to cross traditional funding silos in supporting a number of the MTW activities outlined in this and prior

Annual Plans and Reports. The following is a listing of major activities where single-fund budget authority has assisted KCHA in the development of innovative programs:

- ❖ KCHA’s Sponsor-based program utilizes Single-fund budget and Use of Funds authority to break down barriers to housing access for chronically homeless, mentally ill households and homeless youth who typically could not be successfully housed through traditional subsidized housing programs. Implemented in 2007, the program ensures nearly 150 at-risk households access to safe, secure housing with wrap-around supportive services designed to break the cycle of homelessness. Ongoing supportive funding commitments are leveraged through multi-year housing subsidy contracts with participating service providers. KCHA has committed \$2.579 million in MTW working capital to support this initiative during FY 2013-2015.
- ❖ KCHA’s Resident Opportunity Plan (ROP). Approved for implementation by the Board of Commissioners in 2009, this five-year demonstration program links participants with resources to assist them in achieving economic self-sufficiency. Financial support provided through KCHA’s Single-fund budget will assist up to 100 households to gain the tools needed to move up and out of subsidized housing.
- ❖ Redevelopment and/or modernization of distressed Public Housing. To date, Single-fund flexibility has enabled KCHA to take proactive steps to preserve more than 1,000 units of public housing for extremely low-income households over the long-term. KCHA has designated \$7.415 million in MTW working capital reserves to support this initiative in FY 2013.
- ❖ RHF funds available through KCHA’s Single-fund budget are supporting a portion of the debt incurred to rehabilitate the Birch Creek (formerly Springwood) Apartments. RHF funds available as a result of the disposition of Green River Homes (approved in FY 2011) and from the disposition of the “509” units (approved in FY 2012) will be used to partially finance substantial rehabilitation of Green River Homes.
- ❖ Acquisition and preservation of affordable housing throughout the Puget Sound region. The Authority continues to seek opportunities to acquire additional housing, generally in proximity to existing KCHA properties, leveraging existing housing management capacity. In FY 2012, the Authority continued to work with HUD to transition Kirkland Place, a 9-unit development in Kirkland WA, to Public Housing. Two additional developments, Westminster Manor (60 units in Shoreline) and Island

Crest (30 units on Mercer Island) have been acquired by the Authority and are under consideration for conversion to KCHA's Public Housing program. As Westminster Manor was already under a Use Agreement related to its Section 8 Project-based funding status, MTW Working Capital was invested in the project in FY 2012. Island Crest, currently financed with a short-term line of credit, may likewise have its debt replaced by MTW funds, pending appropriate documentation. All of these properties are in "Opportunity Areas" with highly regarded school districts and strong employment markets. The flexibility provided through the MTW Block Grant – and the ability to provide flexible short and long-term financial assistance to affordable housing development - are key elements of KCHA's strategy for expanding supply and increasing housing choice.

During FY 2013, as new opportunities arise, KCHA will continue to utilize its single-fund flexibility and Use of Funds authorization to support programs and activities that address the varied housing and service needs of the region's low-income residents. A partial listing of activities anticipated during the coming fiscal year includes:

- ❖ Building on existing partnerships with the Kent, Highline and Bellevue School Districts KCHA will continue to expand its place-based educational initiatives. These efforts, developed in close coordination with local schools, parents and service providers, are designed to improve academic performance, encourage parental engagement and ultimately increase high school graduation rates for the 2,200 children living in federally assisted housing units in the three targeted neighborhoods. As part of this approach, KCHA has developed data sharing agreements with each of the three school districts and is supporting an array of programs intended to bring all children to age appropriate reading levels by the end of third grade.
- ❖ During FY 2013, KCHA will continue to analyze the impact of mobility and housing choice upon educational outcomes for its Public Housing and Section 8 households. As detailed in this and prior MTW Plans, KCHA intends to utilize its single-fund budget to support activities that impact life outcomes for participant households. Activities KCHA intends to undertake in FY 2013 include:
 - ❑ Increased mobility in the HCV program: Both national data and KCHA surveys indicate that many Section 8 residents choose to reside initially in neighborhoods where poverty remains concentrated and their

subsequent moves appear unrelated to either better educational support for their children or household job opportunities. To assist residents in making informed choices about where to live KCHA will utilize MTW resources to provide mobility counseling and incentives that encourage residents to consider moves to low-poverty neighborhoods where access to jobs, transportation and high performing schools provide a foundation for economic self-sufficiency and to assist relocating households in successfully integrating into their new communities and successfully navigating new school systems. Based upon assessments of national mobility initiatives, this post-move support will be critical to the success of the initiative.

- ❑ Promoting classroom stability: While households receiving Section 8 subsidies tend to be more geographically stable than households with similar incomes who do not receive subsidies and who are, in consequence, significantly rent burdened, a substantial number of Section 8 households still move, some with a fair amount of frequency, while they are participating in the program. KCHA data indicates that over 750 school-aged children housed under the Section 8 program last year moved during the school year. Research indicates that children who change classrooms during the school year tend to lag significantly behind their peers in academic achievement and that classroom mobility is also disruptive for fellow students and teachers. KCHA will work with local school districts this year to pilot counseling and policy initiatives that can increase educational stability and support student achievement.
- ❑ Reducing student homelessness: School districts in King County are reporting sharp increases in the number of homeless students in their classrooms. Collectively these school districts spent \$2.6 million last year to transport homeless students to their original classrooms. Based upon recent national findings regarding the success of rapid rehousing interventions in ending homelessness (or the possibility of homelessness) quickly for significant numbers of at-risk households, KCHA is exploring a pilot program in partnership with local school districts to provide short-term case management and rental assistance to households identified by district McKinney-Vento liaisons.

- ❑ Advancing families toward economic self-sufficiency through the provision of support service and program incentives leading to positive transition from Public Housing or Section 8 subsidy into private market rentals or homeownership. During FY 2013, KCHA’s Resident Opportunity program is anticipated to provide assistance to 50 households – providing educational and employment services and case management in order to help families increase income, reduce debt and graduate out of subsidized housing. Results of the ROP program’s Year Two evaluation report, scheduled for completion in October 2012, will be included in KCHA’s FY 2012 MTW Report.

- ❑ Ensuring continued and expanded access to affordable, safe and secure housing for Public Housing and Section 8 households who have become victims of domestic violence. In FY 2012, KCHA finalized an Inter-agency Domestic Violence Transfer Agreement. This agreement, a collaboration of partner MTW agencies and designated DV advocates in five states, provides eligible households who are victims of domestic violence with the opportunity to move to the jurisdiction of another MTW PHA when such a move is considered necessary to ensure the safety of the household. Single-fund budget resources will support relocation expenses of current KCHA participants who move to a partner agency’s jurisdiction under the program.

- ❖ In FY 2013, KCHA will continue to move forward with the planned replacement of its core Public Housing and Section 8 software. MTW Authorities have unique and evolving software needs. As a result, systems must be flexible enough to allow for significant changes in rent calculations, inspections and other management and monitoring processes beyond those required in the non-MTW workplace. Once supporting software has been reconfigured, it may require numerous additional changes as initiatives unfold. KCHA’s current software is nine years old and the vendor has very limited capacity to make major changes for a single client. Replacement of the Authority’s property management software is estimated to cost \$2.5 million. This funding has been committed by the Authority’s Board of Commissioners from MTW working capital reserves to support this multi-year project. The Authority anticipates a “go live” date during FY 2014.

- ❖ With the redevelopment of a significant portion of its Public Housing portfolio, KCHA has removed 1,139 Public Housing units. One-for-one replacement of these deeply subsidized “hard” units is taking place through the use of project-based Section 8 rental subsidies. However, the Authority projects it will have nearly 950 units of unused ACC capacity available in FY 2013. The Authority continues to explore the acquisition of additional replacement sites where these public housing subsidies could be reactivated. In many cases, as detailed in its 2012 MTW Plan, where Public Housing ACC is insufficient to support the debt service necessary to fully finance acquisitions or development, KCHA may combine multiple subsidy programs to support necessary financing in order to expand the availability of housing for extremely low income households.

F. MTW Working Capital Reserves

Based on current projections regarding expenditures of MTW Working Capital and projected funding for FY 2013, KCHA anticipates its MTW Working Capital to reflect the following balances on December 31, 2013:

MTW Working Capital Reserves: Projected balances at FYE 2013		
Cash on Hand FYE 2013		\$ 10,724,931
<i>Less: Routine liabilities due within one year</i>	\$ 700,000	
Net MTW Working Capital - FYE 2013		\$10,024,931
Committed Uses of MTW Working Capital		
Section 8 HAP Contingency (one month’s HAP or approximately 6% of Contract Authority)	\$ 5,973,173	
Capital Funds obligated, not paid in 2013	1,226,557	
Sponsor Based Contracts Obligated	1,552,618	
Housing Management Software Costs Obligated	1,535,000	
New Housing Development	2,000,000	
Total Planned Uses of MTW Working Capital		\$ 12,287,348
Net Unobligated MTW Working Capital - FYE 2013		(\$ 2,262,417)

Because the participation of landlords is a critical factor in the success of any Section 8 program, KCHA guarantees payment of monthly HAP subsidy on the 1st of each month – regardless of the prior receipt of HUD funding for this purpose. As detailed above, KCHA has designated a portion of its MTW Working Capital as a Section 8 HAP Contingency – a set-aside available for use in the event of a delay in HUD’s transfer of funds to the Authority. Resolution 5406, approved by KCHA’s Board of Commissioners in October 2012, commits nearly \$6.0 million so that funds are available to meet its financial obligations to Section 8 landlords and ensure the success of KCHA’s Section 8 program.

In addition to the ability to use single-fund budget flexibility to cover short-term obligations, one of the most important elements of the MTW demonstration program is that it frees participating housing authorities from having to restrict their budgetary planning to single year cycles of revenues and expenditures. This enables multi-year financial planning and strategic budgeting to achieve long-term growth and complex operational goals. It also provides an incentive for the implementation of operational efficiencies and policy innovations that increase operating stability and enable the reallocation of resources to fund multi-year initiatives that support the core mission.

KCHA has been successful in implementing program and policy initiatives that have enabled reinvestment in core priorities. These re-investments, intended to be implemented over a multi-year period, support the MTW long-term strategic priorities outlined in Section IV of this Report as noted below:

- ❖ KCHA is utilizing MTW resources to accelerate capital repairs to its affordable housing inventory in order to preserve existing housing and address a substantial backlog of critical repairs (Strategy 1). These improvements also improve the energy efficiency of KCHA’s housing and reduce long-term operating costs. A total of \$11.3 million in MTW working capital is earmarked for this purpose in FY 2013 – including \$3.79 million in contract obligations entered into during FY 2012 and an additional \$7.512 million committed by resolution of the KCHA’s Board of Commissioners for this purpose through Resolution 5403, dated September 2012.

- ❖ KCHA is utilizing its MTW working capital to fund the over issuance of Section 8 vouchers in order to increase the supply of affordable housing for the region’s growing number of extremely low income households (Strategy 2). KCHA’s Board of Commissioners has authorized the issuance of 275 vouchers above KCHA’s HUD base-line. A number of these vouchers are being project-based through multi-year HAP agreements in partnership with local government capital funding awards to

assist in underwriting housing production in low poverty areas of the region (Strategy 3).

- ❖ KCHA is also utilizing MTW resources to purchase existing Class B multifamily properties and develop new sites that are adjacent to existing public housing complexes or in low poverty neighborhoods. Use of MTW reserves to fund new purchases and property development eliminates the need to finance these acquisitions and enables KCHA to activate replacement public housing subsidies, expanding the supply of extremely low-income units in the region (Strategy 2). MTW funds are also being used to purchase existing expiring use federally subsidized properties, preserving these valuable “hard unit” resources.
- ❖ KCHA has designed a local “sponsor-based” leased housing program to enable service providers to successfully lease housing for “hard-to-house” populations such as chronically homeless mentally ill individuals and homeless youth who are otherwise ineligible to receive a Housing Choice Voucher (Strategy 4). These “housing first” programs leverage significant local service funding to provide wrap-around services. In order to secure long term commitments of service dollars, it was necessary for KCHA to enter into multi-year funding commitments with its non-profit partners. On August 8, 2012, KCHA’s Board of Commissioners adopted Resolution 5396 – authorizing the commitment of \$2.58 million of its MTW working capital to ensure funds are available to support the ongoing operation of its Sponsor-based program.
- ❖ To reduce financing expenses across a number of programs serving low-income households KCHA is utilizing MTW resources to restructure existing debt by retiring or replacing high interest loans (Strategy 7). Among its allowable use of MTW resources, KCHA may borrow funds, including from its internal resources to acquire, develop, and rehabilitate housing for low-income households. KCHA may enter into such loans in order to:
 - ❑ Replace existing debt on KCHA owned/controlled properties to improve their financial viability over the long term and ensure the inventory remains affordable to low and extremely-low income households.
 - ❑ Provide credit enhancement on debt undertaken to renovate the 509 scattered-site public housing units approved for disposition in FY 2012 and/or provide capital funds to support necessary renovations.

- ❑ Defease or redeem existing debt (or portions of such debt) on KCHA's workforce housing in order to make some or all of the units more affordable to low-income residents.
- ❖ KCHA may draw unexpended CFP funds or use MTW working capital to create a debt service reserve for the Birch Creek and Green River redevelopments. The amount of the RHF designated by HUD has, to date, been less than underwriting projections. KCHA could use either funding source to pay outstanding debt for these properties as payments become due (Strategy 1).
- ❖ KCHA may create operating or replacement reserves for local program developments serving eligible households. Due to low rental income these developments cannot be otherwise self-sustaining. Use of MTW resources for this purpose enables KCHA to proceed with the repositioning of a portion of its inventory to ensure long term viability (Strategy 1).
- ❖ KCHA is expanding and modernizing its on-site community facilities to bolster programs designed to increase academic and life success for youth living in our subsidized housing and economic self-sufficiency for their parents (Strategy 6 & 7). These community centers serve as the foundation for family self-sufficiency by providing KCHA's low-income residents with on-site access to a multitude of community services. MTW reserves are being utilized in conjunction with other monies to fund these projects.
- ❖ Unlike many other housing authorities, KCHA is self-developing two Hope VI projects. These large scale developments in King County's poorest neighborhood have required significant public and private investment above and beyond funding available either through the HUD Hope VI grant or equity contributions leveraged through the Low Income Housing Tax Credit program. Sales proceeds from finished and unfinished lots on these sites to homebuilders will eventually provide a significant portion of the overall project funding. KCHA is utilizing MTW reserves to bridge these sale proceeds through direct KCHA loans into the projects and collateral for third party debt and will be partially repaid as lot sales progress. (Strategy 5).

Prudent management of working capital reserves allows KCHA to support its mission critical long-term objectives while maintaining access to capital markets and backstopping operational exigencies. For example, the steep pro-rate in the Public Housing operating subsidy in FY 2012 - a situation that could potentially arise again in FY 2013 - might have devastated KCHA's Public Housing program and its ongoing initiatives

had it not been for the availability of MTW working capital reserves to supplement shortfalls. KCHA also relies on significant short-term borrowing to bridge lot sale proceeds that are intended to repay infrastructure expenditures on its major development sites. Significant reserves, as in any business, are critical for continued access to these instruments.

SECTION VIII: Administrative Information

A. Required Resolution, Forms and Certifications

Comments received regarding MTW Annual Plan Components

✓ Please see Page 58

Board Resolution approving the FY 2013 Annual Plan

✓ Please see Pages 59-60

PHA Certification of Compliance with MTW Plan requirements

✓ Please see Pages 61-62

Other HUD Information Required by HUD – Attached as Appendices and submitted as a separate .pdf file

- ✓ **Appendix A:** Audit Report in compliance with OMB Circular A-133
- ✓ **Appendix B:** Disclosure of Lobbying Activities (HUD SF-LLL)
- ✓ **Appendix C:** Drug-Free Housing Certification (HUD 50070)
- ✓ **Appendix D:** Certification of Payments to Influence Federal Transactions (HUD 50071)
- ✓ **Appendix E:** Description of KCHA's Local Asset Management Plan
- ✓ **Appendix F:** Replacement Housing Factor (RHF) Plan

B. Description of any Planned or Ongoing Agency Evaluations of the MTW Demonstration

KCHA carefully tracks outcomes and impacts of activities made possible through participation in the MTW demonstration to ensure that initiatives continue to meet intended targets and identify areas where mid-course corrections may be warranted. Data regarding outcomes and program progress is reported in the MTW Annual Report submitted in March of each fiscal year. KCHA remains in discussions with HUD and other MTW agencies regarding the use of outside contractors to conduct a more extensive evaluation of the MTW demonstration program and on how successful MTW innovations can be brought to scale across the industry.

FY 2013 MTW Annual Plan

PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
David Madison	RAC – South (Section 8 resident)	Voiced how impressed he was with the 3 proposed new initiatives and how they targeted current issues.	Expressed thanks for support of programs KCHA proposes to address critical housing needs of the region.
Cindy Ference	RAC – North (PH Resident)	Provided opposing view of KCHA's proposed change to existing EASY and WIN rent policies that would not provide an interim review to reduce rent when a household has experienced a loss of income as the result of their own action or inaction.	Provided clarification relating to the proposed change – including the process that would be followed prior to implementation of any revision to the current rent policy and how the current Hardship Policy would be modified to allow KCHA to address mitigating circumstances.
Tom Berry	DSHS	Thanked KCHA for the opportunity to comment on the Plan – which “spells out a very impressive array of past and present initiatives”. Particularly impressed with the Passage Point Conditional Housing program proposal for FY 2013. Suggested additional cross-collaboration between DSHS and KCHA to further advance the goal of encouraging employment and economic self-sufficiency.	Thank you for your response. KCHA appreciates the offer to assist in expanding efforts to assist in moving households toward economic self-sufficiency and looks forward finding new ways to partner effectively with DSHS.

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5405
APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN
FOR FISCAL YEAR 2013

WHEREAS, the King County Housing Authority (KCHA) entered the Department of Housing and Urban Development's (HUD) Moving to Work Demonstration Program (MTW) under a 2003 MTW Agreement with HUD; and

WHEREAS, as intended by Congress, the MTW Agreement authorizes KCHA to design and test new ways of providing housing assistance and needed services to low-income households; and

WHEREAS, in 2009 KCHA and HUD executed a Restated and Amended MTW Agreement (Restated Agreement), extending KCHA's participation in the MTW Demonstration through 2018 while preserving program flexibility to develop and manage housing programs and services in a manner that responds to the unique needs and circumstances of the Puget Sound region; and

WHEREAS, the Restated MTW Agreement requires the Authority to develop an MTW Annual Plan (the Plan) that identifies anticipated MTW program resources and expenditures, while outlining ongoing MTW activities and detailing new initiatives that KCHA intends to pursue during the coming fiscal year; and

WHEREAS, staff has developed the required MTW Annual Plan covering Fiscal Year 2013 (January 1, 2013 through December 31, 2013) in a manner that is responsive to and complies with the Restated MTW Agreement requirements; and

WHEREAS, in developing the FY 2013 MTW Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including coordination with the KCHA Resident Advisory Council and community stakeholders and including a Public Hearing held on September 24th, 2012; and

WHEREAS, the Plan envisions a number of significant changes in the operational policies and programs which are consistent with the goals of the MTW Demonstration and KCHA's mission; and

WHEREAS, a Board Resolution approving the Plan and certifying that the Plan complies with MTW Plan requirements must be included when it is submitted to HUD.

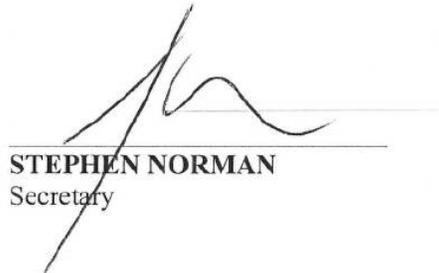
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution and the accompanying memorandum ("Fiscal Year 2013 Annual Plan") for implementation and submission to HUD.
2. The Board of Commissioners certifies that the Public Hearing requirements have been met and authorizes the Chair of the Board to execute the attached HUD Certification of Compliance with MTW Plan Requirements and Related Regulations.

ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 15th DAY OF OCTOBER 2012.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**


Nancy Holland-Young, Chair
Board of Commissioners


STEPHEN NORMAN
Secretary

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

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2013, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

King County Housing Authority
PHA Name

WA002
PHA Number/HA Code

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

Nancy Holland - Young
Name of Authorized Official

Board Chair
Title

Nancy Holland Young
Signature

10/15/2012
Date

KING COUNTY HOUSING AUTHORITY FY 2013 MTW ANNUAL PLAN APPENDICES

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Note: Copies of the Appendices above can be located on KCHA's website – www.kcha.org