

*The Housing Authority of the  
City of Lincoln, Nebraska*



**MOVING TO WORK  
ANNUAL REPORT**

For

*Fiscal Year 2010-2011*

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This Moving to Work (MTW) Annual Report is prepared in accordance with the “Amended and Restated Moving to Work Agreement” between the Department of Housing and Urban Development and Lincoln Housing Authority. This agreement was signed by both parties in April, 2008 and extends the MTW program until the end of the housing authority’s 2018 Fiscal Year. The required elements of the Annual MTW Report are detailed in HUD Form 50900 published July 24, 2008 (OMB Control Number: 2577-0216 Expiration Date: 8/31/2011).

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# Table of Contents

<b>I.</b>	<b>Overview</b> .....	<b>5</b>
	● Overview of the Agency’s Goals and Objectives for the Year	
<b>II.</b>	<b>General housing authority operating information</b> .....	<b>8</b>
	<b>A. HOUSING STOCK INFORMATION</b>	
	● Number of Public Housing Units at the End of the Plan Year	
	● Description of any significant capital expenditures by development	
	● Description of any new public housing units added during the year by development	
	● Number of units removed from the inventory during the year by development specifying the justification for the removal	
	● Number of MTW and non-MTW Housing Choice Vouchers (HCV) units authorized:	
	● Number of HCV Units project-based during the Plan year, including description of each separate project:	
	● Overview of other housing managed by the Agency	
	<b>B. LEASING INFORMATION - ACTUAL</b>	
	● Total number of MTW PH units leased in the Plan year	
	● Total number of non-MTW PH units leased in plan year;	
	● Total number of MTW HCV units leased in Plan year;	
	● Total number of non-MTW HCV units leased in Plan year	
	● Description of any issues related to leasing units	
	● Public Housing	
	● Housing Choice Voucher	
	● Number of project-based vouchers committed or in-use at the end of the Plan year,	
	● Description of project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year	
	<b>C. WAITING LIST INFORMATION</b>	
	● Number and characteristics of households on the plan waiting lists (all housing types) at the end of the plan year	
	● Description of waiting lists and any changes that were made in the past fiscal year.	

<b>III.</b>	<b>Non-MTW Related Housing Authority Information</b> .....	23
	● A. Planned vs actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI)	
	● B. Description of non-MTW activities implemented by the Agency	
<b>IV.</b>	<b>Long-term MTW Plan</b> .....	24
<b>V.</b>	<b>Proposed MTW Activities: HUD approval given but activity not implemented</b> ..	25
<b>VI.</b>	<b>Ongoing MTW Activities: HUD approval previously granted</b> .....	26
	For each activity:	
	A. List of MTW Activities Continued from Prior Plan	
	B. Detailed Information on Impact of Activity compared to Benchmarks, Metrics and Schedule; Description of the Results of Hardship Requests	
	C. Narrative on Benchmarks not achieved and ineffective activities Description of potential new strategies	
	D. Revisions to Benchmarks or Metrics	
	E. Changes in data collection methodology	
	F. Changes in authorization cited	
	G. Specific Provisions of the Act or regulation waived under MTW	
<b>VII.</b>	<b>Sources and Uses of Funding</b> .....	72
	A. Planned vs. Actual Sources and Uses of MTW Funds Narrative on any Major Changes from the Approved MTW Plan	
	B. Planned vs. Actual Sources and Uses of State or Local Funds	
	C. Planned vs. Actual Sources and Uses of the COCC	
	D. Description of Alternative Fee and/or Cost Allocation Methodology	
	E. Description of Planned vs. Actual Single-Fund Flexibility	
	F. Reserve vs. Actual Reserve Balances at End Plan Year	
	G. Planned vs. Actual Sources and Uses by AMP	
<b>VIII.</b>	<b>Administrative</b> .....	77
	A. Description of Progress on Correction or Elimination of Observed Deficiencies	
	B. Results of latest Agency-directed evaluations of the demonstration	
	C. Performance and Evaluation Report for Capital Fund Activities	
	D. Certification that the Agency has met the three statutory requirements	
<b>IX.</b>	<b>Appendices</b> .....	78

## I. Overview

The Lincoln Housing Authority has been a Moving To Work agency since the inception of the demonstration program. From the beginning, we have approached MTW reforms with the idea that some persons may always need to receive a basic level of housing assistance - due to age, disability, low wages or other reasons - and that the varying needs of those persons would be best served by maintaining a simplified income-based rent structure. We also understand that for a great many people, housing assistance can and should be a temporary step to greater self-sufficiency. By encouraging work and individual responsibility, we have achieved a high percentage of working families and a strong voucher turnover rate without implementing arbitrary time limits or unaffordable rent structures. In conjunction with an open waiting list and a strong preference system, this has allowed us to continue to issue new vouchers to many of the neediest persons in Lincoln, Nebraska.

Both the city of Lincoln and the state of Nebraska have benefitted from a low unemployment rate. Nebraska ended 2010 with nearly 10,000 more jobs than it had at the end of 2009 according to the Nebraska Department of Labor. Trade, transportation and utilities, and manufacturing grew because of growth in retail employment. The biggest gain in employment was professional and business services which gained more than 5,000 jobs from December 2009 to December 2010. Nebraska's unemployment rate was 4.4 percent in November 2010. The Lincoln Metropolitan Statistical Area (MSA) had 1,615 more jobs in December 2010 compared to a year ago. In February 2011, the Lincoln MSA had the nation's lowest unemployment rate of 3.5% compared to a national rate of 9.4%. A recent boost to the local economy has been the voter approval for development of a new arena and several hotels in Lincoln. It is estimated these projects will create 8,000 temporary jobs and 1,000 permanent jobs. In addition, a local banking operation recently announced its intention to expand operations and hire up to 400 additional employees over the next five years. The overall job growth for Nebraska, as projected by the Nebraska Business Forecast Council, is estimated to be 1.3% for 2011 and 1.8% for 2012. The low unemployment rate as well as projections for new jobs bodes well for Lincoln and continued success of the housing authority's MTW policies.

Lincoln Housing Authority has been acutely aware of the need to expand the supply of affordable housing in our community. However, we have not wanted to do so at the risk of decreasing the number of deep subsidy units available through the Housing Choice Voucher and Public Housing Programs. For that reason, we have continued to use the Voucher and Public Housing funds for their intended purpose and have not used them for additional development. Since the inception of MTW, however, we have been able to leverage non-HUD sources to add 416 additional rental units in five apartment complexes - mostly through the Low Income Housing Tax Credit Program. While these units do not receive deep subsidies, they have expanded the supply of affordable housing available to low and moderate income families and broadened the choice of available units to voucher holders.

The Lincoln Housing Authority has a distinct number of goals and specific objectives that are integral to our success as a Moving To Work housing authority. These goals have been integral to our MTW program since the beginning and will continue to be a focal point for the duration of our MTW agreement.

### GOAL I

Increase the number of Section 8 Housing Choice Voucher and Public Housing participants working or making progress towards educational goals, work experience, and self-sufficiency.

#### GOAL I OBJECTIVES:

- Provide incentives for able-bodied participants to work or seek self-sufficiency through job training or education. Also provide disincentives to able-bodied participants who choose not to work, seek job training, or further education.
- Form community and state partnerships to provide needed programs and services that encourage participation in recognized self-sufficiency programs.

### GOAL II

Reduce administrative costs and achieve greater cost effectiveness in federal housing assistance expenditures while ensuring the continued integrity of the program.

#### GOAL II OBJECTIVES:

- Simplify the operation of the Section 8 Housing Choice Voucher program and the Public Housing program with the purpose of reducing calculation errors, staff review time, and program administrative costs. This also reduces the burden on tenants by requiring fewer meetings and fewer documents to provide for their housing assistance.
- Work with landlords, housing participants, and human service organizations to identify areas of needed change in the operation of the Section 8 Housing Choice Voucher program and the Public Housing program.

### GOAL III

Expand the spatial dispersal of assisted rental units and increase housing choices for voucher holders.

### GOAL III OBJECTIVES:

- Provide incentives to seek housing opportunities outside areas of low-income concentration.
- Create affordable housing opportunities in growth areas of the community.

### NEW AND ONGOING MTW INITIATIVES

For LHAs fiscal year 2010-2011, the housing authority did not propose any new initiatives. However, following the MTW site visit in November 2010, the housing authority began the process to request a second amendment to the MTW agreement to obtain authority for a broader use of federal funds. This authority would allow the use of combined MTW funds for purposes outside of Section 8 and 9 activities. The housing authority conducted a public process to review and discuss the proposed amendment as well as proposed initiatives under this broader uses of funds authority. Those initiatives were included in the FY 2011-2012 MTW Annual Plan. A board resolution and the Second Amendment to the MTW Amended and Restated Agreement were approved by the LHA Board of Commissioners at their meeting on February 10, 2011. The Second Amendment is currently pending approval from HUD.

In anticipation of this amendment, the housing authority included several new initiatives as described in Section V. Proposed MTW Activities in the FY 2011-2012 MTW Plan. This plan was approved by HUD on March 17, 2011. Two of these new initiatives require the broader uses of funds authority provided through the Second Amendment.

The housing authority continued to implement the following prior initiatives:

- Rent Reform Initiatives
  - Interim Reexaminations
  - Minimum Rent and 27% TTP
  - Calculation of Annual Income
  - Rent Burden Capped at 50% (voucher only)
  - Average Utility Allowances (voucher only)
- Other Initiatives
  - Income Eligibility
  - Restricted Portability (voucher only)
  - Biennial reexaminations for elderly and disabled households.
  - Housing choice voucher inspection waiver for properties where the annual or initial inspections are without deficiencies.

## II. General Housing Authority Operating Information

### A. HOUSING STOCK INFORMATION

#### Number of Public Housing Units At the End of the Year

Lincoln Housing Authority currently has 320 public housing units. There were no changes in the number of public housing units over the past year.

PROJECT	OCCUPIED UNITS	DESCRIPTION
<b>AMP 1</b>		
MAHONEY MANOR	120	Elderly/Near Elderly
<b>AMP 2</b>		
HALL	23	Scattered Site Family
HANSEN	48	Scattered Site Family
LARSON	24	Scattered Site Family
PEDERSON	24	Scattered Site Family
P30	30	Scattered Site Family
<b>AMP 3</b>		
F39	39	Scattered Site Family
A12	12	Scattered Site Family
<b>TOTAL UNITS</b>	<b>320</b>	<b>Public Housing</b>

#### Description of any significant capital expenditures by development (greater than 30% of the agency's total budgeted capital expenditures during the fiscal year):

During the fiscal year, the bathrooms at Mahoney Manor (AMP 1), a 120 unit high-rise apartment building for seniors, were remodeled under two separate contracts. Phase I, consisting of 80 bathrooms, was started during the previous fiscal year using leftover Capital Fund Program Grant Year 2008 funds (\$53,714.76) and completed with 2009 dollars (\$379,742.47) under a total contract of \$433,457.23. Phase II, encompassing the remaining 40 units, was funded with Year 2009 (\$35,670.61) and Year 2010 (\$185,659.05) Capital Fund Program Grant dollars under a total contract of \$221,329.66. Phase II, which got underway in January, 2011, was completed in April, 2011. The work consisted of installing a new shower, toilet, sink, paint and, in some cases, floor tile.

The remaining Capital Fund Program Grant Year 2009 monies were spent on small projects, each of which were less than 30% of LHA's budgeted capital expenditures for the fiscal year. In addition to completing the Mahoney Manor bathroom project, 33.1% of Capital Fund Program Grant Year 2010 funds are being used to install exterior siding and repair sill plates to 24 Hansen single-family houses (AMP 2) under a contract in the amount of \$172,063.44. The project got underway in January, 2011, and will continue into the new fiscal year. The remaining Grant Year 2010 funds have not been awarded, awaiting a decision regarding the availability of Grant Year 2011 funds.

The most recent Annual Statement/Performance and Evaluation Reports for the 2009 and 2010 Capital Fund Program Grant Years are included in Appendix B, but neither report is a final report, and as a result, differ slightly from the numbers cited above.

**Summary of Lincoln Housing Authority ARRA Activities**

The Lincoln Housing Authority received \$674,919.00 in Capital Fund Formula Grant funding under the auspices of the American Reinvestment and Recovery Act (ARRA) of 2009. ARRA funds are not part of the MTW program. Most of the funds had been expended by the start of the 2010-11 fiscal year. However, three projects were not finalized until April of 2010. These projects were:

- \* installation of fire sprinklers at Mahoney Manor (\$331,588.66) (49.1% of ARRA funds)
- \* installation of new roofs on 23 scattered site single-family houses - Hall units (\$87,105.00)
- \* concrete repair at scattered sites (\$37,218.18)

The final Annual Statement/Performance and Evaluation Report for the 2009 ARRA Capital Fund Grant can be found in Appendix B.

**Description of any new public housing units added during the year by development:**

None

**Description of any public housing units removed from the inventory during the year by development specifying the justification for the removal:**

None

**Number of Housing Choice Vouchers At the End of the Year**

<b>MTW Vouchers</b>	<b>AUTHORIZED UNITS ON MARCH 31, 2010</b>	<b>DESCRIPTION</b>
Housing Choice Vouchers	2,916	MTW
<b>Non-MTW Vouchers</b>		
Mainstream Housing Opportunities Program	20	Non-MTW
Veterans Affairs Supportive Housing (VASH)	60	Non-MTW
<b>TOTAL VOUCHER UNITS</b>	<b>2,996</b>	<b>MTW &amp; Non-MTW</b>

Lincoln Housing Authority was invited to apply for additional VASH vouchers on two separate occasions. LHA initially had 35 VASH vouchers. In July 2010, LHA received 15 additional VASH vouchers and another 10 VASH vouchers in October 2010. LHA was also invited and applied in December 2009 for enhanced vouchers. The enhanced vouchers were generated due to a subsidized multi-family property prepaying their HUD assisted mortgage. Effective May 1, 2010, fifty-two (52) additional vouchers were awarded as enhanced vouchers. As tenant's for the multi-family project choose not to use the enhanced voucher or move out of the project, the vouchers become available as MTW vouchers. As of March 31, 2011, all 52 enhanced vouchers have been designated MTW vouchers and our MTW voucher authorization level has increased to 2,916.

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**Additional Non-MTW Housing Projects (HUD Subsidized)**

Burke Plaza (Section 9 New Construction)	91	(89 under contract)
New 32 (Section 8 New Construction)	32	
Moderate Rehabilitation (Scatter Sites)	10	

**Number of HCV units project-based during the Plan year, including description of each separate project:**

There were no project-based vouchers during the 2010-2011 Plan year. However, project-based vouchers have been proposed and approved for the 2011-2012 plan year.

As described in our 2011-2012 MTW Annual Plan, LHA anticipates awarding 20 Project-Based HCV units through an “other competition” process as described in the project-based regulations. These vouchers will be tied to a Low Income Tax Credit project whose purpose will be to promote voucher utilization and expand housing choices for persons with disabilities. The project will be required to provide an on-site supportive services plan. This project was originally anticipated for occupancy in December 2010. The project was delayed because the developer has been unable to sell the federal tax credits to investors. As of April 15, 2011 a project-based application was sent to the Creekside Village property owner, at their request, to apply for the 20 project-based vouchers.

The housing authority also plans that Crossroads House Apartments be converted to project-based vouchers. Crossroads House is a seven story building located at 1000 “O” Street in downtown Lincoln. The residential portion of the building (floors 2-7) provides apartments for seniors age 55 and older. The ground floor is office space. All apartments are one bedroom and are operated as low income housing tax credits units, the program they were originally developed under. The units are now owned by LHA. Currently, 78% of the units are occupied by voucher holders. Converting to project-based voucher will enhance the financial stability of the project and expand housing choice for persons who are elderly, near elderly, or disabled. Through a contract with the Lincoln Area Agency on Aging, the project will have an ongoing case management and supportive services program. LHA was waiting for approval of the 2011-2012 MTW Annual Plan before proceeding with establishing a HAP contract to project-base the units at Crossroads House Apartments. Approval of the 2011-2012 MTW Annual Plan allows LHA to select units owned or managed by the housing authority without a competitive process. It also allows LHA the ability to conduct Housing Quality Standard inspections and Rent Reasonableness tests on the units owned or managed by LHA. With these authorizations LHA will now proceed during FY 2012 with converting these units into project-based vouchers. The conversion will begin with units that already house voucher participants. We expect to have all 58 units converted to project-based vouchers within the next three years.

**Overview of Other Housing Owned or Managed**

**TABLE OF OTHER HOUSING OWNED OR MANAGED**

<b>Project</b>	<b>Location</b>	<b>Units</b>	<b>Type</b>
Arnold Heights	Northwest Lincoln and Scattered Locations	467	Affordable Market Rates; Owned by Lincoln Housing Authority.

Lynn Creek	9 <sup>th</sup> Street and Garber Avenue	16	Affordable Market Rates–Income restricted (<80% of median income); Owned by Lincoln Housing Authority
Northwood Terrace	23 <sup>rd</sup> and Y Streets	77	Affordable Market Rents–Income restricted (<80% of median income); Owned by Lincoln Housing Authority
Heritage Square	23 <sup>rd</sup> and W Streets	47	Affordable Market Rents–Income restricted (<80% of median income); Owned by Lincoln Housing Authority
Wood Bridge (LHA)	22 <sup>nd</sup> Street and Pine Lake Road	17	Affordable Market Rents–Income restricted (<100% of median income); Owned by Lincoln Housing Authority
		17	Below Market Rents–Income restricted (<60% of median); Owned by Lincoln Housing Authority
		----- 34	----- Total Units
Wood Bridge (Limited Partnership)	22 <sup>nd</sup> Street and Pine Lake Road	48	Tax Credit Project---Income restricted (<60% of median); Managed by Lincoln Housing Authority
		48	Affordable Market Rents–no income restrictions; Managed by Lincoln Housing Authority
		----- 96	----- Total Units
Summer Hill Townhomes	56 <sup>th</sup> Street and Union Hill Road	20	Tax Credit Project---Income restricted (<60% of median); Managed by Lincoln Housing Authority
		20	Affordable Market Rents—Income restricted (<100% of median income); Managed by Lincoln Housing Authority
		----- 40	----- Total Units
Summer Hill Apartments	56 <sup>th</sup> Street and Union Hill Road	48	Affordable Market Rents–Income restricted (<100% of median income); Owned by Lincoln Housing Authority
		48	Below Market Rents—Income Restricted (<60% of median); Owned by Lincoln Housing Authority
		----- 96	----- Total Units
Crossroads House	1000 “O” Street	58	Tax Credit Project acquired by Lincoln Housing Authority February, 2010---Income restricted (<60% of median).
Burke Plaza	6721 L Street	91	Section 8 New Construction Owned by Lincoln Housing Authority
New 32	Scattered Sites	32	Section 8 New Construction Owned by Lincoln Housing Authority

Prairie Crossing	35 <sup>th</sup> Street and Yankee Hill Road	33	Affordable Market Rents–Income restricted (<100% of median income); Managed by Lincoln Housing Authority
		43	Tax Credit Project Rents (<60% of median); Managed by Lincoln Housing Authority
		----- 76	----- Total Units
<b>TOTAL</b>		<b>1,130</b>	<b>Units Owned and/or Managed</b>

Mod. Rehab.	Scattered Sites	10	Moderate Rehabilitation Program
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## NARRATIVE DESCRIPTION OF OTHER HOUSING UNITS

### Arnold Heights (467 dwelling units)

The Arnold Heights Subdivision is located in northwest Lincoln and consists of two, three, and four-bedroom duplexes and single-family homes built in the late 1950's. The units were acquired by the housing authority from the federal government in 1970 as a purchase of former air-base housing. Lincoln Housing Authority's ownership represents approximately 47% of the housing in the subdivision. The balance is a mix of owner-occupied and privately-owned rental housing. The remaining units are leased as affordable housing and consist of spacious two, three and four bedroom duplexes and single-family houses. This project also includes 9 units in scattered locations in other parts of the city.

### Lynn Creek (16 units)

Lynn Creek Apartments are located in the Belmont area at North 9th Street and Garber Avenue. Built in 1994/1995, all units are two bedroom apartments located in one of two brick buildings. Detached garages are available for rent. The Authority purchased Lynn Creek from an estate in 2000.

### Northwood Terrace Apartments (77 units)

Located at 23rd and "Y" Streets, Northwood Terrace offers one, two and three bedroom apartments. A coin-operated laundry facility and playground are on site. Built in 1969, the Authority purchased the project from five insurance companies in 1973.

In 1999, LHA converted an apartment and a no-longer-used community space at Northwood Terrace to an early child care facility operated by a non-profit agency. This facility was closed in 2007 due to loss of Early Head Start funding. The housing authority has been unable to find another child care provider for the space. In 2011-2012, LHA's planning and development department will complete a review to determine other suitable uses for the space in the future.

Heritage Square Apartments (47 units)

Located at 23rd and “W” Streets, Heritage Square offers studio, one, two and three bedroom apartments located in one of two secured access buildings with a laundry facility and playground on site. Built in 1972-73, the project was acquired from the U.S. Department of Housing and Urban Development after the previous owners defaulted on the mortgage in 1975.

Wood Bridge Apartments and Townhomes (130 units)

Wood Bridge is located in south Lincoln at South 22nd Street and Pine Lake Road. Built in 1998, the project consists of two bedroom apartments and three bedroom townhomes with full basements and attached garages. The Authority-owned portion of the Wood Bridge project consists of 16 two bedroom apartments and 18 townhomes. The remaining 96 units are owned by a Nebraska limited partnership, Wood Bridge Limited Partnership. The Authority manages all 130 units. The project is a mixed-income development. Half of all units are market rate; the other half are tax credit (reduced rent) units. Detached garages are available for an extra monthly fee.

The Wood Bridge development also includes a clubhouse/leasing office, a laundry/maintenance facility and playground equipment.

Summer Hill Apartments and Townhomes (136 units)

Summer Hill is located in south Lincoln at South 56th Street and Union Hill Road. Built in 2004, Summer Hill consists of 40 three bedroom townhomes with full basements and attached garages. The townhomes are owned by Summer Hill Limited Partnership and managed by Lincoln Housing Authority. Summer Hill also consists of 96 two bedroom apartments owned and managed by Lincoln Housing Authority. The project is a mixed-income development.

The Summer Hill development also includes a clubhouse/leasing office, a laundry/maintenance facility and playground equipment.

Crossroads House (58 units)

Located in downtown Lincoln at 1000 “O” Street, Crossroads House is a seven-story building in downtown Lincoln. Housing is provided for seniors age 55 and older. All apartments are all one bedroom and are operated as low income housing tax credits units, the program they were originally developed under, although now owned by Lincoln Housing Authority.

Crossroads House is staffed with a half-time resident services specialist who works with residents to provide a variety of educational, social, recreational and support services. Residents who are frail or disabled are eligible for additional support services through a program contract between LHA and the Lincoln Area Agency on Aging which has its main offices across the street from Crossroads House. Also across the street is the Downtown Senior Center which offers a variety of programs including a senior dining program.

Burke Plaza (91 units)

Located at 6721 “L” Street, Burke Plaza is a seven-story brick building which provides housing for seniors and persons with disabilities. It was built in 1978 and is part of the Section 8 New

Construction Program. All units are one bedroom. This project continues to receive funding under the Section 8 New Construction program from HUD; contracts are renewed on an annual basis.

Burke Plaza is staffed with a full time resident services specialist who works with residents to provide a variety of educational, social, recreational and support services. The residents are also served by the Congregate Housing Services Program (CHSP) through a grant from HUD to the Lincoln Area Agency on Aging. The building is also staffed by a full time maintenance repair worker.

#### New 32 Units (32 units)

Constructed in 1980 under the Section 8 New Construction Program, these units consist of four single family homes and 28 duplexes. The total project consists of 16 two bedroom units and 16 three bedroom units. This project continues to receive funding under the Section 8 New Construction program from HUD; contracts are renewed on an annual basis.

#### Prairie Crossing Apartments and Townhomes (76 units)

Prairie Crossing is located in south Lincoln at South 33rd Street and Yankee Hill Road. Prairie Crossing is owned by Prairie Crossing Limited Partnership and is managed by Lincoln Housing Authority. Completed in December, 2008, Prairie Crossing is a mixed income development with 20 three-bedroom town homes with attached garage and full basement and 56 apartments (12 one-bedroom and 44 two-bedroom). Eighteen detached garages are available at additional cost. Prairie Crossing features a playground and basketball court. The clubhouse/leasing office has a fitness room, great room, kitchenette and outdoor patio with grill.

### **Other Properties Owned or Managed**

#### Main Office

Lincoln Housing Authority's central office is located at 5700 R Street, Lincoln, Nebraska. This facility houses the administrative offices as well as offices for project-based and tenant-based housing programs, tenant services, human resources, business and finance, planning and development, and computer and network systems.

#### LHA Maintenance Facility

The housing authority's primary maintenance facility is located at 4721 N.W. 48th Street. This location houses the maintenance inventory, vehicles, equipment, and staff. The maintenance facility was remodeled and modernized in 2008.

#### Carol M. Yoakum Family Resource Center

LHA built the Carol M. Yoakum Family Resource Center in Arnold Heights in 1995. The roughly 6,600 square foot facility houses a child care facility (operated by a separate non-profit agency), health clinics, a computer center, food and nutrition programs, adult basic education program, police sub-station and meeting room space available for family support and educational programs. Through staff at the center, LHA also serves as the lead agency for a community learning center program in the nearby elementary (K thru 6) school. The community learning

center provides students with academic enrichment opportunities along with activities designed to complement students' regular academic programs. The community learning center also offers a family literacy programs and other activities and programs to strengthen and support families and the neighborhood.

Lincoln Army Air Field Regimental Chapel

Adjacent to the Yoakum Family Resource Center is the Lincoln Army Air Field Regimental Chapel. LHA makes the chapel available for use by the general public.

Crossroads House (commercial)

Lincoln Housing Authority owns commercial office space located on the first floor of Crossroads House, 1000 "O" Street. This was, at one time, an office location for the housing authority but staff were moved to the R Street location to reduce operating expenses. Part of the space is currently rented to a non-profit agency. The housing authority also owns a two-level parking garage at this location. Monthly parking spaces are rented to the residents of Crossroads House and the general public.

**B. LEASE UP INFORMATION**

Total Units Leased in the Plan Year

MTW

MTW Public Housing units	320	
MTW Housing Choice Voucher units	2,879	34,550 / 12 = 2,879

Non-MTW

Non-MTW Housing Choice Voucher units	52	624 / 12 = 52
Non MTW Section 8 New Construction-elderly	91	89 under contract
Non-MTW Section 8 New Construction-family	32	
Non-MTW Moderate Rehabilitation	10	
Non-MTW Public Housing units	0	

**Description of issues related to leasing of PH or HCV's:**

**Public Housing:**

Fifty-four Public Housing units vacated during the fiscal year. This continues to be down from previous years, particularly in family units. Of these units, 28 were in Mahoney Manor, an elderly development. This is slightly lower than last year but still higher than average turnover

for that development. The high turnover in Mahoney Manor led to some greater difficulty filling the vacant units and a higher average unit turn around time. We have been through a multi-year period of capital improvement projects at Mahoney Manor, improving the units but also creating some disruption from the construction. We are hopeful that the improvements and the winding down of construction activity will lead to a slowdown in the turnover in the elderly units.

Mahoney Manor is a highrise building constructed in 1972, and has some market obsolescence associated with its design. In particular, 63 of the 120 apartments are efficiencies. Many prospective tenants consider the efficiency units too small, and are uncomfortable not having separate bedroom and living areas. The solid, reinforced concrete walls makes combining units unrealistic. For these reasons re-leasing these apartments will continue to be a challenge. In addition the first floor community space, office space and lobby space is insufficient for current and desired uses, and is in need of modernizing. We plan to undertake a study of possible improvements to the building, including a redesign and/or additions to the first floor community spaces.

The family units continued a three year trend of lower turnover - possibly due to the general economic conditions and a tightening of mortgage lending standards. It is reasonable to expect a spike in family unit turnover after three years of lower turnover, especially if the economy continues to improve. However we also expect continued tightening of the Lincoln rental market and corresponding increases in general rental costs, which could continue to dampen turnover in family Public Housing.

The family Public Housing units consist entirely of single-family and duplex, scattered site homes. They are in generally very good condition and blend-in well with the neighborhoods in which they are located. We anticipate that they will continue to be desirable rental units for families.

### **Housing Choice Voucher:**

During FY 2011, LHA utilized on the average 100.01% of the authorized MTW voucher level and maintained HAP expenses to be within the maximum budget authority. However, VASH and Mainstream vouchers were under-utilized. The VASH vouchers were significantly under-utilized achieving only a 64.29% utilization rate during FY 2011. The Department of Veteran's Affairs (VA) submitted an insufficient number of referrals to LHA to utilize available vouchers for several reasons. The VA had several case manager changes. They authorized hiring of a second VA case manager for the additional vouchers but this did not occur until December 2010. The VA considers a voucher utilized from the point the VA starts case management, whereas LHA cannot count the voucher utilized until a HAP contract is established. Unfortunately, numerous new admission applications were cancelled before HAP contracts were established, typically due to the client's non-cooperation with VA case management. LHA worked with the local and regional offices of the VA to request the implementation of LHA's MTW policies for the VASH vouchers for the benefit of the VASH voucher participants. We have had discussions with the VA to implement MTW policies with VASH vouchers and a formal request is planned

for FY 2012.

During FY 2011, our agency admitted 529 new participants to the MTW HCV program. This reflects a sixty-six percent ( 66%) increase in new household admissions in comparison to FY 2010. Attrition with the MTW vouchers remained stable along with the HAP cost per unit during FY 2011. Our utility allowances remained unchanged from February 2010 as it was determined utility expenditures did not fluctuate by greater than five (5%) percent. Although Fair Market Rents slightly increased by less than 2% in October 2010, LHA chose to maintain the same payment standards. Our payment standards are now 97.4% of the Fair Market Rents. With these costs remaining stable, LHA was able to keep HAP expenditures within the authorized budget while utilizing 100% of the authorized vouchers during FY 2011.

Property owner foreclosures remained steady, but it has not had a significant impact on leasing vouchers.

**Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year):**

LHA did not have any project-based vouchers committed or in use during FY 2011.

## C. WAITING LIST INFORMATION

Number and characteristics of households on the waiting lists (all housing types) at the end of the Plan year:

### Waiting List Data March 31, 2011

<b>INCOME</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>698</b>	<b>4,201</b>
<b>Very Low Income</b>	<b>123</b>	<b>1,053</b>
<b>Low Income</b>	<b>56</b>	<b>1</b>
<b>Total</b>	<b>877</b>	<b>5,255</b>

<b>FAMILY TYPE</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Families</b>	<b>765</b>	<b>3,133</b>
<b>Elderly Families</b>	<b>136</b>	<b>406</b>
<b>Families with Disabilities</b>	<b>61</b>	<b>747</b>
<b>Single, Non-Disabled</b>	<b>15</b>	<b>969</b>
<b>Total</b>	<b>877</b>	<b>5,255</b>

<b>RACE</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>White</b>	<b>648</b>	<b>3,917</b>
<b>Black/African American</b>	<b>153</b>	<b>877</b>
<b>American Indian/Alaskan Native</b>	<b>20</b>	<b>132</b>
<b>Asian</b>	<b>12</b>	<b>130</b>
<b>Native Hawaiian/Pacific Islander</b>	<b>4</b>	<b>33</b>
<b>Multi-Racial</b>	<b>40</b>	<b>166</b>

<b>Total</b>	<b>877</b>	<b>5,255</b>
<b>ETHNICITY</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Hispanic/Latino</b>	<b>80</b>	<b>407</b>
<b>Non-Hispanic/Non-Latino</b>	<b>797</b>	<b>4848</b>
<b>Total</b>	<b>877</b>	<b>5,255</b>

### INCOME LEVEL BY BEDROOM SIZE

<b>0 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>0</b>	<b>514</b>
<b>Very Low Income</b>	<b>0</b>	<b>96</b>
<b>Low Income</b>	<b>0</b>	<b>0</b>
<b>1 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>30</b>	<b>1,229</b>
<b>Very Low Income</b>	<b>13</b>	<b>246</b>
<b>Low Income</b>	<b>4</b>	<b>0</b>
<b>2 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>481</b>	<b>1,806</b>
<b>Very Low Income</b>	<b>74</b>	<b>529</b>
<b>Low Income</b>	<b>23</b>	<b>0</b>
<b>3 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>82</b>	<b>558</b>
<b>Very Low Income</b>	<b>30</b>	<b>161</b>
<b>Low Income</b>	<b>11</b>	<b>1</b>

<b>4 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>74</b>	<b>85</b>
<b>Very Low Income</b>	<b>12</b>	<b>18</b>
<b>Low Income</b>	<b>7</b>	<b>0</b>
<b>5 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>31</b>	<b>8</b>
<b>Very Low Income</b>	<b>4</b>	<b>3</b>
<b>Low Income</b>	<b>1</b>	<b>0</b>
<b>6 Bedroom</b>	<b>Public Housing</b>	<b>Housing Choice Voucher</b>
<b>Extremely Low Income</b>	<b>NA</b>	<b>1</b>
<b>Very Low Income</b>	<b>NA</b>	<b>0</b>
<b>Low Income</b>	<b>NA</b>	<b>0</b>
<b>TOTAL FOR ALL BEDROOM SIZES</b>	<b>Public Housing</b>	<b>Housing Choice Vouchers</b>
	<b>877</b>	<b>5,255</b>

**Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past year:**

The Housing Choice Voucher waiting list continues to grow as demand for housing assistance grows due to the economic conditions. The waiting list increased from 4,185 households in April 2010 to 5,255 households on the waiting list as of March 2011. The number applicants on the waiting list increased even though the applicant selection from the waiting list increased by 54% in FY 2011.

After changing the preference in January 2009 to a weighted preference system and adding a preference for applicants who completed a 12 hour tenant education course called Nebraska RentWise, the dynamics the HCV waiting list changed. The HCV applicants and participant are better educated renters because of the Nebraska RentWise preference. As of January 2011, fifty percent (50%) of the applicants selected from the HCV waiting list have successfully graduated from the Nebraska RentWise program.

The HCV program achieved 100% voucher utilization in September 2010 and maintained this utilization rate through the remainder FY 2011. To maintain 100% voucher utilization, LHA selects a constant 100 households per month from the waiting list. Starting in June 2010, the HCV waiting list has had over 100 applicants each month who qualify for a preference. Thus “non-preference” applicants are not being selected from the waiting list. LHA is no longer able to provide non-preference applicants with an estimated wait time. In the prior FY 2010, LHA was providing a non-preference applicant with an estimated wait time period of two years.

On February 1, 2011, a preference policy change was implemented limiting a former voucher participant from utilizing a LHA preference more than once in a five-year period after ending their HCV program participation. This policy change was established to decrease the recidivism of preference usage. Prior to the policy limitation, approximately 10% of the applicant’s selected from the HCV waiting list had utilized a LHA preference in the past.

LHA maintains two waiting lists for Public Housing, one for Mahoney Manor, an elderly development, and one for our scattered-site family units. The lists are separated by bedroom size. We did not make any significant changes in the operation of our Public Housing waiting lists or preferences this year. All LHA waiting lists are always open.

The number of applicants on the Public Housing lists has held steady. The number of elderly applicants on the list has decreased, while the family applications have increased. This is a reflection of the unit turnover trends.

The length of the wait for family Public Housing continues to grow. The wait is 6 to 9 months for a three bedroom unit, and 9 to 12 months for a 2 bedroom unit. Generally, only applicants with preferences are getting housed. The most prevalent preference is the working preference. Families who work at least 25 hours per week or are disabled qualify for the working preference.

### **III. Non-MTW Related Housing Authority Information (Optional)**

**A. List planned versus actual sources and uses of other HUD or other Federal Funds (excluding Hope VI):**

**B: Description of non-MTW activities implemented by the Agency.**

The above section is optional and Lincoln Housing Authority chose not to submit the information in this annual report.

#### **IV. Long-term MTW Plan (Optional)**

The Lincoln Housing Authority has participated in the HUD Moving To Work Demonstration program since 1999. Lincoln's Moving To Work program has concentrated its efforts in the following long-term operational vision for the MTW program.

- Retain program flexibility to meet the many changes encountered in program funding, local housing market conditions, and the needs of the families and individuals participating in Lincoln's Moving To Work program.
- Continue to seek ways to simplify and streamline the Section 8 Housing Choice Voucher program and Public Housing programs while protecting the integrity of the program and accepting accountability for administrative requirements. The Section 8 Housing Choice Voucher program is needlessly complicated for participants, landlords, and implementing staff. The complexity of the system results in several areas where errors occur with substantial frequency. Tenants are confused about deductions allowed and disallowed and how their portion of rent is determined. Landlords are frustrated by the amount of paperwork and complex rules and regulations that the landlord must follow to be paid. The complexity is limiting needed landlord participation. Lack of housing choices results when landlords refuse to participate.
- Continue to promote opportunities for tenant self-sufficiency either through education or meaningful work experience. The need for lower-income participants to complete their education and expand their work experiences will provide a solid base for continued success in their personal and family development.
- Continue the various community partnerships required to enhance participant opportunities in expanding family support services such as social services, education, transportation, and health care programs.

## **V. Proposed MTW Activities: HUD approval requested**

### **A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these activities were not implemented:**

The FY 2010-2011 MTW Annual Plan did not have any proposed activities in Section V. Proposed Activities.

As per instructions, all proposed activities that were approved and implemented for the Plan year are reported in Section VI as “Ongoing MTW Activities”.

## VI. Ongoing MTW Activities: HUD approval previously granted

### INTRODUCTION

This MTW Annual Report is Lincoln Housing Authority's second annual report under the 2008 Amended and Restated Moving to Work Agreement. LHA has improved its data collection on MTW initiatives over the previous year. Familiarity with the software and procedures have helped ensure more accurate data collection. In addition, during the previous year, staff were adjusting to a major upgrade in our housing software. This year, our data is much improved and continues to tell the successful outcomes of our MTW initiatives.

### RENT REFORM INITIATIVES

#### Rent Reform 1

##### A. ACTIVITY: INTERIM RE-EXAMINATIONS

Interim Reexaminations (HCV & PH Programs)

Year Identified: April 1, 1999

Effective Date: July 1, 1999

Lincoln Housing Authority has continued the following policy for interim re-examinations. It should be noted that the policy on income increases does not require an MTW waiver but we believe the section on income decreases, specifically the 90 day period for a rent adjustment, does require MTW flexibility. This interim policy affects households who have reduced or terminated employment. It delays rent decreases for 90 days after the decrease in income occurred or after all verifications are received. HUD regulation at 24 CFR 982.516(b)(2) and (3) states "The PHA must make the interim determination within a reasonable time after the family request. Interim examinations must be conducted in accordance with policies in the PHA administrative plan". However, the Housing Choice Voucher guidebook on page 12-10 defines "reasonable time" as the first day of the month following the date of the reported change.

We chose to list the policies together. When LHA initially began the MTW program, the policy on income increases was part of our MTW plan as a way to encourage and reward households for increasing income such as through new employment.

Income increase: If the family's income increases without a change in family composition, then

LHA will wait until the annual re-examination to re-determine any possible rent increase. Families who report zero income will be required to report income changes at their quarterly certification and rents will be changed accordingly.

Income decrease: LHA will not lower rent for payments due to a temporary loss of income of one month (30 days) or less duration. If a family member has reduced or terminated employment income, LHA will make the rent decrease 90 days after the decrease in income occurred or after all verifications are received to redetermine eligibility, whichever is the latest. Families who terminate their employment for good cause will be eligible for an immediate interim review and rent decrease, if applicable. Good cause will include lay-off, reduction in force, accident, injury, or illness which precludes work. In consideration of hardship, families will be exempt from this 90 day delay if they meet one of the exemptions for the Minimum Earned Income (MEI) requirement shown on page 32 and 33 of this report..

## B. BENCHMARKS, METRICS, AND IMPACT

LHA proposed and implemented this policy at the onset of its MTW program as an employment incentive to families. As families increased their income, they were not subject to an immediate re-examination of income and assets and the corresponding rent increase. The Quality Housing and Work Responsibility Act (QHWRA) of 1998 adopted this same initiative. Since the policies regarding income increases are not part of our MTW waivers, we are not collecting any data on this part of the activity.

The housing authority has continued to implement the policies on rent reduction due to decreased income. These policies encourage families to retain employment as well as to make it a priority to seek new employment when job losses occur. We believe this initiative has encouraged families to seek new employment without contacting the housing authority for a rent adjustment or to report job losses.

The benchmark for this initiative was to achieve 50% of the households with a job change achieving no rent decrease. This would represent an effective policy inasmuch as it will show people retaining their employment or being incentivized to seek new employment because a rent decrease was not forthcoming. This is the first year of data collection for this initiative. As such, this year's data is presented in both the baseline and outcome columns.

For FY 2010-2011, we implemented a suggestion from a HUD site visit and collected data for all annual and interim reviews effective November 1, 2010. Using a point in time system was easier for staff to remember and for management to monitor the data collection progress for that point in time.

METRIC	BASELINE	BENCHMARK	OUTCOME
Reported households with a job loss or job change	Annual & Interim Reviews Effective 11/1/2010	Percentage of households with a job loss\ job change and no rent decrease	Annual and Interim Reviews Effective 11/1/2010
Total number of households with a job loss or job change	57		57
Number of households with a job loss or job change requiring a rent decrease	15		15
Number\Percentage of households with a job loss\ job change and no rent decrease	42 73.7% 42 out of 57	50% or more	42 73.7% 42 out of 57

Of the 15 who required rent decreases, 8 received an immediate rent reduction for good cause. Seven received a rent reduction after a 90 day delay.

We see fewer rent decreases following a job loss or job change because families who become unemployed are encouraged to seek and obtain new employment. As shown above, 73.7% did not have a rent reduction indicating they obtained new employment.

### C. CHALLENGES AND NEW STRATEGIES

#### Strategies

In reviewing data for the past year, we determined a better metric for this initiative is tracking the number of job changes instead of number of households. Some households have multiple job changes throughout the year and any one of which could result in a request for a rent decrease (interim review).

### D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT

Not applicable

### E. DATA COLLECTION METHODOLOGY AND REVISIONS

We plan to continue HUD's suggestion to randomly select a point in time to collect data. As noted above, we determined a better metric for this initiative is tracking the number of job changes instead of households. Some households have multiple job changes throughout the year and any one of which could result in an interim review. Families who become unemployed are encouraged to seek and obtain new employment. No rent reduction indicates they obtained new employment.

The following table shows the data based on individual job changes rather than households with job changes. As in the previous table, baseline and outcome data are the same because this is the first year of data collection.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Reported job loss or job change	Annual and Interim Reviews Effective 11/1/2010	Percentage of the job changes which did not result in a rent decrease	Annual and Interim Reviews Effective 11/1/2010
Total number of job losses or job changes	76		76
Number job losses or job changes requiring a rent decrease	15		15
Number of job losses or job changes which did not result in a rent decrease	61		61
Percent with no rent decrease	80%	50% or more	80%

**F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable

**G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Public Housing:

This MTW activity is authorized in Attachment C, Section C.11. Rent Polices and Term Limits. Under this section, the housing authority is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The housing authority is also authorized to adopt and implement any reasonable polices for setting rents in public housing. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the a1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 6.632, 5.634 and 960.255 and 966 Subpart A.

Housing Choice Vouchers:

This MTW activity is authorized in Attachment C, Section D.2. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated requirements. This authorization waives certain provisions of Section 8(o)(l), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

## **Rent Reform 2**

### **A. ACTIVITY: CALCULATION OF ANNUAL INCOME**

This activity is really a package of initiatives (A. - D.) related to how we calculate annual income and rent. These combine together to not only encourage self-sufficiency but also achieve administrative efficiencies.

Calculation of Annual Income (HCV & PH Programs)

Year Identified: April 1, 1999  
Effective Date for A and D: July 1, 1999

Year Identified: November, 2007  
Effective Date for B and C: April 1, 2008 (new admissions and transfers)  
July 1, 2008 (annual re-examinations)

#### **A. Minimum Earned Income**

LHA will include a minimum amount of earned income when calculating Annual Income whether or not a family is working. The minimum amount of earned income for families with one eligible adult will be based on 25 hours per week of employment at the federal minimum wage. The minimum amount of earned income for families with two or more eligible adult members will be based on 40 hours per week of employment at minimum wage. LHA will count the higher of the Minimum Earned Income (MEI) or the actual earned income for the household. The minimum earned income will be added to any unearned income the family receives. Eligible adults are persons 18 years of age or older who do not qualify for an exemption from the MEI. All adults in the household must be exempt in order for the household to be exempt from the minimum earned income requirements. LHA has eight categories of exemptions such as illness, elderly or disabled, students, caretakers, and participants in approved self-sufficiency programs.

#### **B. Calculation of Asset Income**

For households with total assets for which the face value is equal to or greater than \$5,000, asset income will be based on the HUD passbook rate multiplied by the face value. Verification requirements are modified to allow as first level of acceptable verification the household provided documents such as quarterly or end of year statements.

For assets under \$5,000 in face value, first acceptable verification level is self-certification of face value and income. The income will be excluded if total assets are under \$5,000.

#### **C. Verifications**

LHA will utilize Enterprise Income Verification (EIV) as the first level of acceptable verification. In lieu of third party verifications, tenant provided documents would be second

level of acceptable verifications for the following situations:

Earned Income: three months pay statements (pay stubs)

Social Security Income: the last Social Security Statement issued to the household by the Social Security Administration.

**D. Other**

LHA will not implement regulatory provisions related to Earned Income Disregard income exclusions, imputed welfare income, and student earned income exclusions for adults 22 and older.

**B. BENCHMARKS, METRICS, AND IMPACT**

**A. Minimum Earned Income**

LHA views the Minimum Earned Income (MEI) as one of the flagship initiatives of our MTW program. MEI promotes and encourages employment by implementing a work requirement. The requirement lays out the basic expectation that a work-able adult should work at least 25 hours per week at minimum wage. The beauty of MEI is that it allows the family the flexibility of figuring out how to meet the rent generated by MEI, rather than a strict requirement to work a certain number of hours at a job. In that sense, MEI acts similar to a minimum rent. It is not strictly a minimum rent, because families can have other sources of income besides MEI that are included in the rent calculation with MEI, or can be exempt from MEI. In addition, because the rent calculation is based on an expected level of earned income, each income review with a family involves a conversation about work and the expectation to work. This was a major change in focus from our previous communication with tenants - from just calculating the numbers to discussing work as a basic expectation.

Since implementing the MEI policy in 1999, it has gradually changed due to increases in minimum wage. The original MEI was based on a minimum wage of \$5.15 per hour. The following chart shows the changes in MEI over time.

<b>Effective Date</b>	<b>Minimum Wage</b>	<b>MEI for 1 person</b>	<b>MEI for 2 persons</b>
July 1, 1999 (start of MTW)	\$5.15	\$6,698	\$10,712
July 24, 2007	\$5.85	\$7,605	\$12,168
July 24, 2008	\$6.55	\$8,515	\$13,624
July 24, 2009	\$7.25	\$9,425	\$15,080

The maximum amount of the MEI for a household is shown above. Actual MEI is reduced by the amount of earned income for the household. Where the chart shows 1 or 2 persons, it is

referring to the number of adults who are “eligible to work” or “work-able” meaning they do not have one of the exemptions from MEI. If there is a household with 2 adults but one is exempt, then the column labeled “MEI for 1 person” is used.

Data for the MEI initiative shows that at the end of FY 2010-2011, there were 494 households who had MEI with 28 in public housing and 466 in the housing choice voucher program. Note, however, that the amount of income added to each of these MEI households may be anywhere from \$1.00 to the maximum \$15,080 for a household with two adults and no exemptions and no earned income. The Total Tenant Payment for a household with two adults at the maximum MEI would be \$339.00.

**Exemptions for Hardship**

Within this initiative, LHA offers an extensive list of exemptions to prevent hardship. The exemptions are the hardship policy and are described below and in our policies; the vast majority of households are exempt from the MEI policy. When a household requests relief under this initiative, they are directed to the array of exemptions that are available. For those households who have been on MEI and are no longer, the following data shows important outcomes. Note that 30% of the households ended their MEI requirement by entering employment while 27% entered a self-sufficiency program or education program.

MEI is shown to promote and encourage employment through the outcomes for households ending the MEI requirement. Along with employment, we also see education or participation in a self-sufficiency program as a positive steps toward future employment. One benchmark for this initiative is the percentage of households who end their MEI requirement through employment or participation in education or a self-sufficiency program. In this regard, we have combined these into one benchmark of 50% as shown in the table below. This outcome is a good indicator that the MEI requirement encourages people toward employment or toward education and training leading to employment.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Outcomes for Households Ending the MEI Requirement	April 1, 2009 to March 31, 2010	Percentage of households ending MEI who enter employment, education, or a self-sufficiency program	April 1, 2010 to March 31, 2011
<b>EMPLOYMENT, EDUCATION AND SELF-SUFFICIENCY OUTCOMES</b>			
*Employment—person has entered employment	27%		30%

*Self-sufficiency—person is a participant in an approved self-sufficiency program	18%		18%
Education—person is a full-time student	14%		9%
<b>*TOTAL OF THE OUTCOMES ABOVE</b>	<b>59%</b>	<b>50% or more</b>	<b>57%</b>
<b>OTHER OUTCOMES</b>			
Elderly-Disabled—person has become disabled or is age 62	6%		5%
Caretaker—person is a caretaker of an ill or incapacitated family member	0%		1%
Medical—person has temporary illness or injury preventing employment or pregnancy	4%		3%
Moved—the family member subject to MEI has moved out of household	2%		6%
Terminated----the family has terminated their public housing lease or voucher participation	29%		29%
<b>TOTAL OF THE SIX OUTCOMES ABOVE</b>	<b>41%</b>		<b>50% or less</b>

Our data shows that 1 public housing MEI household and 90 voucher MEI households terminated their assistance during the fiscal year. This was 2% of all public housing terminations and 18% of all voucher terminations.

MEI households made up 16% of total voucher households and 8.8% of public housing households at the end of the fiscal year. This data shows there is not a disproportionate number of households with MEI who terminate assistance compared to other households who terminate assistance.

METRIC	BASELINE	BENCHMARK	OUTCOME
Comparison of MEI households terminated from public housing and housing choice vouchers in proportion to non-MEI households	April 1, 2009 to March 31, 2010	MEI households will have an equal or lower proportion of terminations compared to non MEI households	April 1, 2010 to March 31, 2011
Number\Percent of MEI households (year end)	HCV:514 out of 2,855 18.0%  PH: 35 out of 320 10.9%		HCV: 466 out of 2918 16.0%  PH: 28 out of 320 8.8%
Number\Percent of MEI households terminating in FY 10-11	HCV: 35 out of 472 7.4%  PH: 0 0%		HCV: 90 out of 500 18%  PH: 1 out of 54 2%
MEI households terminate at a lower rate than their overall percentage of public housing units or vouchers		HCV: Less than 16%  PH: Less than 9%	HCV: 18%  PH: 2%

For MEI households who terminated their public housing lease or ended voucher participation, the following table shows the reasons for termination during the period of April 1, 2009 to March 31, 2011

METRIC	BASELINE HCV	BASELINE PH	OUTCOME HCV	OUTCOME PH
Housing Choice Vouchers Number of terminated MEI households and Reason for Termination	April 1, 2009 to March 31, 2010		April 1, 2010 to March 31, 2011	
Criminal Activity	0	0	4	0

Deceased	0	0	0	0
Drug Activity	7	0	5	0
Vacate Owing	0	0	0	0
Fraud	1	0	5	0
Owner HQS Defect	1	0	0	0
Tenant HQS Defect	3	0	1	0
Other Program Violation	1	0	12	0
Moved out of town	0	0	1	0
Portable Absorbed by HA	0	0	1	0
Moved in with Relative/Friend	0	0	0	0
No Reply to Annual Re-exam	1	0	4	0
No longer Requires Assistance	4	0	15	0
Reason Unknown	0	0	0	1
Moved to Nursing Home	0	0	0	0
Vacate without Notice	11	0	21	0
Transfer to Other LHA Unit	0	0	0	0
Buying a House	0	0	2	0
Eviction—Non Payment of Rent	4	0	14	0
Eviction—Other Lease Violation	0	0	0	0
Voucher Expired	2	0	5	0
Moved to Other Assisted Housing	0	0	0	0
<b>TOTAL MEI TERMINATIONS</b>	<b>35</b>	<b>0</b>	<b>90</b>	<b>1</b>
<b>TOTAL TERMINATIONS</b>	<b>472</b>	<b>0</b>	<b>500</b>	<b>54</b>

Note: there were zero (0) public housing MEI households who terminated their lease during the baseline period.

Note: the increase in MEI terminations is the result of improved data collection in the past year

Further data on the positive effect of the MEI requirement is the total number of households with wages. The data clearly shows a high percentage of households with wages, another indication that our program emphasis on work expectations is successful.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Household Employment Information (Average Monthly Data)	April 1, 2009 to March 31, 2010	Percentage of non-elderly or non-disabled households with income from wages	April 1, 2010 to March 31, 2011
Public Housing	134 out of 168 households 80%	80% or greater	134 out of 166 households 81%
Housing Choice Voucher	891 out of 1,486 households  60%	60% or greater	863 out of 1,568 households  55%

Our outcome for public housing was slightly better than benchmark. Our outcome for housing choice voucher was below the benchmark but at year end was trending upward with 57% of non-elderly or non-disabled households having income from wages. The number of new voucher admissions was up 66% from the prior year. Since July, 2010, new admissions have been limited to households with preferences and have had a greater proportion of households with ADC (TANF) income and not working. The data shows the number of working households was trending downward at the end of FY2010 and trending upward at the end of FY2011.

**B. Calculation of Asset Income**

Part B of this activity is concerned with calculation of asset income. Our data is based on a snapshot taken at the end of the fiscal year.

<b>MTW Households with Zero Assets declared</b>		
	<b>Households</b>	<b>Units/Vouchers</b>
Public Housing	67	21.0%
Housing Choice Voucher	1,106	37.3%

<b>MTW Households with Assets between \$1 and \$4,999:</b>		
Public Housing	212	66.5%
Housing Choice Voucher	1,777	60.0%
<b>MTW Households with Assets equal to or above \$5,000:</b>		
Public Housing	40	12.5%
Housing Choice Voucher	80	2.7%

During this fiscal year, it has been estimated that Lincoln Housing Authority saved the following minimum administrative costs by modifying the asset verification policy under the Moving to Work Agreement:

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Administrative Cost Savings from MTW Asset Initiative	April 1, 2009 to March 31, 2010 Number of Individual Assets @ \$7.50 per verification	Annual Cost Savings	April 1, 2010 to March 31, 2011 Number of Individual Assets @ \$7.50 per verification
Public Housing	499 @ \$7.50 each \$3,743	>\$3,700	667 @ \$7.50 each \$5,003
Housing Choice Voucher	3,147 @ \$7.50 each \$23,603	>\$23,600	3,469 @ \$7.50 each \$26,018

Note: Cost savings is based on only one third party verification request per asset and includes staff time, postage and supplies. Past experience and current experience with non-MTW programs shows that often more than one attempt to verify assets is required to successfully obtain third-party asset verifications. As such, these are only minimum cost savings estimates based on one attempt. Actual costs savings are greater.

### **Improved Program Accuracy**

In January 2004 at a Public Housing Rental Integrity Summit, asset values and asset income verifications were reported to be problem areas in rent calculations as identified by HUD's Office of Policy Development and Research (PD &R). During this past fiscal year, our non-MTW Section 8 New Construction program received notice of "finding" on an asset income calculation error after an audit was conducted by a third party Contract Administrator. Lincoln Housing Authority spent a significant amount of staff time attempting to resolve the difference in

asset income as perceived by the auditor and LHA. The auditor required LHA to burden the tenant with obtaining six months of bank statements. The end result of resolving the discrepancy was a significant amount of administrative time used and the tenant was stressed and inconvenienced over an asset discrepancy that had absolutely no impact on the final tenant rent calculation.

Based on this fiscal year’s internal audits, our *simplified* MTW asset verification and calculation policy appears to have improved our accuracy on asset determinations, asset income policy application and rental calculations by 5.6%. It is also a significant factor in our administrative time savings reported elsewhere in this report.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Asset Accuracy in Program Eligibility Determinations	Internal Audits April 1, 2009 to March 31, 2010	Percentage Compliance with Asset Program Rules	Internal Audits April 1, 2010 to March 31, 2011
<b>MTW</b> Public Housing and Housing Choice Vouchers	3 errors out of 679 audits 99.6% compliance		4 errors out of 865 audits 99.5% compliance
<b>Non MTW</b> Section 8 New Construction and Non-MTW Vouchers	4 errors out of 112 audits		8 errors out of 123 audits
	96.4% compliance with asset program rules		93.9% compliance with asset program rules
	3.2% better compliance with asset program rules by MTW compared to non-MTW	3% or better compliance with asset program rules by MTW compared to non-MTW	5.6% better compliance with asset program rules by MTW compared to non-MTW

The following chart shows the estimated impact of this initiative in March of 2008. Since we no longer gather verifications on “actual” asset income, we are unable to compare actual asset income to imputed asset income. This fiscal year, the interest rates were at an all time low and most investments experienced reduced annual income. It is probable that the actual income for current household assets is much lower than determined in March 2008, which means the cost of this initiative was lower than anticipated. The following charts are presented for informational purposes.

<b>Public Housing</b>	<b>March 2008</b>	<b>April 2009</b>	<b>April 2010</b>	<b>April 2011</b>
Number of Assets Below \$5,000	473	443	413	588
Number of Assets equal to or above \$5,000	111	90	90	79
Total Value of assets under \$5,000	\$414,972	\$331,482	\$293,184	\$366,530
Total Value of assets over \$5,000	\$2,601,712	\$2,251,716	\$2,198,123	\$2,066,904
Income @ 2%	\$52,034	\$45,034	\$43,962	\$41,338
Actual income from assets	\$82,850	Not Available	Not Available	Not Available
Rent Subsidy increase Cost of Initiative	\$30,816 @ 30% = \$9,244.80			

<b>Housing Choice Voucher</b>	<b>March 2008</b>	<b>April 2009</b>	<b>April 2010</b>	<b>April 2011</b>
Number of Assets Below \$5,000	3,137	2,856	3,031	3,357
Number of Assets equal to or above \$5,000	113	109	116	112
Total Value of assets under \$5,000	\$1,324,389	\$1,047,108	\$1,144,055	\$1,230,438
Total Value of assets over \$5,000	\$2,263,794	\$2,274,475	\$2,315,492	\$2,325,018
Income @ 2%	\$45,275	\$45,490	\$46,310	\$46,500
Actual income from assets	\$75,691	Not Available	Not Available	Not Available
Rent Subsidy increase Cost of Initiative	\$30,416 @ 30% = \$9,124.80			

### **C. Verifications**

Part C of this activity is concerned with documents to verify earned income and Social Security

income. It allows for tenant-provided documents in lieu of direct written third party verifications. No data was tracked on these two specific issues. However, these issues have an impact on indirect staff time and overall postage costs, both of which are reported elsewhere in this MTW Annual Report.

**D. Other**

**Student Income for dependents 22 years of age or older**

For Part D of this activity, we collected data on the number of students age 22 and older whose income under the non-MTW policy would have been excluded from the rent calculation. The following table shows the number of students age 22 and older whose income was counted.

Number of full-time students age 22 and older whose Income was included	Number of households with dependents who are age 22 or older and full-time students
0 - Public Housing	4 - Public Housing
1- Housing Choice Voucher	11- Housing Choice Voucher

\$ 0 Public Housing total earned income counted  
 \$ 3,261 - Housing Choice Voucher total earned income counted  
 \$ 3,261 Total Earned Income used in rent calculations for PH and HCV

This activity was chosen because of a public perception that earned income of all dependent adults should be used to offset housing subsidy costs. This MTW activity continues to have an insignificant impact on rent subsidy since a total of only one (1) dependent, full-time student, age 22 or older is participating in the MTW Public Housing or the Housing Choice Voucher program with earned income. The total earned income used in rent calculations for this one household was \$3,261. However, this MTW activity and data collection helps improve the public perception on providing housing subsidy to households with adult dependent students.

**C. CHALLENGES AND NEW STRATEGIES**

**A. Minimum Earned Income**

**Challenges for MEI Data Collection:**

We have continued to emphasize data collection for this initiative to improve accuracy of data on reasons for leaving MEI. MEI data collection is “work intensive” and maintained in a separate database. We continue to work on methods to prompt staff on MEI data collection among the hundreds of other steps they also perform with an annual review, interim review or termination. We are also working with our housing software vendor to incorporate special MTW data collection table within the housing software.

**B. Calculation of Asset Income**

**Challenges: Calculation and Verification of Asset Income**

Since we no longer gather verifications on “actual” asset income, we are unable to compare actual asset income to imputed asset income. We have discontinued monitoring this data.

**D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

Not applicable

**E. DATA COLLECTION METHODOLOGY AND REVISIONS**

**B. Calculation of Asset Income**

**Challenges: Calculation and verification of Asset Income**

Sine we no longer gather verifications on “actual” asset income, we are unable to compare actual asset income to imputed asset income. We have discontinued monitoring this data.

**D. Other**

Student Income for dependents 22 years of age or older

We determined gathering information on dependent students with earned income through the 50058 system was more accurate and minimized the administrative burden for extracting the data, rather than using our customized Access software program that required additional data entry.

**F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable.

**G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Public Housing:

This MTW activity is authorized in Attachment C, Section C.11. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policies for setting rents in public housing including establishing the definitions of income and adjusted income. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 6.632, 5.634 and 960.255 and 966 Subpart A.

Housing Choice Vouchers:

This MTW activity is authorized in Attachment C, Section D.2. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated requirements. This authorization waives certain provisions of Section 8(o)(l), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

## **Rent Reform 3**

### **A. ACTIVITY: RENT CALCULATIONS**

#### Minimum Rent and 27% TTP (HCV & PH Programs)

Year Identified: November, 2007

Effective Date: April 1, 2008 (new admissions and transfers)

July 1, 2008 (annual reexaminations)

1. Total Tenant Payment (TTP) is determined on 27% of gross income with no allowable deductions.
2. All subsidized households are responsible to pay the owner a minimum of \$25.00 for tenant rent. The higher of the TTP minus the utility allowance or \$25.00 is used to determine the tenant rent to the owner. This requirement is waived if the head of household is disabled and has a current Social Security application pending.

### **B. BENCHMARKS, METRICS, AND IMPACT**

This initiative provides a much simpler method of calculating housing assistance for households served by LHA. The result is a savings in staff time, reduced calculation errors, and a rent calculation system that is easier for tenants to understand. The decision to use 27% of gross income for the TTP was based on our goal to continue to serve the same number of households. The minimum rent (\$25.00) is intended to create a minimum level of tenant financial responsibility and obligation to the landlord.

Savings in staff time is measured primarily through comparison of a control group (regular HUD rent calculations) and an MTW group. The control group is made up of tenants in two Section 8 New Construction Projects (Burke Plaza and New 32) and two special voucher programs (Veterans Affairs Supportive Housing (VASH) and Mainstream vouchers). The control groups are compared to a random sample of MTW participants in public housing and housing choice voucher programs. Staff time is tracked by the number of direct and indirect contacts and the amount of time for each contact. Direct contact involves a face to face client contact; indirect is client specific activities outside of face to face contact.

#### **Annual Re-Examinations and New Admissions**

The table below shows the aggregate results of tracking administrative time for new admissions and annual re-examinations. The table compares administrative time in MTW and non-MTW programs. The tables show significant administrative time savings from this initiative. However, we did uncover some variables that impact the time savings results. For example, when comparing annual reviews for Burke Plaza (Section 8 New Construction) with Mahoney Manor (Public Housing), we expected Mahoney Manor to have fewer average minutes when, in fact, Burke Plaza had fewer minutes. These deviations from expectations were a concern, but we

found that variation in experience and skill levels of staff had a significant impact.

<b>Move-In</b> Average Administrative Time (in minutes)	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011
<b>NON-MTW GROUPS</b>		
VASH Vouchers	88* *includes Mainstream	133* *VASH only
Mainstream Vouchers	included above with VASH	285* *Mainstream only
Section 8 New Construction (family)	322	362
Burke Plaza (elderly/disabled)	449	536
Non MTW: Unweighted Average	286	329
<b>MTW GROUPS</b>		
Public Housing (family)	214	247
Mahoney Manor Public Housing (elderly/disabled)	330	354
Housing Choice Voucher	147	165
MTW: Unweighted Average	230	255

<b>Annual Re-Examination</b> Average Administrative Time (in minutes)	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011
<b>NON-MTW GROUPS</b>		
VASH Vouchers	100* *includes Mainstream	97
Mainstream Vouchers	included above with VASH	129
Section 8 New Construction (family)	55	80
Burke Plaza (elderly/disabled)	65	64
Non MTW: Unweighted Average	73	92.5

<b>MTW GROUPS</b>		
Public Housing (family)	50	54
Mahoney Manor Public Housing (elderly/disabled)	71	78
Housing Choice Voucher	79	74
MTW: Unweighted Average	67	68

Drilling down further in our data, we isolated the data for individual staff persons who had both MTW and non-MTW caseloads. By comparing MTW and non-MTW work of an individual staff person, we were able to achieve a more accurate measurement of the impact. When analyzing data in this way, we could identify approximately 30% time savings in program administration for the Public Housing and Housing Choice Voucher programs using our MTW rent structure. The following table illustrates this analysis for housing specialists who had both MTW and non-MTW caseloads.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Comparison of MTW and Non-MTW Administrative Time	April 1, 2009 to March 31, 2010 Average Minutes for Activity and Percent of Time Saved under MTW	Average Percent of Administrative Time Saved under MTW	April 1, 2010 to March 31, 2011 Average Minutes for Activity and Percent of Time Saved under MTW
<b><u>Staff #1 (Mel)</u></b> <b><u>New Admissions–Elderly</u></b> MTW: Public Housing Non-MTW: Section 8 New Construction	MTW 330 Non MTW 449  Time Saved under MTW: 26.5%	20%	MTW 354 NonMTW 536  Time Saved Under MTW: 34.0%
<b><u>Staff #2 (Sharon)</u></b> <b><u>New Admissions–Family</u></b> MTW: Public Housing Non-MTW Section 8 New Construction	MTW 214 Non MTW 322  Time Saved under MTW: 33.5%	20%	MTW 272 NonMTW 342  Time Saved Under MTW: 20.5%

<b>Staff #3 (Judy)</b> <b>Annual Reexams</b> MTW: Housing Choice Vouchers Non-MTW: Mainstream Vouchers	MTW 79 Non MTW 100  Time Saved under MTW: 21.0%	20%	MTW 88 NonMTW 129  Time Saved under MTW: 31.8%
<b>Staff #4 (Maddy)</b> <b>Annual Reexams</b> MTW: Housing Choice Voucher Non-MTW: VASH Vouchers	No Baseline - new staff assignments during 2010-2011	20%	MTW 93 NonMTW 142  Time Saved under MTW: 34.5%
<b>Staff #5 (Angie)</b> <b>Annual Reexams</b> MTW: Housing Choice Voucher Non-MTW: Section 8 New Construction	MTW 43 Non MTW 65  Time Saved under MTW: 34.0%	20%	MTW 75 NonMTW 80  Time Saved under MTW: 6.3%
<b>Staff #6 (Ericka)</b> <b>Annual Reexams</b> MTW: Housing Choice Voucher Non-MTW: Burke Plaza	No Baseline - new staff assignments during 2010-2011	20%	MTW 36 NonMTW 64  Time Saved under MTW: 43.8%
<b>Staff #7 (Jan)</b> <b>Annual Reexams</b> MTW: Housing Choice Voucher Non-MTW: VASH Vouchers	No Baseline - new staff assignments during 2010-2011	20%	MTW 73 NonMTW 94  Time Saved under MTW: 22.3 %

A proxy measure of efficiency for this initiative is the amount of postage per year. By using a simplified approach to rent calculations, we were able to see reduced postage costs in MTW programs even with an increase in postage rates:

Postage Costs	2008-2009	2009-2010	2010-2011*
<b>MTW PROJECTS</b>			
Housing Choice Vouchers	\$28,062	\$25,619	\$24,107
Public Housing	\$2,904	\$3,015	\$3,836
AMP 1	\$973	\$779	\$1,413
AMP 2	\$1,398	\$1,758	\$2,147

AMP 3	\$533	\$479	\$ 547
<b>TOTAL FOR MTW PROJECTS</b>	<b>\$33,870</b>	<b>\$31,650</b>	<b>\$32,056</b>
<b>NON-MTW PROJECTS</b>			
Burke Plaza	\$1,038	\$1,154	\$861
VASH* and Mainstream	\$16	\$523	\$229
New 32	421	\$433	\$477
<b>TOTAL FOR NON-MTW PROJECTS</b>	<b>\$1,475</b>	<b>\$2,110</b>	<b>\$1,567</b>

\*VASH was a new program

\*2010-2011 included a mailing to all households seeking applicants for appointment as the resident representative to the LHA Board of Commissioners.

METRIC	BASELINE	BENCHMARK	OUTCOME
Postage costs by project as a proxy measure to simplified rent calculation initiatives	April 1, 2008 to March 31, 2009	<b>MTW Projects:</b> Same or Reduced postage compared to Baseline <b>Non-MTW Projects:</b> Same or increased Postage	April 1, 2010 to March 31, 2011
MTW Projects	\$33,870	\$33,870 or less	\$32,056
Non-MTW Projects	\$1,475	\$1,475 or more	\$1,567

### Hardship Households

In implementing the rent calculation based on 27% of gross income, the housing authority implemented a hardship provision which stated that a household's maximum increase in total tenant payment would not exceed \$25.00 per annual reexamination as a result of this policy. However, rent increases due to increased income do apply. Following is the number of households for whom this hardship provision applied.

Project	4-09	5-09	6-09	7-09	8-09	9-09	10-09	11-09	12-09	1-10	2-10	3-10
Public Housing	70	65	63	58	52	50	50	47	47	44	42	41
Housing Choice Voucher	162	151	137	130	118	115	110	110	103	96	90	88

Project	4-10	5-10	6-10	7-10	8-10	9-10	10-10	11-10	12-10	1-11	2-11	3-11
Public Housing	40	40	40	38	30	25	25	25	22	22	22	20
Housing Choice Voucher	82	82	82	74	69	58	58	53	37	37	37	32

A minimal number of households were adversely impacted from the MTW rent policy changes that eliminated program deductions and implemented a lower standard percentage on gross income to determine the TTP. The data collected above indicates that the number of households under the hardship provision for the policy is under a steady decline and fewer households remain under the hardship policy than anticipated (6.25% of the public housing tenants remain under the hardship provision and 1.1% of the housing choice voucher participants remain under the hardship provision). We anticipate the number of households with the hardship provision will continue to decline throughout the next fiscal year. Elderly and disabled households will benefit more from the hardship policy, and the numbers will decline more slowly over time because of biennial reviews.

In addition to monitoring the number of households utilizing the hardship policy provision, we monitored the number of households who were under this provision that ended program participation. There were no public housing tenants under the hardship provision who were evicted for non-payment of rent. Out of 39 housing choice voucher evictions, there were no participants under the hardship provision who were evicted for non-payment of rent.

### **IMPACT OF \$25.00 Minimum Rent**

The impact of the \$25.00 minimum rent is determined from data in our housing software. Data showing households with a \$25.00 rent are the households affected by this requirement.

Households Responsible for \$25 Minimum Rent	Number of households 3/31/2011
Public Housing	11
Housing Choice Voucher	237
Combined	248

For hardship purposes, households in which the head is disabled and has a current Social Security application pending are excluded from the requirement. Following is the data to show the number of households excluded from this requirement and whose rent was less than the \$25.00 minimum rent.

Households Excluded from \$25 Minimum Rent	Number of households 3/31/2011
Public Housing	0
Housing Choice Voucher	21
Combined	21

LHA monitored the impact of the \$25.00 minimum rent by looking at the reasons participants ended their participation in the Housing Choice Voucher program or moved out of a Public Housing unit. In the HCV program, LHA found only two households with minimum rent of \$25 and whose program participation ended due to an eviction for non-payment of tenant rent. In public housing, one household with minimum rent of \$25 ended due to an eviction for non-payment of tenant rent. The overall number of households required to pay minimum rent of \$25 remains the same as in the past with very little change.

This data shows the minimum rent of \$25.00 does not create an undue hardship inasmuch as there were only three rent-related evictions out of 248 households with minimum \$25 rent.

METRIC	BASELINE	BENCHMARK	OUTCOME
Households Terminated due to non-payment of rent	April 1, 2009 to March 31, 2010 Number of Households	Termination Rate for non-payment of rent will be same or less for Minimum rent households compared to Other MTW households	April 1, 2010 to March 31, 2011 Number of Households
Minimum Rent Households terminated due to non-payment of rent	HCV: 0 PH: 0		HCV: 2 PH: 1
Total Number of Households terminated due to non-payment of rent	HCV: 21 PH: 1		HCV: 39 PH: 1

<p>Termination Rate for Non Payment of Rent:</p> <p>MTW households at \$25 Minimum Rent compared with All Other MTW households</p>	<p><b><u>HCV:</u></b>  <u>Min Rent households:</u>  0 out of 467 terminations  = 0%</p> <p><u>Other MTW households</u>  21 out of 467 terminations  = 4.5%</p> <p><b><u>Public Housing:</u></b>  <u>Min Rent households:</u>  0 out of 62 terminations  = 0%</p> <p><u>Other MTW households</u>  1 Out of 62 terminations  = 1.6%</p>	<p>Rate less than or equal to Other MTW</p>	<p><b><u>HCV:</u></b>  <u>Min Rent households:</u>  2 out of 500 terminations  less than 1%</p> <p><u>Other MTW households</u>  39 out of 500 terminations  = 7.8%</p> <p><b><u>Public Housing:</u></b>  <u>Min Rent households:</u>  1 out of 54 terminations  = 1.9%</p> <p><u>Other MTW households</u>  0 Out of 54 terminations  = 0%</p>
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### C. CHALLENGES AND NEW STRATEGIES

#### Challenges for TTP calculation on 27% gross income.

In reviewing our data for this activity, we identified several variables that were not anticipated and affected our time study results such as staff performance variations, the size of the control group (non-MTW households), the type of household in the control group and accuracy issues in tracking.

We found it to be more accurate if we can compare the same activity with the same staff person rather than comparing the same activity to a different staff person. Staff performance can play a major role in the amount of time spent on administering a program, and our strategy is to compare the same staff person's administrative time on MTW versus non-MTW work.

For example, comparison of Mahoney Manor to Burke Plaza would be an ideal MTW to non-MTW comparison. But the variances between staff introduce factors other than MTW initiatives that make the comparison invalid.

Sometimes the programs for the control group and the MTW group were not similar enough to be used in a time study comparison. Comparing a VASH Housing Choice Voucher New Admission (control group- non-MTW) to an MTW Housing Choice Voucher new admission could not be considered a valid comparison because of variances in household size and extra case management supports. The VASH household is usually a single-person household with a Veterans Affairs case manager who administers the waiting list and gathers all the required information for the household prior to the new admissions interview.

## **D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

### **1. Improved Accuracy - TTP based on 27% gross income**

The public perception is that the 27% gross income TTP is a simple rent calculation and is easy to understand. The Nebraska Department of Health and Human Services Department has a contract with Region V Systems to implement a housing assistance program that mimics the Housing Choice Voucher program. Region V Systems chose to use LHA's Moving to Work rules, specifically, the 27% TTP rule for rent calculations because of the simplistic approach.

In addition to the time savings, LHA determined the simplicity in applying the 27% gross income TTP policy resulted in improving our rent calculation accuracy. During this fiscal year, 112 Non-MTW files were audited for program accuracy and eight had deduction errors found in the case files. Eight deduction errors is an unusually small number of deduction errors, but it should be noted that in the VASH and Mainstream population, there are very few medical deductions because their medical expenses are covered by the VA or Medicaid. Of 679 MTW files audited, there were no deduction errors.

In January 2004 at a Public Housing Rental Integrity Summit, deductions were reported to be a problem area in rent calculations as identified by HUD's Office of Policy Development and Research (PD &R). Based on this fiscal year audits, our *simplified* MTW 27% gross income TTP calculation policy appears to have improved our rent calculation accuracy by at least 7%.

The time savings with implementing the 27% TTP calculation has allowed LHA to utilize more staff time to audit rent calculation and ensure policy is applied fairly and consistently by staff.

## **E. DATA COLLECTION METHODOLOGY AND REVISIONS**

### **1. TTP based on 27% gross income**

In November 2009, our MTW contract manager suggested a change in our data collection strategy to occur based on a specific point in time. As advised, we restructured our data collections for the Public Housing and Housing Choice Voucher programs. This year we implemented our time study and evaluated the data early in the fiscal year to allow us time to determine if a second time study was necessary. The first time study was sufficient.

## **F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable.

## **G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Public Housing:

This MTW activity is authorized in Attachment C, Section C.11. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policies for setting rents in public housing including establishing the definitions of income and

adjusted income. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the a1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 6.632, 5.634 and 960.255 and 966 Subpart A.

**Housing Choice Vouchers:**

This MTW activity is authorized in Attachment C, Section D.2. Rent Polices and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable polices to calculate the tenant portion of the rent that differ from the currently mandated requirements. This authorization waives certain provisions of Section 8(o)(l), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

## Rent Reform 4

### A. ACTIVITY: RENT BURDEN

Rent Burden (HCV Program)

Year Identified: November, 2007

Effective Date: February 1, 2008

The maximum initial rent for a family shall not exceed 50% of their monthly adjusted income at the time of approving tenancy and executing a HAP contract.

### B. BENCHMARKS, METRICS, AND IMPACT

This initiative was revised from LHA's original MTW plan in which we did not have any cap on the amount of tenant payment for rent and utilities. LHA's original plan was strongly endorsed by residents during our original MTW planning process. Over the years, we collected experience and anecdotal information through which we determined that a number of households were overextending themselves on housing costs to the point of being unable to pay rent and thereby losing their housing. This initiative, revised in 2008, put a cap on the initial rent burden at no more than 50% of adjusted income. Utility costs were not included in the 50%. The regular voucher program limits the tenant rent plus utilities to no more than 40% of adjusted income.

The table below shows number of households at new admission or transfer whose initial tenant rent portion is greater than 40% of their monthly adjusted income and, at the same time, their maximum initial tenant rent portion is less than 50% of monthly income.

4-09	5-09	6-09	7-09	8-09	9-09	10-09	11-09	12-00	1-10	2-10	3-10	Total
12	6	5	10	6	10	12	21	16	13	16	17	<b>144</b>

4-10	5-10	6-10	7-10	8-10	9-10	10-10	11-10	12-10	1-11	2-11	3-11	Total
12	10	20	15	15	17	12	15	17	16	8	9	<b>166</b>

The revised policy establishing a cap on tenant rent being no more than 50% of the tenant's monthly income eliminated affordable housing disagreements between the program participant and LHA housing specialists. Rather than discussing and encouraging participants to consider what they could afford, the revised policy simply set an absolute threshold.

During the 2010 -2011 reporting period, LHA collected data on the census tracts for MTW voucher families who were new admissions or transfers and who chose to incur rent burdens that exceed 40% of their adjusted income. We refer to these households as "MTW Rent Burden" families for the sake of simplicity. We collected this information to determine if these families are expanding their housing opportunities when incurring the higher rent burdens. We compared this data to new

admissions and transfers of non-MTW vouchers (Mainstream and VASH), who were unable to exceed the rent burden limits of the regular voucher program. This year’s data collection was a new method and served as our baseline for this initiative.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
	April 1, 2010 to March 31, 2011	Distribution of MTW Rent Burden ( over 40%) Households among census tracts compared to Non-MTW	April 1, 2010 to March 31, 2011
Total Number of census tracts MTW Rent Burden ( over 40%) households reside in compared to Non-MTW households	MTW- 36  Non-MTW- 8	MTW is greater than Non-MTW	MTW- 36  Non-MTW- 8

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
	April 1, 2010 to March 31, 2011	MTW Rent Burden ( over 40%) households residing in census tracts with a minority population of 25% or greater compared to Non-MTW households	April 1, 2010 to March 31, 2011
Percentage of MTW Rent Burden (over 40%) households residing in census tract with a minority population of 25% or greater compared to non-MTW households	MTW: 21.7%  Non-MTW:60%	MTW percentage is less than Non-MTW percentage	MTW: 21.7%  Non-MTW:60%

METRIC	BASELINE	BENCHMARK	OUTCOME
	April 1, 2010 to March 31, 2011	MTW Rent Burden (over 40%) Households residing in low or moderate income census tracts* compared to Non-MTW households	April 1, 2010 to March 31, 2011
Percentage of MTW Rent Burden (over 40%) households residing in low or moderate income census tracts* compared to non-MTW households	MTW: 46.4% 77 households  Non-MTW: 80% 16 households	MTW percentage is less than Non-MTW percentage	MTW: 46.4% 77 households  Non-MTW: 80% 16 households

\*Census tracts where the median family income of the census tract is less than 80% of the area median family income.

### C. CHALLENGES AND NEW STRATEGIES

Obtaining and analyzing census tract information continues to be an administrative burden. We continue to work with our housing software company to improve this process. It would also improve the process if the MTW 50058 Adhoc Report in HUD's PIC system would gather census tract information from the MTW 50058 so an MTW Adhoc report could be created to obtain census tract information. Since we are limiting this analysis to new admissions and transfer moves, we have been able to accomplish the tracking.

### D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT

The three tables above represented a new data collection effort this year. The data clearly shows that our MTW Rent Burden rule allows families greater housing choices relative to the standard voucher program rules. The MTW Rent Burden families were much more likely to be dispersed in a wide range of census tracts than non-MTW families (36 to 8), and were less likely to choose housing in areas of minority or lower income concentrations.

One item of interest that we found in our analysis involved Low Income Housing Tax Credit (LIHTC) properties. Several census tracts stood out as having higher percentages of MTW Rent Burden families and zero non-MTW families relocating there this year. In fact 37.34% of the MTW Rent Burden families moved into five census tracts, each of which we recognized as having a large LIHTC property. These LIHTC properties, although designed for low-income persons, have rent structures that significantly exceed the Fair Market Rents and Payment Standards for the voucher program. It is clear that, by allowing families to choose a greater share of the rent burden, the MTW Rent Burden rule is important to making these properties available to more voucher families than would otherwise be possible. Two of the census tracts are designated as "upper" income, two are "middle" income and one is "moderate" income.

This MTW initiative offers participating households more housing options within the city of Lincoln, Nebraska compared with non-MTW vouchers. Households are able to make a choice of housing in accordance with their individual financial circumstances. Voucher participants have “a choice” to exceed the federal rent burden limit of 40% of their adjusted income. The initiative does not impose a hardship but allows households to make a choice.

As noted above, this initiative was modified from the original plan.

#### **E. DATA COLLECTION METHODOLOGY AND REVISIONS**

As noted above, we implemented new data collection during the 2010 -2011 reporting period. This year’s data collection served as our baseline for this initiative.

#### **F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable.

#### **G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Housing Choice Vouchers:

This MTW activity is authorized in Attachment C, Section D.2. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated requirements. This authorization waives certain provisions of Section 8(o)(1), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

## Rent Reform 5

### A. ACTIVITY: AVERAGE UTILITY ALLOWANCES

Average Utility Allowances (HCV Program)

Year Identified: April 1, 1999

Effective Date: July 1, 1999

LHA uses one standard utility allowance per bedroom size and will not issue utility reimbursement checks or payments. The utility allowances are calculated annually using the current average utility cost per number of bedrooms per unit.

Following is the chart representing target rents and utility allowances.

Bedroom Size	Fair Market Rent	Payment Standard	Payment Standard as a Percent of FMR	Target Rent	Utility Allowance
SRO	<b>\$347</b>	\$338	97.4%	\$306	\$32
0	<b>\$463</b>	\$451	97.4%	\$409	\$42
1	<b>\$520</b>	\$506	97.3%	\$441	\$65
2	<b>\$661</b>	\$644	97.4%	\$538	\$106
3	<b>\$927</b>	\$904	97.5%	\$758	\$146
4	<b>\$1,124</b>	\$1,095	97.4%	\$904	\$191
5	<b>\$1,293</b>	\$1,259	97.4%	\$1,037	\$222
6	<b>\$1,461</b>	\$1,423	97.4%	\$1,173	\$250
Lot Rent	<b>\$264</b>	\$258	97.7%		

### B. BENCHMARKS, METRICS, AND IMPACT

This activity has made the voucher program much easier to understand for landlords, tenants, human service agency workers, and the general public. No specific measures were designed to measure that aspect of the activity although anecdotal data over the years has proven this to be true. Human service workers whose clients have vouchers have commented that the MTW voucher program is much easier to understand versus the VASH voucher program. In 2010, LHA hosted four workshops for community human service workers. The 3 ½ hour workshops provided detailed information on the LHA programs and how tenant payments were determined. The more simplified approach to utilities was overwhelmingly supported by human service

workers who attended the workshops and who provide advocacy and service coordination for their clients receiving housing assistance.

The concept of the Target Rent has been an extraordinary step forward in our voucher program. Tenants know to search for units at or below the Target Rent amount. They know that if they go above the Target Rent they will pay the difference in rent without additional subsidy. It is simple to understand and very customer friendly. It also provides an incentive for the tenant to seek energy efficient units or units with utilities paid by landlords. It provides an easy benchmark for tenants, human service workers and landlords to judge if a unit will be affordable for a voucher tenant.

In the traditional HUD program, as currently implemented by LHA using VASH and Mainstream Vouchers, a tenant does not know exactly what rent amount they might pay, if a unit is above or below the payment standard, or if a unit will be over the 40% rent burden rule until they turn in a Request for Tenancy Approval form to LHA. They are asked to search for a unit with a complicated utility worksheet, and, for most clients, an incomplete understanding of how all the calculations fit together. It is frustrating for the tenants, human service workers, and landlords.

This activity has significantly reduced utility allowance errors each month. National statistics in the past have shown utility allowance errors to be in the top 5 of RIM errors. Data for 2010-2011 for the LHA voucher program shows that utility allowance errors are 76 times more likely in non-MTW programs compared to MTW program.

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Percent of audited files with utility allowance errors	April 1, 2009 to March 31, 2010 (Baseline was Post-Implementation)	Utility Allowance Errors for MTW and Non-MTW Audits	April 1, 2010 to March 31, 2011
MTW Audits	0% Utility Allowance Errors	<1% Utility Allowance Errors	0.1%
Non-MTW Audits	15% Utility Allowance Errors	<15% Utility Allowance Errors	7.6%

### **C. CHALLENGES AND NEW STRATEGIES**

The small control group can affect data collection. Changes in the staff assigned to the VASH or Mainstream Vouchers can affect error rates as much as the program rules. However, it is clear that the standard utility allowance and Target Rent concept is simpler and much less prone to errors.

#### **D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

LHA anticipates no hardship through this initiative and, to date, there have been no requests for relief. The average utility allowance has been a part of our MTW plan from the beginning and rates have been adjusted annually. The initiative poses no added burden on participants.

The Nebraska Department of Health and Human Services Department has a contract with Region V Systems to implement a housing assistance program that mimics the Housing Choice Voucher program. Region V Systems chose to use LHA's MTW rules, specifically, the utility allowance policy because of the simplistic approach and the ability to assist the voucher holder in their housing search by determining "target rents". The simplicity in providing a target rent through a standard utility allowance by unit bedroom size allows the tenant to independently search for a unit and allows the tenants greater self sufficiency to make housing choices that meet their families' needs.

#### **E. DATA COLLECTION METHODOLOGY AND REVISIONS**

Not applicable.

#### **F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable.

#### **G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Public Housing:

This MTW activity is authorized in Attachment C, Section C.11. Rent Policies and Term Limits. Under this section, the housing authority is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The housing authority is authorized to adopt and implement any reasonable policies for setting rents in public housing including establishing the definitions of income and adjusted income. This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 6.632, 5.634 and 960.255 and 966 Subpart A.

Housing Choice Vouchers:

This MTW activity is authorized in Attachment C, Section D.2. Rent Policies and Term Limits. Under this section, the housing authority is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance. The housing authority is also authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated requirements. This authorization waives certain provisions of Section 8(o)(l), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

## OTHER INITIATIVES

### Initiative 1

#### A. ACTIVITY: INCOME ELIGIBILITY

Income Eligibility (HCV & PH Programs)

Year Identified: April 1, 1999

Effective Date: July 1, 1999

All applicants for HUD subsidized units must provide adequate evidence that the household's anticipated annual income for the ensuing twelve month period does not exceed the following income limits based on area median income adjusted for family size:

Public Housing: 80% of median income

Housing Choice Voucher: 50% of median income.

Income targeting will not be used.

#### B. BENCHMARKS, METRICS, AND IMPACT

Lincoln Housing Authority is using its MTW authority to waive income targeting standards. Rather than use national income targeting standards, LHA has designed its preference system to fit local needs and local program goals. The preferences LHA selected in public housing, i.e. working preference, tend to pull average income for new admissions to a higher level than might otherwise occur. Elderly and disabled households also qualify for a "working" preference which can mitigate that affect. On the other hand, the preferences used in the housing choice voucher program tend to bring the overall average income for new admissions to a lower level.

LHA does not measure income targeting on an on-going basis, nor do we alter the order of the waiting list to meet income targeting goals. We did review the admissions for the fiscal year for this report. As it happens, in FY 2010-2011, both the voucher and public housing programs met the federal income targeting standards. In the Public Housing Program, 47.8% of new admissions were Extremely Low Income. In the Voucher Program, 86.3% of new admissions were Extremely Low-Income.

METRIC	BASELINE	BENCHMARK	OUTCOME
Income Levels at Admissions	April 1, 2009 to March 31, 2010	<u>NOT APPLICABLE:</u> Income targeting is not applicable but normal targets are shown for information purposes.	April 1, 2010 to March 31, 2011
<b>Public Housing</b>			
Extremely Low Income	50.0%	40%	33 out of 69 (47.8%)
Very Low Income	36.8%		28 out of 69 (40.6%)
Low Income	13.2%		8 out of 69 (11.6 %)
<b>Housing Choice Voucher</b>			
Extremely Low Income	86.9%	75%	556 out of 644 (86.3%)
Very Low Income	13.0%		88 out of 644 (13.7%)
Low Income	0%		0 out of 644 (0.0%)

It is reasonable to expect that the Voucher program will continue to meet federal targeting standards, given the nature of the preference system. The Public Housing program is smaller and could be prone to yearly changes in income levels due to small variations in the number of vacancies in elderly units vs. family units or the number of disabled families vs. working families.

**C. CHALLENGES AND NEW STRATEGIES**

Not applicable

**D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

Not applicable

**E. DATA COLLECTION METHODOLOGY AND REVISIONS**

Not applicable

**F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable

## **G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

### **Public Housing:**

This MTW activity is authorized in Attachment C, Section C.2. Local Preferences and Admission and Continued Occupancy Policies and Procedures. Under this section, the housing authority is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based on the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the Amended and Restated MTW Agreement. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.

### **Housing Choice Voucher:**

This MTW activity is authorized in Attachment C, Section D.3.a and D.4. Under these sections, the housing authority is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(s) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have otherwise in Section I.C. of the MTW Agreement are met. Further, the Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 16(b) and 9(o)(4) of the 1937 Act and 24 C.F.R. 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan. The authorization also waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

## Initiative 2

### A. ACTIVITY: RESTRICTED PORTABILITY

Restricted Portability (HCV Program)

Year Identified: April 1, 1999

Effective Date: July 1, 1999

Voucher participants will not be allowed to port out unless the family requests and is granted an exception as a reasonable accommodation for employment, education, safety or medical/disability need.

### B. BENCHMARKS, METRICS, AND IMPACT

The purpose of restricted portability in our MTW program was to prevent families from porting out with their voucher because of our MTW policies. It was anticipated that some families would choose to port out just to avoid the work requirements and other expectations of the MTW program. Portability was allowed for specific reasons as listed above.

Our data shows the number of formal requests to port out and the number approved. Families are given information about our restricted portability policy, and it is recognized that once people are aware of the policy, few formal requests are made.

METRIC	BASELINE	BENCHMARK	OUTCOME
Percentage of Requests Approved to Port with Voucher	April 1, 2009 to March 31, 2010	Approve 100% of Ports for Medical, Disability, Safety, Education or Employment	April 1, 2010 to March 31, 2011
Percentage of Medical or Disability Requests Approved	9 out of 9 = 100%	100%	9 out of 9 = 100%
Percentage of Safety Requests Approved	5 out of 5 = 100%	100%	4 out of 4 = 100%
Percentage of Education Requests Approved	1 out of 1 = 100%	100%	1 out of 1 = 100%
Percentage of Employment Requests Approved	5 out of 5 = 100%	100%	13 out of 13 = 100%

Percentage of Other Requests Approved*	0 out of 3 = 0%	0%	0 out of 0 =100%
*These three requests were denied for non-MTW-related reasons. Requests were made at a time when we did not have sufficient funding to utilize 100% of the voucher allocations. At that time, we were not selecting from the waiting list.			

Our policy represents a highly successful implementation of a more restricted portability policy that could be adapted on nationwide basis. Portability represents a difficult and time consuming administrative issue in the voucher program across the country. Allowing HA's to adopt policies that limit ports to verifiable, good cause reasons would improve efficiency in voucher program administration nationwide.

**C. CHALLENGES AND NEW STRATEGIES**

Not applicable

**D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

Not applicable

**E. DATA COLLECTION METHODOLOGY AND REVISIONS**

Not applicable

**F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable

**G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Housing Choice Vouchers:

This MTW activity is authorized in Attachment C, Section D.1.g. Under this section, the housing authority is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. This authorization waives certain provisions of Section 8 of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the housing authority's Annual MTW Plan.

## **Initiative 3**

### **A. ACTIVITY: BIENNIAL RE-EXAMINATIONS**

Biennial Re-examinations (HCV and PH)

Year Identified: November, 2008

Effective Date:

Public Housing:

Effective March 15, 2009 for new move-ins

Effective July 1, 2009 for current tenants

Housing Choice Voucher

Effective April 1, 2009 for new admissions

Effective July 1, 2009 for some current program participants (see transition plan )

LHA will conduct a reexamination of an elderly or disabled household at least every two years. An elderly or disabled household is any family where the head or spouse (or sole member) is at least 62 years of age or a person with a disability.

All households will continue to have interim reexaminations according to administrative policy.

All other household compositions will continue with an annual reexamination.

### **B. BENCHMARKS, METRICS, AND IMPACT**

Baseline data for this initiative came from the PIC system. The benchmark for annual reexaminations was based on a 50% reduction from the baseline for elderly and disabled households.

#### Public Housing

For any elderly or disabled family whose annual re-examinations were scheduled to be conducted from July 1, 2009 to June 1, 2010, LHA delayed the annual re-examination to the following year and will conduct it every two years thereafter. Interim re-examinations continue to be done in accordance with policy, and elderly and disabled families are not exempt from reporting changes in household composition or other changes.

For any elderly or disabled tenants who were new move-ins on March 15, 2009 or after, LHA now schedules the next re-examination on the first of the same month two years after the move-in month.

#### Housing Choice Voucher

Beginning April 1, 2009, LHA is conducting re-examinations every two years for elderly and disabled households.

For households issued vouchers prior to April 1, 2009, LHA established a transition policy for biennial re-examinations. This transition policy was effective for current elderly or disabled households with annual re-examinations effective July 1, 2009 to June 1, 2010. In order to manage workloads during the transition to a biennial schedule, LHA randomly assigned households to one of two groups based on the last digit of the head’s social security number. During implementation, group one had their next reexamination in one year and group two in two years and continuing every two years thereafter for both groups. Any elderly or disabled households designated as “hardship” households under the 27% MTW policy were immediately placed in group two. This biennial initiative further reduces the impact of the 27% MTW policy and creates an additional benefit for the hardship group.

METRIC	BASELINE*	BENCHMARK		OUTCOME		OUTCOME	
Annual Re-Examinations in a 12 month period	August 1, 2007 to July 31, 2008	50% reduction for elderly and disabled households		April 1, 2009 to March 31, 2010		April 1, 2010 to March 31, 2011	
		----- Number of Reviews & Percent of Baseline		----- Number of Reviews & Percent of Baseline		----- Number of Reviews & Percent of Baseline	
<b>Public Housing</b>							
Elderly Households	61	31	50%	23	38%	43	70.5%
Disabled Households	60	30	50%	16	27%	35	58.3%
<b>TOTAL</b>	121	61	50.4%	39	32.2%	78	64.5%
		<b>Average over 2 years:</b>				<b>58 reviews 48%</b>	
<b>Housing Choice Voucher</b>							
Elderly Households	360	180	50%	244	68%	168	46.6%
Disabled Households	768	384	50%	590	77%	388	50.5%
<b>TOTAL</b>	1,228	564	45.9%	844	67.9%	556	45.3%
		<b>Average over 2 years:</b>				<b>700 Reviews 57%</b>	

\*Baseline data was taken from PIC system whereas subsequent data was taken from actual monthly counts. Baseline data is, in fact, under-reported because PIC data showed only the last action in PIC.

The data above shows that we have reduced by approximately half the number of elderly and disabled reviews conducted per year. A more meaningful number might be the average number of reviews in the combined programs is 758 per year compared to the baseline number of 1,349

representing 591 fewer reviews.

This time savings has allowed us to staff with one less housing specialist and replace that person with an auditor in the second year of the initiative. It should also be noted that there is housing specialist time lost to extra time for MTW data collection. We were also able to serve more families by administering additional specialized voucher programs such as Mainstream vouchers, Enhanced vouchers and Veterans Affairs Supportive Housing vouchers without additional staff. The cost savings has allowed us to serve more families by facilitating and offering our applicants, in addition to our program participants, a 12 hour tenant educational series called Nebraska RentWise. The cost saving has also allowed our staff more quality interviewing time with our participants.

### **C. CHALLENGES AND NEW STRATEGIES**

In the data, there are some annual re-examinations that were completed for disabled households. This action was correct because some households were not considered disabled until after the re-examination was completed.

Data collections on the number of completed annual re-examinations identified by elderly, disabled and family is challenging. LHA has several options for collecting this data; 1) tracking by the worker, 2) using the housing software 50058 reports, or 3) using PIC 50058 MTW Adhoc reports. We have attempted to track the data from all three options and found they each have imperfections. The biggest issue with using the housing software 50058 reports or the PIC report is capturing the annual re-exam completion before another action is completed on the 50058. If another action such as interim or inspection is entered on the 50058 after the annual re-exam is completed, the annual re-exam completion will not be counted in any MTW Adhoc PIC report or housing software 50058 report. Since annual re-exams are completed between 30 to 90 days ahead of the due date it is hard to predict the best time to capture the annual review completion data. For example, Jane Doe's August 2011 annual re-exam is completed on June 1, 2011 but an interim is also completed on June 1, 2011 effective July 1, 2011. If we run a report for August 2011 annual re-exams on June 1<sup>st</sup> or later, the August re-exam will not show as completed in the Housing Software report. If we run the August re-exam report on May 31<sup>st</sup>, it will show Jane Doe's August 2011 re-exam as completed but we will miss other August 2011 re-exams still being completed in the month of June. The PIC MTW Adhoc report also has its flaws. The PIC MTW Adhoc report does not provide the 50058's line 1c as a selection criteria for reports thus we can not identify what program, Housing Choice Voucher or Public Housing, the re-exams were completed in. Also, we can not always identify whether the household is an elderly household because the MTW Adhoc report only allows us to gather birth dates for the head of household, and not the co-head.

Our new strategy will be to continue using the housing 50058 software as our data collection source, but it will be imperative to run the report timely, 30 days prior to the effective date, to obtain the most accurate data on the number of annual re-exams completed. The PIC report will also be used as a check and balance to the housing software report to identify any potential re-exams missed due to a future action. The PIC report will be run right after the completion of the PIC submission for the particular annual review effective date. The timing of running these

reports will be critical to the success and accuracy of our reporting, thus will be placed as a high priority. This description above is a good example of how the complexity of tracking and reporting data often reduces the amount of time savings accomplished through skipping annual re-examinations.

#### **D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

LHA anticipates no hardship through this initiative and, to date, there have been no requests for relief. Public housing tenants and voucher participants benefit because they could have increased income between biennial reexaminations without a corresponding increase in their rent payment. This initiative produces no additional burden or hardship to households than they would otherwise experience under an annual review system. They continue to be eligible for rent decreases by means of interim reexaminations if they experience decreased income.

#### **E. DATA COLLECTION METHODOLOGY AND REVISIONS**

Not applicable

#### **F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable

#### **G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Public Housing:

This MTW activity is authorized in Attachment C, Section C.2. Initial, Annual and Interim Income Review Process. Under this section, the housing authority is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. This authorization waives certain provisions of Section 3 (a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

Housing Choice Vouchers:

This MTW activity is authorized in Attachment D.1.c Operational Policies and Procedures. Under this section, the housing authority is authorized to define, adopt, and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan.

## Initiative 4

### A. ACTIVITY: HQS INSPECTIONS WAIVER

HQS Inspections Waiver (HCV Program)

Year Identified: November, 2008

Effective Date: April 1, 2009

To encourage participating landlords and tenants to maintain their units in compliance with Housing Quality Standards (HQS), the required annual inspection will be waived for one year if the annual inspection meets 100% HQS upon first inspection at initial or annual inspection. All units will be inspected at least every other year. This initiative will also allow inspections to coincide with the next annual reexamination date rather than HUD's interpretation that inspections be conducted within 365 days of the previous inspection. HUD's interpretation resulted with a schedule of re-inspections every 10 months to ensure compliance with the interpretation of "every 365 days." Special inspections will continue to occur as determined by LHA. HUD's Request for Tenancy Approval form was modified to satisfactorily implement this inspection incentive initiative.

### B. BENCHMARKS, METRICS, AND IMPACT

The baselines for this initiative were the number of annual inspections during a 12 month period and the success rate percentage on 1<sup>st</sup> inspection. The number of annual inspections was expected to decrease while the success rate percentage at first inspection was expected to increase. This initiative was implemented April 1, 2009. Beginning with that date, for any annual or initial "pick up" inspection in which the unit meets 100% HQS compliance at the first inspection, the annual HQS inspection of this unit with the same tenant may be waived for one year. If at any time the unit requires a special inspection, the inspection incentive is revoked and the unit must have an annual inspection completed by the tenant's next annual re-examination date.

<b>HISTORICAL DATA ON INSPECTIONS</b>	<b>Fiscal Year 2007-2008</b>	<b>Fiscal Year 2008-2009</b>	<b>BASELINE Fiscal Year 2009-2010</b>
Annual Inspections	2,767	3,096	3,042
Initial Inspections	1,432	1,309	825
Special Inspections	11	34	44
<b>Total Inspections</b>	<b>4,210</b>	<b>4,439</b>	<b>3,911</b>
Passed at First Inspection	65%	60%	52%
Failed at First Inspection	35%	40%	48%
<b>Total Inspections</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<b>METRIC</b>	<b>BASELINE</b>	<b>BENCHMARK</b>	<b>OUTCOME</b>
Number of Inspections by Type and Percentage Passing at First Inspection	April 1, 2009 to March 31, 2010	Reduction in total number of inspections	April 1, 2010 to March 31, 2011
Annual Inspections	3,042	40% Reduction from Baseline	1,494 50.9% Reduction
Initial Inspections	825		896
Special Inspections	44		34
<b>Total Inspections</b>	3,911	25% Reduction from Baseline	2,390 38.9% Reduction
		Maintain or Increase Passing Rate at First Inspection	
Pass at First Inspection	52%	52% or greater	38%
Failed at First Inspection	48%	48% or less	62%
<b>Total Inspections</b>	100%		100%

The benchmark for this initiative was to decrease the number of annual inspections by 40%. During FY11, annual inspections reduced by almost 51%. Previously, we anticipated special inspections would go up significantly as we thought we would have more tenant complaints on landlord not fixing defects. The result was the opposite with special inspections decreasing by almost 23% in FY11. Overall, we anticipated the total number of inspections to reduced by 25% of the baseline level. We exceeded this expectation by reducing the number of overall inspections performed by almost 39%.

#### **Administrative Cost Savings, Efficiency and Quality of Housing Unit**

The inspection incentive policy has proven to have positive impact on the voucher program by providing administrative cost savings to LHA, and improving our community's housing stock. Last fiscal year, this inspection policy allowed LHA to reduce the number of performed inspections by almost 39%. LHA used this time savings to increase the average time spent on performing an annual inspection by 33%. The increased inspection time allowed inspectors an opportunity to properly educate both the tenant and landlord on maintaining quality units, and allowed for more thorough HQS inspections to be performed. We increased the average an annual inspection time from 15 minutes to 20 minutes per unit. The time savings also allowed our inspectors to thoroughly implement HUD Notice 2010-10, which required our inspector's to

test electrical outlets for “proper operating condition”. The time savings also allowed our inspectors additional time to assist other local affordable housing projects with unit inspections.

It will be the second year after policy implementation when we will be able to fully analyze the impact of the inspection policy and the quality of the units. We will compare the pass/fail rate from FY2010 where the units were annually inspected compared to pass/fail rate for FY2012 where it will include a combination of units inspected annually and biennially. Also, we are gathering data on the pass/fail rate for biennial unit inspections.

### **C. CHALLENGES AND NEW STRATEGIES**

The challenge in using pass/fail rates as a policy success indicator is that there are other outlying factors that can affect a pass/fail rate, such as policy changes and staffing. For example in FY2011, LHA made two major policy changes; 1) testing for proper working electrical outlets, and 2) enhancing the egress window requirements. These two policy changes could be the cause of the decline in the inspection pass rate over the past year.

Also, when more units fail inspection due to a policy change it will reduce the cost savings to LHA because fewer units are eligible for a biennial inspection. For example, our pass rate reduced from 52% in FY2010 to 38% in FY 2011 due to the implementation of the outlet testing policy and new requirements on egress windows. So the impact in FY2012 will be to inspect more units than the previous year because of the increased failure rate. In addition to increased inspections, LHA is experiencing in FY2012 an increase in the number of inspections because we are also inspecting units skipped in the previous year. A third factor in the number of inspections is lease up rates which can also affect the number of “Initial/Pick Up” inspections performed in any one particular year. For example, if the voucher program is experiencing high voucher turnover, then more new admissions are required and thus more “Initial/Pick Up” inspections will be completed. If the voucher program is utilizing 100% of their allocated units and the turnover is relatively stable, we will complete fewer new admissions and thus fewer “initial/pick up” inspections. The final challenge is to ensure proper implementation and monitoring of this policy. The reports and data input is cumbersome and time consuming. If this policy were just to complete biennial inspections for “all” units regardless of passing the inspection the first time, it would be much simpler policy to implement and audit.

### **D. NEW INDICATORS OF ACTIVITIES STATUS AND IMPACT**

#### **Improved Program Satisfaction**

Both the LHA Landlord Advisory Committee and other participating landlords continue to express sincere appreciation for rewarding landlords who maintain their property at a high level. This policy continues to be supported by the City of Lincoln’s Stronger Safer Neighborhood initiative and Lincoln’s neighborhood revitalization committee, Free to Grow. These organizations continue to advocate for a new city ordinance to change Lincoln’s apartment inspection policy to mirror LHA’s policy.

**E. DATA COLLECTION METHODOLOGY AND REVISIONS**

Not applicable

**F. CHANGES IN AUTHORIZATION FROM ATTACHMENT C OR D**

Not applicable

**G. PROVISION OF THE ACT OR REGULATION THAT IS WAIVED**

Housing Choice Vouchers

This MTW activity is authorized in Attachment C, Section D.5. Ability to Certify Housing Quality Standards. Under this section, the housing authority is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.

## VII. Sources and Uses of Funding

### A. List planned versus actual sources (operating, capital, and HCV) and uses of MTW Funds. Provide a narrative description of any major changes from the approved plan:

Note: See Appendix B for Capital Fund Program and ARRA Report

<b>Financial Resources: Sources and Uses of Funds April 1, 2010 to March 31, 2011</b>						
<b>A. Planned versus Actual Sources and Uses of MTW Funds</b>						
<b>Sources of MTW Funds</b>	<b>2010-2011 Plan</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Actual</b>	<b>Difference (Actual -Budget)</b>	<b>Explanation</b>	<b>Uses of Funds</b>
Public Housing Operating Subsidy	\$575,000	\$588,860	\$490,313	(\$98,547)	Change in Funding Formula	Public Housing Operations
Public Housing Capital Grant	\$533,000	\$430,000	\$767,890	\$337,890	The Grant Award was \$515,821, however the amount booked as income coincides with the work completed and funds received in the year.	Public Housing Capital Improvements
Section 8 Housing Assistance	\$11,800,000	\$11,875,960	\$12,794,326	\$918,366	Actual Funding Proration was more than budgeted. Also, includes new vouchers	Section 8 Housing Assistance Payments
Section 8 Administrative Fees	\$1,585,000	\$1,597,760	\$1,755,020	\$157,260	Actual Funding Proration was more than budgeted. Also, includes new vouchers	Section 8 Administrative Costs
Section 8 Extraordinary Fees	0				N/A	
Public Housing Rental Income	\$1,040,000	\$1,035,140	\$1,061,953	\$26,813	NA	Public Housing Operations

Interest Income	\$61,000	\$59,390	\$42,839	(\$16,551)	Interest rates were lower than anticipated	Public Housing/HCV Operational Costs
Tenants	\$62,000	\$43,030	\$46,392	\$3,362	Charges for tenant damages & income from tenant fraud were more than anticipated; tenant forfeited escrow accounts	
Other Income	\$31,250	\$29,750	\$157,087	\$127,337	Amounts booked for tenant fraud were much greater than anticipated. Along with the income there was a large offsetting allowance for doubtful accounts set-up	Public Housing/HCV Operational Costs
<b>TOTAL MTW INCOME</b>	\$15,687,250	\$15,659,890	\$17,115,820	\$1,455,930		

<b>B. Planned versus Actual Sources and Uses of State, Local, &amp; Non-MTW Funds</b>						
Sources of Non-MTW Funds	2010-2011 Plan	2010-2011 Budget	2010-2011 Actual	Difference	Explanation	Uses of Funds
Section 8 Non-MTW	\$736,000	\$638,330	\$651,309	\$12,979	NA	Housing Assistance Payments–Section 8 (Non-MTW) operational costs
Housing Choice Voucher FSS Grant	\$59,160	\$60,350	\$60,349	(\$1)	NA	Housing Choice Voucher FSS Coordinator
Section 8 Administrative Fees	\$37,000	\$19,800	\$19,371	(\$429)		
Public Housing ARRA Funds	\$0	\$0	\$145,134	\$145,134	ARRA Funding was not anticipated	Public Housing Capital Improvements

Public Housing ROSS Grant	\$50,000	\$50,346	\$53,170	\$2,824	HUD granted less than expected.	Public Housing FSS Coordinator
Home Funds	\$25,000	\$25,000	\$19,736	(\$5,264)	Fewer requests for security deposit assistance	Security Deposit Assistance
Rental Income	\$4,722,100	\$4,971,330	\$5,150,748	\$179,418	Low vacancy	Operational Costs
Interest Income	\$225,000	\$303,332	\$375,066	\$71,734	NA	Operational Costs
Tenants	\$102,000	\$102,780	\$114,025	\$11,245		
Other Income	\$27,500	\$35,000	\$118,402	\$83,402	Gain on sale of non-HUD property	Operational Costs
Other Grants	\$24,000	\$34,000	\$38,321	\$4,321	Additional Grants obtained by Lincoln Housing Charities	Client Services
Direct Reimbursements	\$505,000	\$430,280	\$444,098	\$13,818	More direct costs reimbursed by tax credit projects managed by LHA	Reimbursement of Direct Expenses
<b>TOTAL NON-MTW INCOME</b>	\$6,512,760	\$6,670,548	\$7,189,729	\$519,181		

<b>C. Planned versus Actual Sources &amp; Uses -- Central Office Cost Center (COCC)</b>						
<b>COCC Activity</b>	<b>2010-2011 Plan</b>	<b>2010-2011 Budget</b>	<b>2010-2011 Actual</b>	<b>Difference</b>	<b>Explanation</b>	<b>Uses of Funds</b>
Management Fee	\$1,177,000	\$1,169,990	\$1,206,823	\$36,833	NA	Central Office Operational Costs
Bookkeeping Fee	\$375,940	\$371,520	\$374,440	\$2,920	NA	Central Office Operational Costs
Asset Management Fee	\$130,200	\$131,020	\$122,760	(\$8260)	NA	Central Office Operational Costs
Capital Improvement Fee	\$147,930	\$118,850	\$132,726	\$13,876		Central Office Operational Costs

Fee For Service	\$1,899,030	\$1,995,590	\$1,892,586	(\$103,004)	Fewer move-outs resulting in less maintenance	Central Office Operational Costs
Direct Reimbursement	\$0					Central Office Operational Costs
Interest Income	\$0	\$4130	\$6251	\$2121		Central Office Operational Costs
Total	\$3,730,100	\$3,791,100	\$3,735,586	(\$55,514)		
<b>GRAND TOTAL - ALL</b>	\$25,930,110	\$26,121,538	\$28,041,135	\$1,919,597		

**D. If using a cost allocation or fee-for-service approach that differs the 1937 Act requirements, describe the actual deviations that were made during the Plan year:**

No Deviations

Lincoln Housing Authority's cost allocation approaches comply with the 1937 Housing Act requirements.

**E. List or describe planned versus actual use of single-fund flexibility:**

Lincoln Housing Authority retains full authority to move MTW funds and project cash flow among projects, without limitation, under its asset management program. To date, LHA has not utilized this funding flexibility.

**F. Optional - List planned versus actual reserve balances at the end of the plan year.**

Optional—not provided in this report

**G. Optional - In plan appendix, provide planned versus actual sources and uses by AMP.**

Optional—not provided in this report

The Lincoln Housing Authority (LHA) has adopted cost accounting and financial reporting methods that comply with OMB Circular A-87, OMB Circular A-133, and generally accepted accounting principles (GAAP). LHA's budgeting, accounting and financial management comply with the requirements of HUD's property-based/asset management requirements. LHA does retain full authority to move MTW funds and project cash flow among projects, without limitation, under its asset management program.

LHA utilizes four methods for allocating costs to projects.

**Direct Costs:** Expenditures are matched as closely as possible to the various projects. Direct expenses, expenses that are clearly associated with a given project, are charged directly to that project.

**Fee Approach:** LHA assesses fees to the various projects for the purpose of operating a central office cost center. Each project pays management fees, bookkeeping fees, asset management fees, and grant

management fees (as they pertain to each project) into the central office cost center. LHA utilizes the HUD published fee schedule.

**Fee for Service Approach:** The LHA maintains a central maintenance facility as many of its properties are scattered houses and duplexes located throughout the city. A work order is prepared for each job charging an hourly fee for actual time spent on the job. Material costs are also recovered on the job work order.

**Indirect Cost Allocation:** LHA allocates inspection and intake costs each month. Inspection and intake expenses are accumulated each month and allocated to the projects based on the projected number and type of inspections (for inspection costs) and the projected number of units leased (for intake costs).

## VIII. Administrative

### **A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable**

During an MTW site visit in November 2010, there were no issues cited requiring correction. There was discussion of a 2<sup>nd</sup> Amendment to the MTW Amended and Restated Agreement. The housing authority has followed the process for adopting this amendment which would provide authority for a broader use of federal funds. This authority would allow the use of combined MTW funds for purposes outside of Section 8 and 9 activities. The housing authority conducted a public process to review and discuss the proposed amendment as well as proposed initiatives under this broader uses of funds authority. Those initiatives were included in the FY 2011-2012 MTW Annual Plan. A board resolution and the Second Amendment to the MTW Amended and Restated Agreement were approved by the LHA Board of Commissioners at their meeting on February 10, 2011. The Second Amendment is currently pending approval from HUD.

### **B. Results of latest Agency-directed evaluations of the demonstration as applicable**

Not applicable

### **C. Performance and Evaluation Report for Capital Fund Activities not included in the MTW Block Grant**

The Annual Statement/Performance and Evaluation Report for the period ending December 31, 2010 is included in Appendix B for the following grants:

NE26P002501-10

NE26P002501-09

NE26S002501-09

**D. Certification that the Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.**

Appendix A

# **APPENDIX A**

## **Agency Certification for the Statutory Requirements**

HOUSING AUTHORITY  
OF THE  
CITY OF LINCOLN, NEBRASKA

**RESOLUTION NO. 796**

CERTIFICATION OF COMPLIANCE WITH  
HUD MOVING TO WORK STATUTORY REQUIREMENTS

WHEREAS, the Housing Authority of the City of Lincoln, Nebraska was selected by the U. S. Department of Housing and Urban Development to participate in the Moving To Work Demonstration program; and

WHEREAS, the Housing Authority of the City of Lincoln, Nebraska has entered into a written agreement with the U. S. Department of Housing and Urban Development outlining our participation requirements and approved MTW initiatives; and

WHEREAS, the written agreement with HUD requires that the Housing Authority of the City of Lincoln meet the following MTW statutory requirements:

- 1) assuring that at least 75 percent of the families assisted are very low-income families;
- 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and
- 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration; and

WHEREAS, the Housing Authority of the City of Lincoln must certify to HUD that LHA has met the statutory requirements;

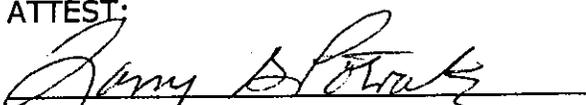
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the City of Lincoln that LHA has met all statutory requirements outlined in the written Moving To Work agreement with HUD; and

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to execute any and all documents submitting this approved certification resolution to HUD.

Dated this 12<sup>th</sup> day of May, 2011.

  
\_\_\_\_\_  
Orville Jones III, Chair

ATTEST:

  
\_\_\_\_\_  
Larry G. Potratz, Secretary

# APPENDIX B

## **Annual Statement/Performance and Evaluation Report**

**for the following grants:**

**NE26P002501-10**  
(Revised Annual Statement 2)

**NE26P002501-09**  
(Revised Annual Statement 3)

**NE26S002501-09**  
(Final Report)

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing  
OMB No. 2577-0226  
Expires 4/30/2011

Annual Statement/Performance and Evaluation Report  
Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
Capital Fund Financing Program

Part I: Summary		Grant Type and Number		FFY of Grant:	
PHA Name:		Capital Fund Program Grant No: NE26P002501-10 Replacement Housing Factor Grant No:		2010	
Housing Authority of the City of Lincoln		Date of CFFP:		FFY of Grant Approval:	
				2010	
Type of Grant	<input type="checkbox"/> Reserve for Disasters/Emergencies	<input checked="" type="checkbox"/> Revised Annual Statement (revision no:2 )			
<input type="checkbox"/> Original Annual Statement	<input type="checkbox"/> Performance Report for Period Ending: 9/30/2010	<input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Revised <sup>2</sup>	Obligated	Total Actual Cost <sup>1</sup>
		Original			Expended
1	Total non-CFF Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	\$52,021	\$52,021	\$52,021	
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	\$31,500	\$34,375	\$34,375	\$10,327.95
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	\$432,300	\$433,814	\$182,970.06	
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	\$4,389	0		
20	Amount of Annual Grant: (sum of lines 2 – 19)	\$520,210	\$520,210		
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures	\$28,800	0		

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFF Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

<b>Part I: Summary</b>		<b>FFY of Grant:</b> 2010	
<b>PHA Name:</b> Housing Authority of the City of Lincoln	<b>Grant Type and Number</b> Capital Fund Program Grant No. NE26P002501-10 Date of CFFP: _____	<b>FFY of Grant Approval:</b> 2010	
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/10 <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no:2 ) <input type="checkbox"/> Final Performance and Evaluation Report			
<b>Line</b>	<b>Summary by Development Account</b>	<b>Total Estimated Cost</b>	<b>Total Actual Cost <sup>1</sup></b>
		<b>Original</b>	<b>Revised <sup>2</sup></b>
<b>Signature of Executive Director</b> <i>Dany Roberts</i>		<b>Signature of Public Housing Director</b>	
<b>Date</b> 10/28/2010		<b>Date</b>	
		<b>Obligated</b>	<b>Expended</b>

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

Part II: Supporting Pages									
PHA Name: Housing Authority of the City of Lincoln		Grant Type and Number Capital Fund Program Grant No: NE26P002501-10 CFFP (Yes/No):			Federal FFY of Grant: 2010				
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
HA/Wide	Administration	1410		52,021	52,021	52,021		On going	
HA/Wide	Fees and Costs	1430		31,500	34,375	34,375	10,327.95	On going	
		1460							
002 MMA	Update Replace Building Trash Compactor	1460	1	19,500	19,500	0			
	Remodel Bath Phase II	1460	40	0	182,970.06	182,970.06		On going	
004 HAN	Replace Siding & Building Sill Plate	1460	48	0	231,343.94	0			
005 LAR	Replace AC	1460	24	28,800	0	0			
HA/Wide	Contingency	1502		4,389	0	0			

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>2</sup> To be completed for the Performance and Evaluation Report.







Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

Part I: Summary		Grant Type and Number		FFY of Grant:	
PHA Name: Housing Authority of the City of Lincoln, Nebraska		Capital Fund Program Grant No: NE26P002501-09 Date of CFFP: _____		Replacement Housing Factor Grant No: 2009 2009	
Type of Grant		Reserve for Disasters/Emergencies		Revised Annual Statement (revision no:3 )	
Original Annual Statement		Final Performance and Evaluation Report		Total Actual Cost <sup>1</sup>	
Performance and Evaluation Report for Period Ending:		Summary by Development Account		Total Estimated Cost	
Line	Summary by Development Account	Original	Revised <sup>2</sup>	Obligated	Expended
1	Total non-CFF Funds				
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)	\$ 53,319	\$ 52,447	\$ 52,447	\$ 52,447
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	\$ 50,000	\$ 29,941.10	\$ 29,941.10	\$ 29,941.10
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	\$ 403,000	\$ 442,087.90	\$ 442,087.90	\$ 406,417.29
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities <sup>4</sup>				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	\$ 26,876	0	0	0
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$ 533,195	\$ 524,476	\$ 524,476	\$ 488,805.39
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFF Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

<b>Part I: Summary</b>	
PHA Name: Housing Authority of the City of Lincoln	Grant Type and Number Capital Fund Program Grant No. NE26P002501-09 Replacement Housing Factor Grant No. Date of CFFP:
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: Line Summary by Development Account	FFY of Grant: 2009 FFY of Grant Approval: 2009
<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no. 3 ) <input type="checkbox"/> Final Performance and Evaluation Report	
Total Estimated Cost	Total Actual Cost <sup>1</sup>
Original	Revised <sup>2</sup>
Date: 2-17-2011	Obligated
Signature of Executive Director <i>Henry A. [Signature]</i>	Expended
	Date

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

Part II: Supporting Pages									
PHA Name: Housing Authority of the City of Lincoln		Grant Type and Number Capital Fund Program Grant No: NE26P002501-09 CFFP (Yes/No):			Federal FFY of Grant: 2009				
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
HA/WIDE	Administration	1410		\$53,319	\$52,447.00	\$52,447.00	\$52,447.00	Complete	
HA/WIDE	Fees & Costs	1430		\$50,000	\$29,941.10	\$29,941.10	\$29,941.10	Complete	
002 MMA	Remodel Bathrooms I	1460	80	\$225,000	\$379,742.47	\$379,742.47	\$379,742.47	Complete	
	Remodel Bathrooms II	1460	40	0	\$35,670.61	\$35,670.61	0	Ongoing	
003 HALL	Replace Concrete	1460		\$6,000	\$12,043.00	\$1,369.52	\$1,369.52		
	Replace Retaining Walls	1460		\$12,000	0	0	0	Moved	
004 HAN	Replace Concrete	1460		\$6,000	\$1,617.54	\$1,617.54	\$1,617.54		
005 LAR	Install Handicap Access	1460		\$38,000	\$3,256.00	\$3,256.00	\$3,256.00		
	Replace Concrete	1460		\$6,000	\$1,359.29	\$1,359.29	\$1,359.29		
006 PED	Replace Concrete	1460		0	\$354.71	\$354.71	\$354.71		
009 P-30	Replace Concrete	1460		\$6,000	\$1,542.86	\$1,542.86	\$1,542.86		
	Install Retaining Walls	1460		\$20,000	0	0	0	Moved	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

<sup>2</sup> To be completed for the Performance and Evaluation Report.







Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

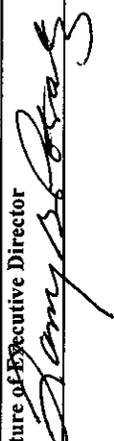
U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

Part I: Summary		FFY of Grant: 2009	FFY of Grant Approval: 2009
PHA Name:	Grant Type and Number Capital Fund Program Grant No: NE26S002501-09 Replacement Housing Factor Grant No: Date of CFFP:		
Housing Authority of the City of Lincoln			
Type of Grant	<input type="checkbox"/> Reserve for Disasters/Emergencies	<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input type="checkbox"/> Original Annual Statement and Evaluation Report for Period Ending:	<input checked="" type="checkbox"/> Final Performance and Evaluation Report		
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost <sup>1</sup>
		Original	Obligated
			Expended
1	Total non-CFFP Funds		
2	1406 Operations (may not exceed 20% of line 21) <sup>3</sup>		
3	1408 Management Improvements		
4	1410 Administration (may not exceed 10% of line 21)	\$0	\$59,384.54
5	1411 Audit		
6	1415 Liquidated Damages		
7	1430 Fees and Costs	\$16,175	\$21,690.62
8	1440 Site Acquisition		
9	1450 Site Improvement		
10	1460 Dwelling Structures		
11	1465.1 Dwelling Equipment—Nonexpendable	\$657,000	\$593,843.84
12	1470 Non-dwelling Structures		
13	1475 Non-dwelling Equipment		
14	1485 Demolition		
15	1492 Moving to Work Demonstration		
16	1495.1 Relocation Costs		
17	1499 Development Activities <sup>4</sup>		
18a	1501 Collateralization or Debt Service paid by the PHA		
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment		
19	1502 Contingency (may not exceed 8% of line 20)	\$1,744	\$0
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$674,919	\$674,919
21	Amount of line 20 Related to LBP Activities		
22	Amount of line 20 Related to Section 504 Activities		
23	Amount of line 20 Related to Security - Soft Costs		
24	Amount of line 20 Related to Security - Hard Costs		
25	Amount of line 20 Related to Energy Conservation Measures	\$45,000	\$17,035

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

<b>Part I: Summary</b>		FFY of Grant: 2009	
PHA Name: Housing Authority of the City of Lincoln		FFY of Grant Approval: 2009	
Grant Type and Number Capital Fund Program Grant No. NE26S002501-09		Replacement Housing Factor Grant No:	
Date of CFFP: _____			
Type of Grant	<input type="checkbox"/> Reserve for Disasters/Emergencies	<input type="checkbox"/> Revised Annual Statement (revision no: )	
<input type="checkbox"/> Original Annual Statement	<input type="checkbox"/> Performance and Evaluation Report for Period Ending:	<input checked="" type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost <sup>1</sup>
		Revised <sup>2</sup>	Obligated
Signature of Executive Director	Date	Date	
	05/13/2010	Signature of Public Housing Director	

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

Part II: Supporting Pages									
PHA Name: Housing Authority of the City of Lincoln		Grant Type and Number Capital Fund Program Grant No: NE26S002501-09 CFFP (Yes/ No):			Federal FFY of Grant: 2009				
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised <sup>1</sup>	Funds Obligated <sup>2</sup>	Funds Expended <sup>2</sup>		
HA/Wide	Administration	1410		0	59,384.54	59,384.54	59,384.54	Complete	
HA/Wide	Fees and Costs	1430		16,175	21,690.12	21,690.12	21,690.12	Complete	
002 MMA	Fire Sprinklers	1460		450,000	331,588.66	331,588.66	331,588.66	Complete	
003HALL	Replace Roofs	1460	23		87,105	87,105	87,105	Complete	
	Replace Concrete	1460	8		10,674.28	10,674.28	10,674.28	Complete	
004 HAN	Replace Roofs	1460	13	72,000	49,120	49,120	49,120	Complete	
	Replace Concrete	1460	3		517.86	517.86	517.86	Complete	
005 LAR	Replace Concrete	1460	5		10,431.61	10,431.61	10,431.61	Complete	
006 PED	Replace Concrete	1460	2		1,708.69	1,708.69	1,708.69	Complete	
009 P-30	Replace Tub/Showers	1460	30	90,000	71,777	71,777	71,777	Complete	
	Replace Concrete	1460	10		13,885.74	13,885.74	13,885.74	Complete	
013-F39	Install Attic Insulation	1460	39	45,000	17,035	17,035	17,035	Complete	
HA/Wide	Contingency	1502		1,744	0			Complete	

<sup>1</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>2</sup> To be completed for the Performance and Evaluation Report.