

KING COUNTY HOUSING AUTHORITY

DRAFT

MOVING TO WORK
ANNUAL PLAN

FY 2014

This document should be considered a DRAFT only. KCHA continues to actively work with residents, staff, community leaders and stakeholders to obtain input and formulate final policy recommendations that will be presented to KCHA's Board of Commissioners. As such, this is working document and is subject to change. Content may be added, revised or deleted based upon analysis of compiled data and feedback until approved by KCHA's Board of Commissioners and submitted to HUD.

KCHA: AT-A-GLANCE Projections

	FY 2003	FY 2013*	FY 2014*
Households Served:	11,260	13,893	13,853
Transitional and Supportive Housing Units	1,956	3,279	3,388
HCV Units Available in High Opportunity Neighborhoods	11.7%	20%	20%
Low income households - Income below 50% of Median Income	97%	97%	97%
HCV households paying more than 30% of income toward rent	40.2%	41.3%	44%

- 23 percent increase in number of households served since 2003
- Freeze of Payment Standards in FY 2014 due to sequestration, coupled with escalating rents in the Puget Sound region, is projected to result in an increase in the percent of households with rent burdens greater than 30% of income.

	FY 2003	FY 2013*	FY 2014*
Maintaining Operational Excellence:			
<i>Shopping Success Rate: Section 8 HCV households</i>	82.4%	85%	85%
<i>Utilization: Section 8 HCV program</i>	98.8%	104%	100%
<i>Occupancy Rate: Public Housing program</i>	98.9%	98%	98%
<i>REAC Inspection Scoring: Public Housing program</i>	93.3%	94.4%	94.4%

Accumulated MTW Streamlining Savings through FY 2014*:

More than 35,000 accumulated hours saved through implementation of MTW-modified policies and procedures

\$15.5 million saved and 965 units renovated through completion of interior rehab of Public Housing units using "in-house" crews under KCHA's MTW-supported Unit Upgrade program;

50 percent reduction in Housing Quality Standards re-inspections required due to minor unit deficiency protocol that allows landlords to self-certify corrections

40 percent reduction in water consumption at KCHA-owned housing

* Reflects projected totals at the end of fiscal year 2013 and 2014

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Section I: INTRODUCTION

A. General Background

Established by Congress in 1996, the Moving to Work (MTW) demonstration program enables a handful of high performing Public Housing Authorities (PHAs) to replace HUD's rigid and highly prescriptive regulatory framework for administering the Public Housing and Section 8 programs with locally designed policies and procedures that are responsive to the specific housing needs of local jurisdictions. With the freedom to move away from the constraints of federal program rules and regulations, participating PHAs are challenged to identify and test new approaches to the delivery of housing assistance that more effectively and efficiently utilize available resources and address household outcomes within the context of local and national domestic policy priorities.

Long recognized as a high performing PHA with a reputation for innovative program development, KCHA was selected by HUD in 2003 as one of 39 participating housing authorities. Over the past 10 years, KCHA has utilized the flexibility offered by MTW participation to implement a variety of creative initiatives and streamlining approaches. Savings attained through careful, strategic refinement of policies and processes have allowed KCHA to increase its inventory and the number of households served, assure the long-term viability of its existing portfolio, deconcentrate poverty in the region and build a network of housing and support services designed to help families stabilize, build skills and move along the path towards economic self-sufficiency.

This MTW Annual Plan, covering the fiscal year that begins January 1, 2014 and ends December 31, 2014, represents KCHA's 11th year of participation in the MTW program. While the main body of the Plan follows HUD's rigidly prescribed format for outlining both ongoing MTW initiatives previously approved by HUD and new initiatives proposed for implementation during the approaching fiscal year this introduction is intended to provide a sense of KCHA's overall strategic direction as well as the impact of the current

budgetary uncertainty and congressionally mandated funding sequestration on our efforts and on the households and region we serve.

KCHA's plan for 2014 reflects the long-term goals we have previously identified under the program. We continue to invest significant amounts of both MTW and privately leveraged funding in eliminating our backlog of capital repairs and assuring that we manage some of the finest public housing in the Country. We also continue to serve more households in our Section 8 programs than required under HUD's baseline calculation - although this achievement is being challenged by the impacts of sequestration discussed below.

In 2014 we will complete the preservation of four "expiring use" Section 8 properties acquired in late 2013, break ground on a new senior housing complex, continue homeownership development at our two mixed income communities in White Center and, utilizing the flexibility of MTW, continue to pilot and assess an array of locally designed initiatives to improve educational outcomes for children, encourage self-sufficiency for adults, facilitate geographic mobility for families and help end homelessness among targeted populations.

Steady reductions in Federal funding support for the public housing and Section 8 programs and the additional across-the-board reductions brought on by sequestration have made the funding flexibility provided under the MTW demonstration all the more critical. Prolonged funding cuts, however, threaten to unravel much of what we have achieved – with unfortunate long-term consequences for both households who desperately need our assistance and the region as a whole.

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In 2013, 68 percent of KCHA's nearly \$210 million operating budget came from federal funding as compared with nearly 80 percent in 2003.

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In March of 2013, as sequestration went into effect, KCHA had no choice but to immediately cease the re-issuance of vouchers turned in by families exiting the Section 8 program. In recognition of the urgency of the housing needs of particularly vulnerable populations KCHA's programs for housing victims of domestic violence, homeless veterans, disabled or terminally ill individuals and homeless families referred to us by Child Protective Services were exempted from the freeze. As a result of this moratorium on re-issuances the number of households we are serving under the Section 8 program peaked at a high of 442 households above baseline at mid-year 2013, and is now trending downward. We currently anticipate that Section 8 lease-ups will be down to 191 households above baseline by the end of 2013. Given on-going uncertainty regarding funding levels for 2014, this MTW Plan assumes that the voucher workload will need to continue to ramp down next year, with the number of households served reduced to the HUD baseline level by the end of the year.

These funding cuts and HUD's failure to provide a Section 8 Annual Adjustment Factor to reflect rising rent levels in the local housing market have also forced KCHA to freeze payment standards, which have not been adjusted since 2009, at current levels. The timing of this is particularly unfortunate as regional industry forecasts project continuing declines in vacancy levels and upward movement in housing costs for at least the next year. This means that households participating in the Section 8 program will be increasingly shelter burdened as rents rise above payment standards. Our inability to keep step with the 40th percentile of the market also means that Section 8 voucher holders will be increasingly forced into the County's poorest neighborhoods, with the lowest market rents, undoing years of progress in



"These families are paying the price for the fact that Washington D.C. continues to lurch from crisis to crisis instead of compromising around a balanced deficit reduction plan. As we continue to debate the future of the federal budget, they are a clear reminder that our decisions have consequences. Because this debate is about more than just numbers, it is about people's lives and the nation's values."

- Senator Patty Murray



deconcentrating poverty and providing equitable housing opportunities throughout the region. It is anticipated that inadequate payment standards will ultimately impact both shopping success rates and the quality of the housing that program participants are able to procure.

While much of KCHA's \$20 million in scheduled capital work for 2014 is being funded through non-federal funds leveraged by the repositioning of our scattered-site inventory, continuation of current HUD funding levels for public housing capital repairs (the FY 2013 funding level is the lowest since FY 1993) may necessitate reductions in scope and either cancellation or postponement of many of the projects presently in the pipeline. While KCHA currently boasts some of the highest REAC scores in the nation for a large public housing authority (averaging 94.4% in our last round of inspections) slippage in this and in an array of other performance indicators is inevitable if public housing operations continue to be funded at just 82% of actual need.

While the full consequences of sequestration are still unfolding, it's clear that wide rifts in the human services safety net are resulting – causing significant hardships for many of our community's most vulnerable, at-risk and extremely low-income households. Within the financial constraints imposed, KCHA remains committed to working closely with its local partners to ensure the best possible future for these families and for the region. To this end, and within the framework of our long-term MTW program goals, KCHA is proposing the following

KCHA Long-Term MTW Program Goals

- ❖ **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of KCHA's portfolio of over 8,000 affordable housing units.
- ❖ **Strategy 2:** Expand the number of units in the region affordable to households earning below 30 percent of Area Median Income (AMI) through development and preservation.
- ❖ **Strategy 3:** Expand geographic choice for low income households, including disabled and elderly households with mobility impairments, providing our clients with the opportunity to live in neighborhoods with high achieving schools, ready access to quality services and mass transit and adjacent to the workplace.
- ❖ **Strategy 4:** Close coordination with the region's public and behavioral healthcare and human services systems to end homelessness through the development of an adequate supply of supportive housing for chronically homeless and special needs populations and of appropriate housing and service interventions for other homeless households.
- ❖ **Strategy 5:** On-going "place-centered" revitalization of King County's poorest neighborhoods, involving a focus both on housing and on the wide array of other physical improvements, services and partnerships that create strong, healthy communities.
- ❖ **Strategy 6:** Working with the County, regional transit agencies and suburban cities, promote the integration of affordable housing into new growth centers aligned with mass transit corridors in support of sustainable regional development.
- ❖ **Strategy 7:** Expand partnerships with parents, Public Health, Head Start programs, school districts, after-school providers, community colleges and the philanthropic community to eliminate the academic achievement gap for the low income students we house and significantly improve educational and life outcomes for these youth.
- ❖ **Strategy 8:** Promote the economic self-sufficiency of our participating households by providing support in addressing barriers to employment and access to training and education programs with the intent of building assets, increasing earned income and reducing length of stay, where appropriate, in subsidized housing.
- ❖ **Strategy 9:** Continue to develop institutional capacity and efficiencies at the Housing Authority to ensure efficient, effective use of Federal resources. Continue to expand KCHA's non-federally subsidized programs to address the need for additional workforce housing and to support and ensure the financial sustainability of Authority initiatives.

activities for the FY 2014 program year:

B. KCHA's Initiatives for FY 2014

- ❑ **Continued efforts to hold steady and – as funding allows – increase the number of extremely low income households KCHA serves through property acquisition, conversion of non-subsidized units to public housing utilizing “banked” ACC authority, initial lease-up of new incremental voucher awards and implementation of new short-term or flexible rental assistance programs.** In FY 2014, specific initiatives will include the lease-up of incremental VASH vouchers and of a supplemental FUP award received near the end of 2013. In addition, KCHA intends to move forward with conversion of two recently purchased private complexes to public housing, repairs to preserve four “expiring use” Section 8 properties acquired in the Fall of 2013, and new initiatives, as detailed in this Plan, to expand assistance to additional homeless households. However, these activities will not fully off-set reductions in Section 8 households served and at the end of 2014 we are projecting that we will be serving approximately 40 fewer households than at the start of the year through our subsidized housing programs.

- ❑ **Continued development of KCHA's pipeline of new construction projects in order to increase the supply of housing for extremely low-income households.** In FY 2014, KCHA will break ground on the Vantage Point project in Renton, a new public housing complex for senior and disabled populations and pursue on-going pre-development activities for additional senior housing at the Windrose site in White Center. MTW working capital will provide necessary predevelopment funding and close projected equity gaps in the financing of both these projects.

- ❑ **Continued elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory.** In FY 2014, KCHA intends to invest more than \$20 million in public and private financing to improve quality, reduce maintenance

costs, increase accessibility and extend the life expectancy of its federally assisted housing stock.

- ❑ **On-going implementation of rent reform policies intended to streamline operations, target the most at need households and incentivize families to attain employment and increase economic self-sufficiency.** By the end of FY 2014, KCHA anticipates that nearly 200 higher income households will have transitioned out of Public Housing under revised rent policies, making these units available to extremely low income households currently on the waiting list. During FY 2014, KCHA may implement additional modifications to its rent reform policies that streamline the rent calculation and review processes. Additional changes under consideration include a revised definition of “families” and adjustments to how changes in family composition affect program eligibility.

- ❑ **Continuing efforts under its Resident Opportunity Plan (ROP) to support families moving along the path to economic self-sufficiency.** During FY 2014, KCHA anticipates assisting 50 households under this pilot program. In addition, KCHA will assist approximately 300 Public Housing and Section 8 households through enrollment in its Family Self-Sufficiency program.

- ❑ **New and expanded approaches to assisting KCHA youth to succeed in school.** KCHA houses over 14,000 children in its federally assisted programs. Many of these children live in homes where English is not the primary language. The academic success of these youth is the lynchpin of our efforts to prevent multi-generational cycles of poverty and promote social mobility. KCHA has made educational outcomes an integral element of its core mission and is actively partnering with local educational stakeholders around common outcomes. In 2013 KCHA worked with seven school districts to secure a \$40 million Federal Race to the Top grant and has executed data sharing agreements with three districts to enable development of a framework for tracking student educational progress against baseline metrics. KCHA also completed construction in 2013 of the last of 20 early learning or after-school facilities located in our housing communities. Place-based initiatives are currently underway in three neighborhoods with significant

concentrations of assisted housing, potentially impacting some 2,200 children. A primary focus of these efforts is on achieving grade level reading competency by the end of third grade. These place-based initiatives will continue to expand in 2014 using a combination of MTW and philanthropic funding.

Additional 2014 program and policy initiatives to support KCHA's education goals will include:

- ❖ The first full year of operation for KCHA's rapid rehousing partnership with the Highline School District. This pilot program will use MTW funding to provide case management as well as flexible short term rental and client assistance to homeless families referred by the District's McKinney-Vento coordinators. The program is intended to re-house households near their children's current schools, promoting housing and classroom stability and reducing District transportation costs.
- ❖ KCHA's Family Choice initiative will remove barriers to low-poverty, high opportunity neighborhoods and affirmatively further fair housing. The program will help households understand that locational choice is school choice. This initiative, operated through KCHA's community partnerships, will provide families with the tools to evaluate schooling options and assist them in securing housing and developing long lasting connections in the communities of their choice.
- ❖ Counseling and policy modifications to the Section 8 program to promote classroom stability - reducing mid-year housing moves that cause students to change classrooms during the school year and negatively impact academic performance.
- ❖ Additional modifications to KCHA's lease agreements and administrative and occupancy policies to assist in the design and implementation of a matched savings account program and to encourage student and family engagement with their local schools.

- ❑ **New and on-going partnerships to address the multi-faceted needs of our most vulnerable populations - including disabled veterans; chronically mentally ill individuals cycling between the street, the jail system and hospital emergency rooms; youth who are homeless or transitioning out of foster care; and high-need, homeless families engaged with the child welfare system.** In addition to on-going efforts to end homelessness in the region utilizing tenant-based, project-based and sponsor-based Section 8 as well as public housing in partnership with the region's supportive service networks, KCHA will be providing significant new resources to support King County's new Plan to Reduce Young Adult Homelessness. KCHA will provide up to 50 additional rental subsidies in coordination with government and philanthropic supportive services funding. One element of this initiative is the use of MTW flexibility to support a new rental subsidy program that provides "stepped-down" assistance over several years to assist homeless youth to transition into unsubsidized housing.

- ❑ **Streamlining of business processes and program policies.** During FY 2014, KCHA will be fully engaged in the conversion of its core software platform. In tandem with this process, KCHA will continue efforts to streamline operations, reduce administrative costs and improve customer service by balancing workloads among staff, digitizing client files, implementing risk-based inspection protocols and re-engineering workflow.

- ❑ **Improving the geographic mobility of low-income households and increasing housing choice through programs and policies that reduce barriers to low-poverty, high opportunity neighborhoods.** Complementing efforts under KCHA's Education initiative, KCHA has developed a multi-pronged approach that combines the use of multiple payment standards, mobility counseling and new property acquisitions with the project-basing of Section 8 vouchers in targeted opportunity neighborhoods. As of the end of FY 2012, a total of 20.6 percent of KCHA's Section 8 households resided in designated "opportunity zones". In FY 2014, within the constraints created by

sequestration, KCHA will look to sustain and possibly increase the percentage of households residing in these neighborhoods.

❑ **On-going reduction in the environmental impact of KCHA's programs and facilities.**

FY 2014 will be the fourth year of operation under KCHA's Resource Management Plan. The Plan details a broad range of strategies to reduce KCHA's energy and water consumption, divert materials from the waste stream, handle hazardous waste and influence tenant behavior. This year KCHA will continue to analyze "whole building" consumption data from local utility companies, enabling it to closely track energy usage, accurately evaluate the efficacy of weatherization measures and make progress in achieving five year consumption reduction goals. As part of this initiative KCHA may extend existing ESCO agreements in order to finance an additional round of energy efficiency measures in its public housing stock.

In developing its FY 2014 MTW Annual Plan, KCHA has remained dedicated to open and clear communication with residents, the Resident Advisory Committee, community stakeholders and the general public. As required under the terms of its MTW Agreement, copies of the draft Plan were made publicly available for a period of no less than 30 days. On August 29, 2013, following public notice, a Public Hearing was held to review the MTW Plan components and receive community and resident comments and feedback. A compilation of comments received was reviewed by KCHA's Board of Commissioners prior to their approval of the draft Plan on September 23, 2013 and, together with KCHA's responses, is incorporated into Section VI of this document.

Section II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

Since entering the MTW demonstration in 2003, KCHA has made significant progress in addressing the critical housing needs of King County's low-income households. By investing MTW working capital in preserving the long-term viability of KCHA's existing inventory, acquiring and layering subsidies on existing housing complexes in gentrifying markets and building new affordable housing in high opportunity neighborhoods KCHA has increased its housing portfolio during this period by 12.1 percent. However, during 2014, absent Congressional action to more realistically fund federal housing programs and services, KCHA projects that further expansion of housing initiatives, beyond projects currently in the pipeline, will cease.

Given current financial uncertainties, KCHA will focus first on the completion of existing acquisition initiatives and on continuing to address deferred maintenance and system life-cycle issues in its existing inventory. This will include use of "banked" ACC in order to bring two developments (90 units) purchased previously by KCHA into its Public Housing program inventory. Inclusion of the Westminster Manor and Island Crest complexes in

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Once its working capital reserves are depleted, KCHA's ability to take advantage of opportunities to acquire additional units as they become available will be severely restricted.



the public housing program will stabilize existing tenants and ensure that these units, sited in desirable rental markets, remain affordable to extremely low-income households over the long-term.

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units Population Type*	# of UFAS Units	
	0	1	2	3	4	5	6+		Fully Accessible	Adaptable
Westminster Manor <i>AMP # not assigned</i>	37	23						60 Elderly/ Disabled		
Island Crest <i>AMP # not assigned</i>		16	14					30 General		
Total Public Housing Units to be Added										90

* Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other

If Other, please describe:	N/A
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Planned Public Housing Units to be Removed During the Fiscal Year

This Section does not apply – KCHA does not plan on removing any units from its Public Housing inventory during FY 2014.

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
Total Number of Units to be Removed	0	

New Housing Choice Vouchers to be Project-Based During the Fiscal Year

KCHA’s efforts to increase housing access and deconcentrate poverty - providing housing opportunities in neighborhoods where extremely low-income families are likely priced out of the rental market – will continue in FY 2014. Among other tools, the strategic placement of project-based subsidies in low poverty areas of the County helps ensure increased access to desirable, high-opportunity neighborhoods - providing access to transit centers, good schools, a strong employment base and greater opportunity for advancing the economic self-sufficiency of low income households. KCHA’s locally designed Project-based Section 8 program has also allowed the agency to (1) increase the supply of transitional and permanent supportive housing aligned with services– helping the region’s most at-risk households find safe and secure housing where they can stabilize and integrate into the broader community; (2) deconcentrate units sited in high poverty areas being redeveloped under the HOPE VI

program; and (3) preserve the regional supply of affordable housing – using project-based vouchers to leverage private sector capital investments to acquire, upgrade and ensure the continued affordability of properties where existing cash flow is insufficient to ensure long-term financial viability. The projects currently in the pipeline that are anticipated to execute Section 8 Housing Assistance Payment (HAP) contracts in FY 2014 include:

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project
Independence Bridge	24	Permanent Supportive Housing
Bellevue Apartments	8	HOPE VI Replacement Housing
South Kirkland Transit	8	HOPE VI Replacement Housing
Totem Lake Senior Apartments	8	HOPE VI Replacement Housing
Friends of Youth - Kirkland	2	HOPE VI Replacement Housing

Anticipated Total New Vouchers to be Project-Based	50	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	2278
		Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	1925

**New refers to tenant-based vouchers that are being project-based for the first time during FY 2014. The count only includes agreements in which a HAP agreement will be in place by the end of the year.*

Other Changes to the Housing Stock Anticipated During the Fiscal Year

During FY 2014, although KCHA will continue to support program expansion where opportunity exists and funding is feasible, the only additional increases to KCHA's federally funded housing identified at this time is the addition of targeted "special purpose" vouchers awarded under HUD's VASH program. While KCHA anticipates 40 vouchers will be awarded through VASH FY 2014 program allocations, the overall inventory of HCVs is expected to decrease during FY 2014 due to a freeze on re-issuing vouchers in response to projected shortfalls in Federal funding and the need to ensure continued support of currently assisted households.

As noted in the Annual and 5-year Capital Plans, two major capital projects underway in FY 2014 will result in units being temporarily off-line while modernization work is undertaken. Site improvements to address storm drainage, failing sewer and water lines and the interior rehabilitation of KCHA's **Valli Kee** development will necessitate temporary relocation of residents while rehabilitation is underway. In addition, KCHA intends to continue its MTW-funded Unit Upgrade project during the coming budget cycle. As a result, approximately 150 units slated for extensive interior upgrades under the program will be temporarily taken off-line while

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While current vouchers holders are not at risk at this time, additional families cannot be helped under sequestration. Faced with a \$6.3 million reduction in funding, KCHA has suspended issuing new, non-targeted vouchers to households on the Section 8 wait list.

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renovation work is completed. These upgrades are expected to increase the life expectancy of these units by 20 years.

As FY 2014 approaches, in addition to the changes in its Public Housing, HCV and Project-based inventory detailed above, KCHA anticipates the following factors may impact its housing stock during the fiscal year:

Program	Description of Anticipated Change
Section 8 HCV	During FY 2014, KCHA will not reassign subsidy from non-targeted vouchers in response to funding shortfalls anticipated for the HCV program. KCHA anticipates up to 191 units assisted above baseline at the end of FY 2013 will no longer be supported through the HCV block grant at the end of FY 2014.
VASH	40 new vouchers anticipated in FY 2014. The lease-up schedule will be dependent on the date of award and the VA’s referral schedule.
Valli Kee	MTW- funded rehab and site improvements in FY 2014. Up to 114 units will be approved as vacant/off-line for modernization as work rolls through the development.
Unit Upgrade Program	MTW-funded substantial rehab of unit interiors in FY 2014 – approximately 150 units will be temporarily designated as “vacant/off-line for modernization” for an average of 55 days under this initiative.

General Description of Planned Capital Fund Expenditures During the Plan Year

Although KCHA continues to use a variety of innovative financing tools to make progress on eliminating the back-log of accrued repair needs caused by years of inadequate Federal funding, the HUD capital grant budget proposed for FY 2014 will significantly slow this initiative. During the coming year, KCHA plans to expend more than \$20 million to complete capital improvements to its federal subsidized housing communities identified through KCHA's capital needs assessment. Only a small portion of this work will be funded through the capital grant program. As detailed in its 5-year Capital Plan, during FY 2014 KCHA will continue to ramp up renovations at the sites included in KCHA's "509" initiative - former Public Housing developments that were transferred to Project-based Section 8 subsidy in 2013. This initiative has enabled the agency to leverage the funds needed to complete, over a ten year period, \$33 million in identified capital improvements. Funding for this year's other capital projects will come from a range of sources including Public Housing Capital and RHF funds, accumulated MTW working capital, and the leveraging of private capital through debt and tax credit equity contributions. Major rehabilitation activities, together with their projected FY 2014 expenditure levels, are itemized below:

- ❖ **Site Improvements – FY 2014 Expenditures: \$ 4,254,468.** Deterioration of existing infrastructure including paving, sidewalks, storm drainage systems, and other related components at Burndale Homes (50 units - Auburn), Firwood Circle (50 units – Auburn), Forest Glen (40 units – Redmond), Valli Kee (114 units – Kent), Northridge I (70 units – Shoreline), Northridge II (70 units – Shoreline), Hidden Village (78 units – Bellevue) and Newport (23 units – Bellevue) have resulted in significant issues at these sites. KCHA will fund necessary site improvements at these eight developments through MTW block grant resources and potentially some CFP funding. Several projects, including the Valli Kee, Burndale and Firwood Circle improvements, will be multi-year projects – work will begin in FY 2014 and be scheduled for completion in FY 2015.

- ❖ **Building Envelope Upgrades – FY 2014 Expenditures: \$1,050,594.** Building envelope upgrades are required for the Island Crest (30 units – Mercer Island) complex and are scheduled for FY 2014. In addition, roofing replacement work started in FY 2013 at Yardley Arms (67 units – Burien) will be completed during this coming year. The scheduled work will utilize funding from KCHA’s MTW block-grant, working capital and other sources.

- ❖ **Wayland Arms – Sewer, Site and Common Area Upgrades – FY 2014 Expenditures: \$800,000.** The Wayland Arms development (67 units – Auburn) is experiencing foundation settlement and the sewer main servicing the site has reached the end of its useful life. As a result, the structural concrete slab at the first floor will need to be removed and replaced. New pin piles, grade beams, and concrete slab will be installed. The work commenced in FY 2013 and will be completed in the first quarter of 2014. In addition, KCHA intends to complete complementary site repairs including parking lot ADA upgrades, lighting and seal coating, as well as common area upgrades, boiler system enhancements, and replacement of the current fire alarm system. Funding of the work will be supported using KCHA’s MTW block-grant resources.

- ❖ **Sewer, Storm Water, Domestic Water and Waste Lines, and Other Upgrades – FY 2014 Expenditures: \$4,148,892.** Systems upgrades will be completed at Cascade Homes (108 units – Kent) and at Valli Kee where the under-slab waste lines will be replaced due to severe deterioration. At Valli Kee, construction will also include renovation of the laundry room and management office – with the possible conversion of the existing management office into a residential unit. The work, which commenced in FY 2013 and requires temporary relocation of residents, is scheduled for completion in FY 2014. In addition, work initiated in FY 2013 to improve common area ventilation at Northridge II and attic insulation and ventilation at Ballinger Homes (110 units – Shoreline) is scheduled for completion during FY 2014. Other work scheduled for the fiscal year includes common area ventilation at Boulevard Manor (70 units – Boulevard Park), sewer line improvements at Island Crest, fire alarm upgrades at Harrison House (94 units – Kent) and fire protection upgrades at Spiritwood Manor (130 units – Bellevue),

Newport Apartments and Hidden Village. Funding of the repairs will be supported using KCHA's MTW block-grant resources.

- ❖ **509 Conversion – FY 2014 Expenditures: \$6,728,100.** Approximately \$33 million in deferred capital repairs have been identified for the "509" portfolio. Major improvements scheduled for completion in FY 2014 include building envelope upgrades at Forest Grove (25 units – Redmond), Juanita Court (30 units – Kirkland), Wells Wood (30 units – Woodinville), Pickering Court (30 units – Snoqualmie), and Riverton Terrace (30 units – Tukwila) and the completion of envelope work started in FY 2013 at Campus Court (12 units – Des Moines), Shoreham (18 units – Des Moines) and Victorian Woods (15 units – Des Moines). Additional projects including site upgrades, roofing and deck replacement, indoor air quality improvements, domestic water upgrades, and surface water management improvements will be scheduled during the year at the following sites: Evergreen Court (30 units – Federal Way), Kings Court (30 units – Federal Way), Cedarwood (25 units – Kirkland), Glenview Heights (10 units – Renton), Green Leaf (27 units – Kenmore), Pickering Court and Juanita Court. Funding of the work will be supported using loan proceeds and operating cash flow.

- ❖ **Unit Upgrade Project - FY 2014 Expenditures: \$3,300,000.** During FY 2014, KCHA will continue to use its MTW block grant to support the highly successful Unit Upgrade program. Based upon anticipated unit turnover rates, KCHA projects approximately 150 units will be assigned to the Unit Upgrade program during the year. The project allows KCHA to complete extensive unit upgrades as apartments become vacant, rather than using a "whole building" and tenant relocation approach typically utilized, resulting in significant cost savings for KCHA.

B. Leasing Information

The funding flexibility of the MTW program has enabled KCHA to expand the scope of its housing programs and open new doors to housing for underserved and vulnerable populations: disabled and chronically homeless individuals cycling between the streets, jail system and hospitals; homeless young adults transitioning out of the foster care system; families re-uniting after out-of-home placement of children; and disabled and homeless veterans. Critical to the success of these initiatives is KCHA's ability to partner with community-based social service agencies - developing programs that combine safe, secure housing with wrap-around services that help households stabilize and build strengths that lead toward self-sufficiency. In FY 2013, "sequestration" began to significantly impact these programs. Across the nation, housing authorities are reducing or eliminating programs in response to this funding crisis. To date, KCHA's MTW funding flexibility has allowed the agency to maintain its commitment to these special needs programs. Continued Federal funding at sequestration levels or below, as contemplated in the most recent House Appropriations Bill, will force a contraction in these programs as well, leaving vulnerable populations on the street and dimming the prospects of effectively ending homelessness for targeted populations.

During FY 2014, KCHA does not anticipate increasing the total number of families served under our leased housing programs. However, there will be increases in several areas – initial lease-up of incremental FUP and VASH vouchers will increase the total number of households served in those two programs. And two pilot initiatives already in development – a rapid re-housing initiative developed in partnership with the Highline School District and a "step down" housing assistance program developed in tandem with the local Committee to End Homelessness to house homeless youth – will be operational, assisting an estimated 45 additional households during FY 2014. These gains will be off-set by reductions in the number of Section 8 HCV households assisted from our main waiting list through the freeze on re-issuing vouchers necessitated by sequestration. KCHA anticipates its Section 8 block grant utilization will be near baseline in mid-2014 – a decrease from a high of 442 households assisted above baseline in mid-2013. Taking all this into account, the final leased housing snapshot is expected to be

approximately 16 units lower at the end of the year than on January 1, 2014.

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/Leased***
Federal MTW Public Housing Units to be Leased	2096	25152
Federal MTW Voucher (HCV) Units to be Utilized	8274	99288
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	0	0
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	198	2376
Total Households Projected to be Served	10568	126816

* Calculated by dividing the planned number of unit months occupied/leased by 12.

** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.

***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

N/A: KCHA is in compliance with the statutory MTW requirements.

Description of Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
<p>Section 8 HCV</p>	<p>KCHA will continue to target assistance to “hard-to-house” households and maintain its commitment to developing programs that eliminate barriers to housing access for chronically homeless and disabled households - increasing housing choice for these high need populations. FY 2014 initiatives include initial lease-up of vouchers targeted through the VASH and FUP programs. Historically, lease-up of these units tends to lag that of other programs due to delays in VA and service provider referrals, difficulties in securing landlord approvals, and the need to ensure that appropriate services are in place to provide support to assisted households. While every effort will be made to meet established lease-up benchmarks for KCHA’s assisted inventory, the continued targeting of assistance to highly vulnerable households who require intensive assistance in securing landlord approvals may impact leasing timeframes. In addition, KCHA’s freeze of Payment Standards, coupled with rising rents in the region, may impact the location and rate at which clients successfully lease-up.</p>

<p>Section 8 Project-based</p>	<p>None projected</p>
<p>Public Housing</p>	<p>KCHA staff works proactively to hold unit turnover time in its Public Housing inventory to an absolute minimum. With adjustment for approved off-line units and those undergoing modernization, historically, KCHA has maintained an overall occupancy rate above 98 percent. Reductions in funding anticipated during FY 2014 as a result of sequestration may impact KCHA’s ability to hold turnover within this target. KCHA remains committed to identifying and implementing operational efficiencies that will assist efforts to ensure units are available for re-occupancy as quickly as possible.</p>
<p>Local, Non-Traditional <i>(Sponsor-based, etc.)</i></p>	<p>Similar to targeted vouchers available through KCHA’s standard HCV program, lease-up of units under KCHA’s non-traditional programs can lag due to delays in referrals from service provider partners, difficulties in securing landlord approvals and in assisting prospective tenants – those who would not normally access KCHA’s assistance programs – navigate the program and landlord application processes. During FY 2014, KCHA will continue to ensure careful coordination with service providers to reduce barriers to entry for homeless youth being housed through KCHA’s new “step-down” program.</p>

C. MTW Plan: Wait List Information

KCHA does not currently plan to implement major modifications to the existing waiting list systems for its Public Housing, HCV or Project-based programs. However, changes may be identified and become necessary as KCHA moves forward with work-flow mapping associated with replacement of its program and property management software platform and other MTW streamlining initiatives.

One modification currently being reviewed by KCHA for possible implementation in 2014 is the revision of KCHA's definition of "Family". As proposed, KCHA would begin to require that each household include at least one family member who is either an elderly or disabled individual or a minor child in order for the household to be determined eligible for residency in one of KCHA's federally subsidized units. KCHA would consider exceptions to this eligibility requirement for households participating in special set-aside programs pursuant to program targeting commitments. In addition, during FY 2014, KCHA may consider merging waiting lists between all or a portion of its subsidized programs in order to generate savings through increased staff specialization and streamlined program administration. Changes in definitions of elderly, near-elderly and non-elderly households may also be considered and may result in demographic shifts of KCHA's Public Housing, HCV and Project-based waiting lists.

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During the Fiscal Year
Section 8 Housing Voucher	Community-wide	1030	Partially Open, <i>accepting targeted voucher referrals only</i>	No
Public Housing	Regional	7120	Open	N/A
Public Housing	Site-based	6056	Open	N/A
Project-based	Regional	2499	Open	N/A
PH Conditional Housing	Program Specific	30	Open	N/A

For Partially Open Wait Lists: Description of the populations for which the waiting list is open.

KCHA's general **Section 8 HCV** waiting list has been closed since May 2011. However, KCHA continues to accept applications from targeted populations such as those eligible for housing assistance under the VASH, FUP and NED programs. KCHA does not anticipate re-opening the main Section 8 HCV waiting list in FY 2014.

Section III: Proposed MTW Activities – HUD approval requested

Activity Name: Stepped-down Assistance for Homeless Youth

Activity No: 14-01

A. Describe the proposed MTW activity

In support of the King County Committee to End Homelessness’s newly developed “Plan to House Homeless Youth and Young Adults” and in consultation with local consumers and youth service providers, KCHA has begun developing flexible, stepped-down rental assistance models for this particular population. Local youth providers have indicated that shorter-term rental assistance is often the most appropriate approach for assisting homeless youth and young adults, most of whom are not chronically homeless and do not require lengthy periods of supportive housing. By reducing the length of the rental assistance, and by promoting graduation from these programs, more youth can effectively be served within the current funding constraints. The first of these models is a pilot “flexible” rental assistance program approved for implementation in FY 2013, with a target of housing 10 new individuals by the end of the current fiscal year.

KCHA anticipates expanding this initiative in FY 2014 in coordination with agencies currently implementing two young adult housing programs already funded by KCHA. The first is the sponsor-based *Coming Up* program, developed in partnership with Auburn Youth Resources and Valley Cities Counseling and Consultation, which provides sponsor-based rental assistance and supportive services to 30 formerly homeless young adults in south King County. The second program is a project-based assistance program operated in partnership with Friends of Youth and Imagine Housing that serves 10 homeless young adults at a time on the County’s eastside. Together with these service providers KCHA will establish guidelines regarding the length of time that rental assistance will be available for any participating youth or young adult. The program blends appropriate support services

together with time-limited rental housing assistance to encourage participants to become increasingly self-sufficient and prepared to enter private market housing upon graduation.

B. Describe how the proposed activity will achieve one or more of the three statutory objectives

This proposed activity will increase self-sufficiency among participating youth by providing short-term housing assistance combined with support services necessary to promote successful graduation to non-subsidized housing.

C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective

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

D. Anticipated schedule for achieving the stated objective

By the end of 2014, we anticipate that this “flexible” housing program will have been fully implemented. Five youth will have successfully transitioned to non-subsidized housing. If proven successful, other existing youth programs could be transitioned to a shorter-term assistance model.

In 2015, we anticipate 15 households will successfully transition to non-subsidized housing.

Activity Metrics and Data Information			
E. Metric	F. Baseline	G. Benchmark	H. Outcome
SS#8: Households transitioned to self-sufficiency	2 households graduate/year	2014: 5 households graduate 2015: 15 households graduate	Increase in turnover units - allowing HA to assist new households

I. Data source from which metric data will be compiled.

Data will be collected in collaboration with partner agencies, the County's HMIS system and from KCHA's internal database.

Need/Justification for MTW Flexibility

J. MTW Use of Funds (Attachment D, item A); Single Fund Budget (Attachment A, item B.1 and Attachment D, item C.1) and Attachment C, item B.2 allow funding to support this initiative.

K. Similar to KCHA's current Sponsor-based program, MTW Use of Funds authorization will allow KCHA to assist households who would not otherwise be able to access Public Housing or Section 8 programs and allows KCHA to develop the program outside of normal Section 8 and 9 regulations. In addition, KCHA's ability to access its Single Fund Budget authority allows the program to utilize Section 8 or 9 funding sources in order to provide participants with housing assistance developed outside of HUD's standard Section 8 and Section 9 requirements.

Additional Information for Rent Reform Activities (if applicable)

L. *Not applicable*

A. Describe the proposed MTW activity

Implementation of this initiative will result in the modification of Public Housing Admissions and Continued Occupancy Policy (ACOP) and Section 8 Administrative Plans to direct limited housing resources to those households historically considered in greatest need : *elderly, near-elderly and disabled* households and *families with children*. As planned, KCHA’s eligibility and tenant selection policies will be modified to require each household to include at least one elderly or disabled individual or a minor/dependent child. Households that do not include one or more of these individuals would not be eligible for participation in KCHA’s federally assisted housing programs. Exceptions to this policy would be allowed for participants in programs targeting specific populations pursuant to funding and program requirements. In addition, proposed changes will address issues relating to the addition of individuals to an existing household and eligibly for continued occupancy or subsidy following changes in household composition. Policy development will continue during FY 2013 and may include development of an expanded “shared housing” model to allow blended households choice in their living arrangements.

B. Describe how the proposed activity will achieve one or more of the three statutory objectives

This activity is designed to increase housing choice by ensuring KCHA’s limited housing resources are reserved for populations determined most in need – families with minor children or those that include an elderly or disabled household member.

C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective

Implementation of a revised definition of “Family” will help KCHA increase housing assistance to families and individuals who are most in need of our limited housing resources.

D. Anticipated schedule for achieving the stated objective

Implementation of revised policies is planned for early 2014.

Activity Metrics and Data Information			
E. Metric	F. Baseline	G. Benchmark	H. Outcome
# of units / subsidies to become available	2013: XXXXXX	YR 1 (2014): XXXXX YR 5 (2018): 0	All households meet refined eligibility criteria: include either an elderly or disabled member or a minor/dependent child.
<p>J. Data source from which metric data will be compiled.</p> <p>Data will be collected from KCHA's internal database to determine the progress toward meeting benchmarks and reporting outcomes of this initiative.</p>			
Need/Justification for MTW Flexibility			
<p>J. Attachment C, items C.2 and D.3(b), D.4 and D.7 provide the authorization necessary to support implementation of this initiative.</p>			
<p>K. Use of the authorizations above will allow KCHA to establish policies that ensure increased access to affordable housing for those households determined in greatest need of our limited resources.</p>			
Additional Information for Rent Reform Activities (if applicable)			
<p>L. <i>Not applicable</i></p>			

Section IV: Approved MTW Activities - HUD approval previously granted

Table VI: On-going MTW Activities

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
08-1	Acquire and/or develop new Public Housing - Increase inventory through use of "banked" PH ACC	Use banked PH ACC to turn-on Public Housing subsidy in units owned or acquired by KCHA	Increase housing choices	2008	Implemented - 94 units added to inventory by FYE 2012. Additional sites under consideration.	KCHA will continue to seek program expansion under this initiative with available MTW financial resources as opportunities are identified during FY 2014. In particular, during FY 2014 KCHA may add 2 previously acquired sites (Westminster Manor and Island Crest) to its PH inventory. KCHA may also use MTW resources to begin developing 3.7 acres adjacent to its Vantage Glen site in Renton into 77 units of federally subsidized housing for elderly/disabled households.
04-2	Develop a local Project-based Section 8 program	Develop a local Project-based program that streamlines contract and program management. Detail of specific areas of policy modification using MTW authority are bulleted below:	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - individual policy / program changes are noted below:	Possible FY 2014 modification of PBS8 program to further streamline administration, ensure cost-effective use of financial resources and increase tenant choice. PBS8 Operating policies may also be modified during the FY to align with PH and HCV policy modifications detailed in this MTW Plan and proposed for implementation in FY 2014.
	(a): Waitlist Management	Allow the project sponsor to manage the waiting list rather than the Housing Authority; Allow KCHA to solicit applications directly from service providers (2005).	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b): Rent Reasonableness	Allows KCHA to determine Rent Reasonableness for units using same process as Tenant-based program - does not require 3rd party appraisals	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(c): Site Assignment	Allow priority assignment of PBS8 subsidy to (1) units located in low-poverty census tracts, including those with poverty rates below 20% (15% for families with children and off-site HOPE VI replacement units); (2) a limited number of demonstration projects not qualifying under standard policy in order to serve an important public purpose.	Increase housing choice	2004	Implemented	
	(d): Occupancy standards	Allow participants in wrong-sized units to remain in place and pay higher rent under limited circumstances	Increase housing choice	2005	Implemented	
	(e): Payment Standards	(1) Assign HCV Payment Standards to the program, but allows modification with Exec. Director approval where deemed necessary; (2) Allow KCHA to cap rent at the Payment Standard (rather than the Tax Credit Rent) for LIHTC units (2005)	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(f): Program Cap	Allow KCHA to exceed the 25% cap on the number of units per development that can be project-based for transitional, supportive or elderly housing programs and/or sites with fewer than 20 units. Also removes cap when used to re-develop former PH sites (2008)	Increase housing choice	2004	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(g): PBS8 Subsidy Allocation	Allow KCHA to (1) allocate PBS8 subsidy non-competitively to KCHA controlled units and transitional housing; (2) use a local procurement process for project-basing Section 8; (3) assign subsidy to projects financed through a conduit financing program with a minimum contract term of 20 yrs. (2005)	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(h): Inspections	Modify HQS inspection rules to allow (1) owners/agents to conduct their own construction /rehab inspections; (2) the management entity to complete initial inspections and (3) implements inspection sampling at annual review. Also allows KCHA to inspect units at contract execution rather than at the proposal date (2009)	Reduce costs and achieve greater cost effectiveness	2004	Implemented	KCHA may consider revision of Inspection requirements pending outcome / review regarding potential expansion of Risk-based inspections models that could be implemented during FY 2014 or beyond.
	(i): Exit Vouchers	Replace requirement to provide an exit voucher with priority access to KCHA's Public Housing program. Modified in 2012 - time limited exit voucher available for limited projects as determined by KCHA in conjunction with redevelopment projects.	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented.	
	(j): Eligible unit types	Modify the types of housing accepted under a PBS8 contract to include: (1) shared housing; (2) cooperative housing; (3) transitional housing and (4) hi-rise buildings. (5) manufactured homes, Excludes Rehab category of units from eligibility	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(k): HAP Contract	Allow KCHA to modify the HAP contract to ensure consistency with MTW changes	Reduce costs and achieve greater cost effectiveness	2004	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(l) Operating rules	Allows PBS8 subsidy to conform to operating rules of other government subsidy program when used in mixed finance setting or when subsidy has been assigned in connection with the redevelopment of a former PH site (added 2008)	Reduce costs and achieve greater cost effectiveness	2005	Implemented	
	(m) Tenant Selection Preferences	Expand use of Public Housing preferences to all PBS8 programs - in lieu of HCV preferences	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(n) Homeless Households	Modifies the definition of Homeless households to include overcrowded households entering transitional housing to align with entry criteria for non-profit operated transitional housing.	Increase housing choice	2004	Implemented	
	(o): Existing Housing definition	Expands definition of Existing housing to allows assignment of PBS8 subsidy to units that could meet HQS within 180 days	Increase housing choices	2009	Implemented	
	(p): Tenant Selection	Allow direct owner referral to vacant PBS8 units when a unit remains unfilled after 30 days.	Reduce costs and achieve greater cost effectiveness	2010	Implemented	
	(q): HCV Budget Authority	Waive the 20% cap on the amount of HCV budget authority that can be project-based - allowing KCHA to determine the size of its PBS8 program	Increase housing choices	2010	Implemented	
04-03	Public Housing Site-based and Regional waiting lists	Implement a streamlined waiting list system for Public Housing that combines Site-based, Regional and Set-aside waiting lists; streamlines implementation rules	Increase housing choices	2004	Implemented - possible modification in future plan years	Possible modification to further streamline administration - as identified through KCHA's software conversion process or program analysis during FY 2014

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
05-04	Modified rules for determining and applying Payment Standards	Develop local rules for developing and assignment of Payment Standards to increase affordability in high opportunity neighborhoods and ensure the best use of limited financial resources	Reduce costs and achieve greater cost effectiveness; Increase housing choices	2005	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2014.
	(a): Application of Payment Standard decreases	Delays application of any decrease in the KCHA approved Payment Standard until the next Annual Review date	Reduce costs and achieve greater cost effectiveness	2005	Implemented	
	(b): Payment Standard exceptions	Allows KCHA to approve exceptions to established Payment Standards for amounts up to 120% of FMR for HCV program (and above 120% for Reasonable Accommodation) without the need to obtain prior HUD approval	Increase housing choices	2007	Implemented - but over-written in 2008 by item (c) below	
	(c): Locally determined Payment Standards	Decouples Payment Standards from Fair Market Rents entirely, allowing the HA to establish standards that fit local and neighborhood conditions without HUD approval	Increase housing choices	2008	Implemented	
04-05	Modified HQS Inspection Protocols	Implement locally determined protocols relating to the HQS inspection process that reduce program administration and increase cost effectiveness. Specific changes are noted below:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Modification to further streamline administration is currently under review and may be implemented in FY 2014. For example, KCHA may modify HQS protocols to implement a modified schedule of inspections and/or system of risk-based inspections for PH, PBS8 and Section 8 program units - including implementation of a biennial (or other) inspection schedule for all or a portion of its inventory. In addition, KCHA may implement HUD's Homeless Prevention and Rapid Re-housing inspection protocols for units offered through partner-based programs in lieu of standard HQS requirements.

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(a) Minor Fails	Allows KCHA to release HAP with minor fail at initial inspection and owner agreement to repair within 30 days (expanded in 2007 to include all inspection types). Eliminates the need to re-inspect units that have failed the HQS inspection as a result of minor deficiencies only.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) Annual Inspection schedule	Increase efficiency of operation through reduction in repeated visits to the same property annually; Annual inspections completed within 8-20 months of initial inspection and annually thereafter to allow inspections to be grouped (clustered) according to location/property	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Inspection of KCHA-owned units	Allows KCHA staff, rather than a 3rd party entity, to complete HQS inspection of KCHA-owned properties.	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
07-6	Sponsor-based Housing program	Uses MTW Block Grant resources to fund a Local Sponsor-based program - provides housing funds to service provider who sub-leases to targeted households in conjunction with wrap-around support services	Increase housing choices	2007	Implemented	Continued program expansion to address the needs of the local community as feasible within current program funding constraints. In addition, the program may be modified in FY 2014 to simplify administration and increase access and encourage self-sufficiency among targeted households.

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
04-7	Streamline PH and S8 Forms, Processes and Data Processing	Develop and implement program, policy and procedural changes that reduce or remove non-value added activity from the business process. Specific changes implemented include:	Reduce costs and achieve greater cost effectiveness	2004	Implemented	<p>This is an ongoing initiative. Additional modifications during FY 2014 are anticipated. to further streamline processing of applicant and tenant data and administration of HCV, PBS8 and PH programs. Among the changes proposed during FY 2014 is the modification of HUD's standard "Elderly" definition to include persons age 55 or older. (per Attachment C, item B.3) and implementation of a locally developed Authorization and Release of Information form that expands the life and scope of the current authorization - the form would be implemented in lieu of the current HUD 9886. As proposed, the new form would authorize KCHA to obtain independent verification of relevant client data during the term of occupancy in a KCHA assisted unit.</p>
	(a) State Agency payments to Landlords	Excludes payments made to a landlord by a state agency (DSHS) on behalf of a tenant from income and rent calculation under the Section 8 program	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(b) \$0 HAP clients	Allows Section 8 participants for whom \$0 HAP is paid to self-certify their annual income	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
	(c) Resident Service Stipends	Allow residents to retain earnings from Resident Service stipends up to \$500 without inclusion in rent calculation	Reduce costs and achieve greater cost effectiveness	2008	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
(d)	Asset income	Streamline verification of assets by changing definition to include only assets valued above \$50,000; Income of assets below threshold is excluded from income calculation; Tenant is allowed to self-certify when assets are valued below \$50,000.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	May further streamline by eliminating requirement to calculate imputed asset income and disposal costs
(e)	HCV move-out notice	Require participants to provide notice to move by the 20th of the month in order to have the paperwork processed that month	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(f)	DSHS childcare pass through	Allow Section 8 program participants to self-certify \$50 or less received as pass through from DSHS childcare subsidy	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(g)	Household membership	Allows applicants to self-certify membership in the household at the time of admission	Reduce costs and achieve greater cost effectiveness	2004	Implemented	
(h)	Tenant selection preferences - Section 8	Simplify process for determining placement on the waiting list by allowing Section 8 applicants with income below 75% of 30% of AMI allowed to self-certify housing preference	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	
(i)	Tenant selection preferences - Public Housing	Provides PH applicants with income below 30% of AMI a preference of "economically displaced" without the need to provide additional documentation. PBS8 applicants provided preferences to mirror PH (2009)	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(j) SSN verification	Modified SSN verification/documentation - required verification of SSN for household members 18 and older - rather than the regulatory requirement of age 6	Reduce costs and achieve greater cost effectiveness	2004	Implemented - however, PIC reporting currently limits cost savings of this initiative	
	(k) Verification expiration	Extends the term over which verifications are valid to an outside limit of 180 days	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(l) HQS Inspections	Modified HQS procedures to allow streamlined processing of inspection data	Reduce costs and achieve greater cost effectiveness	2010	Implemented	
	(m) Interim Reviews	Implemented streamlined procedures for completing Interim rent adjustments resulting from wholesale reductions in state entitlement program	Reduce costs and achieve greater cost effectiveness	2011	Implemented	Additional changes may occur in conjunction with analysis / revisions to KCHA's EASY and WIN Rent policy
07-8	Remove Cap on Voucher Distribution	Allow KCHA to maintain utilization above 100% during year without impact on funding; current allocation formulas require avg utilization at or below 100%	Increase housing choices	2007	Implemented	Possible modification to further increase housing choice may be implemented in FY 2014
04-9	Rent Reasonableness modifications	Implement revised policies that reduce program costs while ensuring integrity of approved rents and appropriate HAP calculations	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2014
	(a) Frequency of RR reviews	Allows KCHA to complete Rent Reasonableness determinations only when a Section 8 Landlord has asked for an increase in the contract rent	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2014
	(b) KCHA-owned sites	Allow KCHA staff to perform Rent Reasonableness inspections of KCHA-owned properties	Reduce costs and achieve greater cost effectiveness	2004	Implemented	Possible modification to further streamline administration may be implemented in FY 2014

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
08-10	Easy Rent Policy for Elderly and Disabled Households living on a Fixed Income	Streamline income, rent and recertification policies for elderly and disabled households	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Policy changes may be implemented including, but not limited to, changes relating to application of KCHA's Hardship policy and interim and annual review process as a result on ongoing implementation monitoring (see #08-11 below for additional detail). Additional changes may be implemented in order to align EASY Rent program rules with WIN Rent policies. In addition, as a streamlining measure, KCHA intends to develop and implement a local Authorization and Release of implementation form in lieu of the current HUD 9886. (See item 04-07)
	(a) Frequency of reviews	Moves clients to reviews every 3 years with automatic annual application of SS COLA increases; Implements hardship policy to address unique circumstances; Re-define causes for interim recert (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(b) % of Income to Rent	Rent set at 28.3% of AMI rather than 30%; adjusted to 28% (2010)	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(c) Deduction bands for medical expenses	Breaks medical expenses into bands with \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500; deduction capped at \$10,000	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21	Encourage employment and economic self-sufficiency	2010	Implemented	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness	2010	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(f) Flat Rents	Eliminates HUD requirements relating to Flat Rents for PH developments	Encourage employment and economic self-sufficiency	2010	Implemented	
08-11	Develop Revised Rent Policies for Work-able and Working Households	Develop a revised rent policy for working and work-able households that encourages self-sufficiency and income progression and increases positive graduation from subsidized housing while increasing administrative efficiency and cost effectiveness	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	Continued monitoring may result in changes including but not limited to: (1) require an interim review when tenant income rises above an established maximum; (2) hardship policy application and qualification (3) denial of rent reductions resulting from client caused reductions in income (4) revised rent calculations for Mixed Family households that would result in (a) a flat fee of \$50-\$100 per person those who are not citizens or eligible U.S. residents; or (b) modification of PH mixed family rent formula to mirror Section 8 policy in order to equalize treatment between programs.
	(a) Frequency of reviews	Moves clients to reviews every 2 years; Implements hardship policy to address unique circumstances; Implements hardship policy to address unique circumstances; Limits Interims to 2 in a Recertification cycle; re-define causes triggering an interim	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	
	(b) % of Income to Rent	Rent set according to Income Bands - creates sliding scale that allows income to grow without impacting rent	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	Income/Rent bands may be adjusted during FY 2014. Use of Income/Rent bands may be expanded to EASY Rent households to simplify policies and program administration.
	(c) Deduction bands for medical/childcare expenses	Breaks expenses into bands of \$2,500 each - no deduction for amounts below \$2,500 - lower amount of band provided as deduction for amounts above \$2,500 - deduction capped at \$10,000	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(d) Income Exclusions	Exclude earned (employment) income of non-head/spouse under the age of 21	Encourage employment and economic self-sufficiency	2008	Implemented - 2010	
	(e) Income disregards	Eliminates HUD requirements relating to income disregards	Reduce costs and achieve greater cost effectiveness	2008	Implemented - 2010	
	(f) Flat Rents	Eliminates HUD requirements relating to FLAT Rents for PH developments	Encourage employment and economic self-sufficiency	2008	Implemented - 2010	
05-12	Increase the Rent Cap	Moves the Section 8 program rent cap to 40% of Gross Rent, up from the 40% of adjusted rent standard	Increase Housing Choice	2005	Implemented	Possible modification to increase mobility may be implemented in FY 2014
04-13	ESCO development	Use of MTW program and single fund flexibility to develop and operate our own ESCO	Reduce costs and achieve greater cost effectiveness	2004	Implemented	May consider contract term extension in FY 2014
07-14	MTW-Enhanced Transfer Policy	Increase Housing Choice for residents by developing a policy that allows transfers between KCHA subsidized programs. Established policy for encouraging under/over housed residents to transfer when an appropriate sized unit becomes available (2009) and allows expedited access to UFAS rated units (2010)	Increase housing choice; Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration and increase mobility under review and may be implemented in FY 2014
08-15	Combined Program Management	Streamline program administration through a series of policy changes that ease operations of units converted from PH to PBS8 subsidy or those located in sites supported mixed funding streams.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration and increase tenant choice

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(a) Childcare Unit	Establishes specific policies relating to designated childcare units at Greenbridge.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(b) Lease term	Modify lease term for PH units at Tax Credit Sites - Current regs conflict with Tax Credit renewal terms which required lease to be no more than 1 year.	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
	(c) Eligibility	Additional changes to accommodate combined program approach in relation to NIA development: eligibility for 2 bdrm units; income cap at 50%; Tenant selection	Reduce costs and achieve greater cost effectiveness	2008	Implemented	
04-16	Occupancy requirements of Section 8 households	Allows tenants to remain in occupancy when family size exceeds standards by 1 member	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented	Possible modification to further streamline administration / reduce costs may be implemented in FY 2014
08-17	Eligibility	Allow modified eligibility requirements in order to streamline waitlist management and focus KCHA resources on those greatest in need	Reduce costs and achieve greater cost effectiveness	2008	Implemented	Possible modification to further streamline administration may be implemented in FY 2014. In particular, KCHA may implement a modified definition of "Family" for its subsidized programs that (1) requires an eligible household to include either an elderly or disabled family member or a minor child; (2) defines limits for addition of household members to an existing household and rights of residual residency for members not on the original lease.
	(a) PH program eligibility	Allow Public Housing program to restrict eligibility of single person households who do not otherwise qualify as elderly, near-elderly, disabled, or displaced - unless assigned to targeted program	Reduce costs and achieve greater cost effectiveness	2008	Implemented	See above

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
	(b) Section 8 eligibility	Section 8 programs - Restrict eligibility of single person households who are neither elderly or disabled or near-elderly - similar to PH	Reduce costs and achieve greater cost effectiveness	2009	Implemented	See above
07-18	Resident Opportunity Plan (ROP)	Develop a local FSS-like program pilot that empowers residents to increase income and successfully graduate from housing subsidy	Give incentives that assist in obtaining employment and becoming economically self-sufficient	2007	Implemented	
07-19	Section 8 Applicant Eligibility	Increase program efficiency by removing eligibility for those currently on a Federal Subsidy program	Reduce costs and achieve greater cost effectiveness	2007	Implemented	Possible modification to further streamline administration may be implemented in FY 2014
08-21	Utility Allowances - PH - S8	Develop alternate protocols for establishing and applying Utility Allowances for PH, PBS8 and S8 households	Reduce costs and achieve greater cost effectiveness	2010	Implemented - 2010	Review / monitor / modify in conjunction with WIN and EASY Rent policy. May apply HUD's 10% rate change floor to EAS policy - as a result KCHA would not adjust EAS amounts without a 10% (cumulative) change in CPI Household Energy rate.
11-1	Transfer of Public Housing units to Project-based Subsidy	Preserve long-term viability of 509 units of Public Housing with disposition to KCHA controlled entity. Allows HA to leverage \$ to accelerate capital repairs, and increase tenant mobility through transfer to project-based funding of all 509 units	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2011	Implemented	HUD disposition approved in early 2012. KCHA has completed disposition of units
12-1	Inter-Agency Domestic Violence Transfer Program	Allows residents who are victims of domestic violence to move to another MTW agency jurisdiction with relocation assistance and link to DV support services	Increase housing choice	2012	Implemented	

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status	Planned FY 2014 Activity
12-2	Promoting Mobility: Family Choice Initiative	Provides opportunity for residents to make informed choices about where they will live. Creates incentive for residents to move to high-opportunity neighborhoods to increase educational and employment opportunities	Increase housing choice; Encourage employment and economic self-sufficiency	2012	In progress	Program development and implementation will continue during FY 2014. In addition to policy modifications designed to encourage residents to move to high opportunity neighborhoods, KCHA intends to develop policies targeted toward increasing classroom stability (such as those designed to limit mid school-year moves by participants) in order to provide greater opportunity for children to attain educational goals.
12-5	Use of MTW Block-Grant funds to support Local, Non-traditional MTW Activities	Allows KCHA to use funds for activities outside of Section 8 and 9 of the Housing Act - in accordance with terms of the MTW Agreement and pursuant to guidance of PIH Notice 2011-45	Increase housing choice; Encourage employment and economic self-sufficiency	2012	Implemented	
13-1	Passage Point Conditional Housing program	Provides a link to Public Housing for residents of Passage Point who have meet conditional requirement in order to allow reunification of families	Increase housing choice	2013	Implemented	
13-2	Flexible Rental Assistance program	Pairs intensive supportive services with access to flexible rental assistance that could be used to assist with a variety of housing costs such as rent, security deposits and related move-in/occupancy costs	Increase housing choice	2013	Scheduled for 2013 - may roll to 2014	Anticipated changes in 2014 will increase commitment under the program to up to 55 units and expand to allow use shorter-term and stepped down subsidy models.
13-3	Rapid Re-Housing (formerly Short-term) Rental Assistance program	Provides short-term rental assistance to homeless households referred through the Highline School District in order to increase family stability	Increase housing choice	2013	Program design underway - scheduled for Nov. 2013	Program expansion is anticipated to allow participation of appx. 30 added households

Approved MTW Activities Scheduled for Possible Implementation

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status
	Allow double subsidy between programs (PBS8/PH/S8) in limited circumstances to allow transition to new program	Increase landlord participation, reduce impact on PH program when tenants transfer	Increase housing choice	2008	Following initial review item placed on hold for future consideration.
	Definition of Live-in Attendant	Consider changes that redefine who is considered a "Live-in Attendant"	Reduce costs and achieve greater cost effectiveness	2009	Following initial review item placed on hold for future consideration.
	FSS Program modifications	Explore possible changes to increase incentives for resident participation, income growth and decrease costs of program management	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2008	Temporarily placed on hold - change to eligibility and escrow development may be considered in FY 2014
	Income Eligibility - maximum income limits	Consider policy that would cap the income residents may have and still be eligible for KCHA programs	Increase housing choice	2008	May be considered in future years if WIN Rent policy changes do not sufficiently address need.
	PBS8 Local program: Contract term	Consider possible changes to lengthen the allowable term of the Section 8 Project-based contract	Increase housing choice	2009	On hold. May be brought forward if need warrants
	Performance Standards	Develop locally relevant performance standards and benchmarks to evaluate the MTW Program	Reduce costs and achieve greater cost effectiveness	2008	In progress but delayed however will be impacted by pending PHAS reporting requirements - MTW Agencies currently reviewing potential for alternate reporting tool
	Supportive Housing for high-need homeless families	Develop demonstration program for up to 20 households in Project-based FUP-like environment	Increase housing choice and encourage economic self-sufficiency	2010	Deferred. Program partners opted for tenant-based model in current FY. May be brought forward in future program year.
	Limit number of moves for a Section 8 participant	Increase family stability and reduce program administration by limiting the number of times a HCV participant can move to once per year	Reduce costs and achieve greater cost effectiveness; increase economic self-sufficiency	2010	Deferred for consideration in a future year if need arises

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status
	Implement a Maximum Asset Threshold for program eligibility	Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility	Increase housing choice	2010	Deferred for consideration in a future year if need arises
	Incentive Payments to Section 8 participants to leave the program	Offer incentive to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program	Increase housing choice	2010	Deferred for consideration in a future year if need arises
11-2	Redesign of the Sound Families program	Develop alternative to Sound Families program - combining HCV with DCFS service \$ to continue support of at risk homeless households in "FUP-like" model.	Increase housing choice	2011	Limitation in Federal requirements for use of DSHS/DCFS funds has delayed implementation. May be brought forward in FY 2014.

MTW Activities Completed

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status
	Block Grant non-mainstream vouchers	Expand KCHA's MTW Block Grant to include all non-Mainstream program vouchers	Reduce costs and achieve greater cost effectiveness	2006	Completed
	Develop a local PH Asset Mgmt Funding model	Streamlines current HUD requirements to track budget expenses and income down to the AMP level	Reduce costs and achieve greater cost effectiveness	2007	Completed
	Resident Satisfaction Survey	Develop internal Satisfaction Survey in lieu of requirement to comply with RASS portion of HUD's PHAS system	Reduce costs and achieve greater cost effectiveness	2010	KCHA internal survey process is in place. However, KCHA has temporary exemption from HUD's RASS reporting requirements Will determine need for use as a RASS substitute upon publication of revised PHAS rule.

Item #	MTW Initiative	Activity Description	MTW Statutory Objective	Plan Year	Status
	ROSS Grant Homeownership	Financial Assistance funded through MTW reserves, Modified rules to meet local circumstances: eligibility to allow use for PH residents with an HCV; minimum income requirement; min savings prior to entry, not limited to first time homebuyers, etc	Increase housing choice	2004	Complete - program exceeded goal to assist 30 households over 3-year term
12-4	Supplemental Support for the Highline Community Healthy Homes Project	Provides supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project - but who require assistance to avoid loss of affordable housing	Increase housing choice	2012	Completed. Performance results included in FY 2012 MTW Report
Previously Approved and Implemented MTW Activities (Required use of Single Fund Budget Only)					
	Client Assistance program	Pilot program - utilizes MTW reserves to provide emergency financial assistance to qualified residents	Reduce costs and achieve greater cost effectiveness	2008	Implemented
	Use MTW Reserves to fund Resident Incentives	Develop policies to encourage lease compliance - fund using MTW single-block-grant authority and accumulated reserves	Reduce costs and achieve greater cost effectiveness	2010	Initiated in FY 2010 with policy to allow payment of \$200 to encourage over-housed residents to accept first unit offer. Will consider other incentive payments as warranted in future years.

SECTION V: Sources and Uses of Funds

A. MTW Plan: Sources and Uses of MTW Funds

As an MTW Block Grant agency, KCHA combines all Public Housing Operations, Capital and Section 8 program resources into a single fund with full funding flexibility. The tables below, presented in the format required under KCHA's MTW Agreement with HUD, detail anticipated sources and uses of funds for the fiscal year that begins January 1, 2014 and ends December 31, 2014. Revenue and expense levels shown are estimated amounts only. Actual amounts cannot be precisely established until HUD funding levels for the year have been finalized and KCHA's FY 2014 budget adopted. As indicated, KCHA anticipates a shortfall in funding needed to carry out planned program activities. Given the uncertainty regarding funding levels that will ultimately be allocated by HUD, KCHA estimates a funding gap of \$8.7 million for the fiscal year. To the extent available, KCHA will utilize MTW working capital to cover projected deficits between sources and uses of funds during FY 2014. KCHA reserves the right to reduce or delay the scope of the FY 2014 Capital Plan or any other element of this Plan based upon actual FFY 2014 Appropriations and available MTW working capital reserves.

Estimated Sources of MTW Funding for the Fiscal Year

Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$4,012,000
70600	HUD PHA Operating Grants	\$103,817,000
70610	Capital Grants	\$9,267,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$0
71100+72000	Interest Income	\$94,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$0
70000	Total Revenue	\$117,190,000

Estimated Uses of MTW Funding for the Fiscal Year

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$4,445,000
91300+91310+92000	Management Fee Expense	\$10,343,000
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$4,970,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$1,671,000
93500+93700	Labor	\$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$2,952,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$333,000
96100 (96110+96120+96130+96140)	Total insurance Premiums	\$217,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$45,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$37,368
97100+97200	Total Extraordinary Maintenance	\$0
97300+97350	Housing Assistance Payments + HAP Portability-In	\$81,112,000
97400	Depreciation Expense	\$2,484,000
97500+97600+97700+97800	All Other Expenses	\$17,304,632
90000	Total Expenses	\$125,914,000

Describe the Activities that Will Use Only MTW Single Fund Flexibility

A key strength of the MTW demonstration program is that it frees participating housing authorities from having to restrict their budgetary planning to single year cycles of revenues and expenditures. This enables multi-year financial planning and the strategic budgeting necessary to achieve long-term growth and complex operational goals. It also provides an incentive for the implementation of policy innovations that increase operational efficiencies and the reallocation of resources to fund multi-year initiatives in support of core mission objectives.

KCHA has been successful in implementing various program and policy initiatives that have enabled reinvestment in core priorities. The following are examples of re-investments, intended to be implemented over a multi-year period, that support the MTW long-term strategic priorities noted in Section I.

- ❖ Rehabilitation of Public Housing properties – With annual Capital Fund grant allocations falling well below projected need, single-fund flexibility of the MTW program allows KCHA to support ongoing repair and rehabilitation of its affordable housing inventory. For example, through its Unit Upgrade program, KCHA has generated significant costs savings while ensuring long-term unit viability. By the end of FY 2014, KCHA anticipates accumulated savings under the program to exceed \$15.5 million.
- ❖ Use of Section 8 funds to support Public Housing operations – Use of MTW program flexibility to backstop multi-year shortfalls in federal funding helps ensure adequate financial support of KCHA’s Public Housing program operation.
- ❖ Acquisition of additional housing - KCHA efforts to acquire and develop additional housing in proximity to existing KCHA properties - using MTW resources to expand its affordable housing portfolio with only marginal increases in operating costs have resulted in the addition of 184 units, located in six separate communities, to our portfolio.

- ❖ Supportive Housing Initiatives - KCHA's Sponsor-based program, implemented in 2007, enables some of the County's most vulnerable households – chronically, mentally-ill individuals with significant barriers to accessing traditional housing as well as homeless youth - to secure safe, affordable housing with wrap-around supportive services under a “housing first” model designed to break the cycle of homelessness.
- ❖ KCHA's Resident Opportunity Plan (ROP), approved for implementation by the Board of Commissioners in 2009, assists households in acquiring the tools needed to move up and out of subsidized housing.
- ❖ Short-Term Rental Assistance program –Initiated in FY 2013, this pilot program will provide rapid re-housing and short-term rental assistance to up to 50 homeless households with children living within the Highline School District. The initiative is intended to improve household and classroom stability, reduce school district transportation costs and improve the educational performance of at-risk students.
- ❖ Education Initiatives – KCHA is developing an array of educational initiatives intended to increase the likelihood of successful high school graduation and post-graduate academic or vocational training engagement. These initiatives are supported by data-sharing agreements the Authority has established with three school districts and coordinated outcomes developed through the region's Race to the Top grant. Individual programs include place-based initiatives, supported by KCHA's network of 20 early learning and after-school facilities, mobility counseling and classroom stability programs.
- ❖ Use of CFP funds for debt service - RHF funds available through KCHA's Single-fund budget are supporting a portion of the debt incurred to rehabilitate the Birch Creek (formerly Springwood) Apartments. RHF funds available as a result of the disposition of Green River Homes (approved in FY 2011) and from the disposition of the “509” units (approved in FY 2012) will be used to partially finance substantial rehabilitation of Green River Homes.
- ❖ Use of MTW working capital has been authorized by the Board of Commissioners for the development of a new core software platform. KCHA's existing software is

nine years old. Selection of the new system will take place in tandem with process engineering to identify and implement changes in workflow. The Authority anticipates a “go live” date during FY 2014.

- ❖ KCHA Client Assistance Fund - KCHA’s Client Assistance Fund provides emergency financial assistance to qualified residents in support of self-sufficiency efforts. Funding is intended to provide residents with emergency financial assistance to cover unexpected costs such as medical or educational needs, utility or car repairs and eviction prevention when no other resource is available to address urgent needs.
- ❖ Inter-Agency Domestic Violence Transfer initiative - Ensuring continued and expanded access to affordable, safe and secure housing for Public Housing and Section 8 households who have become victims of domestic violence. Single-fund budget resources support relocation expenses of current KCHA participants who move to a partner Housing Authority’s jurisdiction under the program.

B. MTW Plan: Local Asset Management Plan

❖ Is the PHA allocating costs within statute?

Yes

❖ Is the PHA implementing a local asset management plan (LAMP)?

Yes

❖ Has the PHA provided a LAMP in the appendix?

YES

In FY 2008, as detailed in the MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA developed and implemented its own local funding model for Public Housing and Section 8 using its MTW block grant authority. Under its current agreement, KCHA's Public Housing Operating, Capital and Section 8 HCV funds are considered fungible and may be used interchangeably. In contrast to 990.280 regulations, which require transfers between projects after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. KCHA maintains a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants are deposited into a single general ledger fund.

Section VI: Administrative

A. Resolution signed by the Board of Commissioners, or other authorized PHA official if there is no Board of Commissioners, adopting the Annual MTW Plan Certification of Compliance

B. The beginning and end dates of when the Annual MTW Plan was made available for public review, the dates, locations of public hearings and total number of attendees for the draft Annual MTW Plan

- ❖ Draft MTW Plan available for review beginning July 30, 2013 through August 29, 2013. In addition to direct outreach to KCHA's program participants and community partners as noted below, notification of draft Plan availability and the scheduled Public Hearing date were: (1) published on KCHA's website (kcha.org); (2) posted in KCHA-managed Public Housing and Project-based developments and Management offices; and (3) published in the Seattle Times, Daily Journal of Commerce and the NW Asian Weekly.
- ❖ Direct mailing of the draft MTW Plan to KCHA's partner agencies and stakeholders, including identified Legal Services contacts and met with interested parties on August 28, 2013 to review draft Plan components, answer questions and invite further comment and input;
- ❖ Met with the Resident Advisory Councils on August 21st and September 5th to review draft Plan components, answer questions and invite further comment and input.
- ❖ Public Hearing held on August 29, 2013 at the Birch Creek Family Center located in Kent, WA. A total of 16 individuals were in attendance. Comments received during the Public Hearing, as well as those provided through additional outreach efforts completed by KCHA staffs as part of the MTW Plan development process are provided at the end to of this Section.

C. Description of any planned or ongoing PHA-directed evaluations of the demonstration for the overall MTW program or any specific MTW activities, if applicable.

- ❖ No PHA-directed evaluations are currently in process or planned.

D. The Annual Statement/Performance and Evaluation Report (HUD 50075.1) or subsequent form required by HUD for MTW and non-MTW Capital Fund grants for each grant that has unexpended amounts, including estimates for the Plan Year and all three parts of the report;

- ❖ Attached, please see Appendix G

FY 2013 MTW Annual Plan

PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
Kira Zylstra	Solid Ground	Regarding proposal to require eligible families to include an elderly or disabled household member or a minor child: What about individuals adopted and/or kicked out of foster care – would their eligibility be impacted?	Clarified that (1) adopted individuals would be included as long as they were elderly, disabled or a minor child; (2) KCHA's programs to target assistance to young adults and youth transitioning out of foster care would not be impacted by the proposed policy change – the policy would not apply to targeted/ special purpose allocations
Shawn	Refugee Woman's Alliance (ReWA)	Regarding propose implementation of a local Authorization and Release of Information form that extends validity of the form throughout the residents occupancy: Was not opposed but suggested KCHA review other regulations to determine whether there were other limitations to consider.	KCHA is aware of other MTW PHA's implementing a local form that extends validity to 40 months to align with triennial recertification schedules under rent reform. In addition, precedent to support KCHA's proposal exists within HUD regulations and declarations for Citizenship and Social Security documentation – each of which are signed once and valid throughout a client's tenancy. Explained that in conjunction with implementation KCHA would strengthen messaging to clients regarding (1) the need to accurately report income and family information (2) that such information is subject to verification and documentation requirements and (3) failure to accurately report information could be cause for cancellation and termination.

FY 2013 MTW Annual Plan

PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
Hassan Mohammed		Regarding change in definition of a family, questioned proposal to limit transfer of a voucher to household members added following lease-up when the original occupants move - questioned what would happen if unforeseen circumstances such as death caused a change in the household.	Explained that KCHA's revised policy would include provisions to address cases of hardship or mitigating circumstances that might occur.
Unknown - Birch Creek Resident		Regarding the Section 8 HCV program – wanted to know when the waiting list would be open	Explained that, as indicated in the FY 2014 draft Plan - KCHA does not anticipate opening the Section 8 waiting list in FY 2014
Unknown - Birch Creek Resident		Regarding changes to reducing frequency of inspections: Questioned whether tenants would still be able to phone in work orders when unit repairs are needed.	Explained that the KCHA did not anticipate changes in the work order process would result from modification of inspection schedules.
Barbara Janelle		Indicated that KCHA's process of developing comprehensive long-term plans was good.	Thanked the client for the comment.
Unknown - Birch Creek Resident		Wanted to know how to get a transfer to a 4 bedroom unit	Referred the client to Birch Creek's Property Management staff

FY 2013 MTW Annual Plan

PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
Terry Stewart		Regarding: (1) Initiative 14-01 - Stepped Down program: Good to see KCHA is looking into again; (2) Change in Family definition: approves of added checks to make sure families are housed appropriately; (3) Proposal to reduce inspections: Yes and No – concerned that none are missed when due – but performance based could be good too.	Thank you – for your comments and support; regarding Inspection protocol changes – KCHA intends to strengthen quality control measures if changes are made to ensure unit quality does not suffer and to increase outreach and information to ensure participants are aware of how to request a special inspection if the need arises.
Cindy Ference		Performance based inspections could be good – would like to see these in senior units	Thanked the client for the comment.
Cindy Ference, 1 st email submission		<p>I would like to emphasize I am very supportive of the Housing Authority's commitment to homeless youth, working with new and ongoing partnerships to assist disabled veterans, the chronically mentally ill and other vulnerable citizens.</p> <p>I very much appreciate your mission to increase your housing portfolios providing more affordable housing to extremely low income.</p> <p>While it is clearly important that</p>	

		<p>preservation of existing low income housing is important, I am very concerned as I examine Capital projects and seriously question the HA's priorities in this regard. How much is REALLY necessary?</p> <p>Weatherization and "green initiatives" are all well and good in times of prosperity, but is this the best use of MTW funds at this time?</p> <p>The 2014 MTW plan recognizes "continuation of the current HUD funding levels for public housing capital repairs (the FY 2013 funding level is the lowest since FY 1993) may necessitate reductions in scope and cancellation or delays in many of the projects currently in the pipeline."</p> <p>I sincerely hope there will be a lot of eyes watching, scrutinizing and monitoring these Capital projects. Because collectively, we need to be Guarding Our Vault!</p>	
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<p>Cindy Ference, 2nd email submission</p>		<p>Judi, Thank you for taking time to answer my questions this morning. In reference to Section IV, o8-11, I am very much against any policy that does not adjust a resident's rent when income has decreased, including when employment status has changed due to a resident terminating that employment. I believe this would be a disincentive for residents who want to work, but who would be afraid to take a job for fear their rent would not be adjusted if they quit or were fired. I've asked several residents for their opinions and everyone stated they would not want to take a job if they knew their rent would not be adjusted if they quit or lost the job through their own fault. I know it's a definite disincentive for me. This is potentially going to lead to more evictions due to inability to pay rent. I am unaware of any other social service agency which penalizes participants whose income changes because they quit employment. Such policy works against the HA's stated objective to self-sufficiency.</p>	
<p>Sharon Bosteder, 1st email submission</p>		<p>After thinking over what you said at the meeting last Thursday and looking over the plan I have these four(4) comments:</p> <ol style="list-style-type: none"> 1) Totally in favor of combining the results of all the different inspections. Sometimes it feels like my front door is a revolving door, and it gets a bit intrusive. 2) I am against expanding the time limit on the release of information form. I do not see this item saving Housing that much money or time, but I do see potential of abuse of using that power. 	

		<p>3) While I understand Housing frustration with tenants who quit jobs with no apparent reason, it is not right to punish them beyond a reasonable time. I suggest that the rent is not lowered for 2 months. Realistically no one can pay rent on money that is not there. Besides there are legitimate reasons to quit a job that need to be considered.</p> <p>4) In the plan (currently page 39) # 08-11 talks about extending the rent bands to the easy rent tenants. I have never approved of the rent bands. They are totally unfair, and they DO hurt the ones who are at the lower end of the band, which of course is the elderly and disabled. It is possible that a cost of living increase could put an elderly/disabled into a higher band. What you have not considered is that along with the raise we lose income in the form of food stamps so our actual increase is less than half of the "increase". As it is with the percentage rent at least we usually can still end up keeping a dollar or two of the increase, instead of going backwards to less actual income. Further I know a fair amount of KCH employees who do not like the rent bands at all, and claim that they are harder to work with than the percentage rents..In short the only people I know who like the rent bands are the KCH workers in the Ivory Tower of the Tukwila offices.</p> <p>So there are my comments, I hope you will include them in the plan sent to HUD.</p> <p>Thank you for the hard work you do on the MTW Plan, and for making it easier to understand.</p>	
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<p>Sharon Bosteder, 2nd email submission</p>		<p>Thank you for making me a copy of the income bands and gross rent table. I am a visual learner not so much an audio one, so now the idea of the bands are clearer to me.</p> <p>I am still against them. Last night and today I talked with other residents and calculated out their rents using both methods. What we found is that for the rents I calculated they went up between \$11 and \$35. Now for someone who has a larger budget that is not much of an increase, but for someone in a position with a very small and tight budget that is a sizable increase. Yes this means more money for KCHA but at too much an impact on people who can not afford it and the ones KCHA is suppose to be helping.</p> <p>Your income bands and gross rent is a bad idea especially for the elderly and disabled, and I hope KCHA will reconsider them and not use them.</p>	<p>Provided additional information to detail impact of proposed policy.</p>
<p>Sharon Bosteder, 3rd email submission</p>		<p>Thank you for clarifying the calculations on the income bands. I still am not liking them.</p> <p>Also I still really dislike the idea of extending the time on the release of information forms. This idea is wrong.</p>	

KING COUNTY HOUSING AUTHORITY FY 2014 MTW ANNUAL PLAN APPENDICES

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