



MOVING TO WORK ANNUAL REPORT

FY 2013





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KCHA: AT-A-GLANCE

	FY 2003	FY 2013
Households Served:	11,260	14,062
Transitional and Supportive Housing Units	1,956	3,258
Housing Choice Vouchers Available in Higher Payment Standard Areas	11.7%	19.3%
Very low-income households - Income below 50 percent of Area Median Income	97%	97%
HCV households paying more than 30 percent of income toward rent	40.2%	44.3%

The freezing of Payment Standards in FY 2013 due to sequestration, coupled with escalating rents in the Puget Sound region, has resulted in an increase in the percent of households with rent burdens greater than 30 percent of income.

24.9
percent increase
in number of
households served
since 2003

	FY 2003	FY 2013
Maintaining Operational Excellence:		
Shopping Success Rate: Section 8 HCV households	82.4%	86.2%
Utilization: Section 8 HCV program	98.8%	103.9%
Occupancy Rate: Public Housing program	98.9%	98.3%
REAC Inspection Scoring: Public Housing program	93.3%	94.4%

Accumulated MTW Streamlining Savings through FY 2013:

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

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



\$11.4 million saved and 834 units renovated through completion of interior rehabilitation of Public Housing units using "in-house" crews under KCHA's MTW-supported Unit Upgrade program



40 percent reduction in water consumption at KCHA-owned housing



EXECUTIVE SUMMARY

For more than a decade, King County Housing Authority (KCHA) has used the flexibility provided through the Moving to Work (MTW) demonstration program to develop innovative responses to our region's housing challenges. Only 39 housing authorities across the country participate in the program, which Congress adopted to test how a less rigid federal regulatory framework could enable housing authorities to increase housing choices for low-income families; move more families successfully towards self-sufficiency; and reduce program costs and streamline operations.

Our MTW designation enables us to combine Public Housing Operating, Capital and Section 8 resources into a single fund. With the flexibility of that single fund—rather than three more heavily regulated program and fiscal silos—we can be nimble and inventive in our approaches to increasing the housing choices and services available to low-income families in King County.

This Executive Summary highlights some of the accomplishments that our participation in the Moving to Work demonstration has helped make possible over the past year. The body of this annual report, which follows the format set by the U.S Department of Housing and Urban Development (HUD), provides greater detail about our activities, thereby enabling HUD, affordable housing advocates and other public housing agencies to share information and learn from our efforts. This ensures that MTW demonstration innovations benefit not only low-income families in our communities but also throughout the country.

2013 OVERVIEW

Two of the most telling measures in assessing success under the MTW demonstration tend to be the number of households served and the degree to which assistance is reaching those most in need. The congressional mandate that accompanied the establishment of the MTW program requires that participating housing authorities continue “to assist substantially the same total number of eligible low-income families as would have been served” had the funds not been combined. For KCHA, given the growing need in our communities, mere maintenance of effort never has been our goal. In 2013, despite funding challenges, KCHA served 14,062 households through our federally subsidized programs, a 25 percent increase from 2003, which is the year KCHA entered the demonstration program. This growth is occurring even as KCHA lost an estimated \$6.4 million in funding in 2013 due to sequestration. These funds would have enabled us to serve an additional 600 households last year.

Yet even under sequestration, KCHA still was able to support a Section 8 program leasing level for 2013 of 355 households over HUD baseline. One important contributing element to our success in serving more households was our ability under MTW to establish multiple payment standards, reflecting more accurately the differing housing sub-markets in the region.



KCHA also served the most vulnerable populations in our community in 2013. The households we served were older, and more likely to suffer a chronic disease and be diagnosed with a mental illness than similar low-income populations in Washington state.¹ Given those facts, it is not surprising that adults receiving housing assistance, age 16 or older, are 14 percent more likely than their peers to be unemployed or earn \$4,600 less when they do have a job.

These households are among the poorest in the region and their situations are becoming increasingly dire. An analysis of new households entering our programs in 2013 shows that they are poorer, less able to access welfare benefits, and more likely to have no income (\$0) than residents from prior years. Entering household income averaged \$9,000, a 20 percent decrease from 2009. Between 2010 and 2012, the number of newly admitted households accessing welfare benefits dropped 30 percent, a reflection of the dismantling of our state safety net that includes the elimination of General Assistance-Unemployed (GAU) and the enforcement of a 60-month lifetime limit on Temporary Assistance for Needy Family (TANF). Entering households reporting no income skyrocketed from 3 percent in 2010 to 20 percent in 2012.

MTW flexibility has enabled KCHA to reduce housing barriers, coordinate with service providers and target the most at-risk households. Even with that flexibility, however, insufficient funding for any element of the HUD budget

(vouchers, public housing operating funds and public housing capital funds), whether due to sequestration or appropriations, threatens our ability to provide the quantity and quality of housing opportunities that low-income people in King County so desperately need.

Insufficient funding also puts at risk the innovative services and programs that, combined with housing assistance, can help improve the lives and livelihoods of the people we serve, as well as the lives and educational opportunities of their children.

KCHA's strategic plan continues to focus on five broad themes:

- Expanding and preserving the region's supply of affordable housing.
- Promoting housing choice.
- Increasing self-sufficiency.
- Improving operational efficiency and cost effectiveness.
- Reducing our environmental footprint.

These goals are significantly enhanced by our ability to strategically invest our federal resources under the MTW demonstration program.

Expanding and Preserving the Housing Supply

KCHA continues to improve the quality and quantity of housing available to low-income residents of King County. We acquired, substantially rehabilitated or built nearly 1,000 housing units for low-income families, seniors and people with disabilities in 2013.



¹Washington State Department of Social and Health Services (2014). Characteristics of Housing Assistance Recipients from Three Public Housing Authorities (Number 11.204). Olympia, WA. Retrieved from <http://publications.rda.dshs.wa.gov/1497>

We completed construction of Fairwind, an 87-unit family public housing development at Seola Gardens, one of our award-winning HOPE VI communities. This marks the completion of rental housing redevelopment at our HOPE VI sites. We also began pre-development work on two new sites that will serve frail low-income seniors: Vantage Point, a 77-unit property in Renton; and Windrose Assisted Living, which will be located next to our Greenbridge community in White Center.

In addition to new construction, we seek opportunities to preserve existing affordable housing. In 2013, we orchestrated the purchase of nine “expiring use” Section 8 properties located throughout Washington state. This was the largest preservation effort for HUD-assisted housing by a public housing authority in the state’s history. For five of these properties, we facilitated the acquisition by housing authorities elsewhere in the state. For the remaining four, KCHA directly purchased the properties, which total 147 units in Redmond, Auburn, Bellevue and Vashon Island.

KCHA also continues to invest in preserving our existing inventory of public and project-based housing. We completed a substantial renovation of Green River Homes, a former public housing property built in 1957. Using our MTW flexibility, we financed the multi-year, \$11 million rehabilitation by project-basing vouchers and accessing tax-credit financing. We invested nearly \$6 million in capital improvements to 22 scattered-site public housing developments that were converted to Project-based vouchers, leveraging private capital to finance renovations and keeping these 509 units affordable for extremely low-income households.

In addition, KCHA invested nearly \$20 million in site and building improvements, including storm, sewer and water system upgrades, to other properties throughout our portfolio. We performed significant upgrades in 182 units upon resident turnover, utilizing in-house crews, which allowed us to save almost 40% per unit in labor, contractor overhead and relocation costs.

Promoting Housing Choice

KCHA looks at housing choice through two lenses. The first is geographic choice—assuring that low-income households can live in neighborhoods throughout the region. The second involves housing barriers—assuring that individuals with disabilities, people with a history of chronic homelessness and youth just entering the housing market can access affordable housing.

Extensive research has shown that wider housing choice improves families’ education and economic opportunities. As a regional housing authority, KCHA is in a unique position to broaden housing choices for its program participants. To capitalize on this, KCHA has mapped the geography of opportunity in the region and embraced an array of strategies for helping families access housing in low-poverty, high opportunity neighborhoods. These strategies include:

- Using multiple payments standards to accommodate the difference in rental costs in high-cost areas.
- Providing mobility counseling about neighborhoods, schools and services.
- Project-basing federal subsidies in newly acquired housing in these neighborhoods.
- Working with local communities to address other barriers.

Multiple payment standards allow us to support rents that reflect local market conditions, providing voucher holders a greater likelihood of success when looking for housing. We pay higher rents to landlords in East King County communities (such as Bellevue, Bothell, Issaquah, Juanita, Kirkland, Mercer Island, Redmond and Woodinville) reflecting the access in these communities to strong schools, healthy environments and ample economic opportunities. In addition, by eliminating broad area payment standards that reflect regional averages, we avoid driving the market in lower rent communities and assure that we are not



One of our Sponsor-based programs, Coming Up, provides housing and services to homeless young adults as they transition to independent living. Just 12 months after one of our partner agencies, Auburn Youth Resources, started providing case management services and a stable home to one homeless 19 year-old, she completely turned her life around. She began eating healthier and exercising regularly. She has secured financial aid to attend college and is working toward a nursing degree. Without this program, it is very likely that this young woman, and the other 34 participants, would still be on the streets.

overpaying for housing on the other end of the scale.

We have learned, however, that just having an adequate rental subsidy is not enough. A willingness to accept lower income households into higher opportunity neighborhoods, as well as assistance in navigating school systems and accessing supportive services, is a critical element of a successful housing choice strategy. In 2013, KCHA joined other stakeholders in advocating successfully in the City of Kirkland for legislation that makes “source of income” discrimination illegal. Kirkland joined its neighboring cities of Bellevue, Seattle and Redmond in prohibiting landlords from rejecting tenant applicants based on their use of a Housing Choice Voucher to subsidize their rent. Many households face significant additional hurdles in securing housing. KCHA has used our flexibility under MTW to design new programs that address these barriers. One example is our “Sponsor-based” rental assistance program. Administered in partnership with social service and mental health agencies, this program in 2013 allowed 153 households with histories of mental illness, chronic homelessness and criminal justice system involvement, or who are homeless young adults, to secure and retain housing under a “housing first” approach where the service provider assumes responsibility for the lease.

Building on our experiences with Sponsor-based housing and the Coming Up program, KCHA’s MTW-funded Next Step program began at the end of 2013 to help young adults move from a

more intensive, service-enriched living situation to living on their own. Through this program, designed in consultation with the region’s youth providers, KCHA will be providing rental assistance that reduces gradually over two years. During this time, participants will receive services that foster the skills necessary to assume the rent on their own and live independently. Utilizing the flexibility inherent within the MTW program, KCHA’s Sponsor-based, project-based and time-limited housing programs will serve a projected 124 formerly homeless youth and young adults by the end of 2014.

Increased Self-Sufficiency

KCHA is employing multiple approaches to increasing self-sufficiency and improving educational outcomes. With MTW flexibility, we are able to more effectively partner with other systems to support an array of services and programs.

Nowhere is this more important than in assuring that the 14,000 federally subsidized children we house succeed in school and have the opportunity to thrive as adults. These children are among the most at-risk in our communities and have some of the lowest test scores and graduation rates. We believe that housing authorities can play a critical role in the community-wide challenge of public education.

In rising to this challenge, KCHA developed a number of new programs and internal policy changes. These include: place-based initiatives in partnership with local school districts in neighborhoods with significant KCHA housing

inventory; housing choice and mobility counseling programs (mentioned above), new housing and classroom stability counseling; and a rapid rehousing initiative for homeless students. We established data-sharing agreements with the Kent, Highline and Bellevue school districts and engaged outside evaluation firms so that we can track and assess the impact of these various approaches. This collaboration between KCHA and multiple school districts was highlighted in the South King County school districts' successful Race to the Top application in 2012 that leveraged \$40 million in new federal funding into the region, including focused attention on the schools at the center of KCHA's placed-based initiatives.

Our place-based educational initiatives involve parents, children, schools and partner agencies pursuing a common goal: Starting early to help children succeed in school. The initiatives revolve around three elements: that families are engaged

and after-school facilities that support programs throughout suburban neighborhoods with rapidly growing poverty populations and little in the way of a service delivery infrastructure.

School stability also supports school success. Frequent housing moves and classroom turnover is disruptive to everyone involved: the children who move; the children who stay but lose or gain classmates mid-year; and teachers and administrators. While Section 8 voucher holders move less frequently than unassisted extremely low-income families, we have found that there is still significant movement and classroom instability even among voucher holders. In response, KCHA initiated a pilot Classroom Stability Initiative in 2014 with the Highline School District to develop a protocol for identifying and counseling potential mid-year movers who have Housing Choice Vouchers. We will be tracking this closely to see if we can increase classroom stability in the school district



In December 2013, KCHA and our partner, Kent Youth and Family Services, facilitated parent-teacher conferences on site at the community center at Birch Creek, a KCHA property, in an effort to increase parent participation. Teachers, principals, staff and interpreters came to Birch Creek, and many parents took advantage of the opportunity. Even some parents who already had attended a conference at school came to the community center to reconnect with their children's teachers. For those parents who didn't attend a conference, school officials were undeterred: the principal knocked on every door to check-in. The children were tickled to see their teachers and principal on their front steps and wondered at first if they were there to sing holiday carols! As a result, more than twice as many parents attended conferences—either at school or at the community center—compared to prior years.

in their children's learning; that children enter kindergarten ready to learn; and that students read at standard by the end of third grade. While strategies vary from site to site, they all involve increased access to quality early-learning and childcare programs, bridging cultural barriers between the school district and parents, developing high quality after-school and summer programs, and using data to assess progress. More than 6,800 children live within these three target school districts. Building on this work, KCHA now has a network of 20 early-learning

and how we can take this to scale across the region.

A second new educational pilot program—made possible through MTW—is built on the rapid rehousing model. Across the country, school districts are coping with rapidly growing numbers of homeless children in the classroom. In 2013, the number of homeless children reported by school districts in Washington state climbed 11.8 percent. Under federal McKinney-Vento requirements, school districts are required to transport these children back to the classroom

from wherever they find shelter. In 2012, King County's school districts² spent \$4.85 million on transportation costs for homeless children. There is an increasing body of national evidence that a significant number of homeless households can successfully exit homelessness and remain housed with limited rental and case assistance. To test this assumption, we worked in 2013 with the Highline School District, which reported 917 homeless children during the 2012-13 school year, to develop an initiative to identify and rapidly rehouse the families of homeless students. KCHA is providing these families short-term rental assistance—three months, with an option to extend to six months—for housing within their school attendance area. A partner agency, Neighborhood House, helps connect these families to counseling, employment and other services that will allow them to continue to pay rent on their own. This program has the potential to improve outcomes for students and their families, as well as reduce educational dollars diverted to transportation costs. A third-party evaluator has been brought in to assess program results.

The families we serve benefit immeasurably from employment and self-sufficiency. The graduation of households from subsidy programs to self-sufficiency frees up assistance for other families on our waiting lists. In 2010, KCHA began a five-year pilot, the Resident Opportunity Plan (ROP), to evaluate whether intensive, wraparound case management services focused on education, training and employment can help our tenants

achieve greater economic independence and transition out of subsidized housing more rapidly. KCHA is partnering with Bellevue College and the YWCA to provide participants with the tools for increasing income and assets. Participants develop a career plan that involves education and wage progression, and are taught financial literacy. KCHA is setting aside a portion of the participants' rent in a savings account that is available upon transition out of subsidized housing. ROP has served 80 participants, with 50 typically enrolled at one time. We have engaged a research firm to evaluate outcomes and perform a cost-benefit analysis. Mid-course results show that program participants are making progress in education and employment and are having more success in improving their job qualifications than non-ROP KCHA tenants and KCHA tenants participating in HUD's Family Self-Sufficiency (FSS) Program. However, wage increases for ROP participants to date have been modest and KCHA will rely on future assessments of years four and five of the pilot to determine whether the program should be expanded or discontinued.

Improving Program Efficiency

A clear focus of Congress in authorizing the MTW demonstration was to explore ways to reduce program costs. Since entering the program, KCHA has engaged in a series of program and policy modifications intended to reduce costs, increase program efficiency and streamline operations. We estimate that to date, MTW-enabled modifications to our business processes



²Excluding the Seattle School District

have saved well over 35,000 hours of non-essential staff work.

MTW flexibility benefits participating housing authorities in rewriting program rules—such as allowing self-certification by landlords for the correction of minor fail items, reducing inspection trips—and investing working capital strategically in multi-year transformations of core business practices.

Based on extensive analysis and preparatory work in 2013, KCHA will begin migrating in 2014 to a new software system with an integrated, tenant-centered design that will provide greater efficiency in our operations. The new software will allow us to make business process improvements that will not only benefit our staff, but also our customers—residents, Section 8 tenants and landlords. We will make the customer experience more transparent, standardized and logical. For example, we will eliminate duplicative information requests. Our new software platform also will give us a better tool for collecting, analyzing and reporting data.

KCHA also is remapping workflow and shifting to electronic recordkeeping. In an initiative that started in 2013, more than 4.5 million documents will have been scanned by the end of next year, simplifying record retention and recall, providing the capability for multiple users to simultaneously access the same file, enabling electronic file audits and freeing up significant office space previously dedicated to housing files.

Reducing Our Environmental Footprint

With almost 8,800 units of housing, \$38 million annually in construction activities and a fleet of automobiles, KCHA has an extensive environmental footprint, consuming energy and water, producing greenhouse gases, and organic and inorganic waste. Responsible stewardship of our region's environment is a shared community responsibility. It also significantly can reduce program operating costs and resident utility expenses. In recognition of our responsibilities,



we developed a five-year resource conservation plan in 2011.

KCHA remains on track to achieve the sustainability goals outlined in our plan. Energy consumption is down 4 percent over 2010 baseline. Water usage is at 51.1 gallons per resident per day (the national average is 69 gallons). Landfill waste diversion is up to 36.6 percent of total trash generation, with recycling generating more than \$100,000 in annual savings. Thirty sites are recycling batteries and 38 sites have certified hazardous material disposal programs. Recognition of KCHA sustainability initiatives this year included the Master Builder Built Green Hammer Award for the Seola Gardens Hope VI site and a national ASHRAE Technology Award for the retrofit of KCHA's office complex at 700 Andover Park West.

In 2013, KCHA's Resource Conservation Department finalized an agreement to pull whole-building usage data from the local utility companies. Utilizing an online portfolio manager from the Environmental Protection Agency, we now can compare energy use between buildings, use this information to direct weatherization and other upgrades, and evaluate the real impact of various measures. As we increase environmental efficiency, KCHA and our residents will benefit from lower utility costs.

The quality of the environment also impacts the health of community members. A real concern in many low-income neighborhoods is the quality of indoor air and its impact on the growing number of poor children suffering



from severe asthma. Responding to this concern, KCHA designed a Healthy Homes pilot project to explore new ways of delivering effective environmental remediation. The project—a collaboration between KCHA and the regional public health agency—paired KCHA's weatherization crews with community health care workers. Families with children suffering from respiratory distress were referred by school nurses. Air quality samples were taken in the home and a combination of family education and environmental remediation utilized to address the situation. A total of 38 families were assisted. The results, published in the *American Journal of Public Health*, indicated that the combination of remediation and education significantly increased the effectiveness of the intervention. The ability to develop and execute a project such as this, with national implications

as to how asthma in low-income neighborhoods should be addressed, involving multiple funding sources, would not have been possible without the flexibility provided under the MTW program.

Looking Ahead

As 2014 begins, conversations continue with HUD regarding the extension of existing MTW contracts, currently set to expire in 2018, and with Congress regarding the potential expansion of this program beyond the 1 percent of housing authorities presently in the program. We note that innovations developed under this program already are finding their way into HUD appropriations bills and regulations.

We believe that the regulatory and fund flexibility provided under MTW is an important tool for our industry to:

- Increase housing supply.
- Improve housing quality.
- Foster self-sufficiency of residents.
- Improve educational outcomes for children and adults.
- Promote efficient operations.

KCHA is pleased with the progress we have made in 2013 toward all of these goals and looks forward to using our MTW flexibility to the same ends into the future.



SECTION I: INTRODUCTION

A. Overview of Short-Term MTW Goals and Objectives

In this section, we outline KCHA's short-term goals and objectives for 2013. We have focused on ensuring that our housing assistance reaches people with the greatest need. We have also dedicated significant resources toward improving educational and economic opportunities for our residents and program participants. In 2013, KCHA:

- **Increased the number of extremely low-income households we serve.** At the end of 2013, KCHA provided assistance to 259 more households than at the start of the year, bringing the total number of directly federally assisted households to 14,062. We currently are serving 2,802 more households—25 percent more—than we were serving upon our entry into MTW in 2003. Our Section 8 utilization rate for 2013 stood at 103.9 percent of baseline.
- **Committed additional MTW resources to the elimination of accrued capital repair and system replacement needs in our federally subsidized housing inventory.** In 2013, KCHA invested more than \$22.8 million in public and private financing to improve quality, reduce maintenance costs and extend the life expectancy of our federally assisted housing stock.
- **Continued to develop a pipeline of new projects intended to increase the supply of housing dedicated to extremely low-income households.** In FY 2013, KCHA began development activities at two sites we already acquired: Vantage Point and Windrose. We anticipate construction to begin in 2014 and 2016 respectively. MTW funds also may be used to close outstanding equity gaps in the financing of these projects.
- **Continued to implement comprehensive rent reform policies.** KCHA's rental policies—including revised recertification and utility allowance schedules, and the elimination of flat rents—have streamlined operations, resulting in significant savings in staff time and the providing of families with incentives for attaining employment and increasing economic self-sufficiency. During 2013, 23 over-income households previously on flat rents transitioned from Public Housing to home ownership or market-rate rental housing under revised rent policies, which freed up the Public Housing units for



extremely low-income households on the wait list.

- **Continued efforts under our Resident Opportunity Plan (ROP) to support families in gaining greater economic self-sufficiency.** In 2013, KCHA assisted 58 households under the ROP program. In addition, we have 306 Public Housing and Section 8 households enrolled in our Family Self-Sufficiency program.
- **Deepened partnerships with parents and local school districts with the goal of improving educational outcomes of the children of residents and other children in the community.** In 2013, KCHA moved into the next stage of implementation for our place-based initiatives in three communities. As part of this initiative, KCHA has executed data-sharing agreements with three local school districts. We are developing a long-term framework for tracking educational outcomes, with initial metrics based on grade-level reading competency by the end of third grade. We also developed a classroom stability protocol for our Section 8 voucher recipients in one partner school district to discourage mid-year moves.
- **Improved partnerships to address the multi-faceted needs of our most vulnerable populations.** Some people in our community need services as well as housing. They include: 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 2013, KCHA collaborated with service providers and funders on the design of the Next Step housing program, a flexible, graduated rental assistance program for homeless young adults. With our Passage Point program, we developed a flexible, conditional housing program to serve the particular needs of parents leaving the criminal justice system and reunifying with their children. Our Sponsor-based program continued to combine “housing first” assistance with wraparound services to vulnerable individuals.

- **Expanded assistance to homeless and at-risk households with a short-term rental assistance pilot.** As part of our education initiative, we partnered with the Highline School District and its McKinney-Vento liaisons to develop a rapid rehousing pilot program. In 2013, Highline identified more than 900 homeless children in its classrooms, placing the district among the top five in the state with the most homeless children. This program, which launched in November, provides short-term rental assistance to help homeless families transition to housing and may reduce federally mandated transportation costs for the school district under the McKinney-Vento Act.
- **Made our housing programs more cost effective through streamlining of business processes, digitizing client files and selecting a new software platform for core business functions.** In 2013, KCHA completed a review of our internal work-flow processes, with a focus on enhanced customer service, more efficient use of staff resources, and improved program administration and evaluation. A new housing management software system has been selected and KCHA will begin conversion to the new system in 2014. In

addition, the entire portfolio of public and affordable housing directly managed by KCHA—paper files for about 3,500 residents, containing some 1.25 million pages—was converted to digital. We began a similar process for voucher tenant files. Total accrued savings from MTW-authorized modifications to KCHA’s business processes and policies are estimated to have reached 35,000 hours by the end of 2013.

- **Improved the geographic mobility of low-income households and increased housing choice through programs and policies that reduce barriers to neighborhoods that are low in poverty and high in opportunity.** This multi-pronged initiative includes the use of tiered payment standards, mobility counseling and new property acquisitions combined with Project-based Section 8 vouchers in targeted high-opportunity neighborhoods. Our Community Choice Program provides information about neighborhoods and schools, and guidance about timing moves, to interested Housing Choice Voucher (HCV) families. The program began outreach to HCV families in November, held its first orientation session in December, and starting enrolling families in January 2014. Through this and other programs, we continue to sustain the percentage of households residing in these neighborhoods despite a significant tightening in local rental markets.
- **Reduced the environmental impact of KCHA’s programs and facilities.** Our Five Year Resource Management Plan completed its third year of implementation in 2013. The plan includes strategies to reduce KCHA’s energy and water consumption, divert materials from the waste stream, handle hazardous waste and influence tenant behavior. In 2013, we began receiving “whole building” consumption data from local utility companies and compiling the information in a database. This enables us to track energy usage and

assess the effectiveness of conservation measures more accurately, providing guidance for future weatherization investments.

- **Continued exploring collaboration opportunities among MTW agencies.** We worked in partnership with other housing authorities to advance the goals of the MTW demonstration. We also worked with HUD to simplify and streamline oversight of the program and adopt successful innovations identified under the demonstration. A number of KCHA’s policy changes were included in the Consolidated Appropriations Act for Fiscal Year 2014 (Public Law No. 113-76, Div. L, Title II, Department of Housing and Urban Development) for implementation industry-wide.

B. Overview of Long-Term MTW Goals and Objectives

Our accomplishments on our short-term goals for 2013 contribute to our continued progress on our long-term goals. As a participant in the MTW demonstration program, KCHA uses the single-fund and regulatory flexibility provided by this initiative to support our overarching strategic goal of addressing the range of affordable housing needs in the Puget Sound region. MTW enables us to use federal resources to respond to changing circumstances in the region and to engage in multi-year financial planning so that we can develop and execute long-term strategic initiatives. KCHA’s strategies include:

- **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of our portfolio of more than 8,800 affordable housing units.
- **Strategy 2:** Increase the housing in the region that is affordable to extremely low-income households—those earning below 30 percent of area median income (AMI) —through the development of new housing and the preservation of existing housing, as well as



expanding the size and reach of our rental subsidy programs.

- **Strategy 3:** Provide greater geographic choice for low-income households, including disabled residents and elderly residents with mobility impairments, so that our clients have the opportunity to live in neighborhoods with high achieving schools and access to services, mass transit and employment.
- **Strategy 4:** Coordinate closely with behavioral healthcare and other social services organizations to increase the supply of supportive housing for people who have been chronically homeless and/or have special needs, with the goal of ending homelessness.
- **Strategy 5:** Engage in the revitalization of King County's low-income neighborhoods, with a focus on housing and other services, amenities, institutions and partnerships that create strong, healthy communities.
- **Strategy 6:** Work with King County, regional transit agencies and suburban cities to support sustainable and equitable regional development by integrating new affordable housing into regional growth corridors aligned with mass transit.
- **Strategy 7:** Expand and deepen partnerships with school districts, Head Start programs, after-school care providers, public health departments, community colleges, the philanthropic community and our residents to eliminate the achievement gap and improve educational and life outcomes for the low-income children and families we serve.
- **Strategy 8:** Promote greater economic self-sufficiency for subsidized households by addressing barriers to employment and facilitating access to training and education programs, with the goal of enabling moves, where appropriate, to market-rate housing.
- **Strategy 9:** Continue to develop institutional capacity and efficiencies at KCHA to make the most effective use of federal resources. Continue to expand our non-federally subsidized programs to address the region's need for additional workforce housing and to support and ensure the financial sustainability of our operations.
- **Strategy 10:** Continue to reduce KCHA's environmental footprint through energy conservation, waste stream diversion, green procurement policies, water usage reduction and fleet management practices.

SECTION II:

GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information

A key provision of the MTW program is the requirement that participating housing authorities continue to serve approximately the same number of households that were served prior to entering the program. But faced with the rising number of unsheltered or extremely shelter-burdened individuals and families in King County, KCHA is committed to doing much more than simply holding steady. With our MTW flexibility, we have implemented a wide range of initiatives that have increased our capacity to serve the region's low-income and extremely low-income households. Since entering the MTW program in 2003, we have focused our resources on:

- Strategic capital improvements designed to promote the long-term viability of current housing stock, thereby reducing ongoing maintenance and utility costs and ensuring that these units retain their usefulness as affordable housing resources.
- Leveraging financial resources—including federal, state and local funding, and private equity and financing—and combining these

funding sources to increase the number of units available to the region's low-income and extremely low-income households through acquisition and new construction.

- Developing partnerships with behavioral health and social service systems in order to expand access to affordable housing for the region's most at-risk households, including historically underserved individuals and families that typically would not access KCHA's programs.

Our subsidized affordable housing inventory at the end of 2013 included 11,936 units: 2,437 "hard units" subsidized under our federal, state and local programs; and 9,499 "soft units" funded through our tenant and Sponsor-based rental subsidy programs.

Table II.A, specifically required by HUD for this report, shows only a subset of our housing programs, as HUD will pull additional information from other reports.



New Housing Choice Vouchers Project-based During the Fiscal Year (Table II.A)

	Anticipated Number of New Vouchers to be Project-based *	Actual Number of New Vouchers that were Project-based	Description of Project
Green River Homes	0	59	A redevelopment of KCHA's existing deteriorated public housing development in Auburn.
Evergreen Court	0	10	An assisted-living complex in Bellevue; awarded 10 Project-based subsidies through our partnership with ARCH (A Regional Coalition for Housing).
Westminster Manor	0	24	A KCHA-owned expiring use project in Shoreline.
Burien Park	102	102	A KCHA-owned expiring use project in Burien.
Northwood	34	34	A KCHA-owned expiring use project in Kenmore.
LIHI Bellevue Apartments	0	8	New construction project in Bellevue; the Project-based units will support homeless families.
Friends of Youth	0	2	Two group homes being constructed at Friends of Youth's campus in Kirkland to serve 10 homeless young adults with non-time-limited supportive housing.
Velocity Apartments	0	8	New construction at the Kirkland Park & Ride; the Project-based units will support homeless families.
Independence Bridge	0	24	New construction in Burien; non-time-limited supportive housing in 24 studio units for homeless young adults who are clients of Navos, a local behavioral health agency.

Anticipated Total Number of New Vouchers to be Project-based *	Actual Total Number of New Vouchers that were Project-based
136	271

Anticipated Total Number of Project-based Vouchers Committed at the End of the Fiscal Year *	Anticipated Total Number of Project-based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
2,206	1,772
Actual Total Number of Project-based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
2,261	1,781

* From the 2013 MTW Plan

Other Changes to the Housing Stock that Occurred During the Fiscal Year

Two partner agencies, Wellspring and Vashon Youth and Family Service, lost service funding in 2013 and, as a result, KCHA will shrink their contracts through attrition. This represents a loss of 10 tenant-based vouchers for homeless families with Wellspring and eight Project-based units for homeless families with Vashon Youth and Family Services.

KCHA's new public housing developments included Seola Gardens-Phase II (Fairwind) with 87 units (four one-bedroom, 53 two-bedroom, 21 three-bedroom, eight four-bedroom, and one five-bedroom). We have not yet turned on public housing subsidy at Westminster Manor or Island Crest. Twenty-six units at Valli Kee were vacated (with tenants temporarily relocated) in late 2013 for sewer line repairs.

KCHA also acquired four Section 8 properties, housing 147 low-income families and seniors to ensure those properties remain affordable for the long term. Another buyer likely would have opted out of the Housing Assistance Payments (HAP) contract for these sites as they are located in highly desirable markets.

General Description of Actual Capital Fund Expenditures During the Plan Year

Since 2003, the flexibility to combine Public Housing Operating and Capital funds and Section 8 resources into a single MTW block grant has played a vital role in KCHA's efforts to improve the quality of our aging Public Housing inventory. In 2013, we invested nearly \$22.8 million in accrued capital repairs and system replacement needs in our federally subsidized inventory.

Utilizing the financing opportunity made possible by the conversion of 509 units of scatter-site public housing to Section 8 subsidies, we completed \$6,032,891 in capital projects on these sites: energy upgrades at Avondale

Manor¹; building envelope upgrades at Campus Court I; air quality and building envelope upgrades at Cedarwood; water line replacement at Eastridge; building envelope upgrades at Evergreen Court; building envelope upgrades at Forest Grove; air quality and civil upgrades at Glenview Heights; civil upgrades at Greenleaf; building envelope, management office and stream repairs at Juanita Court; building envelope upgrades at Juanita Trace; roofing, attic and crawlspace upgrades at Kings Court; building envelope and storm water upgrades at Kirkwood Terrace; building envelope upgrades and deck replacement at Pickering Court; building envelope upgrades at Riverton Terrace; building envelope upgrades at Shoreham; building envelope upgrades at Victorian Woods; and building envelope and storm water management upgrades at Vista Heights.

We also performed \$2,008,712 in unit interior upgrades to this inventory with repairs upon turnover at Avondale, Bellevue 8, Campus Court, Cedarwood, Eastridge House, Evergreen Court, Forest Grove, Glenview Heights, Greenleaf, Juanita Court, Juanita Trace, Juanita Trace II, Kings Court, Kirkwood Terrace, Pickering Court, Riverton Terrace-Family, Shoreham, Victorian Woods, Vista Heights, and Wellwood.

In our other federally subsidized housing, we completed \$10,233,920 in capital construction: substantial rehabilitation of Green River Homes; new community building, office remodel, sewer and water line replacement, site improvements, and unit conversion at Valli Kee; attic upgrades and sewer line replacement at Ballinger Homes; common area ventilation and energy upgrades, and sewer and water line replacement at Boulevard Manor; common area and energy upgrades at Briarwood; community building upgrades and site improvements at Burndale; sewer line replacement at Casa Juanita; building and electrical upgrades, and sewer line replacement at Cascade Homes; building and community building upgrades at Eastside

¹ Development Numbers provided in Appendix C.

Terrace; community building upgrades and site improvements at Firwood Circle; energy upgrades and site improvements at Forest Glen; building envelope upgrades at Gustaves Manor; community room and building envelope and site upgrades at Hidden Village; common area and site upgrades at Lakehouse; site improvements at Newport and at Northlake House; building envelope upgrades at Northridge and Northridge II; sewer line, site lighting and other site upgrades at Northridge; common area ventilation upgrades at Northridge II; rehabilitation at Park Royal; building envelope and community building expansion at Spiritwood; ADA, building and sewer upgrades at Wayland Arms; office upgrade at Westminster Manor; new community building at Woodridge Park²; and ADA upgrades and roof replacement at Yardley Arms.

Internal KCHA “force account” crews also completed \$2,143,684 in additional unit upgrades at our other public and KCHA-owned housing at Ballinger, Firwood Circle, Wayland Arms, Boulevard Manor, Casa Juanita, Eastside Terrace, College Place, Harbor Villa, Hidden Village, Parkway, Kirkland Place Apartments, Newport Apartments, Yardley Arms, Southridge, Northlake House, Briarwood, Lake House, Northridge, Northridge II, Burien Park, Northwood, Pepper Tree, Valli Kee, and Anita Vista.

In addition KCHA performed almost \$231,831 in non-routine maintenance that we categorized as capital expenditures. We also transferred \$2



² Woodridge Park is a locally funded program that houses MTW-eligible tenants.

million in MTW funds to the new construction project at Vantage Point: \$851,744 to cover pre-development costs and the balance as equity; \$760,538 in Replacement Housing Factor funds; and \$482,344 from Capital Fund Program-covered debt service on the Birch Creek Apartments redevelopment.

Overview of Other Housing Owned and/or Managed by KCHA at Fiscal Year End

In addition to our Public Housing and Section 8 programs, KCHA provides affordable housing using a number of other financing tools and community partnerships. In 2013, through the use of federal, state and local government and private investments, our affordable housing portfolio and rental subsidies provided more than 18,000 households with a safe, secure and affordable place to call home. While not covered elsewhere in this MTW program report, KCHA provided the following affordable housing resources:

Section 8 New Construction/Section 236 Programs—36 units. KCHA’s Section 8 New Construction and Section 236 units deliver deep subsidies to extremely low-income elderly and disabled households. At Westminster Manor, KCHA has 36 rent-restricted units operating under a Section 8 HAP contract through HUD’s Office of Multi-Family Programs. Our purchase of these types of affordable units ensures they are not lost to the private market.

Preservation Program—188 units. At the start of 2013, our preservation program had been reduced to the Parkway Apartments, acquired in the mid-1990s and providing affordable housing opportunities to 41 families with children in Redmond. In 2013, we optioned a portfolio of nine Section 8 properties scattered across Washington state. KCHA directly acquired four properties located in King County and assisted the local housing authorities in each of the other locales in securing this inventory. The King County properties house a total of 147

households—107 seniors and 40 families with children—and are located in Bellevue, Redmond, Vashon Island and Auburn. Given the desirable locations of these buildings, it's highly likely that private buyers would have opted out of the expiring federal HAP contracts and these units would have been lost from our county's affordable housing stock. With KCHA's purchase and rehabilitation, these properties will serve this generation and future generations of low-income seniors and families.

Home Ownership Program—430 units. KCHA's Home Ownership program offers qualified low-income individuals, families and seniors the opportunity to own a manufactured home located on a leased lot in one of our four manufactured housing communities. Three of the sites, Vantage Glen (164 units), Rainier View (31 units) and Wonderland Estates (109 units) are targeted to seniors. Tall Cedars, a 126-unit development, provides affordable workforce housing to low-income families with children. These sites were acquired with tax-exempt bonds and pad rents are held at levels well below market. At Vantage Glen and Rainier View, homebuyers agree to sell their homes back to us when they move so that affordable home ownership opportunities can be offered to the next qualified household on the wait list. KCHA has entered into an arrangement with Boeing Employees Credit Union to provide acquisition financing for manufactured home purchasers and is in the process of repopulating the Wonderland Estates site, which was partially vacated by the prior owner before KCHA intervened.

Bond Financed Program—3,163 units. Since 1990, KCHA has steadily expanded its inventory of non-federally subsidized multi-family rental housing. This "workforce" housing does not receive operating subsidy from the federal government. We have used this program to support our strategy of de-concentrating poverty through targeted acquisitions in affluent submarkets of King County. By the end of FY 2013, our bond-financed inventory

totaled 3,163 units, located in 25 separate apartment communities. These units typically have a broad mix of residents, with the majority having incomes below 80 percent of AMI. In combination with project- and tenant-based Section 8 subsidies from KCHA, these properties provide extremely low-income households access to highly desirable "opportunity neighborhoods." At year's end, 27 percent of Bond Financed Program units located in high-opportunity neighborhoods housed residents receiving Section 8 subsidies.

The Bond Financed Program also includes properties formerly classified as part of the Low-Income Housing Tax Credit Program, where the tax credit investor has exited the partnership and KCHA has taken over direct ownership of the properties. Seven properties, with 386 units, exited the tax credit program and reverted to direct KCHA ownership in 2013 or very early 2014. These properties continue to maintain the additional income restrictions imposed by the original tax credit extended use covenants.

Low-Income Housing Tax Credit Program—1,777 units. The Low-Income Housing Tax Credit Program is one of the few remaining sources of low-income housing development equity in the U.S. today. This program is an essential tool in all aspects of our affordable housing programs—new construction, acquisition and preservation. Unlike the bond-financed projects that KCHA owns directly, tax credit projects are owned by separate limited partnerships and KCHA serves as general partner. By early 2014, our tax credit inventory (exclusive of former or current Public Housing properties) included 1,777 units on 15 separate sites. Tax credit units typically are available to households with incomes at or below 60 percent of AMI. Here, as with the bond-financed program, acquisitions are targeted to low-poverty markets and Project-based Section 8 subsidies are utilized to support a broader income mix.

Local Programs—165 units. KCHA also owns and maintains 136 units of emergency and

transitional housing at 11 properties operated by nonprofit service providers. These providers offer supportive services for homeless veterans, victims of domestic violence and people with special needs. Residents apply to live in this housing directly through the managing human service agency. KCHA also owns 29 scattered condominiums leased to eligible seniors.



B. Leasing Information

In 2013, KCHA served 14,062 households across a range of direct federally subsidized programs. Table II.B shows the small subset of those households that participated in our local, non-traditional, MTW-funded tenant-based assistance programs—in particular, our Sponsor-based programs. It also shows the “port-in” vouchers from other jurisdictions that KCHA administers.

Actual Number of Households Served at the End of the Fiscal Year (Table II.B)		
Housing Program:	Number of Households Served	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs	31	31
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs	137	153
Port-In Vouchers (not absorbed)	2,408	2,424
Total Projected and Actual Households Served	2,576	2,608
Housing Program:	Unit Months Occupied/Leased	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs	372	369
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs	1,644	1,836
Port-In Vouchers (not absorbed)	28,896	29,085
Total Projected and Annual Unit Months Occupied/Leased	30,540	31,293

The primary explanation for the difference between planned and actual household months occupied/leased—excluding port-in vouchers—is that one of our partners in the Sponsor-based program was underutilized. KCHA has taken steps to address this challenge.



Reporting Compliance with Statutory MTW Requirements: 75 Percent of Families Assisted Are Very Low Income

KCHA's jurisdiction includes more than half of the county's low-income households. We serve the region's poorest and most vulnerable households and have a commitment to provide housing for homeless and hard-to-serve families and individuals. KCHA has continued to meet the statutory requirement that at least three-quarters of the families we assist are very low income. Indeed, a full 97 percent of the families we serve have incomes at or below 50 percent of AMI. In our Sponsor-based program in particular, shown in Table II.C, 100 percent of the participants are very low income.

Rent reforms that KCHA has put into place under MTW include the elimination of flat rents. This has resulted in the graduation of 23 higher income households to the private rental market, making these public housing units available to households on our waiting lists with significantly lower incomes.

Families that are Very Low income (Table II.C)	
Fiscal Year:	2013
Total Number of Local, Non-Traditional MTW Households Assisted	153
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	153
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	100

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

Since the advent of our participation in MTW, KCHA has increased significantly the number of vouchers received from HUD that target vulnerable, hard-to-house populations, including people who were formerly homeless, suffer from chronic mental illness, or have been referred by the Department of Veterans Affairs (VA) under the Veterans Affairs Supportive Housing (VASH) program. In 2012, more than 30 percent of our households entering federally subsidized programs were homeless. These households tend to be small or single-member families and this has resulted in the change in our mix of family sizes served, evident in Tables II.D and II.E.

Baseline for the Mix of Family Sizes Served (Table II.D)					
Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	1,201	1,929	1,377	4,507	42.6%
2 Person	674	1,497	0	2,171	20.5%
3 Person	476	1,064	0	1,540	14.6%
4 Person	360	772	0	1,132	10.7%
5 Person	250	379	0	629	6.0%
6+ Person	246	344	0	590	5.6%
Totals	3,207	5,985	0	10,569	100.0%

*Between 2003 and 2013, the King County region experienced a 44 percent increase of unsheltered individuals.³ Therefore, we adjusted the baseline for 1 person households to reflect this demographic increase (1,201+1,929 x 44% = 1,377).

Mix of Family Sizes Served (Table II.E)							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained	42.6%	20.5%	14.6%	10.7%	6.0%	5.6%	100%
Number of Households Served by Family Size this Fiscal Year	4,176	2,247	1,377	1,038	597	652	10,087
Percentages of Households Served by Household Size this Fiscal Year	41.4%	22.3%	13.7%	10.3%	5.9%	6.5%	100%
Percentage of Percentage Change	-3%	9%	-6%	-4%	-2%	16%	0%
Percentage Change	1%	-2%	1%	0%	0%	-1%	0%

KCHA has generally maintained its mix of family sizes served on a percentage basis, adjusted for demographic changes, as shown in the last row of Table II.F. The family size variations of over 5 percent, as shown in the second to last row of Table II.F, are based on a calculation of a percentage of the percentage change.

Description of Any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

In KCHA's portfolio, 466 former multi-family, HAP-contracted units are located in KCHA-owned properties where the units are converting to Project-based Section 8 upon turnover. It will take a number of years before these units are fully utilizing Project-based assistance.

Additionally, lease up of special purpose tenant-based vouchers under the VASH program was lower than anticipated due to delays in referrals from the VA. The VA has hired additional staff and reports that the rate of referrals will increase. Our staff continues to meet monthly with VA staff to discuss program issues.

In our Sponsor-based program, our Forensic Assertive Community Treatment (FACT) program was underutilized. Our behavioral health partner agency indicated that it had greater challenges providing outreach in South King County than previously anticipated. As a consequence, we mutually agreed to reduce the number of subsidies under contract with that organization from 15 to 10. This change took effect in April 2013.

³ Seattle/King County Coalition for the Homeless. (2005) *The 2004 Annual One Night Count: People surviving homelessness in King County, Washington*. Seattle, Wa. Retrieved from <http://www.homelessinfo.org/resources/publications.php>

Seattle/King County Coalition for the Homeless. (2013) *2013 Unsheltered Homeless Count in Selected Areas of King County*. Seattle, Wa. Retrieved from <http://www.homelessinfo.org/resources/publications.php>

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End

One of KCHA's long-term strategies under MTW is to promote and support the development of greater self-sufficiency among our residents. Among the many possible measures of increased self-sufficiency is the number of households transitioning from assistance to home ownership or market-rate rental units. Our Resident Opportunity and Family Self-Sufficiency Plans help participants develop personal and financial assets that facilitate a transition out of subsidized housing.

Number of Households Transitioned to Self Sufficiency (Table II.F)		
Activity Name/#	Number of Households Transitioned *	Agency Definition of Self Sufficiency
EASY & WIN Rent (08-10, 08-11)	23	Positive Move from Flat Rent/KCHA
EASY & WIN Rent (08-10, 08-11)	220	Positive Move from KCHA
Resident Opportunity Plan (07-18)	2	Positive Move from KCHA
Households Duplicated Across Activities/Definitions	0	* The number provided here should match the outcome reported where metric SS #8 is used.
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	245	

C. Wait List Information

KCHA operates separate wait lists for our Public Housing, Section 8 and Project-based programs. At the end of 2013, KCHA's Section 8 Housing Choice Voucher wait list was partially open for a small number of targeted voucher referrals, while the Public Housing and Project-based wait lists were open to eligible applicants.

Wait List Information at Fiscal Year End (Table II.G)				
Housing Programs	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Was the Wait List Newly Opened During the Fiscal Year?
Section 8 Housing Choice Voucher	Community-Wide	1,179	Partially Open (accepting targeted voucher referrals only)	No
Public Housing	Regional	6,019	Open	No
Public Housing	Site-Based	6,468	Open	No
Project-based	Regional	2,547	Open	No
Public Housing – Conditional Housing	Program Specific	15	Open	No

Section 8 Housing Choice Voucher Program.

Generally, applications for the Section 8 Housing Choice Voucher program are accepted during specified periods only and the Section 8 wait list has not been open to new applicants since May 2011. In addition, for nearly all of 2013, referrals from our Section 8 wait list were frozen due to the federal budget sequestration. In response to the loss of \$6.4 million in funding, KCHA stopped reissuing vouchers to applicants on the wait list upon turnover. The budget agreement negotiated in late 2013 provides some temporary relief from the deep cuts due to sequestration and KCHA will begin to reissue vouchers to our wait list sometime in 2014.

We also maintain separate wait lists for vouchers targeted to HUD-mandated priority populations. Applicants for these special program vouchers—such as those available under the VASH and Mainstream programs—may apply year-round.

Public Housing Program. KCHA's Public Housing program currently operates Site-Based, Regional and Set-Aside wait lists, as well as a set of local preferences to determine the order of tenant selection. Regional lists allow applicants who may have an urgent need for assistance faster entry into our housing programs, while Site-Based lists allow applicants to choose the location of their housing with more specificity. With the exception of Pacific Court, a supportive housing complex, every third vacancy in KCHA's family Public Housing developments is prioritized for formerly homeless families graduating from the region's Sound Families transitional housing system and our Passage Point program (which reunifies parents with their children after incarceration). We coordinate with these programs to ensure a smooth and timely transition into Public Housing.

Project-based Section 8 Voucher Program.

Excluding units subsidized through transitional and supportive service programs, the Project-based Section 8 wait list operates in similar fashion to the Public Housing wait list and is managed by KCHA's Central Applications office.

However, direct owner referrals of qualified applicants to vacant units are allowed when KCHA is unable to locate a suitable applicant and fill a vacancy in a timely manner. Where Project-based subsidies are used in conjunction with transitional or supportive housing programs, KCHA defers applicant screening and program eligibility determinations to our nonprofit service provider partners. Acting as our agent, these partner agencies directly refer clients to available units in accordance with KCHA-established criteria, significantly reducing barriers to program entry and giving special needs populations streamlined access to critical housing and supportive resources. Referrals to these family units now are being routed through the region's new coordinated entry system for homeless families.

SECTION III: PROPOSED MTW ACTIVITIES

All proposed activities that are granted approval by HUD are reported on in Section IV as "Approved Activities."

SECTION IV: APPROVED MTW ACTIVITIES

A. Implemented Activities

08-1: Acquire New Public Housing

Plan Year: 2008

Description: As a result of disposition activity at Park Lake Homes and Springwood Apartments, KCHA's Public Housing Annual Contributions Contract (ACC) is approximately 1,200 units below our Faircloth limit. We intend to use this "banked" ACC to turn on subsidy in units acquired by KCHA under our initiative to expand and preserve affordable housing resources in the region for extremely low-income households.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 1: number of new housing units made available for households at or below 80% AMI	0 units (since 2004)	700 units (cumulative through 2018)	94 units (cumulative)	In progress

Progress and Outcomes: KCHA postponed using banked subsidy at two developments until 2014, although we engaged in pre-development work in connection with these developments in 2013. We also are on track to turn on banked ACC subsidy in 2015 for 77 units of extremely low-income housing for elderly and disabled households with the completion of the Vantage Point development.

Activity 04-2: Local Project-based Section 8 Program

Plan Year: 2004

Description: The ability to streamline the process of project-basing Section 8 subsidies provides a unique tool for addressing the distribution of affordable housing in King County and facilitating coordination with local initiatives through three strategies. First, KCHA has strategically Project-based Section 8 subsidies in high-opportunity areas of the county in order to increase access to these desirable neighborhoods for low-income households. Second, KCHA has partnered with nonprofit community service providers to create housing targeted to special needs populations, opening new housing opportunities for chronically homeless, mentally ill or disabled individuals, and homeless families with children who traditionally have not been served through our mainstream Public Housing and Section 8 programs. Finally, we are coordinating with county government and suburban jurisdictions to underwrite a pipeline of new affordable housing developed by local nonprofit housing providers. MTW has enabled our Project-based voucher program to:

- Allow project sponsors to manage project waiting lists as determined by KCHA (FY 2004).
- Use KCHA's standard HCV process for determining Rent Reasonableness for units in lieu of requiring third party appraisals. (FY 2004)
- Prioritize assignment of Project-based Section 8 (PBS8) assistance to units located in high-opportunity census tracts, including those with poverty rates below 20 percent. (FY 2004)
- Allow participants in "wrong-sized" units to remain in place and pay the higher rent if needed. (FY 2004)
- Assign PBS8 subsidy to a limited number of demonstration projects not qualifying under standard policy in order to serve important public purposes. (FY 2004)

- Waive the 25 percent cap on the number of units that can be Project-based on a single site for transitional, supportive or elderly housing and for sites with fewer than 20 units. (FY 2004)
- Allocate PBS8 subsidy non-competitively to KCHA-controlled sites and transitional units or to use an existing local government procurement process for project-basing Section 8 assistance. (FY 2004)
- Allow owners and agents to conduct their own construction and/or rehab inspections and the management entity to complete the initial inspection rather than KCHA, with inspection sampling at annual review. (FY 2004)
- Modify eligible unit and housing types to include shared housing, cooperative housing, transitional housing and high-rise buildings. (FY 2004)
- Assign standard HCV payment standards to PBS8 units, allowing modification with approval of the KCHA executive director where deemed appropriate. (FY 2004)
- Offer moves to Public Housing in lieu of a Section 8 HCV exit voucher. (FY 2004)
- Exception: Tenant- based HCV could be provided for a limited period as determined by KCHA in conjunction with internal PH disposition activity. (FY 2012)
- Allow KCHA to modify the HAP contract to ensure consistency with MTW changes. (FY 2004)
- Allow PBS8 rules to defer to Public Housing rules when used in conjunction with a mixed finance approach to housing preservation or when assigned to a redeveloped former Public Housing property. (FY 2008)
- Use Public Housing preferences for PBS8 units in place of HCV preferences. (FY 2008)
- Modify the definition of “homeless” to include overcrowded households entering transitional housing to align with entry criteria for nonprofit-operated transitional housing. (FY 2004)
- Allow KCHA to inspect units at contract execution rather than contract proposal. (FY 2009)
- Modify the definition of “existing housing” to include housing that could meet Housing Quality Standards within 180 days. (FY 2009)
- Allow direct owner referral to a PBS8 vacancy when the unit has remained vacant for more than 30 days. (FY 2010)
- Waive the 20 percent cap on the amount of HCV budget authority that can be Project-based, allowing KCHA to determine the size of our PBS8 program. (FY 2010)

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 1: number of new housing units made available for households at or below 80% AMI	0 units	2,239 units	2,261 units	Exceeded
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	60 hours per contract for RFP	15 hours per contract for RFP	20 hours per contract for RFP	In Progress

Progress and Outcomes: We have continued to see efficiencies through streamlined contract processing and program administration. We awarded five new HAP contracts (229 units) in 2013. We also have four new sites under the Affordable Housing Assistance Program (42 units). In 2013, our streamlined contracting process saved us 360 hours in staff time.

ACTIVITY 04-3: Develop Site-Based Waiting Lists

Plan Year: 2004

Description: Under this initiative, we have implemented a streamlined waiting list system for our Public Housing program that provides applicants with additional options for choosing the location they want to live. In addition to offering site-based waiting lists, we also maintain regional waiting lists and have established a waiting list to accommodate the needs of graduates from the region’s network of transitional housing facilities for homeless families. In general, applicants are selected for occupancy using a rotation between the site-based, regional and Sound Families (transitional housing) applicant pool, based on an equal ratio. Units are not held vacant if a particular waiting list does not have an eligible applicant waiting for assistance. Instead, a qualified applicant is pulled from the next waiting list in the rotation.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 5: number of households able to move to a better unit and/or opportunity neighborhood	0% of applicants	33% of applicants housed from site-based waiting lists	44% of applicants housed from site-based waiting lists	Exceeded

Progress and Outcomes: KCHA’s significant investment in process engineering has paid off, with our site-based waiting lists up and running smoothly, letting applicants choose where they would prefer to live. While the general intent of the program is to allow selection from each waiting list equally, we have seen a higher number of site-based applicants successfully lease a Public Housing unit than those from the regional or Sound Families waiting lists. In FY 2013, 44 percent of residents housed from our Public Housing waiting lists accessed housing through a site-based waiting list. We believe the percentage of households entering the Public Housing program as site-based applicants reflects, at least in part, applicant desire to select their specific location and building.

ACTIVITY 05-4: Payment Standard Changes

Plan Year: 2005

Description: In FY 2005, KCHA applied new Payment Standard amounts at the time of a resident’s next annual review. In FY 2007, we expanded this initiative to allow approval of payment standards up to 120 percent of the fair market rent (FMR) without HUD approval. In early FY 2008, we decoupled the payment standards from HUD’s FMR entirely so that we could be responsive to the range of rents in Puget Sound’s submarkets. The approach means that we can provide subsidy levels sufficient for families to afford the rents in low-poverty, high-opportunity areas of the county, without paying above-market rents in less expensive neighborhoods. We develop our payment standards through an annual analysis of local submarket conditions, trends and projections. As a result, our residents leasing in low-poverty neighborhoods are not squeezed out by a tighter rental market, and we can increase the number of voucher tenants living in high-opportunity neighborhoods.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 5: number of households able to move to a better unit and/or opportunity neighborhood	30% of tenant-based Section 8 households lived in high opportunity neighborhoods (FY 2012)	20% of tenant-based Section 8 households lived in high opportunity neighborhoods (FY 2013)	31% of tenant-based Section 8 households lived in high opportunity neighborhoods	Exceeded

Progress and Outcomes: Between 2012 and 2013, KCHA increased the percent of our voucher residents living in low-poverty, high-opportunity neighborhoods of King County from 30 percent to 31 percent. Our Payment Standards, based on local rental markets, have been a key component to our success at increasing and maintaining access to these neighborhoods for HCV households. KCHA’s MTW flexibility gives us tools to expand mobility and housing choice and to de-concentrate poverty.

ACTIVITY 04-5: Modified HQS Inspection Protocols

Plan Year: 2004

Description: Through a series of Section 8 program modifications, we have streamlined the HQS inspection process to simplify program administration, improve stakeholder satisfaction and reduce administration costs. Specific policy changes include: (1) permitting the release of HAP payments when a unit fails an HQS inspection due to only minor deficiencies (initially implemented in 2004 to cover annual HQS inspections and modified in 2007 to include inspections completed at initial move-in); (2) clustering of inspections to reduce repeat trips to the same neighborhood or building, allowing annual inspections to be completed from eight to 20 months after initial inspection to align the inspection timing with other units in the same location; and (3) allowing our staff to self-inspect KCHA-owned units rather than require inspection by a third party.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	0 hours saved	700 hours saved (FY 2013)	1,701 hours saved	Exceeded

Progress and Outcomes: Our HCV operations continue to achieve significant savings through the realignment of the inspection processes. These modified inspection standards saved us 2,302 re-inspections and 500 trips, resulting in savings of more than 1,701 staff hours in 2013.

ACTIVITY 07-6: Develop a Sponsor-Based Housing Program

Plan Year: 2007

Description: In our Sponsor-based housing program, KCHA uses MTW block grant proceeds to provide housing funds directly to service provider partners. In turn, these service providers use the funds to secure private market rentals that are then subleased to program participants: people struggling with mental illness; people who have been involved with the criminal justice system; and young adults who are homeless or transitioning out of foster care. The service providers perform tenant selection and eligibility screening. Under the South King County Housing First pilot program, established in 2007, KCHA provided housing for 25 individuals, with King County and the United Way providing significant matching supportive services funding. Since 2007, the program has expanded, opening doors to stable housing for some of our county’s most vulnerable, at-risk households. The program also allows for the transition of stabilized tenants to tenant-based Section 8 subsidies. For example, one client graduated from a Sponsor-based program and moved on to an outpatient program. She also received a Housing Access and Services Program (HASP) voucher, which she used to rent an apartment.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 5: number of households able to move to a better unit and/or opportunity neighborhood	0 Sponsor-based tenants served	124 Sponsor-based tenants served (FY 2013)	153 Sponsor-based tenants served	Exceeded

Progress and Outcomes: With increased program flexibility, KCHA has implemented a “housing first” model to serve hard-to-house populations, facilitate coordination between housing and services funding, and reduce expensive inpatient, emergency and public safety interventions. By the end of 2013, we had contracted with service providers to provide 137 units of supportive housing for eligible households, and we served 153 people throughout 2013. Budget cuts continue to affect many of KCHA’s partner agencies with adverse impacts on their ability to extend services and maintain full occupancy of available units.

ACTIVITY 04-7: Streamlining Public Housing and Section 8 Forms and Data Processing

Plan Year: 2004

Description: The policy modifications under this proposal are designed to simplify program administration. KCHA has analyzed our business processes, forms and verification requirements, and eliminated or replaced those that provide little or no value. Through the use of lean engineering techniques, KCHA continues to review our office workflow and identify ways in which tasks could be accomplished more efficiently while intruding less into the lives of program participants. Under this initiative, we have implemented changes to:

- Exclude payments made to a landlord by the state Department of Social and Health Services (DSHS) on behalf of a tenant from the income and rent calculation under the Section 8 program. (FY 2004)
- Allow Section 8 residents to self-certify income of \$50 or less received as a pass-through DSHS childcare subsidy. (FY 2004)
- Modify Section 8 policy to require notice to move prior to the 20th of the month in order to have paperwork processed during the month. (FY 2004)
- Allow applicant households to self-certify membership in the family at the time of admission. (FY 2004)
- Extend to 180 days the term over which verifications are considered valid. (FY 2008)
- Modify the definition of “income” to exclude income from assets with a value less than \$50,000, and income from Resident Service Stipends that are less than \$500 per month. (FY 2008)
- Modify HQS inspection requirements for units converted to Project-based subsidy from another KCHA subsidy and allow the most recent inspection completed within the prior 12 months to substitute for the initial HQS inspection required before entering the HAP contract. (FY 2012)
- Modify standard PBS8 requirements to allow use of the most recent recertification (within last 12 months) to substitute for the full recertification required when tenant’s unit is converted to a PBS8 subsidy. (FY 2012)
- Allow Public Housing applicant households to qualify for a preference when household income is below 30 percent of AMI. (FY 2004)
- Eliminate verification of Social Security numbers for household members under age 18 (action was reversed due to Enterprise Income Verification/Public and Indian Housing reporting requirements). (FY 2004)
- Apply any decrease in Payment Standard at the time of the next annual review or update, rather than using HUD’s two-year phase-in approach. (FY 2004)
- Modify the HQS inspection process to allow streamlined processing of inspection data. (FY 2010)

- Allow Section 8 residents who are at \$0 HAP to self-certify income at the time of review. (FY 2004)
- Streamline procedures for processing interim rent changes resulting from wholesale reductions in state entitlement program. (FY 2011)

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	Staff hours saved through streamlining	0 hours saved	2,000 hours saved (FY 2013)	3,450 hours saved (FY 2013)	Exceeded

Progress and Outcomes: KCHA's Section 8 program has benefited substantially from efforts to remove non-value added tasks from staff workloads. As noted above, we have implemented policy changes that simplify program workflow in 15 separate areas. Streamlining of essential Section 8 administrative tasks has been the key to our success in increasing HCV program size without a substantial increase in personnel. In FY 2013, our HCV staff caseloads grew, increasing the cost effectiveness of KCHA operations. KCHA surveyed our HCV and Public Housing staff in 2013 to more fully assess the impact of simplification and streamlining measures on program operations. With a particular focus on the recertification process, survey results gave us a more accurate analysis of savings attained from this activity.

ACTIVITY 07-8: Remove Cap on Voucher Utilization

Plan Year: 2007

Description: This initiative allows use of our MTW block grant to award HCV assistance to more households than allowed under the annual HUD-established baseline. Our savings from a two-tiered payment standard, operational efficiencies and other policy changes have been critical in making possible this response to the growing housing needs of extremely low-income households in the region. KCHA's initial FY 2007 commitment allowed for up to 350 additional households to enter the HCV program. However, reductions in the federal budget, rising rental costs in the region coupled with HUD not providing an Annual Adjustment Factor, and the recent sequester have limited the funding available to support this initiative. After careful review of projected federal revenues, and in response to continued high demand for affordable housing, KCHA directed resources to allow for up to 275 units above baseline in FY 2013.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 1: number of new housing units made available for households at or below 80% AMI	0 vouchers above baseline	275 vouchers above baseline (FY 2013)	355 vouchers above baseline	Exceeded

Progress and Outcomes: Despite sequestration, we continued to utilize MTW program flexibility to support housing voucher distribution above HUD's established baseline. At fiscal year's end, we were serving 355 households above baseline.

ACTIVITY 04-9: Rent Reasonableness Modifications

Plan Year: 2004

Description: Under HUD regulations, completion of a Rent Reasonableness review is required annually, in conjunction with each recertification completed under the program. Our review of this policy found that if an owner had not requested a rent increase, it was unlikely that current rent fell outside established guidelines. In those cases, the time expended to complete annual Rent Reasonableness reviews was of little value. In response to this analysis, KCHA streamlined our policy by performing Rent Reasonableness determinations only when the landlord requests a rent increase, rather than annually. In addition, we changed our policy so that KCHA performs Rent Reasonableness inspections at our own properties, rather than contracting with a third party. As a result of these changes, we have had considerable savings in staff time and expenses without compromising program integrity.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	0 hours staff hours saved	1,000 staff hours saved (FY 2013)	1,197 staff hours saved	Exceeded

Progress and Outcomes: The amount of staff time saved due to this initiative will vary with the number of owners who request a rent increase each year. KCHA has continued to generate significant savings since implementing this initiative, however. In FY 2013, we were able to save 1,197 staff hours by avoiding 7,183 Rent Reasonableness reviews that otherwise would have been required.

ACTIVITY 08-10 and 8-11: EASY and WIN Rent Policies

Plan Year: 2008

Description: KCHA's EASY Rent policy streamlines our operations through triennial reviews and modified income and deduction calculations for the Public Housing, Housing Choice Voucher and Project-based Section 8 program for elderly and disabled households living on fixed incomes. To be eligible for EASY Rent, clients must derive 90 percent of their income from a fixed source such as Social Security, Supplemental Security Income (SSI) or pension benefits. In exchange for eliminating the standard \$400 Elderly Family deduction and limiting other deductions, rents are set at 28 percent of adjusted income, with deductions for Medical/Handicapped expenses in \$2,500 bands and a cap on deductions at \$10,000. Recertification reviews are performed on a three-year cycle, with annual adjustments to rent based upon Cost of Living Adjustment increases in Social Security and SSI payments in the intervening years. As a complement to the EASY Rent policy, KCHA developed the WIN Rent policy in FY 2010 to encourage economic self-sufficiency for non-elderly, non-disabled households and reduce income progression disincentives. The WIN Rent policy eliminates flat rents, income disregards and deductions (other than childcare for eligible households), and excludes employment income of household members under age 21 from the rent calculation. Household rent is based on a series of income bands and the tenant's portion of the rent does not change until household income increases to the next band level. Rent is set at 28.3 percent of the low end of each income band. For households with little or no income, a true minimum rent of \$25 applies following a six-month window at a lower (or credit) rent, during which time the family is expected to seek assistance and/or income restoration. We recertify WIN Rent households every two years rather than annually. We also have revised review policies to streamline processing and limit the number of interim reviews, as well as limiting tenant-requested interim reviews to reduce rent to two in a two-year period. In keeping with our MTW Program Agreement, a Hardship Policy is incorporated into the EASY and WIN Rent policies so KCHA can respond to unique household circumstances and documented cases of financial hardship.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	14,402 HCV staff hours; 2,817 PH staff hours	20% reduction in annual staff hours (FY 2013)	29% reduction in staff hours (9,605 HCV and 2,601 PH staff hours)	Exceeded
Increase self-sufficiency	SS #2: increase in household income	HCV households: \$7,983; PH households: \$14,120	5% increase (FY 2015)	HCV households: \$9,351 (4.6% increase) PH: \$17,933 (7.1% increase)	Exceeded for PH; In progress for HCV
	SS #8: households transition to self-sufficiency	0 households	10 former flat rent households	23 former flat rent households	Exceeded
	SS #8: households transition to self-sufficiency	0 households	150 households	220 households	Exceeded

Progress and Outcomes: KCHA began to implement the new rent policy in 2008. File audits completed in FY 2010 prompted us to provide additional staff training and follow-up regarding policy changes and program requirements. In FY 2012, we developed an extensive in-house training program to ensure clear understanding of new rent policies. KCHA staff had a 29 percent reduction in hours spent on reviews during FY 2013, allowing the time saved to be allocated toward more urgent and mission-critical needs. The rent policies appear to have provided incentives for economically sufficient households to transition out of housing assistance. The number of positive graduates from KCHA's programs was largely influenced by WIN Rent changes that eliminated two HUD policies: use of HUD's 48-month income disregard and flat rents.

ACTIVITY 07-14: Enhanced Transfer Policy

Plan Year: 2007

Description: This initiative was developed to increase housing choice for residents through a policy that allows residents to transfer between KCHA programs. KCHA made minor modifications to the activity in FY 2009 following review of first year results and again in FY 2010.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	HC # 5: number of households able to move to a better unit and/or opportunity neighborhood	0 households	10 households (FY 2013)	10 households	Achieved

Progress and Outcomes: In 2013, 10 households were able to transfer between our programs that would have been unable to transfer under prior policy. One of these households included a public housing client who was the victim of domestic violence—she was viciously assaulted while holding her newborn baby. Given the violent nature of the assault, the judge recommended that the client move out of state. KCHA approved a transfer to tenant-based assistance so the client could move with a housing voucher she could use in another housing authority's jurisdiction. Family members flew in to help move the client and her family out of state while the abuser remained in custody.

ACTIVITY 04-16: Section 8 Occupancy Requirements

Plan Year: 2004

Description: This initiative allows households to continue to occupy their current unit when their family size exceeds standard occupancy requirements by one member. For example, under standard guidelines, a seven-person household living in a three-bedroom unit would be considered overcrowded and required to move to a larger unit. Under our MTW-modified policy, the household would not be required to move. Instead, the policy allows the family to remain voluntarily in the current unit, avoiding the costs and disruption of moving and possible changes in school assignments. The family retains subsidy at the current level. This initiative increases choice for families while reducing our program administration expenses through a reduction in the number of moves processed annually.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	3 hours per file	0 hours per file (100% reduction in need to process moves due to 2+1 overcrowding)	0 hours per file	Achieved

Progress and Outcomes: The modified policies, implemented in FY 2004, remain in place for all Section 8 program participants. During FY 2013, 29 households retained units although their family size exceeded standard occupancy requirements by one member, allowing these program participants to exercise choice and remain in their current unit. It also enabled KCHA to reallocate 87 hours of staff time to more urgent needs.

ACTIVITY 07-18: Resident Opportunity Plan (ROP)

Plan Year: 2007

Description: An expanded and locally designed version of the Family Self-Sufficiency (FSS) program, KCHA's ROP program began enrolling households in May 2009. The program's goal is to advance families toward self-sufficiency through the provision of case management, support services and program incentives, leading to positive transition from Public Housing or Section 8 into private market rental housing or home ownership. The ROP seeks gains in resident education, job skills, employment and income. The five-year program is being implemented in collaboration with community partners, including Bellevue College and the YWCA. Under the program, participant rent is calculated according to established KCHA policy. In lieu of a standard FSS escrow account, each household receives a monthly deposit into a savings account, which continues throughout program participation. Deposits to the household savings account may be withdrawn for specific program purposes (as defined by KCHA) or made available to residents upon ROP goal completion and graduation from Public Housing or Section 8 subsidy. Funded through the use of our MTW reserves, the ROP program seeks to assist up to 100 households over the five-year term.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase self-sufficiency	SS #3: employment status for heads of household	(1) Employed Full-Time: 23 (2) Employed Part-Time: 25 (3) Enrolled in an Educational Program: 13 (4) Enrolled in Job Training Program: 2 (5) Unemployed: 5 (6) Other: 1	<i>Point in Time</i> (1) Employed Full-Time: 35 (2) Employed Part-Time: 10 (3) Enrolled in an Educational Program: 35 (4) Enrolled in Job Training Program: 5 (5) Unemployed: 0 (6) Other: 1	<i>Point in Time</i> (1) Employed Full-Time: 35 (2) Employed Part-Time: 11 (3) Enrolled in Educational Program: 40 (4) Enrolled in Job Training Program: 5 (5) Unemployed: 11 (6) Other: 1	In progress
	SS #5: households assisted by services that increase self-sufficiency	0 households	65 households (December 2014)	58 households	In progress
	SS #8: households transitioned to self-sufficiency	0 households	12 households (December 2014)	2 households in 2013; 10 households total	In progress

Progress and Outcomes: By FY 2013, the ROP program had enrolled a total of 83 households, with 58 participating during the year. Ten families—one in 2010, three in 2011, four in 2012, and two in 2013—completed program goals and successfully transitioned to non-subsidized housing. As of mid-2013, 80 percent of ROP participants were employed and their wages had increased modestly. Of those not employed, 80 percent had been enrolled in educational or training programs.

ACTIVITY 08-21: Public Housing and Section 8 Utility Allowances

Plan Year: 2010

Description: In conjunction with our Rent Policy initiative, we investigated methods of streamlining HUD rules on Public Housing and Section 8 Utility Allowances. We wanted to produce administrative savings through simplified methodologies that could be universally applied to Section 8 and Public Housing units and would ensure equal treatment of participants in both programs. Working with data available through a Seattle City Light study, completed in late 2009, we were able to identify key factors in household energy use and project average consumption levels for various types of units in the Puget Sound region. Factors considered in these calculations included the type of unit (single vs. multifamily apartments), the size of the unit and the utility provider. We also modified allowances for units where the resident pays water and/or sewer charges. Implementation of revised allowances—renamed Energy Assistance Supplements (EAS)—began in November 2010. In addition to simplifying utility schedules, we modified HUD rules on how allowances are updated, making the updates annual rather than with each cumulative 10 percent increase for Public Housing units. Modified allowances are applied to tenant accounts at the next recertification. KCHA’s Hardship Policy, adopted in July 2010, allows KCHA to respond to unique household or property circumstances and documented cases of financial hardship, including utility cost issues.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Reduce costs and achieve greater cost effectiveness	CE #2: total time to complete task in staff hours	388 hours/year to update tables	97 hours/year to update tables	2 hours/year to update tables	Exceeded
	CE #2: total time to complete task in staff hours	5 minutes per HCV file and 10 minutes per PH file to calculate EAS	2.5 minutes per HCV file and 5 minutes per PH file	2 minutes per HCV file and 0 minutes per PH file	Exceeded

Progress and Outcomes: Full implementation of new Energy Assistance Supplements occurred in tandem with WIN and EASY Rent program and policy modifications during FY 2012. Under revised policies, in FY 2013, our EAS tables were updated in line with the Consumer Price Index (CPI) associated with household energy use. This activity resulted in a reduction of 848 staff hours dedicated to the task.

ACTIVITY 12 - 2: Community Choice Program

Plan Year: 2012

Description: This initiative provides mobility counseling to Housing Choice Voucher households with children who are actively seeking to locate in high-opportunity areas of the county—areas with access to high-achieving schools and robust job markets. Through collaboration with local nonprofits, landlords and communities, we have developed a program to educate households about the connection between location, educational opportunities and life outcomes, to counsel households in their decision-making about where and when to move, and to support transition into their new neighborhoods.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC #5: number of households able to move to a better unit and/or neighborhood of opportunity	0 households move	35 households moves (2014)	0 households move	In progress

Progress and Outcomes: In late FY 2013, KCHA began reaching out on a rolling basis to all of our Housing Choice Voucher tenants about the Community Choice program, providing an opportunity to attend an orientation and enroll. We have contracted with community agencies to work with participating voucher tenants so that they can identify high-opportunity neighborhoods, address credit issues, prepare rental applications, navigate new school systems and adjust to new communities. In collaboration with our community partners, KCHA has set a goal of 35 counseled moves of Community Choice Program participants in summer 2014.

ACTIVITY 13-1: Passage Point Conditional Housing Program

Plan Year: 2013

Description: Passage Point is a unique supportive housing program that serves parents seeking to reunify with their children following incarceration. KCHA provides Project-based assistance to 46 units. The YWCA provides property management and supportive services, along with outreach at prisons and correctional facilities. Passage Point residents who have successfully completed the service program and regained custody of their children may submit a graduation packet for our Public Housing program. These households are given priority placement on the waitlist. In contrast to transitional housing programs that typically have strict 24-month occupancy limits,

participants in the Passage Point program may remain in place until they have completed the service program and can demonstrate they can succeed in traditional subsidized housing.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC #5: number of households able to move to a better unit and/or neighborhood of opportunity	0 households move	7 households move (2013)	5 households moved to public housing; 1 move in process; 1 pending offer of unit	Achieved

Progress and Outcomes: This program was serving 43 households at the end of 2013. Of those households, five completed the supportive services curriculum, were reunited with their children and transferred to public housing. A sixth household was in the process of moving and a seventh was waiting for a unit to become available. With the housing and services provided by Passage Point, participants are able to rebuild their lives and families after incarceration.

ACTIVITY 13-2: Flexible Rental Assistance Program

Plan Year: 2013

Description: In 2013, KCHA worked with partners to develop a new initiative that pairs case management with a flexible, gradually diminishing rental subsidy. This pilot program, called Next Step, will give more permanent, independent housing opportunities to 20 young adults (ages 18 to 25) living in transitional housing programs. KCHA is providing 15 rental subsidies to support this pilot program. The YMCA is providing wraparound services with funding from the United Way and the Schultz Foundation. With help from the YMCA, participants will secure their own apartment, sign their own lease with a landlord, and work with a resource specialist to maintain their housing throughout the program and beyond. Participants are required to be at or below 50 percent of AMI and will be expected to have a minimum of two consecutive months of employment or be attending school full-time at the time of enrollment. Participants must also have an interest in increasing their income over the course of the first six months and throughout the duration of the program.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC #5: number of households able to move to a better unit and/or neighborhood of opportunity	0 households	20 households	0 households	In progress

Progress and Outcomes: Throughout 2013, KCHA was developing the program with our funding and service partners, with program operations scheduled to begin in early 2014.

ACTIVITY 13-3: Short-Term Rental Assistance Program

Plan Year: 2013

Description: In 2013, KCHA designed and began to implement a Rapid Rehousing pilot program in partnership with the Highline School District that pairs short-term rental assistance with housing stability and employment connection services for families experiencing homelessness or about to become homeless. Homelessness impacts the ability of children to learn—contributing to academic performance inequalities for low income

youth—and imposes significant costs on school districts because they must cover homeless students’ transportation expenses under the McKinney-Vento Act.

MTW Statutory Objective	Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase housing choices	HC # 1: number of new housing units made available for households at or below 80% AMI	0 units	40 units (2014)	0 units*	In progress

* At the end of FY 2013, 13 families had been screened and were searching for housing.

Progress and Outcomes: The program began accepting referrals toward the end of 2013. Families are referred to the Rapid Rehousing program by the school district’s McKinney-Vento coordinators. We have entered into contracts with local service providers to administer rental assistance for up to six months (three months, with a possible three-month extension), combined with supportive services as needed, to stabilize these families. Providers are given flexibility to determine what assistance would help stabilize participants, including rent, move-in assistance, security deposits and application fees, rent arrears, and utility assistance payments. While no families had been housed by year’s end, 13 families had been screened and were searching for housing.

B. Not Yet Implemented Activities

Allow Double Subsidy between Programs (Project-based Section 8/Public Housing/Housing Choice Vouchers). Allow transition to the new program in limited circumstances, increase landlord participation and reduce the impact on the Public Housing program when tenants transfer. (Increase housing choice; approved in 2008)

Definition of Live-In Attendant. Consider a change that would redefine who is considered a “Live-in Attendant.” (Reduce costs and achieve greater cost effectiveness; approved in 2009)

FSS Program Modifications. Explore possible changes to increase incentives for resident participation and income growth, and decrease costs of program management. (Reduce costs and achieve greater cost effectiveness, increase housing choice; approved in 2008)

Income Eligibility and Maximum Income Limits. Consider a policy that would cap the income that residents may have and still be eligible for KCHA programs. (Increase housing choice; approved in 2008)

Project-based Section 8 Local Program Contract Term. Consider possible changes to lengthen the allowable term of the Section 8 Project-based contract. (Increase housing choice; approved in 2009)

Performance Standards: Develop locally relevant performance standards and benchmarks to evaluate the MTW program. (Reduce costs and achieve greater cost effectiveness; approved in 2008)

Supportive Housing for High-Need Homeless Families. Develop a demonstration program for up to 20 households in a Project-based FUP-like environment. (Increase housing choice, increase economic self-sufficiency; approved in 2010)

Limit Number of Moves for a Section 8 Participant. Increase family and student classroom stability and reduce program administrative costs by limiting the number of times a HCV participant can move per year to one. (Reduce costs and achieve greater cost effectiveness, increase economic self-sufficiency; approved in 2010)

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; approved in 2010)

Incentive Payments to Section 8 Participants to Leave the Program. Offer incentives to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program. (Increase housing choice; approved in 2010)

Redesign the Sound Families Program. Develop an alternative to the Sound Families program, combining HCV with Department of Social and Health Services (DSHS) funds to continue support of at-risk, homeless households in FUP-like model. (Increase housing choice; approved in 2011)

C. Activities on Hold

None.

D. Closed Out Activities

Block Grant Non-Mainstream Vouchers. Expanded KCHA's MTW Block Grant to include all non-mainstream program vouchers. (Reduce costs and achieve greater cost effectiveness; implemented and closed out in 2006)

Modified Rent Cap for Section 8 Participants. Allowed tenants' portion of rent to be capped at up to 40 percent of gross income upon initial lease up, rather than 40 percent of adjusted income. (Increase housing choice; implemented and closed out in 2005)
Note: KCHA may implement a rent cap modification in the future to increase mobility.

Develop a Local Asset Management Funding Model. Streamlined current HUD requirements to track budget expenses and income down to the Asset Management Project level. (Reduce costs and achieve greater cost effectiveness; implemented and closed out in 2007)

Resident Satisfaction Survey. Developed an internal Satisfaction Survey in lieu of requirement to comply with Resident Assessment Subsystem portion of HUD's Public Housing Assessment System. (Reduce costs and achieve greater cost effectiveness; implemented and closed out in 2010) *Note: KCHA continues to survey public housing households, Section 8 households and Section 8 landlords every other year.*

Resident Opportunities and Self-Sufficiency (ROSS) Grant Homeownership. Funded financial assistance through MTW reserves with rules modified to fit local circumstances, modified eligibility to include public housing residents with HCV, required minimum income and minimum savings prior to entry, expanded

eligibility to include more than first-time homebuyers. (Increase housing choice; implemented in 2004, closed out in 2006)

Supplemental Support for the Highline Community Healthy Homes Project. Provided supplemental financial support to low-income families not otherwise qualified for the Healthy Homes project but who required assistance to avoid loss of affordable housing. (Increase housing choice; implemented and closed out in 2012)

Energy Service Companies (ESCO) Development. Used MTW program and single fund flexibility to develop and operate our own ESCo. (Reduce costs and achieve greater cost effectiveness, implemented and closed out in 2004) *Note: Our ESCo is in place and operational; a contract term extension is being considered for FY 2014.*

Combined Program Management. Streamlined program administration through a series of policy changes that ease operations of units converted from Public Housing to Project-based Section 8 subsidy or those located in sites supported by mixed funding streams. (Reduce costs and achieve greater cost effectiveness; implemented in 2008, closed out in 2009) *Note: KCHA may further modify our combined program management to streamline administration and increase tenant choice.*

Section 8 Applicant Eligibility. Increased program efficiency by removing eligibility for those currently on a federal subsidy program. (Reduce costs and achieve greater cost effectiveness; implemented and closed out in 2007)

Transfer of Public Housing Units to Project-based Subsidy. Preserved the long-term viability of 509 units of Public Housing with disposition to KCHA-controlled entity, leveraged funds to accelerate capital repairs and increased tenant mobility through transfer of all 509 units to Project-based funding. (Reduce costs and achieve greater cost effectiveness, increase housing choice; implemented in 2011, closed out in 2012)

SECTION V: SOURCES AND USES OF MTW

A. Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funding for the Fiscal Year

In accordance with the requirements of this report, KCHA has submitted our unaudited and audited information in the prescribed FDS format through the Financial Assessment System—PHA (FASPHA).

Activities that Used Only MTW Single Fund Flexibility

KCHA strives to make the very best and most creative use of our single fund flexibility under MTW, while adhering to the statutory requirements of the program. Our ability to blend funding sources gives us the freedom to implement new approaches to housing program delivery in response to the varied and challenging housing needs of low-income people in the Puget Sound region. MTW has enabled us to become a leaner, more nimble and financially stronger agency. With MTW flexibility, we assist more of our county's households—and, among those, more of the most vulnerable and poorest households—than would be possible under HUD's traditional funding and program constraints. KCHA's MTW initiatives, described below, demonstrate the value and effectiveness of single fund flexibility in practice.

KCHA's Sponsor-based Program. Formerly known as Provider-based, this program was implemented in 2007 and gives the county's most vulnerable households access to safe, secure housing with wraparound supportive services. This population includes people with chronic mental illness, people with criminal justice involvement, and homeless young adults. These households likely would not find success under traditional subsidized program structures and rules or, in all likelihood, landlord acceptance.

Resident Opportunity Plan (ROP). Approved for implementation by the KCHA Board of Commissioners in 2009, ROP helps residents gain the tools to move up and out of subsidized housing. To date, 10 households have graduated from the five-year

ROP program. KCHA is conducting side-by-side evaluations of participant outcomes under the ROP and FSS programs to determine optimal program design under a scaled-up approach.

Client Assistance Fund. This fund provides emergency financial assistance to qualified residents to cover unexpected costs, such as medical or educational needs, utility or car repairs, and eviction prevention. Under the program design, a designated agency partner disburses funding to qualified program participants, screening for eligibility according to established guidelines. We assisted 104 households and awarded emergency grants totaling \$50,000 through the Client Assistance Fund in FY 2013. As result of this assistance, all 104 families were able to maintain their housing, avoiding the far greater safety net costs that would have occurred if they became homeless.

Redevelopment of Distressed Public Housing. With MTW's single-fund flexibility, KCHA has undertaken the repairs necessary to preserve more than 1,500 units of Public Housing over the long-term. This includes the continued use of the initial and second five-year increments of Replacement Housing Factor (RHF) funds from the former Springwood and Park Lake I developments, including units not yet removed from Inventory Management System (IMS/PIC), for the redevelopment of Birch Creek and Green River.

Following HUD disposition approval in 2012, KCHA has begun to address the substantial deferred maintenance needs at 509 former public housing units in 22 different communities. Utilizing MTW flexibility, we successfully transitioned these properties to our Project-based Section 8 program in order to leverage a loan of \$18 million for property repairs from the Federal Home Loan Bank (FHLB) on extremely favorable terms. As the FHLB requires that such loans be fully collateralized by cash, investments and/or the underlying mortgage on the properties, we used a portion of our MTW working capital as collateral for this loan.

Acquisition and Preservation of Affordable Housing. We have used MTW resources to preserve affordable housing that is at risk of loss to for-profit development and to acquire additional housing in proximity to existing KCHA properties, resulting in the preservation of several communities. This includes our acquisition of four “expiring-use” Section 8 properties where we will utilize our MTW flexibility to transfer these 147 units to Project-based vouchers.

Support of Family Unification Program (FUP)

Vouchers. Due to sequestration and an inadequate funding model, payments in 2013 were insufficient to support our 139 FUP vouchers. KCHA used \$239,072 of our MTW funds to continue to support the issuance of FUP vouchers when Annual Contributions Contract payments were insufficient.

Predevelopment of Vantage Point. In 2013, KCHA seeded approximately \$2 million in pre-development funds for the construction of Vantage Point, a 77-unit property for seniors in Renton. This commitment was necessary to support an application with the State of Washington for funds for the project.

Short-Term Rental Assistance Program. We began a rapid rehousing program in collaboration with the Highline School District in November 2013. We plan to assist up to 40 families during the first year of this pilot program. KCHA has engaged a third-party evaluator who will assist in determining the effectiveness of this program.

Ensuring Long-Term Viability of Our Portfolio. KCHA uses our single fund flexibility to reduce outstanding financial liabilities and protect the long-term viability of our inventory. We have short-term lines of credit at both HOPE VI sites that are scheduled to be retired with the proceeds from land sales. These loans have been outstanding for longer than originally planned due to the slow rebound in the local market for new homes. MTW working capital provides a backstop for these liabilities, addressing risk concerns of lenders and enabling KCHA continued access to private capital markets.

B. Local Asset Management Plan

LAMP (Table V.A)	
Has the PHA allocated costs within statute during the plan year?	No
Has the PHA implemented 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 for that year and adopted by our Board of Commissioners under Resolution No. 5116, KCHA developed and implemented our own local funding model for Public Housing and Section 8 using our MTW block grant authority. Under our current agreement, KCHA’s Public Housing Operating, Capital and Section 8 Housing Choice Voucher funds are considered fungible and may be used interchangeably. In contrast to 990.280 regulations, which require transfers between projects only 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. We maintain 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. No changes were made in the implementation of KCHA’s Local Asset Management Plan in FY 2013.

C. Commitment of Unspent Funds

As HUD has not yet issued a methodology for defining MTW reserves, including a definition of obligations and commitments, MTW agencies are not required to complete the tables and narrative for this section of the report.

SECTION VI: ADMINISTRATIVE

A. HUD Reviews, Audits or Physical Inspection Issues

KCHA has not had any financial HUD review or audit issues or any HUD review, audit or physical inspection issues with respect to our Section 8 program. KCHA's average Real Estate Assessment Center score, based upon the most recent inspections of our public housing inventory, was 94.4 percent.

In our Public Housing program, our March 2013 monitoring review had one finding and two items of concern. The finding was related to the Enterprise Income Verification (EIV) income report. The report must be reviewed and printed within 120 days of PIC submission to confirm income and allow the resident to resolve discrepancies. Several files did not have the documentation, possibly because the family moved in before EIV use was required. To address the finding, KCHA staff was instructed to pull an EIV report for all move-ins within 120 days of the move-in date, review all files for this information and pull an EIV report for any file that was missing the initial report.

The first item of concern was that a significant number of files contained cover sheets from criminal background reports from the Washington State Patrol (WSP), contrary to HUD requirements. KCHA staff was instructed that, going forward, the lower half of the WSP cover sheet should be removed before placing it in the file and that staff should review all files to make them compliant with this procedure. The second item of concern was that some of the HUD Forms 9886, Authorization of Information and Privacy Notice Act, were expired, as they had been signed more than 15 months prior. Staff was instructed to review all resident files to make sure an updated Form 9886 had been signed by the resident.

B. Results of Latest KCHA-directed Evaluations of the Demonstration

Resident Opportunity Plan (ROP)

KCHA engaged Clegg & Associates to evaluate the ROP pilot program. Clegg submitted a report in mid-December 2013. Clegg's main findings were:

- Participants are taking advantage of educational opportunities. Many ROP participants have been enrolled in education and/or certificate programs and/or job readiness skills training at some point in their ROP tenure. These participants show progress but have more to do for degree completion.
- Participants are finding and maintaining jobs, but their wages are not increasing dramatically and most jobs are not providing benefits. A vast majority of current ROP participants are employed. Most who are not employed have been involved in education or job training. Although average wages for ROP participants increased, those increases were modest.
- Participants' household incomes do not show a consistent rise or fall over the past several years.
- Most ROP households make less than \$30,000 annually, and more than half are at or under the federal poverty line.
- Two-thirds of ROP participants receive state assistance.
- Eight participants moved to unsubsidized housing.

Highline Communities Healthy Homes Project

The Healthy Homes Project was evaluated for the peer-reviewed *American Journal of Public Health* (January 2014). The researchers looked at the effect on asthma control as a result of KCHA's weatherization services, combined with community health worker in-home education. Over the one-year study period, the percentage of not-well-controlled or very poorly controlled asthma decreased by 71 percent among the study group, compared to a 48 percent decrease in a prior study where community health worker in-home education alone had been provided, without weatherization services.

C. Certification of Statutory Compliance



Certification of Statutory Compliance

On behalf of the King County Housing Authority (KCHA), I certify that the Agency has met the three statutory requirements of the Restated and Amended Moving to Work Agreement entered into between the Department of Housing and Urban Development (HUD) and KCHA on March 13, 2009. Specifically, KCHA has adhered to the following requirements of the MTW demonstration during FY 2013:

- At least 75 percent of the families assisted by KCHA are very low-income families, as defined in section 3(b)(2) of the 1937 Act;
- KCHA has continued to assist substantially the same total number of eligible low-income families as would have been served absent participation in the MTW demonstration; and
- KCHA has continued to serve a comparable mix of families (by family size) as would have been served without MTW participation.

A handwritten signature in black ink, appearing to read "SJN", is written over a horizontal line.

STEPHEN J. NORMAN
Executive Director

March 31, 2014

DATE

SECTION VII: APPENDIX

Effect of Weatherization Combined With Community Health Worker In-Home Education on Asthma Control

Jill Breyse, MHS, CIH, Sherry Dixon, PhD, Joel Gregory, Miriam Philby, David E. Jacobs, PhD, CIH, and James Krieger, MD, MPH

Asthma is a major public health and environmental justice issue associated with multiple interacting environmental and other factors. Asthma prevalence and morbidity among all US children have increased dramatically in the past 2 decades and remain high.¹ Asthma disproportionately affects disadvantaged populations, who have a higher prevalence of the disease¹⁻⁴ and experience more severe impacts.⁵⁻¹² Being poor or a person of color is associated with increased rates of sensitization to several asthma-associated allergens.¹³⁻²⁰ Sensitization to airborne allergens is one of the main risk factors for developing asthma and its complications.²¹⁻²³

Disparities in asthma morbidity and allergic sensitization may be due, in part, to disproportionate exposure to indoor environmental asthma triggers associated with substandard housing.^{12,24,25} Moisture and dampness, poor ventilation, crowding, residence in multiunit dwellings, deteriorated carpeting, and structural defects can contribute to high levels of indoor asthma triggers.

In its Guide to Community Preventive Services,²⁶ the US Centers for Disease Control and Prevention (CDC) summarized studies²⁷⁻³⁵ showing that home visits, in particular those performed by community health workers (CHWs) and addressing multiple asthma triggers, improve self-management behaviors, reduce exposure to triggers, decrease symptoms and urgent health care use, and increase quality of life. The US Department of Housing and Urban Development (HUD),³⁶ US Environmental Protection Agency,³⁷ and CDC²⁶ recommend home visits, and the National Asthma Education and Prevention Program³⁸ recommends that home visits be considered, but notes that this area needs more research.

The historical Seattle–King County Healthy Homes II (HH-II) project studied the effectiveness of CHW home visits for controlling asthma.³⁹ CHWs provided in-home education and helped participants implement action plans

Objectives. We assessed the benefits of adding weatherization-plus-health interventions to an in-home, community health worker (CHW) education program on asthma control.

Methods. We used a quasi-experimental design to compare study group homes (n = 34) receiving CHW education and weatherization-plus-health structural interventions with historical comparison group homes (n = 68) receiving only education. Data were collected in King County, Washington, from October 2009 to September 2010.

Results. Over the 1-year study period, the percentage of study group children with not-well-controlled or very poorly controlled asthma decreased more than the comparison group percentage (100% to 28.8% vs 100% to 51.6%; $P = .04$). Study group caregiver quality-of-life improvements exceeded comparison group improvements ($P = .002$) by 0.7 units, a clinically important difference. The decrease in study home asthma triggers (evidence of mold, water damage, pests, smoking) was marginally greater than the comparison group decrease ($P = .089$). Except for mouse allergen, the percentage of study group allergen floor dust samples at or above the detection limit decreased, although most reductions were not statistically significant.

Conclusions. Combining weatherization and healthy home interventions (e.g., improved ventilation, moisture and mold reduction, carpet replacement, and plumbing repairs) with CHW asthma education significantly improves childhood asthma control. (*Am J Public Health.* 2013;104:e57–e64. doi:10.2105/AJPH.2013.301402)

that addressed multiple triggers. The study found that the CHW home education program was relatively inexpensive, significantly reduced asthma morbidity and trigger exposure, and improved caregivers' quality of life. The HH-II study also found that adding CHW home visits to clinic-based asthma education yielded a clinically important increase in asthma-symptom-free days and modestly improved caretakers' quality of life.³⁹ However, the homes of many low-income asthmatic children needed structural interventions beyond the scope of the home visit program.

In this Highline Communities Healthy Homes Project, we used a quasi-experimental design to determine whether adding weatherization-plus-health structural interventions to an existing home CHW home visit program resulted in greater reductions in asthma morbidity and exposure to home asthma triggers than reductions achieved for the historical

HH-II comparison group receiving CHW home education visits alone. Over 100 000 homes are weatherized each year,⁴⁰ yet we found no studies that examined the impact of weatherization work on resident asthma outcomes.

METHODS

We collected study data in homes of low-income children in the Highline communities in southwest King County, Washington. Enrollment of children and homes occurred between October 2009 and September 2010. Interested families having 1 or more children who used asthma medication during the school day and who had a medical verification of asthma diagnosis were referred by school district nurses to the public health department for phone eligibility screening. Families were eligible if they met the following study and weatherization program requirements:

- currently lived in Highline School District and intended to remain in the same home for at least 1 year;
- spoke English, Spanish, or Vietnamese;
- had 1 or more children with asthma who were 3 to 17 years old at enrollment;
- had not participated in other asthma programs in the past 3 years;
- had a child whose asthma control level met the National Heart, Lung, and Blood Institute (NHLBI)'s 2007 definition of not-well-controlled or very poorly controlled asthma⁴¹;
- resided in a rental property and the owner was willing to participate; and
- were low income as defined by both HUD and weatherization programs (at or below HUD 80% annual median income and 60% of state median income or 200% of federal poverty level).

The county housing authority aided enrollment, using its weatherization permission form to ask whether any household member had respiratory issues and referring potential participants to the public health department. The housing authority sent weatherization application forms to those who passed the phone screening.

Participants drawn from the previous HH-II study served as this study's historical comparison group. Comparison group enrollment occurred between November 2002 and October 2004, with CHW home visits ending in November 2005. CHWs for both the study and comparison groups received the same training and followed similar home visit protocols. Comparison group eligibility criteria (similar to the study group criteria) were as follows: children aged 3 to 14 years with not-well-controlled or very poorly controlled asthma; income below 200% of the 2001 federal poverty threshold or child enrolled in Medicaid; caretaker's primary language English, Spanish, or Vietnamese; and residence in King County, Washington. The HH-II research team recruited comparison group children primarily through community and public health clinics.

Community Health Worker Home Visit Intervention

For both study and comparison groups, a CHW from the public health department

obtained informed consent and conducted a baseline assessment of the home environment and a health interview, described elsewhere.^{39,42} Over a 1-year period, the CHW made an average of 4 additional home visits to provide education and supplies. For the education component, the CHW worked with each family on a tailored set of actions to reduce asthma triggers, based on standard protocols,^{39,42} including tailored educational messages and demonstrations about medical management of asthma and trigger reduction. During the first education visit, the CHW provided allergen-impermeable bedding encasements for the study child's bed, a low-emission vacuum, vacuum bags, a cleaning kit, a peak flow meter so the caregiver could periodically monitor the asthmatic child's breathing, an inhaler spacer if needed, an asthma medication and action plan storage box, and low-literacy educational materials. At the exit visit, approximately 1 year after the first visit, a CHW repeated the home environment assessment and the health interview.

Weatherization-Plus-Health Structural Interventions

County housing authority personnel conducted a weatherization-plus-health audit that determined the scope of structural interventions. The "weatherization" part included diagnostic home air tightness measurements, combustion safety testing, a heating system assessment, and an assessment of moisture-related problems. The housing authority used the US Department of Energy-approved Targeted Residential Analysis Energy Tool (TREAT) software to determine weatherization work specifications, including energy upgrades, related repairs, and health and safety improvements, with work varying in intensity and cost depending on the type of dwelling (apartments vs duplexes or single-family homes).

The "health" part of the audit included an assessment of asthma triggers that could be treated through additional structural interventions beyond routine weatherization, primarily in the bedroom and main play areas of the child with asthma. Weatherization-plus-health interventions performed in at least 35% of the study group homes are listed in Table 1. The median total cost of weatherization-plus-health interventions was \$4200 for apartments

and \$6300 for duplexes or single-family dwellings.

Environmental Measures

In the study and comparison groups, the CHW completed a home environment checklist and an interview with the primary caregiver, both described elsewhere,^{39,43} to assess home conditions and identify the presence of 6 asthma triggers: pets, smoking inside the home, cockroaches, rodents, mold, and water damage. At baseline and exit visits, we calculated a "trigger score" for each home, with scores ranging from 0 to 6 depending on the number of triggers identified by methods described elsewhere.⁴³

In a subset of study homes, we used a standard HUD method⁴⁴ to assess exposure to asthma-related allergens (dust mite, cockroach, and mouse) through floor dust vacuum sampling in the study child's bedroom, living room, and kitchen at baseline and exit visits. We marked an area of approximately 3 sq ft adjacent to upholstered furniture in the living room and adjacent to and slightly under the bed in the child's bedroom, with each area vacuumed for approximately 2 minutes. On bare floors, we sampled more than one 3 sq ft area if needed to collect sufficient dust for analysis. In the kitchen, we sampled the floor perimeter along the base of walls, appliances, and cabinets. Laboratory analysis was by the Multiplex Array for Indoor Allergen (MARIA) method (Indoor Biotechnologies, Charlottesville, VA) for dust mite allergens Der f1 and Der p1, Mite Group 2 (combination of Der f2 and Der p2), cockroach allergen Bla g2, and mouse allergen Mus m1.

Clinical Outcome Measures

Using interview data, we classified each participating child's asthma as well controlled, not well controlled, or very poorly controlled in accordance with NHLBI guidelines.⁴¹ The interview included the Pediatric Asthma Caregiver's Quality of Life Questionnaire score,⁴⁵ ranging from 1 to 7, with higher scores indicating better quality of life and a change of 0.5 units being clinically significant. Interview data included use of asthma-related urgent clinical care during the previous 12 months (including an overnight stay in hospital, emergency room visit, or unscheduled clinic visit)

TABLE 1—Most Frequently Performed Weatherization-Plus-Health Structural Interventions: Highline Communities Healthy Homes Project, October 2009–September 2010

Task	Dwellings With Task, %	
	Apartments (n = 11)	Duplexes and Single-Family Dwellings (n = 23)
Install bathroom fan timer(s)	82	87
Replace bathroom fan(s)	64	74
Insulate water pipes	27	78
Replace carpet ^a	91	48
Install CO detector	18	74
Repair or replace ductwork ^b	27	61
Insulate home ^c	18	61
Reduce air infiltration	18	57
Install smoke detector(s)	18	48
Weather-strip door(s)	18	48
Insulate or seal ductwork ^d	0	52
Replace light fixture(s)	18	43
Install CFLs	18	35
Install crawl space vapor barrier	9	35
Repair electrical issue(s)	18	30
Repair plumbing	9	35
Install door sweep	0	35
Replace door(s)	0	35
Replace kitchen range hood	18	26
Replace dryer hood	9	26

Note. CO = carbon monoxide; CFL = compact fluorescent lamp. The table presents interventions performed in at least 35% of study group dwellings. A full list of weatherization-plus-health interventions is available as a supplement to the online version of this article at <http://www.ajph.org>.

^aIn various homes, carpets were replaced with low-volatile-organic-compound (low-VOC) carpets, laminate flooring, vinyl, refinished hardwood, or a combination of carpet and laminate.

^bIncludes replacing bathroom fan duct, installing passive roof vent, venting kitchen exhaust fan, cleaning dryer duct, installing heat vent, repairing baseboard heater, repairing dryer vent, repairing duct and heating, ventilation, and air conditioning (HVAC), replacing crawlspace duct, replacing duct, venting bathroom fan, and replacing dryer duct, to improve ducts and vents.

^cIncludes insulating attic, walls, ceiling, or crawlspace, or a combination of these locations, all done to prevent air leakage into or out of the home.

^dIncludes insulating HVAC ducts, sealing ducts, and insulating furnace walls, all done to prevent energy leakage from various heating and air conditioning systems.

and self-reported asthma attacks in the previous 3 months.

Statistical Analysis

We used the χ^2 test to determine whether there was a difference in baseline demographic and other characteristics between the study and comparison groups (Table 2). Type of residence was the only significant difference between the 2 groups, with 32% of study group children living in apartments compared with 53% of comparison group children ($P = .049$). Because type of home could influence the type of weatherization-plus-health

interventions conducted in a given dwelling, we adjusted for these differences using propensity score weighting, controlling for the differences between the 2 groups; this resulted in an unbiased estimation of the treatment effect. To create the propensity score, we used a logistic regression model to predict the log-odds of being in the study group vs the comparison group. The regression model was based on child's age (3–6 vs ≥ 7 years), apartment versus house, winter (December 21–March 20) data collection period (yes vs no), and year of construction (1940–1959, 1960–1979, or 1980–2009).

We used propensity score weighting for all analyses except for descriptive statistics about the structural interventions (Table 1) and baseline household demographics (Table 2). Although propensity score weighting was unnecessary for within-group comparison of baseline versus exit visit data, we used it for consistency.

For yes-or-no interview questions, we used the McNemar test to test the hypothesis that the percentage of people within each group who answered yes to a question was different at baseline versus exit visit. When all people had the same responses at both times, we could not calculate the P value. We used a logistic model to test whether or not the log-odds of yes answers was different for the study vs comparison groups, controlling for the baseline response for each variable.

For categorical variables with answers representing some order of intensity (e.g., very sure, somewhat sure, not sure at all), we used the Cochran-Mantel-Haenszel row mean score to test whether responses were the same at the baseline and exit visits. For questions involving the number of days, quality-of-life scores, number of visits, and number of triggers, we used the paired t test to test whether there was a significant change in the means from baseline to exit visit. For these same variables, we used the 2-sample t test to determine whether the mean change from baseline to exit visit was significantly different between the study and comparison groups. For all tests, we defined statistical significance as $P < .05$.

We used McNemar's test to determine whether the percentage of allergen samples with concentrations at or above the detection limit (DL) was the same at baseline and exit visits.

RESULTS

The study team enrolled 45 households, of which 34 were retained through the 1-year follow-up visits (76% retention rate). The 34 study households had low annual incomes, and the education of most caregivers was either less than high school or a high school diploma or GED (Table 2). Almost half (47%) of enrolled children were Hispanic, 21% were Vietnamese, and 18% were African American.

TABLE 2—Baseline Household Characteristics: Highline Communities Healthy Homes Project, October 2009–September 2010

Characteristic	Study Group (n = 34), %	Comparison Group (n = 68), %	P ^a
Child's age, y			.327
3–6	41	51	
7–17	59	49	
Dwelling type			.049
Single-family	68	47	
Apartment (≥ 3 units)	32	53	
Caretaker's education			.79
< high school	44	41	
High school graduate or GED	21	21	
Some college	35	35	
College graduate		3	
Child's race/ethnicity			.74
African American	18	16	
Hispanic	47	46	
Other Asian/Pacific Islander	6	10	
Other or unknown	3	7	
Vietnamese	21	12	
White	6	9	
Child's asthma control			.779
Not well controlled	50	53	
Very poorly controlled	50	47	
Child's gender			.253
Male	68	56	
Female	32	44	
Primary language in home			.953
English	50	49	
Spanish	32	35	
Vietnamese	18	16	
Season of data collection			.241
Not winter	71	81	
Winter ^b	29	19	

^aBased on χ^2 test to determine whether study group baseline characteristics were different from those of the comparison group.

^bDecember 21 to March 20.

Fifty percent of households reported English as the primary language, 32% reported Spanish, and 18% reported Vietnamese. The average time between the baseline and exit data collection visits for the study group was 12 months (range = 11–15 months), compared with 14 months (range = 8–24 months) for the comparison group.

Clinical Outcomes

Between baseline and exit visits, the percentage of study group children whose asthma

was either not well controlled or very poorly controlled significantly improved, from 100% to 28.8% ($P < .001$; Table 3). The comparison group also had a significant improvement, from 100% to 51.6% ($P < .001$); however, the study group's absolute percentage reduction was significantly greater than that of the comparison group ($P = .04$). Moreover, the study group's improvement in caregivers' quality of life exceeded that observed for comparison group caregivers ($P = .002$) by 0.7 units, a clinically important difference.

For the following measures, the study group showed greater improvement than the comparison group, but the across-group difference in improvement did not reach statistical significance:

1. percentage of children with urgent clinical care visits in the previous 12 months;
2. mean symptom-free days in previous 2 weeks;
3. mean days of limited activity in previous 2 weeks;
4. mean days of rescue medicine use in previous 2 weeks; and
5. mean nights with symptoms in previous 2 weeks.

The improvement in the mean number of asthma attacks in the previous 3 months for the comparison group marginally exceeded that of the study group ($P = .092$).

Asthma Triggers

The percentage of study group homes with visible evidence of mold, and of those with water damage, condensation, leaks, or drips, significantly decreased from baseline to exit (Table 4; $P < .001$ and $P = .01$, respectively). The percentage of study group homes with visible evidence of rodents marginally decreased ($P = .087$). Although the decline in the percentage of homes with indoor smoking was not significant ($P = .128$), a low percentage of caregivers reported indoor smoking at baseline (6.9%), and by the end of the study, no caregivers reported indoor smoking. Although visible signs of cockroach exposure appeared to increase from baseline to exit (14.3% to 25.3%), this increase was not significant ($P = .17$).

Study group improvements in mold and water damage issues significantly exceeded those of the comparison group ($P = .078$ [marginally significant] and 0.029, respectively). The decline in overall exposure of study group children to asthma triggers (baseline and exit trigger scores = 1.8 and 0.8, respectively) was marginally significantly greater than that of comparison group children (baseline and exit trigger scores = 1.2 and 0.7, respectively; $P = .089$).

Allergens

Overall, Bla g2 was infrequently detected in study group homes (n = 16), with median

TABLE 3—Children’s Asthma Clinical Outcomes: Highline Communities Healthy Homes Project, October 2009–September 2010

Outcome	Study Group				Comparison Group				Study vs Comparison P ^b		
	No. of Children	Baseline, % or Mean	Exit, % or Mean	Percentage-Point Change (95% CI)	P ^a	No. of Children	Baseline, % or Mean	Exit, % or Mean		Percentage-Point Change (95% CI)	P ^a
Asthma not well controlled or very poorly controlled, %	33	100	28.8	-71.2 (-87.1, -55.2)	<.001	68	100	51.6	-48.4 (-60.7, -36.2)	<.001	.04
Urgent clinical care in previous 12 mo, %	34	93.5	61.8	-31.7 (-47.8, -15.5)	.01	61	89.9	66.2	-23.6 (-36.5, -10.7)	.003	.553
Symptom-free days in previous 2 wk, mean	34	8.4	11.9	3.5 (2.0, 5.0)	<.001	68	8.8	11.8	3.1 (1.7, 4.5)	<.001	.673
Asthma attacks in previous 3 mo, mean	34	1.7	0.9	-0.8 (-1.5, -0.1)	.027	66	3.5	1.2	-2.3 (-4.0, -0.7)	.006	.092
Caretaker’s quality of life, mean	34	5.1	6.7	1.6 (1.3, 2.0)	<.001	68	5.3	6.2	0.9 (0.6, 1.2)	<.001	.002
Days activity limited in previous 2 wk, mean	34	3.2	0.5	-2.7 (-3.8, -1.6)	<.001	68	2.5	0.9	-1.6 (-2.6, -0.6)	.002	.139
Days rescue medicine used in previous 2 wk, mean	34	5.7	1.7	-4.0 (-6.1, -2.0)	<.001	68	5.0	2.2	-2.8 (-4.2, -1.4)	<.001	.338
Nights with symptoms in previous 2 wk, mean	34	2.8	0.4	-2.4 (-3.5, -1.3)	<.001	68	2.9	1.2	-1.7 (-2.8, -0.5)	.005	.376

Note. CI = confidence interval.

^aBased on paired t test comparing within-group change from baseline to exit visit.

^bBased on 2-sample t test comparing within-group change across groups or logistic regression comparing exit visit values adjusted for baseline values across groups.

levels at baseline and exit visits less than its DL of 0.196 µg/g. Although Bla g2 was generally less frequently detected at the exit visit (6%, 6%, and 0% ≥ DL in child’s bedroom, kitchen, and living room, respectively) than the baseline visit (6%, 19%, and 12% ≥ DL, respectively), these decreases were not significant. Dust mite allergen, particularly Der p1 (the predominant dust mite species in the Seattle area⁴⁶) and Mite Group 2, was detected more frequently than Bla g2. The percentage of Der p1 results equal to or greater than the DL significantly decreased from baseline (75%) to exit visit (44%) in the living room (P=.059 [marginally significant]), but there was no significant change in the child’s bedroom (75% to 69%). The percentage of Mite Group 2 sample results equal to or greater than the DL significantly decreased between baseline and exit visits in both the child’s bedroom (94% to 75%, P=.083 [marginally significant]) and the living room (75% to 44%, P=.025). Mus m1 showed a significant increase in the percentage of results equal to or greater than the DL in both the kitchen (25% to 62%, P=.014) and living room (37% to 81%, P=.008); however, the majority of Mus m1 results were very low, with medians at or just above the DL of 0.002 in all locations. A summary of baseline and exit visit allergen concentrations is available as a supplement to the online version of this article at <http://www.ajph.org>.

DISCUSSION

This study suggests that adding weatherization-plus-health structural interventions to an existing CHW educational asthma home visit program results in greater benefits in asthma control and asthma-related quality of life. There were also improvements in mold, water damage, and child exposure to asthma triggers over and above those found in households receiving CHW education visits alone.

This study complements the Breathe Easy Home (BEH) study, which examined the impact of CHW education and newly constructed asthma-friendly homes and used the same historical comparison group. Similar to our study, the BEH Study found significant improvements in children’s asthma control, asthma-symptom-free days, frequency of urgent clinical care visits, and caretakers’ quality of life⁴³,

TABLE 4—Asthma Triggers Found in Homes: Highline Communities Healthy Homes Project, October 2009–September 2010

Outcome	Study Group				Comparison Group				Study vs Comparison <i>p</i> ^b		
	No. of Homes	Baseline, % or Mean	Exit, % or Mean	Change (95% CI)	<i>P</i> ^a	No. of Homes	Baseline, % or Mean	Exit, % or Mean		Change (95% CI)	<i>P</i> ^a
Any pet, %	34	27.1	24.0	-3.2 (-19.2, 12.9)	.729	55	17.2	29.9	12.7 (-1.4, 26.8)	.098	.326
Mold, %	34	53.5	7.0	-46.5 (-63.9, -29.2)	<.001	68	48.7	21.0	-27.7 (-42.1, -13.3)	.001	.078
Cockroaches, %	34	14.3	25.3	11.0 (-4.4, 26.5)	.17	63	13.1	12.0	-1.2 (-13.2, 10.9)	.856	1.11
Rodents, %	34	15.6	2.2	-13.4 (-25.3, -1.6)	.087	61	6.7	3.5	-3.2 (-9.7, 3.3)	.371	.424
Smoking inside home, %	34	6.9	0.0	-6.9 (-15.7, 1.9)	.128	65	1.8	3.2	1.4 (-1.5, 4.3)	.419	1.998
Water damage, condensation, leaks, or drips, %	34	60.6	24.1	-36.4 (-54.9, -18.0)	.01	68	34.4	4.9	-29.5 (-2.5, -16.6)	<.001	.029
Trigger score, ^c mean	34	1.8	0.8	-1.0 (-1.4, -0.5)	<.001	68	1.2	0.7	-0.5 (-0.8, -0.2)	.001	.089

Note. CI = confidence interval.

^aBased on McNemar's test to test the hypothesis that the percentage of people within each group who answered yes to a question was different at the baseline vs the exit visit.

^bBased on a logistic model to test that the log-odds of yes answers in the study group were different from those in the comparison group, controlling for the baseline response for each variable.

^cThe trigger score was 0 to 6, depending on the number of triggers identified.

however, the improvements observed for the BEH group, although greater than those for the historical-education-only group, were not significantly greater. The improvements observed in our current study were generally greater than those observed in the BEH study. For example, the asthma control improvement of the study group versus comparison group was approximately 20% in the current study and 5% in the BEH study. Caregivers' quality of life improved by 0.7 units in the study group over that of the comparison group in the current study, compared with 0.2 units in the BEH study. Improvements in asthma trigger scores, however, were greater in the BEH study than in the current study (score reduction of 0.69 vs 0.5). More research is needed to determine why asthma outcome improvements observed for weatherizing existing homes were greater than those observed for constructing new, asthma-friendly homes.

The types of structural interventions and costs varied considerably depending on the type of dwelling in which the study child resided. Roughly one third of enrolled homes (32%) were apartments in multifamily buildings; the remaining 68% were duplex or single-family dwellings. Additional interventions that supplemented the more routine weatherization repairs, such as carpet replacement and bathroom fan installation, were generally performed both in apartments and in duplexes and single-family dwellings. However, the housing authority could perform only limited weatherization interventions in single apartments of multifamily buildings because they were not treating the whole building. In a routine weatherization program, the housing authority would treat an entire multifamily building if 50% or more of the residents were eligible in terms of income. However, because this study began with enrollment of asthmatic children instead of enrollment of homes needing weatherization, the housing authority could treat only the study child's apartment. The median weatherization cost for duplexes and single-family dwellings (\$4181) was nearly twice as high as that for apartments (\$2243), whereas median costs for the additional interventions were similar (apartment = \$3005; duplex or single-family dwelling = \$3103). The small sample size prevented evaluation of the impact of variable intervention intensity on asthma outcomes.

Study group caregivers did not have substantially greater improvements in cleaning activities than the comparison group (data not shown), suggesting that the observed reduction in asthma triggers was more likely related to weatherization improvements and less to caregivers' education and actions. The weatherization improvements may have also yielded the reductions in dust mite allergen levels and reduced moisture and water damage in study group homes.

We observed only a modest decline in visible evidence of rodents and a small increase in visible evidence of cockroaches. Integrated pest management was not a formal part of the weatherization-plus-health interventions. CHWs did emphasize the behavioral components of integrated pest management, including proper food material storage and disposal. CHWs also performed a one-time cleaning training session in homes with visible cockroach problems. The study findings, including the lack of significant improvements in *Mus m l* allergen levels, suggest that education and one-time cleaning alone is insufficient to reduce pest-related asthma triggers.

Strengths and Limitations

Study strengths included a high retention rate, the availability of a comparison group, and inclusion of vulnerable populations. Because the work was done in real-world settings, it is probably generalizable to other weatherization programs.

This study also has limitations. Blinding of the study team was not possible. A randomized controlled design was infeasible because the way homes are processed through the weatherization program precludes randomization. The robust findings of this observational study, however, support the conclusion that a package of weatherization-plus-health interventions and education yield greater improvements in asthma control. As with all intervention studies, the placebo effect may account for some of the findings; however, such placebo effects may be considered a useful intervention, yielding health benefits. The small study size and duration did not permit a formal economic analysis, but the greater decline in urgent health care use in the study group, although not significant, suggests that the intervention has the potential to generate health cost savings.

If structural interventions are durable, longer-term follow-up might reveal greater health improvements. Because of the small sample size, we could not control for multiple comparisons. It would also be beneficial to study the impact of weatherization alone on child health outcomes. In general, weatherization programs are limited in the types of repairs they can make compared with a more holistic approach that has both weatherization and healthy homes funding.

Conclusions

A comprehensive program combining an intensive CHW in-home education program with structural weatherization-plus-health interventions substantially improved asthma control and caregivers' quality of life and significantly reduced the presence of home asthma triggers. These improvements were significantly greater than those observed in households that received asthma education visits alone. Improved coordination among weatherization and public health programs may result in greater improvements in both the home and the health of children with asthma. ■

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Contributors

J. Breyse, a subgrantee project manager, aided in the overall study design and implementation, oversaw evaluation data collection and analysis, and was the primary author of the article. S. Dixon, the study biostatistician, was responsible for data management and statistical analysis. J. Gregory, the primary grantee project manager, aided in the overall study design and implementation and recruitment of homes, determined the weatherization work to be done and oversaw and documented that work, and collected allergen samples. M. Philby, a subgrantee program manager, oversaw the enrollment of residents, managed the community health worker visits, oversaw health and visual assessment data collection, and managed the health and visual assessment data. D. E. Jacobs, the subgrantee principal investigator, aided in overall study design and contributing to the data interpretation. J. Krieger, a subgrantee co-principal investigator, aided in the study design, data

analysis, and interpretation of study findings, and oversaw the provision of comparison group data.

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Note. The authors are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the US government.

Human Participant Protection

The University of Washington's human subjects review committee approved this study prior to any data collection.

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RESIDENT OPPORTUNITY PLAN



YEAR 3 REPORT BRIEF



The **King County Housing Authority** (KCHA) operates over 8,000 low- and moderate-income apartment units and administers 10,000 rental vouchers that support a wide mix of single, family, disabled, and special needs households.

The **Resident Opportunity Plan** pilot program was launched in 2010 to assist up to 100 households over five years in accessing services and building assets with a goal of participants achieving economic independence. By connecting residents with career-focused education and training, this initiative helps resident participants create better futures and move from federally-assisted housing to other housing options, thereby opening existing KCHA resources for the homeless and families in need.

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Resident Opportunity Plan Year 3 Report Brief

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Introduction



The Resident Opportunity Plan pilot (ROP) brings together public and private resources and community-based agencies to provide a wrap-around service delivery model. The King County Housing Authority (KCHA) contracts with two service partners in this effort, Bellevue College and the YWCA, who provide education- and employment-focused case management to guide and support ROP participants and assist these individuals in making gains toward self-sufficiency. The program includes:

- A career plan for each participant that addresses barriers to increasing income, including education, job skill development, and literacy development for those with limited English-speaking skills
- A focus on wage progression to position residents to succeed in a changing economic and work environment and compete for living wage jobs and jobs with career pathways that lead to higher pay
- Asset-building to help households develop savings and achieve greater economic self-sufficiency, including financial literacy education, credit repair and debt reduction, access to homebuyer education, and mortgage lending and counseling
- Client assistance fund available for those actively engaged in the program to allow the resident to focus on completion of their career plan
- A savings account established the first of the month following program enrollment, with a portion of the participant's rent held aside in a separate savings account, available upon successful graduation from the program and transition from KCHA subsidized housing
- Priority access to KCHA Asset Managed Properties when participants graduate from ROP and a housing safety net if a participant is not able to sustain market-rate housing, allowing return to the next available unit of KCHA public housing for 2 years after graduating from the program

ROP's evaluation tracks outcomes expected for participants, including: educational gains, employment progression, income, reliance on government benefits, development of assets, and graduation from subsidized housing.

Who Is ROP Helping?

The ROP pilot has served 80 participants since its launch in 2010. This report focuses on the 50 participants enrolled as of July 2013. Education levels vary substantially, ranging from below a sixth grade education to an undergraduate education, but most have some level of education, possibly due to ROP's eligibility requirements. Most ROP participants are employed. Household income ranges considerably from \$0 to \$70,200 with a 2012 average of \$21,427 and a median of \$16,572.

Race/Ethnicity	<ul style="list-style-type: none"> ▪ 52% African American ▪ 38% White ▪ 14% Other Groups
Origin	<ul style="list-style-type: none"> ▪ 66% born in the U.S. ▪ 18% born in Africa ▪ 16% born in other countries
Gender	<ul style="list-style-type: none"> ▪ 84% Women ▪ 16% Men
Age	<ul style="list-style-type: none"> ▪ 70% are in their 20's and 30's
Household	<ul style="list-style-type: none"> ▪ 62% are single parents with children under age 19
Education	<ul style="list-style-type: none"> ▪ 90% have completed high school or GED ▪ 66% have a degree or certificate beyond high school
Employment	<ul style="list-style-type: none"> ▪ 82% Employed ▪ 18% Unemployed

Year 3 Evaluation Findings

Key finding: Participants enrolling in education or training programs show progress, but have some distance to go before degree completion

Nearly three-quarters (or 37 current ROP participants) have been enrolled in education/certificate programs (e.g., ABE, AA/AS, BA/BS, IBEST) or job readiness skills training at some point during their tenure in ROP. All ten participants with a need for ESL have been enrolled in an ESL class at some point. 36% have earned certificates or degrees:

- 19 completed 5 to 45 credit hours
- 8 completed 45 credit hours, halfway to degree completion
- 1 earned a BA degree
- 1 earned an AS degree and certificate
- 13 earned one certificate
- 2 earned two certificates

Key finding: Participants are finding and maintaining employment, but wages are not increasing dramatically

The majority of current ROP participants were **employed** as of July 2013. Six who were unemployed when they enrolled in ROP have found jobs. Eight of the ten currently unemployed have been or are enrolled in education or training programs.

Of the 33 participants working for an employer, **average wage** is \$15.36, higher than Washington’s minimum wage of \$9.19. Wages are not rising significantly. For those participants who were employed at ROP enrollment and are currently employed, the table below shows the change in wage between program entry and current wage.

Wage at ROP Enrollment (N=20)	Average \$13.29 (Median \$12.25) Range of \$9.58 - \$20.15
Current Wage (N=20)	Average \$15.25 (Median \$13.50) Range of \$10.00 - \$25.42
Wage Change (Current Wage – Wage at ROP Enrollment)	Average \$1.96 (Median \$0.25) Range of -\$2.97 - \$13.00

Note that this table includes 20 participants for whom data were available.

Key finding: Employed participants are in positions and industries in demand, but most are in lower-skill jobs

Job positions that meet industry-defined skill gaps or address high vacancies in growing industries present good opportunities for employment entry, but they can be lower-skill level jobs that do not pay a living wage or provide access to higher paying positions. A **career pathway** is defined by Washington State's Board of Community and Technical Colleges as one leading to high-wage, high-demand careers with starting wages of at least \$15/hour. These opportunities generally require education and training beyond high school but less than a bachelor's degree and represent middle-skill level jobs paying an adequate income.

Almost three-quarters of employed ROP participants hold positions in high demand, low-skill areas such as Administrative Assistants, Assemblers, Nursing Assistants, and Home Health Aides. Although the median wage is \$13.50/hour and the average is \$15.36, less than a third of employed participants receive benefits through their employer. Given that nearly two-thirds of participants are single parents with children 18 years of age or younger and the average family size is 3.3, continuing in these jobs may not be sustainable or lead to the wage increases or employer benefits that make self-sufficiency possible.

Education is clearly a critical starting point on the pathway. Individuals can enter Adult Basic Education or integrated basic skills (I-BEST) programs that prepare them for higher level coursework, potentially leading to certificates offering career advancement or to associate and baccalaureate degree programs. Individuals pursuing these pathways are more likely to move into higher skill employment and careers offering better opportunities and high pay.

Some participants are on positive pathways given current enrollment in or completion of degrees or certificates that could lead to higher skill and better paying jobs

Of the 12 participants earning degrees or certificates while in ROP:

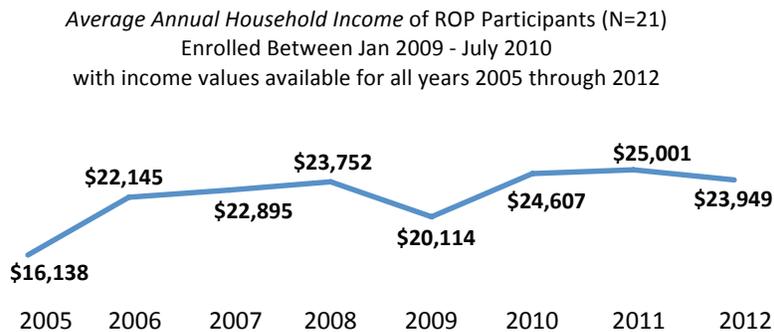
- 6 are working in positions or industries that are directly related to their degree or certificate

Of the 23 participants currently employed in lower-skill level jobs:

- 13 have been in training/education during their tenure in ROP, almost all making gains in their coursework

- 12 have a certificate/degree that could lead to higher paying positions; half earned it while participating in ROP

Average **annual income for ROP households** varies over time, increasing between 2005 and 2008, decreasing in 2009 possibly as a result of the recession, increasing again in 2010, and remaining relatively stable since then. It is lower this past year, however, than in the previous two years.



Key Finding: Most ROP households make under \$30,000 a year, living at or below the poverty level

Although household incomes in 2012 ranged between \$0 and \$70,200, a large percentage of ROP households fell within the \$10,000 - \$19,999 range and 52% of households were at or below the federal **poverty** line. This is a sizable increase compared to last year when 41% of households were at or below poverty. In addition, two-thirds of current ROP participants received **food assistance** from Washington State last year.

How Do ROP Participants Compare?

Two different groups are being used for comparison throughout the ROP evaluation — Family Self-Sufficiency program participants and a sample of residents from the East King County and Park Lake Homes II populations. Some differences between the ROP and FSS programs are outlined below:

	ROP	FSS
Case Management Frequency	Monthly	Quarterly
Graduation Requirement	Must no longer be living in federally subsidized housing	Must be employed and no longer utilizing TANF
To Obtain Escrow Account	Must no longer be living in federally subsidized housing	Must be employed and no longer utilizing TANF
Escrow Account Deposit Calculation	Set \$200 deposit per month	Calculated by rent increase from start of the program
Participant Demographics		
White	38%	29%
African American/Black	52%	64%
Place of Birth	34% outside U.S.	17% outside U.S.
Primary Language	64% speak English	77% speak English
Gender	84% women	90% women

Some cautions ... ROP participants are different on key characteristics from both FSS participants and non-ROP residents. The higher unemployment rate among FSS participants and non-ROP individuals, as well as possible education and language differences, present different issues and barriers to obtaining higher wage employment than those faced by ROP participants. The higher employment rate also could be associated with the eligibility criteria for ROP enrollment, which requires participants to have a work history within the past three years, be currently working, be in a formal training/certificate program, or have graduated from such a program within the past six months.

Key Finding: ROP participants appear to be doing better in education and employment

Two groups are used for comparison in the ROP evaluation: Family Self-Sufficiency program participants and a sample of residents from East King County and Park Lake Homes II populations	ROP	FSS	Non-ROP KCHA Residents
Earning a certificate or degree while enrolled	34%	12%	Data unavailable
Securing a new job while enrolled	12%	7%	Data unavailable
Currently unemployed	18%	50%	42%
2012 average annual household income	\$21,427	\$16,560	\$22,647
Since project launch in Spring 2010, 8 ROP participants have graduated , completing their program goals and moving to unsubsidized housing			

Moving out of KCHA housing for <i>positive</i> reasons	14%	4%	9%
Moving out of KCHA housing for <i>neutral/ negative</i> reasons	4%	8%	14%

Key Finding: Wages and income are higher for ROP than FSS participants but lower than Non-ROP residents

ROP participants' current **wages** and wages at program enrollment appear to be slightly higher than FSS participants for whom data are available, but the average change in wages from enrollment to July 2013 is similar.

	ROP Participants (N=20)	FSS Participants (N=37)
Wage at ROP/FSS Enrollment	Average \$13.29 (Median \$12.25) Range of \$9.58 - \$20.15	Average \$12.63 (Median \$11.73) Range of \$9.00 - \$28.00
Current Wage	Average \$15.25 (Median \$13.50) Range of \$10.00 - \$25.42	Average \$14.16 (Median \$13.55) Range of \$9.00 - \$35.00
Wage Change	Average \$1.96 (Median \$0.25) Range of -\$2.97 - \$13.00	Average \$1.52 (Median \$1.00) Range of -\$0.25 - \$7.00

Annual **household income** for ROP participants is also higher than for FSS participants, but somewhat lower than the annual household income reported for KCHA residents not enrolled in ROP. Average household size is 3.3 for both ROP participants and non-ROP KCHA residents and 3.2 for FSS participants.

Does ROP Achieve Its Ultimate Goal?

Key Finding: 8 participants have graduated and moved to unsubsidized housing

ROP's goal is for participants to *achieve economic independence, create better futures and move from federally-assisted housing to other housing options*. Since project launch in the Spring of 2010, eight participants have **graduated** from ROP, completing their program goals and moving to unsubsidized housing. Tenure in ROP averaged a year. Three more participants moved out of KCHA without completing their program goals; two moved to unsubsidized rental housing and one purchased a home. Another three participants have moved from KCHA housing, two to another geographic area and one giving her voucher to another family member.

Key Finding: ROP participants move out of KCHA housing more than FSS or Non-ROP residents

The Family Self-Sufficiency program also focuses on goal-setting for participants, but does not couple gains in economic independence to the expectation that FSS participants will move out of KCHA housing. For comparison, however, the **move-outs** of each group are shown below.

	Moved out of KCHA Housing		
	<i>ROP Participants</i>	<i>FSS Participants</i>	<i>Non-ROP KCHA Residents</i>
Positive Reasons	14% (11 participants)	4% (18 individuals)	9% (18 individuals)
Negative Reasons	0% (0 participants)	3% (11 participants)	6% (12 individuals)
Neutral Reasons	4% (3 participants)	5% (21 participants)	8% (15 individuals)

Positive reasons for moving-out include buying a home and/or renting an unsubsidized unit. Negative reasons include abandoning a KCHA subsidized unit, voucher expiration violations, and landlord evictions. Neutral reasons include moving in with family, cross-absorption, portability move-outs, and unknown circumstances.



Conclusions

The Resident Opportunity Plan clearly is helping individual participants make progress in education and employment. The majority of participants are taking advantage of education and training: more than half of those engaged in these programs are making gains and over a third have earned a certificate or degree. The majority are employed, including six who were unemployed at enrollment. Those working are, on average, earning a wage higher than before they enrolled in ROP and higher than Washington's minimum wage. Despite this, wage increases for employed participants have been modest and most do not receive benefits through their employers. Granted, ROP participants are trying to make progress in an economy that has been struggling and in a changing employment landscape, with greater competition for jobs, promotions, or raises than likely was true just five years ago. But the sobering fact is that more than half of ROP participant households live at or below the federal poverty level.

Of those participants who are employed, most are currently in lower-skill jobs. Some, but not all, participants are on career pathways toward better paying jobs — continuing to pursue education and the skills and certificates or degrees that can lead to high demand, higher wage positions. However, it is not clear at this point whether most ROP participants are on the “first rung of the ladder” toward careers and incomes that will make them self-sufficient and allow them to move to non-subsidized housing. Eight participants have graduated from ROP, completing their program goals and moving out of KCHA housing, and another three moved out without fully completing the program.

From the program level perspective, ROP demonstrates positive achievements when viewed in relation to the Family Self-Sufficiency program and the other comparison group of Non-ROP residents. ROP participants are doing better in terms of education and employment in these comparisons. And the participants are doing better in terms of ROP's larger goal of moving people to unsubsidized housing than their FSS and Non-ROP comparison groups.

Two important questions remain. First, will ROP be successful in helping most of those participating to make enough progress to become self-sufficient? With its five-year timeframe, the program may show significant gains in Year 4 or Year 5 of the pilot. As the case managers from Bellevue College and the

YWCA have stated, it is important to keep in mind that the path to self-sufficiency is a long one. It takes time — from the months or years it takes to complete a degree or certificate, to the time it takes to find a job and gain the experience required to earn a promotion or move into a higher paying job. It also is true that ‘life intervenes’ for many ROP participants. So the answer to this question is “it’s possible, but not yet clear.”

The second question is, are the outcomes achieved through ROP sufficient to warrant the cost of the program, and therefore, worth “scaling up” to a larger segment of the KCHA population? The benefits are clear for individuals; however, ROP is helping just a small number of people at a considerable cost. The likelihood seems remote that this particular service model, with its concentrated case management requirements, can be delivered in its totality to KCHA’s work-able population. That’s not to say that certain elements of the program model couldn’t be applied on a broader scale. For example, requiring work-able individuals who are just entering KCHA housing to participate in a program that provides access to education or job training. Or requiring more KCHA households to take part in financial literacy education. It seems appropriate, given the progress that is evident in the ROP pilot, to consider what has been learned and adapt it where it is possible to do so. Or KCHA could consider whether an intensive ROP-like program should focus on work-able households entering KCHA housing. Such a program could be coupled with a time limit on the housing subsidy.

Recommendations for Moving Forward

There remains 18 months in the ROP pilot. KCHA staff and case managers discussed the findings from the Year 3 evaluation and considered both questions noted above and the sustainability of the program. The group identified steps to be pursued in the coming year and ideas that may make ROP a viable option for KCHA support in the future.

- Focus the program more narrowly, by only enrolling individuals who are interested and willing to pursue certain career pathways that lead to high demand, high wage jobs. Although exceptions would be likely (e.g., individuals with previous educational attainment), a more narrow approach could channel motivated individuals into defined career pathways leading to middle wage jobs.
- Consider an assessment process before participants are accepted into the program to identify individuals with the motivation and life circumstances that will allow them to take advantage of the educational and vocational opportunities the program offers.
- Continue the cost-benefit analysis in next year’s evaluation and include some case studies to describe the kinds of individuals who are succeeding in ROP and the factors that both advance and hinder their progress.

C. Development Numbers

HUD Development Numbers			
Development Number	Development Name	Development Number	Development Name
WA002000101P	Ballinger Homes	WA002000354P	Brittany Park
			Campus Court
WA002000150P	Paramount House		Riverton Terrace
			Riverton Terrace, Egis
WA002000152P	Briarwood		Shoreham
	Lake House		Victorian Woods
WA002000153P	Northridge I	WA002000401P	Campus Court II
	Northridge II		Valli Kee
			Vista Heights
WA002000201P	Avondale Manor		
	Forest Glen	WA002000403P	Cascade
	Forest Grove		Glenview Heights
WA002000203P	Bellevue 8	WA002000404P	Pickering Court
	College Place		
	Eastside Terrace	WA002000408P	Youngs Lake
	Kirkwood Terrace		
		WA002000450P	Mardi Gras
WA002000206P	Green Leaf		
	Juanita Court	WA002000451P	Eastridge House
WA002000207P	Cedarwood	WA002000502P	Green River Homes
	Juanita Trace		
	Juanita Trace II	WA002000503P	Firwood Circle
	Wellswood		
		WA002000504P	Burndale Homes
WA002000251P	Casa Juanita		
		WA002000505P	Evergreen Court
WA002000302P	Park Lake - Site II		Federal Way SF Homes
			Kings Court
WA002000350P	Boulevard Manor		
		WA002000550P	Gustaves Manor
WA002000352P	Munro Manor		Wayland Arms
	Yardley Arms		
		WA002000551P	Plaza 17
		WA002000552P	Southridge House
		WA002000553P	Casa Madrona

KCHA Development Numbers

Development Number	Development Name	Development Number	Development Name
485	Anita Vista	105	Park Royal
390	Burien Park	294	Parkway
182	Harbor Villa	101	Pepper Tree
293	Hidden Village	480	Shelcor
210	Kirkland Place 2	291	Spiritwood
292	Newport Apartments	156	Westminster Manor
290	Northlake House		
191	Northwood		

D. KCHA's Local Asset Management Plan

As detailed in KCHA's FY 2008 MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA has implemented a Local Asset Management Plan that considers the following:

KCHA will develop its own local funding model for Public Housing and Section 8 using its block grant authority. Under its current agreement, KCHA can treat these funds and CFP dollars as fungible. 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 will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues will include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund. This will have multiple benefits.

- KCHA gets to decide subsidy amounts for each public housing project. It's estimated that HUD's new funding model has up to a 40% error rate for individual sites. This means some properties get too much, some too little. Although funds can be transferred between sites, it's simpler to determine the proper subsidy amount at the start of the fiscal year rather than when shortfalls develop.
- KCHA will establish a restricted public housing operating reserve equivalent to two months' expenses. KCHA will estimate subsidies and allow sites to use them in their budgets. If the estimate exceeds the actual subsidy, the difference will come from the operating reserve. Properties may be asked to replenish this central reserve in the following year by reducing expenses, or KCHA may choose to make the funding permanent by reducing the unrestricted block grant reserve.
- Using this approach will improve budgeting. Within a reasonable limit, properties will know what they have to spend each year, allowing them autonomy to spend excess on "wish list" items and carefully watch their budgets. The private sector doesn't wait until well into its fiscal year to know how much revenue is available to support its sites.
- Reporting site-based results is an important component of property management and KCHA will continue accounting for each site separately; however, KCHA, as owner of the properties will determine how much revenue will be included as each project's subsidy. All subsidies will be properly accounted for under the MTW rubric.
- Allowable fees to the central office cost center (COCC) will be reflected on the property reports, as required. The MTW ledger won't pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments and excess energy savings from the Authority's ESCO, may be transferred from the MTW ledger or the projects to the COCC.
- Actual Section 8 amounts needed for housing assistance payments and administrative costs will be allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing budget transparency. Section 8 program managers will become more responsible for their budgets in the same manner as public housing site managers.

Block grant ledger expenses, other than transfers out to sites and Section 8, will be those that support MTW initiatives, such as the South County Pilot or resident self-sufficiency programs. Isolating these funds and activities will help KCHA's Board of Commissioners

and its management keeps track of available funding for incremental initiatives and enhances KCHA's ability to compare current to pre-MTW historical results with other housing authorities that do not have this designation.

In lieu of multiple submissions of Operating Subsidy for individual Asset Management Projects, KCHA may submit a single subsidy request using a weighted average project expense level (WAPEL) with aggregated utility and add-on amounts.