

# MTW ANNUAL PLAN FY 2011



**KING COUNTY HOUSING AUTHORITY**





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## SECTION I. INTRODUCTION

Established in 1939, the King County Housing Authority (KCHA) provides housing assistance to low-income households through a variety of federal, state and locally funded programs. Today, as King County's largest provider of affordable housing and a leader in regional efforts to end homelessness, KCHA serves more than 18,000 households daily. Effectively delivering housing resources in an area as expansive and diverse as King County is no easy task. KCHA's reputation as a high-performing housing authority has allowed the agency to develop strong local and regional partnerships – providing the support needed to bring quality affordable housing to the region's most at-risk households – elderly and disabled households, homeless families with children and chronically homeless individuals. Working in close collaboration with local communities and non-profit organizations, KCHA's service delivery models link affordable housing with easy access to supportive services such as education, job training and social and health services in order to assist families as they work to build skills leading to self-sufficiency.

**King County covers more than 2,100 square miles and includes more than 37 suburban cities. With a population exceeding 1.9 million, it ranks as the 14<sup>th</sup> most populous county in the nation.**

KCHA is keenly aware that building strong, safe and welcoming communities where families can thrive and providing housing mobility are essential tasks for reducing poverty and opening doors to self-sufficiency for the region's lowest income households. Though impacted by multiple years of cutbacks in federal funding allocations and a difficult housing financing environment, KCHA continues to rise to the challenge of helping more families in more ways than ever before. With inventive, results oriented strategic planning, KCHA seeks to adequately respond to the region's increasing demand for quality affordable housing through efficient and effective use of its limited financial resources.

In 2003, KCHA's national recognition for innovative, "out-of-the-box" programs and consistent designation as a "High Performer" under evaluations of its Public Housing and Section 8 Housing Choice Voucher programs paved the way for the agency's entry into the Department of Housing and Urban Development's (HUD's) Moving to Work (MTW) demonstration program. One of just 33 agencies selected for the program, MTW participation provides KCHA a unique opportunity to waive overly restrictive federal housing program rules and constraints in favor of new approaches to delivering affordable housing in our local communities. As an MTW agency, KCHA's Public Housing Operating, Capital and Section 8 program resources are combined into a single block-grant with full funding flexibility. KCHA may use the MTW block-grant to fund a wide array of affordable housing initiatives, including but not limited to, general operation of the Public Housing and Section 8 Housing Choice Voucher programs, capital improvements, site acquisition and development, case management and supportive services and other approaches

to the provision of housing services to low-income households without being limited by the program constraints of Sections 8 and 9 of the U.S. Housing Act of 1937.

As mandated by Congress, the MTW demonstration encourages KCHA to develop new approaches in the delivery of housing services in order to address the following program objectives:

- ❑ Increase housing choices for low-income families;
- ❑ Help KCHA clients become increasingly self-sufficient;
- ❑ Ensure the cost effectiveness of KCHA operations.

Participation in the MTW demonstration allows KCHA to develop and apply innovative, locally driven and sustainable solutions that respond to the specific housing needs and markets in the greater Puget Sound area. Preserving and increasing the supply of affordable housing is vital to ensuring that the County's growing population of extremely low-income households - those in poverty, on the brink of homelessness or without access to necessary support services - have a safe, secure place to call home. In collaboration with local governments and non-profit organizations, MTW program flexibility has allowed KCHA to expand efforts to address the region's critical shortfall of affordable housing and to strengthen its role as the safety net for homeless and special needs populations. Major accomplishments under the program include the design and implementation of:

- ❑ New programs to assist "hard-to-house" populations. In partnership with local public and behavioral health care systems, KCHA is ensuring that the County's most at-risk populations - chronically homeless and mentally-ill households - have access to permanent, supportive service-enriched housing. These programs have expanded KCHA's reach while taking these vulnerable households off the streets and reducing their impact upon state and regional mental health and jail systems. In 2009, KCHA's Public Housing and Section 8 programs housed 816 new households. Of these, 400, or 49 percent, were formerly homeless.
- ❑ A locally designed Project-based program to provide transitional housing to homeless families with children. In conjunction with the Bill and Melinda Gates Foundation, United Way, and local community service partners, KCHA's transitional housing integrates supportive housing with access upon graduation to Public Housing to help get families back on the road to self-sufficiency.
- ❑ Creative financing approaches to address the backlog of unmet capital needs in KCHA's Public Housing developments. Since entering the MTW program, KCHA has leveraged significant capital investment into its Public Housing inventory for the redevelopment and upgrading of its largest and most dilapidated communities - ensuring that these units remain viable affordable housing resources over the long-term.
- ❑ Increased safety and security and improved environmental sustainability of units targeted to assist KCHA's most vulnerable households – frail elderly and disabled

residents in our Public Housing developments. MTW funding flexibility has assisted KCHA efforts to fully sprinker its entire Public Housing mixed population hi-rise inventory and ensure that a sufficient number of units are fully accessible and usable by disabled households. In addition, conservation measures have been implemented and installed - reducing water consumption across KCHA's inventory more than 40 percent.

- ❑ A replacement housing program that has expanded housing choice by shifting federally subsidized units from neighborhoods of concentrated poverty to the County's more affluent eastside communities.
- ❑ A comprehensive transfer policy that facilitates transfers between programs – allowing families to access housing assistance across the region that best fits their individual needs and circumstances.
- ❑ A local program that established Section 8 Housing Choice Voucher payment standards calibrated to reflect costs in distinct submarkets of the region - allowing KCHA to quickly and efficiently respond to changing market conditions and support access to higher market neighborhoods.
- ❑ Creative use of banked Public Housing ACC in conjunction with new acquisitions – preserving privately owned rental complexes that would have been lost to for-profit redevelopment – in order to increase the inventory of units available to extremely low-income households. To date, KCHA has purchased three sites - Pepper Tree (Shoreline), Pacific Court (Tukwila) and Park Royal (Bothell) - adding a total of 85 units to its Public Housing inventory.
- ❑ A “combined program” approach to managing KCHA properties that include a mixture of Public Housing, Section 8 Housing Choice Vouchers, Project-based Vouchers and local funding sources. Use of MTW authority to modify operating guidelines of its federal housing programs allows KCHA to conform government operating subsidies in these developments – ensuring neighboring residents get equal treatment and administration is more efficient.

**During FY 2011, KCHA intends to explore and may execute a Domestic Violence Transfer Partnership with other MTW PHAs in the Western Region in order to facilitate resident moves to safe, secure housing in times of crisis.**

**In FY 2011 and beyond, the ability to break down the “silos” between the Public Housing, Section 8 HCV and Project-based program operations will provide critical flexibility as KCHA accelerates efforts to restructure the financial support of its Public Housing inventory.**

Together, these efforts have allowed KCHA to increase the number of households served by nearly 18 percent since entering the MTW program and to tackle many of the most critical repair needs of its largest and most dilapidated rental communities. KCHA's ability to address these dual goals - identified upon entry to the MTW program - has been essential to its success in responding to the needs of the region's low-income households, ensuring the long-term viability of the region's affordable housing inventory and broadening housing choice and mobility.



MTW flexibility has also enabled KCHA to move away from federally mandated program rules and regulations in favor of locally determined policies that reduce program administrative costs – freeing up staff time and financial resources to address more critical client issues. For example, through MTW participation, KCHA has:

- ❑ Implemented a new “Easy Rent” program for elderly and disabled households that simplifies program administration and makes the income, rent and recertification process easier to understand.
- ❑ Restructured Section 8 HQS inspection protocols to allow KCHA to efficiently route inspections and reduce the need for re-inspections.
- ❑ Developed a new “WIN Rent” program for working and work-able households in order to simplify rent policies, encourage income growth and savings and increase the number of households able to positively transition to market-rate housing.
- ❑ Redesigned its Utility Allowances for Public Housing and Section 8 program participants to simplify calculations and ensure equal treatment between programs.

In addition, as an MTW participant, KCHA has implemented a variety of “low-hanging fruit” program changes (modified approaches to asset income, documentation and verification of information, etc.) that eliminated requirements that placed a significant burden on staff time, but provided little benefit to KCHA’s overall operations. Today, KCHA’s operations are more efficient and streamlined and savings produced from eliminating non-value added activity from the daily workload has increased operational cost-effectiveness. At the same time, KCHA remains focused on ensuring that its staff provides the highest level of customer service to its clients. Program participants, agency partners, local governments and landlords alike are all integral to the success of KCHA’s housing assistance programs. In FY 2010 KCHA implemented a comprehensive Customer Service and Satisfaction training initiative for its Section 8 program. This initiative, which combines direct staff training with the use of telephone surveys and “mystery shopper” reporting of client/staff interactions, helps KCHA ensure that staff adheres to the highest standards of customer service.

Absent the regulatory relief and financial flexibility offered through the MTW program, KCHA’s ability to address the multi-faceted housing challenges of the Puget Sound region would be extremely limited. MTW program participation leaves KCHA well positioned to react quickly to rapidly changing market trends and conditions and assisted KCHA in securing nearly \$30 million in funding under the American Reinvestment and Recovery Act (ARRA) of 2009. These funds will allow KCHA to add new housing stock to its Public Housing inventory, complete capital repairs, accessibility upgrades and energy efficiency improvements to more than 25 KCHA communities and install weatherization retrofits in hundreds of privately-owned properties occupied by the County’s lowest income residents.

Encouraged by the programming and regulatory relief provided MTW participants, in early 2009, after nearly two years of negotiations, KCHA executed a revised MTW Contract with HUD.

The Restated MTW Agreement secures KCHA's participation in the Moving to Work program through 2018.

Under its revised MTW Agreement, KCHA continues to be required to submit an MTW Annual Plan to HUD prior to the beginning of each fiscal year. This is KCHA's MTW Annual Plan for FY 2011 - covering the fiscal year beginning January 1, 2011 and ending December 31, 2011. The MTW Plan is prepared in HUD's prescribed format, which limits the document to a more rigid layout than that utilized in prior fiscal years. The Plan outlines both ongoing MTW initiatives previously approved by HUD and new initiatives proposed for development and implementation during the next fiscal year. As detailed below, KCHA will continue to use its MTW program flexibility to build partnerships and develop programs that address the multiple housing needs of the Puget Sound region. Building upon previously implemented and ongoing activities outlined in this MTW Plan, KCHA's goals and objectives during the next fiscal year will center upon:

❑ **Implementing comprehensive rent reform policies, including revised recertification and utility allowance schedules, aimed at streamlining operations and providing families with incentives to attain employment and increase economic self-sufficiency.**

As anticipated, KCHA finalized revisions to the previously implemented *Easy Rent* program (FY2008) and adopted a *new WIN Rent* program directed at implementing changes to encourage self-sufficiency among working and work-able households in July 2010. Implementation of approved changes commenced in late FY 2010 and will continue throughout FY 2011.

❑ **Continuing efforts to move families along the path to economic self-sufficiency.** In tandem with Rent Reform changes, KCHA's Resident Opportunity Plan will continue to encourage families to successfully graduate to market rate housing. The 5-year pilot program, developed in partnership with the YWCA, Bellevue College, Hopelink and Washington State's Department of Employment Security, will provide up to 100 households with intensive wrap-around services and financial assistance so they can acquire the skills needed to increase income and successfully graduate from federally assisted housing.

❑ **Increasing resources to address the multi-faceted needs of our most vulnerable populations – chronically mentally ill individuals who cycle between living on the street, our jail systems and hospital emergency rooms.** Removing barriers to housing access and ensuring permanent supportive housing for this "at risk" population is a critical component of efforts to address the goals of King County's 10-Year Plan to End Homelessness. In particular, during the fiscal year, KCHA will focus efforts on exploration of closer ties with the region's domestic violence response system.

During FY 2011, KCHA will continue to utilize MTW block grant funds to "over-issue" HCV subsidy in order to address rising levels of poverty, increasing shelter burdens and a growth in homeless households in the Puget Sound region.

- ❑ **Expanding our reach to assist high-need, homeless families.** During FY 2010, KCHA began efforts to collaborate with the Washington Families Fund and Washington State’s Department of Child and Family Services (DCFS) to establish a supportive housing program that marries affordable housing with intensive support services to assist troubled households in moving out of shelters and up and out of poverty. Expanding upon the Family Unification Program model, KCHA is working to expand this partnership with state and local service systems to engage and strengthen families as they actively work toward increasing self-sufficiency through counseling, education, training and sustained employment. Additional coordination with the region’s school districts to address the needs of homeless children will be explored as well.
- ❑ **Developing new approaches to breaking the cycle of poverty by engaging KCHA youth through targeted support services and mentoring programs.** During FY 2011, KCHA intends to partner with Kent and other school districts under a pilot program designed to share data and coordinate in-school and “complementary” learning initiatives in order to improve academic performance, reduce truancy and increase high school graduation rates. The first of six expanded after-school facilities located at HUD-assisted complexes will be completed in 2011.
- ❑ **Ensuring cost effective operation of housing programs through streamlining and lean engineering.** During FY 2011, KCHA will continue to review protocols to identify and implement program and policy changes that eliminate redundant forms and business processes while encouraging data sharing among government agencies and simplified verification of income, assets and family circumstances.
- ❑ **Using MTW resources to leverage other government and private investments to improve the quality and expand the supply of affordable housing in the Puget Sound region.** Through innovative financing and flexible use of the MTW block grant, KCHA will continue efforts to upgrade its existing housing inventory to ensure its viability over the long-term. During FY 2011, KCHA intends to complete steps necessary to transition approximately 509 Public Housing units, located in its smallest and least economically viable sites, to Project-based Section 8 subsidy. As detailed in this Plan, KCHA intends to project-base vouchers awarded following approval of its Disposition application at the targeted sites in order to preserve their long-term availability as affordable housing resources for extremely low-income households. In addition, KCHA intends to dispose of Green River Homes, one of KCHA’s oldest public housing developments, to a tax credit partnership with KCHA serving as General Partner in order to leverage the significant capital investment necessary to complete needed site and building renovations. Project-based Section 8 will also be utilized here to ensure long-term affordability. At the same time, KCHA will

During FY 2011, to ensure these units continue to be maintained in accordance with KCHA’s strict physical inspection standards, the Agency will consider contracting with a 3<sup>rd</sup> Party Inspection team to complete comprehensive “REAC-like” inspections of former Public Housing properties now assisted with Project-based Section 8.

continue to seek site acquisition and development opportunities in an effort to increase housing choices available to low-income residents of King County and will continue to explore new bidding and contracting approaches and new weatherization and renewable energy partnerships in support of KCHA's mission.

- ❑ **Continuing to improve the geographic mobility of low-income households and increase housing choice through programs and policies that reduce barriers to access to low-poverty neighborhoods.** During FY 2011, KCHA will continue to monitor the rental "climate" in each sub-market to ensure Section 8 Housing Choice Voucher participants have access to low-poverty neighborhoods where they would have otherwise been priced out of the rental market. Project-basing approaches will continue to promote broad geographic choice and KCHA's MTW-enhanced transfer policy will provide flexible support across traditional program lines to address unique family circumstances.

KCHA is committed to open and clear communication with residents, the Resident Advisory Committee, community stakeholders and the public in the development of each MTW Annual Plan. As required under the terms of its MTW Agreement, copies of the draft Plan were made publicly available for a period of no less than 30 days. On September 28, 2010, following the public notice period, a Public Hearing was held to review the MTW Plan components and receive community and resident comments and feedback. A compilation of comments received, together with KCHA's response and/or modifications incorporated in this FY 2011 MTW Plan are attached in Section VIII and were reviewed by KCHA's Board of Commissioners prior to their approval of the draft Plan on October 15, 2010.

To increase access to low-poverty neighborhoods for low-income households, in FY 2011 KCHA will explore entering an agreement with ARCH (A Regional Coalition for Housing) to provide additional project-based subsidies for the Eastside's pipeline of non-profit affordable housing developments.

## SECTION II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

### A. Housing Stock Information

TABLE II.A: INVENTORY BREAKDOWN for FY 2011 (Public Housing, HCV, Other-HUD and Local programs)					
Program	Inventory at MTW Program Entry:	Inventory at Beginning of Fiscal Year: Jan. 1, 2011	Anticipated FY 2011 Inventory Additions	Anticipated FY 2011 Inventory Removals	Inventory Projected at FY End: Dec. 31, 2011
Public Housing: MTW	3292	2490	49	569	1970
Public Housing: non-MTW	0	0	0	0	0
<b>Total PH Inventory</b>	<b>3292</b>	<b>2490</b>	<b>49</b>	<b>569</b>	<b>1970<sup>1</sup></b>
HCV: General MTW <sup>2</sup>	6024	5977	0	84	5893
HCV: Project-based MTW	0	1025	661	0	1686
HCV: Local MTW-funded <sup>3</sup>	0	275	0	0	275
<b>Total MTW Vouchers</b>	<b>6024</b>	<b>7277</b>	<b>661</b>	<b>84</b>	<b>7854</b>
Other MTW: Sponsor-based	0	152	0	0	152
<b>Total Other-MTW</b>	<b>0</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>152</b>
<b>TOTAL MTW UNITS</b>	<b>9,316</b>	<b>9,919</b>	<b>710</b>	<b>653</b>	<b>9,927</b>
HCV: VASH, non-MTW	0	165	50	0	215
HCV: Mainstream, non-MTW	350	350	0	0	350
HCV: Designated, non-MTW	0	100	0	0	100
HCV: Certain Develop, non-MTW	0	100	0	0	100
HCV: FUP-2009 & 2010, non-MTW	0	108	0	0	108
HCV: Enhanced, non-MTW	0	121	60	8	173
<b>Total non-MTW Vouchers</b>	<b>350</b>	<b>944</b>	<b>110</b>	<b>8</b>	<b>1046</b>
Other HUD: Sec 8 New Constr/236	174	234	0	0	234
Other HUD: Preservation	272	119	0	78	41
Other, non-HUD: LOCAL	303	149	0	0	149
<b>Total OTHER programs</b>	<b>749</b>	<b>502</b>	<b>0</b>	<b>78</b>	<b>424</b>
<b>TOTAL Non-MTW UNITS</b>	<b>1,099</b>	<b>1,446</b>	<b>110</b>	<b>86</b>	<b>1,470</b>
<b>Total Housing Stock</b>	<b>10,415</b>	<b>11,365</b>	<b>820</b>	<b>739</b>	<b>11,446<sup>4</sup></b>

<sup>1</sup> Does not include the possible addition of new PH units during the FY under KCHA's initiative to use banked PH subsidy and MTW resources to acquire new sites in locations adjacent to current PH properties.

<sup>2</sup> Does not include HCV port-ins administered by KCHA or possible addition of vouchers awarded through competitive grants in FY 2011.

<sup>3</sup> Represents HCV units funded above HUD's established baseline through use of MTW block grant resources.

<sup>4</sup> In addition, KCHA's inventory includes 5,262 "Workforce" units that remain affordable to households with income below 60% of AMI.



## ❑ Description of Planned Significant Capital Expenditures:

During FY 2011, KCHA plans to expend more than \$40.8 million to complete necessary capital improvements to its Public Housing communities. With renovation of the Springwood Apartments into the revitalized Birch Creek community now complete, KCHA's mixed finance development focus will shift in FY 2011 to the HOPE VI reconstruction of Park Lake Homes Site II and the first phase of rehabilitation at Green River Homes. Funding for these projects, along with other capital work scheduled during FY 2011, is anticipated from a range of sources including Public Housing Capital and RHF funds, accumulated MTW reserves, formulaic and competitive grants awarded under the American Reinvestment and Recovery Act (ARRA) and the leveraging of private capital into Public Housing developments through innovative financing strategies. Funds received under ARRA are not included in KCHA's MTW block grant and are subject to separate reporting requirements. Major rehabilitation projects and their related FY 2011 expenditures, including those initiated in FY 2010 and continued into the new fiscal year due to project size, are shown below:

- **Uniform Federal Accessibility Standards (UFAS) Upgrade Project – FY 2011 Expenditure: \$1,408,665.** To ensure compliance with Section 504 of the Rehabilitation Act KCHA will continue efforts to modify 65 housing units and their related common areas to current UFAS standards. Upgrades at these sites will help ensure that at least 5% of KCHA's Public Housing inventory is fully accessible to persons with disabilities. Targeted Public Housing developments include Northridge I, Northridge II, Casa Juanita, Valli Kee, Cascade Homes, Southridge, Eastridge, Yardley Arms, Munro Manor, Wayland Arms, Wellswood, Juanita Trace, Evergreen Court, College Place, Ballinger Homes, Brittany Park, Riverton Terrace and Pacific Court. (KCHA received an ARRA funded grant in the amount of \$4,679,930 to support these unit upgrades; additional funding may be supplied using MTW single-fund flexibility in order to complete renovations and ensure 5 percent of KCHA's public housing inventory meets UFAS accessibility standards.)
- **Green Communities, Energy Efficiency and Building Envelope Upgrades - FY 2011 Expenditure: \$8,481,744.** This project is part of a larger "green retrofit" initiative to substantially increase the energy efficiency and environmental sustainability of KCHA's Public Housing properties. Planned mechanical system improvements and exterior upgrades are designed to reduce energy costs to the benefit of both KCHA and its residents. Targeted developments include Boulevard Manor, Cascade Homes, Eastside Terrace, Briarwood, Federal Way Houses, Vista Heights, Forest Glen and Avondale Manor. (ARRA funding for the Green Communities and Energy Efficiency Upgrades totaled \$4,678,341 – additional funding will be supplied through KCHA's MTW block grant as needed to complete this project as selected sites. Work commenced in FY 2010 and will be completed in FY 2011.)
- **Community Facilities Project - FY 2011 Expenditure: \$4,685,545.** This initiative will rebuild and expand meeting and community facilities to support youth and family self-sufficiency programs in four of KCHA's HUD-assisted family developments in

order to enhance educational and life outcomes for Public Housing youth and increase community safety and security. The first phase of the project will provide expanded, remodeled or new community facilities at the following Public Housing family developments: Eastside Terrace, Valli Kee, Burndale and Firwood Circle. KCHA is actively seeking alternate sources to fund this project in whole or in part. To the extent that alternate funding is not identified, KCHA intends to support this project through the use of MTW block grant funding.

- **Green River Homes Renovation/Reconstruction Project - FY 2011 Expenditure: \$2,500,000.** One of KCHA's oldest Public Housing developments, Green River Homes requires significant reinvestment that cannot be provided under current capital grant funding levels. Funding will be provided from a variety of sources, including tax credit equity and long term debt secured by the conversion of this site to Project-based Section 8 subsidy. Planned renovations will transform the 60-unit site from an aging, physically distressed, and deteriorating development to a modern, well designed rental community – positively impacting the quality of life for its residents as well as significantly strengthening the surrounding neighborhood. Total construction costs are estimated at \$7,600,000. Work on the project is anticipated to commence in FY 2011 – completion is expected in FY 2012.
- **Youngs Lake Renovation Project - FY 2011 Expenditure: \$750,000.** Youngs Lake, a decommissioned former military base, requires significant investment to repair or replace building envelopes, interiors, and systems. Planned renovations will address damage from moisture penetration, failing under slab waste lines, structural failure and aging electrical and mechanical systems. Funding will be provided from KCHA's proposed Public Housing conversion program. Work to complete necessary site and building improvements, at an estimated cost of \$4 million, is anticipated to begin in FY 2011 and carry through FY 2012. Funding for this project is anticipated using KCHA's MTW block grant.
- **Unit Upgrade Project - FY 2011 Expenditure: \$3,414,852.** KCHA will continue efforts initiated in FY 2007 to significantly upgrade Public Housing unit interiors as units become vacant, utilizing in-house crews rather than outside contractors and property-wide remodels. During FY 2011, KCHA's in-house skilled workforce will renovate 150 apartments; installing new flooring, cabinets and fixtures that are projected to extend the useful life of unit interiors by 20 years. Projected savings when compared to a whole building/outside contractor approach are estimated at \$17,000 per unit – a total of \$2.5 million in annual savings. This project is supported by KCHA's MTW block grant.

❑ **New Public Housing units to be added during the year by development:**

In 2003, through the award of a \$35 million HOPE VI grant, KCHA began the complete redevelopment of Park Lake I, a 569-unit Public Housing development located in White Center – one of King County's most impoverished neighborhoods. Once KCHA's oldest and

largest development, Park Lake I is being replaced by a new mixed-income community known as Greenbridge. The redeveloped site includes extensive on-site community services, including a new elementary school, early learning center, library and renovated community center. Following completion of HOPE VI redevelopment, the renovated site will contain up to 1,000 homes, including 324 units serving extremely low-income households.

During FY 2011, construction of the community's newest development, **6th Place Apartments**, will be completed. With completion of the 24-unit development, a total of 472 rental units – including 204 Public Housing and 120 Project-based Section 8 rentals – will have been built and occupied at the Greenbridge site. On the homeownership side, KCHA has partnered with *Homesight*, a non-profit developer and homeownership counseling provider to develop seven affordable homeownership units to the site by the end of FY 2011. Market conditions permitting, negotiations currently underway with other developers may yield additional homebuilding activity by the end of the fiscal year.

FY 2011 will also mark the completion of the **Zephyr Apartments** - the first phase of vertical construction at Seola Gardens – adding 25 new Public Housing units to KCHA's inventory. Formerly known as Park Lake Homes Site II, Seola Gardens is currently undergoing revitalization using a HOPE VI grant received by KCHA in 2009. Other inventory additions may occur during FY 2011 through KCHA's strategy to utilize its "banked" Public Housing ACC and KCHA's MTW block grant to acquire and preserve additional affordable housing in the region. Under this initiative, efforts to acquire sites adjacent to current KCHA subsidized developments will continue in order to increase the number of deep subsidy units available for extremely low-income households. The table below details developments currently in the pipeline and anticipated for addition to KCHA's Public Housing inventory during FY 2011:

NEW Public Housing Units to be Added to Inventory: FY 2011		
Unit Size	6th Place Apartments	Zephyr Apartments
Studio	0	0
1 - Bedroom	2	0
2 – Bedroom	6	7
3 – Bedroom	13	13
4 – Bedroom	3	4
5 - Bedroom	0	1
<b>Total</b>	<b>24</b>	<b>25</b>
<b>Unit Type</b>	<b>Family</b>	<b>Family</b>
<b># of Accessible Units</b>	<b>3</b>	<b>4</b>

## TOTAL Units to be ADDED to INVENTORY in FY 2011: 49

### ❑ Number of Public Housing units to be removed from inventory during the FY: 569 units

As outlined in this MTW Plan, KCHA intends to dispose of approximately 509 Public Housing units during FY 2011 and replace the current subsidy stream with Section 8 Project-based assistance. KCHA will dispose of the units to a KCHA-controlled non-profit and project-base vouchers in 100 percent of these former Public Housing units. As described in Section V of this MTW Plan, the model will allow KCHA to ensure that the units remain a viable affordable housing resource for the County's lowest income residents over the long-term.

In addition, during FY 2011, KCHA intends to move forward with the disposition of Green River Homes, a 60 unit development built in the late 1950's. As detailed in prior MTW Plans and Reports, the development requires significant reinvestment that cannot be supported under current capital grant funding levels. As a result, KCHA will dispose of the property to a tax credit partnership with KCHA serving as the General Partner. The disposition will allow KCHA to fund the planned redevelopment of the site from a variety of sources, including tax credit equity, Project-based Section 8 cash flows and financing supported by Replacement Housing Factor (RHF) allocations available to KCHA. Planned renovations will transform the 60-unit property from an aging, physically distressed, and deteriorating development to a modern, well designed rental community – ensuring it remains a valuable housing resource in the community for years to come.

### Units to be Removed from KCHA's Public Housing Inventory: FY 2011

*(Planned Conversions to Project-based Section 8)*

Site	Total Units	Site	Total Units	Site	Total Units
Avondale Manor	20	Glenview Heights	10	Shoreham	18
Bellevue 8	8	Green Leaf	27	Victorian Woods	15
Campus Court I and II	13	Juanita Court	30	Vista Heights	30
Cedarwood	25	Juanita Trace I and II	39	Wellswood	30
Eastridge House	40	Kings Court	30	Youngs Lake	28
Evergreen Court	30	Kirkwood Terrace	28	Green River Homes	60
Federal Way Homes	3	Pickering Court	30		
Forest Grove	25	Riverton Terrace <i>(family site only)</i>	30		

**TOTAL Units to be REMOVED from INVENTORY in FY 2011: 569**

## B. Leasing Information

Table II.A (shown on page 10 of this MTW Plan) includes the total number of “hard units” owned by KCHA together with the number of HCV units directly funded by KCHA. In contrast, the information shown in this Section (Table II.B) of the MTW Plan details the total number of **actual households served** inclusive of Section 8 “port-ins” administered by KCHA. During FY 2011, as outlined in this Plan, KCHA intends to dispose of approximately 509 Public Housing units to an agency controlled non-profit entity and 60 units to a private limited partnership (with KCHA acting as the general partner) in order to preserve these units and ensure that they remain an affordable resource for extremely low income households over the long-term. In addition to changes in occupancy resulting from normal operations, Table II.B (shown below) illustrates the anticipated shift in households from Public Housing to Section 8 Project-based assistance by the end of FY 2011 as a result of these actions.

**TABLE II.B: Total HOUSEHOLDS UNDER LEASE for FY 2011**  
(Public Housing, HCV, Other-HUD and Local programs)

Program	Households at MTW Program Entry:	Households at Fiscal Year Begin: January 1, 2011	Projected Households at Fiscal Year End: December 31, 2011
Public Housing: MTW	3259	2372	1941
Public Housing: non-MTW		0	0
<b>Total PH Households</b>	<b>3,259</b>	<b>2,372</b>	<b>1,941<sup>5</sup></b>
HCV: General MTW <sup>6</sup>	6903	8401	8359
HCV: Project-based MTW	0	1008	1674
HCV: Local MTW-funded <sup>7</sup>	0	275	275
<b>Total MTW Households</b>	<b>6,903</b>	<b>9,684</b>	<b>10,308</b>
Other-MTW: Sponsor-based program	0	130	140
<b>Total Other-MTW</b>	<b>0</b>	<b>130</b>	<b>140</b>
HCV: VASH, non-MTW	0	125	165
HCV: Mainstream, non-MTW	350	350	350
HCV: Designated, non-MTW	0	100	100
HCV: Certain Develop, non-MTW	0	100	100
HCV: FUP-2009 & 2010, non-MTW	0	108	108
HCV: Enhanced, non-MTW	0	121	173
<b>Total non-MTW Vouchers</b>	<b>350</b>	<b>904</b>	<b>996</b>
Other HUD: Sec 8 New Constr / 236	174	234	234
Other HUD: Preservation	271	119	41
Other, non-HUD : LOCAL	303	149	149
<b>Total OTHER programs</b>	<b>748</b>	<b>502</b>	<b>424</b>

<sup>5</sup> Assumes 98% occupancy except for sites projected to be under rehab or targeted for specific unit set-asides.

<sup>6</sup> Includes a total of 2,424 HCV port-ins that are anticipated at FYB and 2,466 projected at FYE 2011.

<sup>7</sup> Voucher units funded above KCHA's HUD authorized baseline using MTW block grant resources.



**Total Households Served****11,260****13,592****13,809****❑ Description of anticipated issues relating to any potential difficulties in leasing units**

KCHA staff works proactively to hold unit turnover time in its Public Housing inventory to an absolute minimum – historically maintaining an overall occupancy rate of over 98.5 percent. In addition, as FY 2011 approaches, with the exception of vouchers awarded within the last six months, KCHA's Section 8 Housing Choice Voucher program lease-up rate remains above 100 percent.

During FY 2010, KCHA received a number of new vouchers targeted to special needs populations that are expected to fully lease-up in FY 2011. During FY 2011, KCHA will maintain its commitment to targeting assistance to "hard-to-house" households and providing programs that eliminate barriers to housing access for chronically homeless and mentally-ill households - increasing housing choice for this high need population. While every effort will be made to meet established lease-up benchmarks for KCHA's assisted inventory, the continued targeting of assistance to these highly vulnerable households, who will require intensive assistance in securing landlord approvals, may slow leasing outcomes.

**❑ Number of Project-based vouchers in use at the start of the Plan year**

As shown within the "Leased Unit" analysis above, KCHA anticipates that 1,008 Project-based vouchers will be in use at the start of Fiscal Year 2011. Additional Housing Choice Vouchers are anticipated to be project-based during FY 2011 in conjunction with new and on-going MTW activities outlined in this MTW Plan and KCHA's locally developed Project-based operating policies. Anticipated increases in KCHA's Project-based inventory during FY 2011 include:

**NEW Project-based Units to be Added to Inventory: FY 2011**

Development Name	Number of Units	Description
Former PH Sites	569	As described in this PLAN, KCHA intends transfer a portion of its PH inventory to the Project-based program; see page 12 for a complete listing of targeted projects.
Passage Point	46	Project-based transitional housing for recently incarcerated individuals to support family reunification and reduce recidivism.
Family Village	26	Project-based permanent housing (replaces units lost through demolition/major rehab); developed in coordination with ARCH.
Andrews Glen	12	Project-based permanent housing for formerly homeless individuals and families in partnership with St. Andrews Housing.
Spiritwood/Newport	8	Additional project-based units as a result of turnover of Enhanced Vouchers currently tied to these sites following KCHA's "opt-out" of Section 8 Contract.

## TOTAL new Project-based units in FY 2011: 661

As shown in Table II.A, it is anticipated that a total of 1,686 vouchers will be dedicated to KCHA's local Project-based program at the end of FY 2011, representing approximately 19 percent of KCHA's total Section 8 program.

### C. Waiting List Information

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

KCHA operates separate waiting lists for its Public Housing, Section 8 and Project-based programs. Generally, applications for the **Section 8 Housing Choice Voucher program** are accepted during specified dates only. At the end of the designated time period, the waiting list is closed and KCHA enters a limited number of applicants (typically 2,500) on the Section 8 waiting list through random "lottery" number assignment. From the pool of 2,500, eligible applicants meeting local preference criteria are selected for program participation according to their assigned lottery number. The Section 8 waiting list was last opened in the 2007. In addition to the lottery process for its general voucher pool, KCHA maintains separate waiting lists for vouchers awarded and 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. At this time, KCHA does not anticipate any changes in waiting list design or in the configuration of Section 8 Housing Choice Voucher waiting list protocols.

KCHA's **Public Housing program** currently operates under a Site-based, Regional and Set-aside waiting list system as well as a set of local preferences. Applicants may choose to apply for up to two (2) Site-based, or two (2) Regional waiting lists. Site-based waiting lists allow applicants to choose specific developments (up to two) in which they wish to reside. The Regional waiting list, used to fill vacant units in each of KCHA's three (3) regions, allows applicants to be considered for tenancy at any development in the selected region(s). Regional lists allow applicants who may have an urgent need for assistance faster entry into KCHA's housing programs. With the exception of Pacific Court, every third vacancy in KCHA's Public Housing developments is prioritized for formerly homeless families graduating from the Sound Families regional transitional housing system. During FY 2011, the Housing Authority will continue to monitor the current waiting list system. Changes may be implemented during FY 2011 to address any identified areas of concern, modify preferences and priority assignment and/or to increase housing access and choice among the low-income households in the region.

Excluding units subsidized through transitional and support service programs, the **Project-based Section 8** waiting lists operate in similar fashion to the Public Housing waiting list and are managed out of KCHA's Central Applications office. Applicants can apply to Site-based or Regional waiting lists. During FY 2010, KCHA modified program administration to allow direct Owner referrals to vacant units when KCHA was unable to locate a suitable applicant to fill the vacancy in a timely manner. Additional changes in waiting list preferences and priorities may be implemented during FY 2011 to streamline program administration and improve cost efficiency.

KCHA does not currently plan to implement major modifications of the existing waiting list systems for its Public Housing, HCV or Project-based programs. However, during FY 2011 KCHA may consider potential savings that could be generated from merging waiting lists between all or a portion of subsidized programs. In addition, during FY 2011 KCHA intends to explore and possibly utilize MTW budget authority to create a "FUP-like" program that leverages state funding together with KCHA resources to support on-site services at Sound Families program sites. As part of the memorandum of agreement entered into for the revised program, KCHA may modify current waiting list protocols for these units – placing tenant selection and waitlist management responsibilities with DSHS in conjunction with contracted service providers.

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

KCHA's Public Housing waiting list currently includes more than 9,000 applicants seeking assistance, up nearly 60 percent over the course of the Housing Authority's MTW participation. With demand for affordable housing far outpacing supply, it is anticipated the number of households seeking assistance through KCHA's **Public Housing and Project-based programs** will continue to escalate. Currently KCHA has no plan to curb access to either program through closure of its Site-based or Regional waiting lists. However, during FY 2011, KCHA may undertake efforts to purge the waiting list – requiring applicants to indicate their continued interest in housing services. Such action may result in a reduction in the number of applicants reported at the end of FY 2011.

The **Section 8 Housing Choice Voucher** waiting list has been closed since May 2007 following an advertised opening and lottery assignment as described above. At that time, KCHA received nearly 10,000 completed applications, of which 2,500 successful applicants were assigned to the HCV waiting list. Of the 2,500 households added to the waiting list in 2007, approximately 500 families remain. KCHA will continue to assign these households vouchers under the program as funding becomes available. A review of current voucher turnover rates and internal commitments for HCV resources indicates the Section 8 waiting list may again be opened for limited time by the end of FY 2011.

**SECTION III.      Non-MTW RELATED HOUSING AUTHORITY  
INFORMATION *(Optional)***

**A. Planned Sources and Uses of other HUD or Federal Funds  
(excluding Hope VI)**

*KCHA elects not to include this OPTIONAL information.*

**B. Description of non-MTW activities proposed**

*KCHA elects not to include this OPTIONAL information.*

## SECTION IV. Long-Term MTW PLAN (Optional)

Over the term of the MTW Demonstration Program KCHA intends to use the block grant and regulatory flexibility provided by this initiative to support the Authority's overarching strategic goals for the Puget Sound region. Approaches will evolve as regional priorities, demographics and housing markets shift. One of the strengths of the MTW concept is that it enables the Authority to reshape the use of federal resources as necessary to respond to these changes.

Basic strategic priorities for the Authority include the following:

- ❑ Continue to strengthen the physical, operational, financial and environmental sustainability of the portfolio of over 8,000 affordable housing units that we own or control.
- ❑ Expand the number of units in the region affordable to households earning below 30 percent of Area Median Income (AMI) through both development and preservation.
- ❑ Provide expanded geographic choice for low-income households, including disabled and elderly households with mobility impairments, providing our clients with the opportunity to live in neighborhoods with high achieving schools, ready access to quality services and mass transit and adjacent to the workplace.
- ❑ Close coordination of efforts with the region's public and behavioral healthcare and human services systems to end homelessness through the development of an adequate supply of supportive housing for chronically homeless and special needs populations.
- ❑ On-going "place-centered" revitalization of King County's low income neighborhoods, involving both a focus on housing and on the wide array of other physical improvements, services and partnerships that create strong, healthy communities.
- ❑ Working with the County, regional transit agencies and suburban cities, promote the integration of new

In 2007, partnering with the United Way and local support service providers, KCHA launched the **South County Pilot** to assist up to 25 chronically homeless and mentally-ill households. The program links housing with needed support services in order to move participants off the streets and into stable, safe and secure environments. Following a "Housing First" model, the program design eliminated significant barriers to occupancy faced by this highly transient population. The program's success led to its expansion to assist up to 145 households by the end of FY 2010 and laid the framework for KCHA's FY 2009 acquisition of **Pacific Court** a 30-unit Public Housing development dedicated to serving up to 49 chronically mentally-ill individuals in a "housing first" permanent supportive housing environment.



affordable housing into regional growth corridors aligned with mass transit nodes and infrastructure development.

- ❑ Expand partnerships with Public Health, Headstart programs, school districts, after-school providers, community colleges and the philanthropic community to eliminate the achievement gap for the low-income households we serve and significantly improve educational and life outcomes for youth.
- ❑ Promote the economic self-sufficiency of our participating households by providing support in

Installation of **energy saving measures** in the Public Housing inventory has reduced water consumption by more than 40 percent. At the same time, KCHA has increasingly applied green engineering techniques to new construction and rehabilitation projects across its portfolio. The Birch Creek Youth Recreation Center demonstrates how effective planning can lead to future savings. The project – a model for sustainable design – earned a **Leadership in Energy and Environmental Design (LEED) Silver Certification** from the U.S. Green Building Council. Home to after-school recreational and educational programs for upwards of 700 children, the building uses 20 percent less energy than similar facilities.

addressing barriers to employment and access to training and education programs with the intent of reducing length of stay, where appropriate, in subsidized housing.

- ❑ Continue to develop institutional capacity and efficiencies at the Housing Authority to ensure efficient, effective use of Federal resources. Continue to expand KCHA's non-federally subsidized programs to address the need for additional workforce housing and to support and ensure the financial sustainability of Authority initiatives.

KCHA's **Resident Opportunity Program** (ROP) is a prime example of steps the Housing Authority is taking to help families achieve economic independence. The 5-year pilot program began enrolling residents in late FY 2009. Targeted to assist 100 households, the ROP links KCHA's housing resources with case management and support services to assist families in building the skills needed to boost employment and successfully graduate from subsidized housing.

## **SECTION V. PROPOSED FY 2011 MTW Activities – HUD Approval Requested**

Table V.1, shown below, lists a summary of planned new initiatives proposed by the Housing Authority for implementation during the fiscal year. In accordance with the HUD prescribed MTW Plan format, detail regarding each of the activities summarized below is shown immediately following this table.

**TABLE V.1: Proposed Activities Table**

Activity #	Activity Name
1	Disposition of Public Housing
2	Redesign of the Sound Families Program

### **PROPOSED FY 2011 MTW Activities**

#### **Activity #1: Transfer of Public Housing Units to Project-based Subsidy**

##### **a. Description of MTW activity**

As outlined in the FY 2009 MTW Annual Report, KCHA's success in leveraging external funding resources (such as bond proceeds and Tax Credit equity) to support the immediate capital needs and long-term financial viability of individual Public Housing sites has been significant. However, while KCHA's current model lends itself well to the total redevelopment of large projects – such as that completed at Greenbridge and Birch Creek and underway at Seola Gardens - when applied to small scale developments (under 50 units), the per unit transaction costs become prohibitive. As a result, during FY 2011, KCHA intends to dispose of approximately 509 Public Housing units to a non-profit it creates and transfer these properties to

the Project-based Section 8 program. This initiative is intended to ensure that this inventory remains a viable resource for low-income residents of the County. The disposition and transfer will:

- ❑ Assure that 100 percent of these units remain Federally assisted at the same level of affordability and targeted to the same low-income population;
- ❑ Leverage necessary capital in order to preserve and upgrade this housing;
- ❑ Create a more predictable long-term income stream which will support high quality maintenance and management operations;
- ❑ Allow KCHA to build capital reserves (as the private sector does) to assure the long-term viability of this housing stock;
- ❑ Require no mandatory relocation for eligible tenants, but provide housing mobility choices for existing residents;
- ❑ Allow KCHA to test the impact of tenant mobility approaches being proposed on the national level upon current public housing residents and upon the financial and programmatic operation of these housing developments.

As proposed, there will be no loss of hard units from KCHA's affordable housing inventory. This initiative will result in a change in subsidy source only. Current residents will be provided an opportunity to relocate (using their assigned voucher) to private market housing upon transfer of the subsidy – providing a housing mobility choice not previously available. Should this occur, KCHA will replace the relocated voucher with one from its general pool – project-basing the assistance in order to maintain subsidy levels at 100 percent within each former Public Housing site. Application of MTW authority will allow KCHA to operate these units utilizing locally designed Project-based program protocols adopted in previous MTW Plan years. In addition, KCHA may expand use of program authorizations to allow use of a single Project-based contract for the non-contiguous sites, rather than the multiple contracts required of HUD's standard project-based regulations.

KCHA has received approximately \$2.7 million in capital funds for these units in the past three years – an average of \$900,000 annually. KCHA currently projects backlogged capital repair needs at these sites exceed \$30 million. Absent the ability to leverage additional resources, completion of identified renovations would require more than 30 years to complete. However, with conversion to the Project-based program, KCHA estimates that it could leverage approximately \$15 million either from internal sources or from long-term tax exempt bonds – significantly accelerating the ability to address necessary physical repairs at the sites. The upgrading of units and systems will reduce maintenance and utility costs at the properties and extend the useful lives of these buildings, which currently average 31 years old. Increased cash flow will also fund operating and replacement reserves to be set aside for the future needs of the portfolio.

**b. MTW Statutory Objective**

While preserving and increasing housing choice for low-income residents of the County, the proposed MTW activity will also ensure the cost-effectiveness of federal expenditures.

**c. Anticipated Impacts**

This activity will provide the financial support necessary to preserve the long-term viability of units. With the ability to leverage financial resources, KCHA will be able to accelerate the capital repairs at the sites. At the same time, the activity will allow KCHA to increase tenant mobility, providing access to Section 8 subsidy that was previously unavailable to current residents.

**d. Benchmarks** **Baseline and**

The **baselines** for this program include:

- |  |                            |
|--|----------------------------|
| •  | Total # of units to be     |
| preserved: 509                           |                            |
| •  | Total # of current         |
| households provided choice in program: 0 |                            |
| •  | Total \$ in Capital Repair |
| needs of selected sites: \$30 million    |                            |

The proposed **benchmarks** for this program are:

- |  |                                  |
|--|----------------------------------|
| •  | Year 3: Disposition and          |
| Project-basing completed at 100 percent of the targeted units  |                                  |
| •  | Year 2: Increased housing        |
| mobility (housing choice) available to 509 households (assumes full occupancy at time of subsidy transfer) |                                  |
| •  | Year 5: 40% reduction in Capital |
| needs identified in Yr 1   |                                  |

Anticipated Impact	Metric	Baseline	Benchmark
--------------------	--------	----------	-----------

Increase preservation of units	# of units that meet target for preservation	509 Units	Year 3: 100% (509 units) of targeted units preserved using Project-based subsidy
Increase Tenant Mobility	# of households provided opportunity to move using a Tenant-based HCV	509 Households (or total number households in occupancy at time of transfer to PBSB)	Year 2: 100% of households in occupancy provided increase mobility
Decrease in total \$ of backlogged Capital Needs	% reduction in Capital Needs	Yr 1: \$30 million	Year 5: 40% reduction in Capital Needs identified in Yr 1

**e. Data Collection Metrics and Products**

**Data** will be collected from KCHA's administrative data system (MST)

**Metrics** will include:

- # of units preserved
- # of households provided opportunity to move using a Section 8 voucher
- \$ in Capital Needs identified in Capital Plan for selected sites

**f. Authorization Cited**

MTW Restated and Amended Agreement: In addition to KCHA's use of Single Fund Budget, this initiative will utilize authorizations of Attachment C, item D.7 and Attachment D, item E.1 which allows KCHA to develop a local program for project-basing Section 8 vouchers. In addition to previously implemented program changes, KCHA intends utilize its ability to create a single contract for non-contiguous Project-based developments.

**g. Agency Required Documentation**

Not applicable



## Activity #2: Redesign of the Sound Families program

### a. Description of MTW activity

Initial service funding provided by the Bill and Melinda Gates Foundation for the highly successful Sound Families program is coming to an end for many of KCHA's non-profit agency partners. Since KCHA's entry into the MTW program, the Sound Families Initiative has provided transitional housing and necessary service resources to homeless families – providing the support needed to assist these at-risk households to stabilize and obtain goals leading to sustained self-sufficiency. In addition, households graduating from this program are provided with priority access to Public Housing units. During FY 2011, to ensure that this valuable housing resource remains available to those in need, KCHA intends to continue to support this network of facilities through the provision of project-based Section 8 and to develop a partnership with the Department of Social and Health Services' Division of Child and Family Services (DCFS) to create a state funded support program targeted to families similar to those served under HUD's FUP program. Under a memorandum of agreement, KCHA envisions using MTW authority to transfer application, waitlist and selection responsibilities to DCFS and local providers – whose staff are better positioned to determine client readiness for program participation. As KCHA's sub-agent, DCFS and its partner agencies will be required to ensure compliance with established Fair Housing and Equal Opportunity protocols. This "FUP-like" program will ensure families in transition the support needed to stabilize their household while working to meet established self-sufficiency goals.

### b. MTW Statutory Objective

This initiative falls under the objective to increase housing choice by ensuring the existing supportive housing units remain available to special needs households.

### c. Anticipated Impacts

KCHA anticipates the initiative will ensure funding of units remain stable under the program.

### d. Baseline and Benchmarks

The **baseline** for this program includes:

- Total # of Sound Families units targeted for replacement: TBD, currently under negotiation with

proposed service provider partners and funding agencies to determine the number of units at risk of loss in FY.

The proposed **benchmark** for this program is:

- Year 1: 100 percent of targeted units preserved.

Anticipated Impact	Metric	Baseline	Benchmark
Preservation of units at-risk of loss of funding	# of units	TBD – program size currently under negotiations with DCFS and partner agencies	Year 1: 100% (targeted units preserved using Project-based subsidy)

**e. Data Collection Metrics & Products**

**Data** will be from KCHA internal financial and tenant database. Data collected will be compared to previous results, disseminated to staff for training purposes and utilized to inform the direction of current and future program activities.

**Metrics** include:

- # of units preserved

**f. Authorization Cited**

MTW Restated and Amended Agreement: Use of KCHA’s Single Fund Budget and authorizations cited in Attachment C, Section D may be utilized under this initiative. Primary changes will center upon KCHA’s ability to modify Waitlist and Tenant Selection policies.

**g. Agency Required Documentation**

Not applicable

## SECTION VI. Ongoing MTW ACTIVITIES: HUD Approval Previously Granted\*

Section VI: Ongoing MTW ACTIVITIES - HUD Approval Previously Granted									
#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
1	Acquire NEW Public Housing	X				Use banked PH ACC to turn-on Public Housing subsidy in units	Increase housing choices	2008	Implemented - purchase of Pacific Court (30 units) and Pepper Tree (30 units) completed during FY09. An additional 23 units were added to inventory with the purchase of Park Royal in FY 2010. KCHA will continue seek program expansion under this initiative during FY 2011.
2	Allow double subsidy between programs (pbs8/ph/s8) in limited circumstances to allow transition to new program	X	X	X		Increase landlord participation, reduce impact on PH program when tenants transfer	Increase housing choice	2008	Under review for possible implementation in FY 2011
3	Block Grant non-mainstream vouchers		X	X		Expand KCHA's MTW block grant to include all non-Mainstream program vouchers	Reduce costs and achieve greater cost effectiveness	2006	Implemented
4	Childcare Policy - PH	X				Establishes specific policies relating to designated childcare units @ Greenbridge.	Reduce costs and achieve greater cost effectiveness	2008	Implemented
5	Client Assistance program	X	X	X		Pilot program - utilizes MTW reserves to provide emergency financial assistance to qualified residents	Reduce costs and achieve greater cost effectiveness	2008	Implemented
6	Combined program eligibility	X	X	X	X	Additional changes to accommodate combined program approach in relation to NIA development: eligibility for 2 bdrm units; income cap @ 50%; Tenant selection	Reduce costs and achieve greater cost effectiveness	2008	Implemented

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
7	Definition of Homeless for Section 8 programs		X	X		Expands the definition of Homeless to include overcrowded households entering transitional program	Increase housing choice	2004	Implemented
8	Definition of Live-in Attendant	X	X	X	X	Consider changes that redefine who is considered a "Live-in Attendant"	Reduce costs and achieve greater cost effectiveness	2009	Following initial review item placed on hold in FY 2010 for future consideration.
9	Develop a local PH Asset Mgmt Funding model	X				Streamlines current HUD requirements to track budget expenses and income down to the AMP level	Reduce costs and achieve greater cost effectiveness	2007	Implemented
10	Easy Rent Policy for Elderly and Disabled Households living on a Fixed Income	X	X	X		Streamline income, rent and recertification policies for elderly and disabled households. Move to triennial recertifications; rent based on 28.3% of gross income, automatic SocSec COLA adjustment annually; deductions eliminated except medical when expenses exceed \$3,000	Reduce costs and achieve greater cost effectiveness	2008	Implemented in 2008. Modified in 2010: to reduce % to 28%; decrease minimum medical expense threshold to \$2500 and incorporate use of Deduction bands. Conformed basic policy to match WIN Rent policy for work-able households adopted in FY 2010.
11	Effective dates of Payment Standard decrease		X	X		Delays application of any decrease in the KCHA approved Payment Standard until the next Annual Review date	Reduce costs and achieve greater cost effectiveness	2005	Implemented
12	Esco development	X				Use of MTW program and single fund flexibility to develop and operate our own ESCO	Reduce costs and achieve greater cost effectiveness	2004	Implemented - may consider contract term modification in future years
13	FSS Program modifications	X		X		Explore possible changes to increase incentives for resident participation, income growth and decrease costs of program management.	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2008	Temporarily place on hold - will consider following implementation of Rent Policy changes for PH, S8 HCV and PBS8 residents adopted in FY 2010
14	Sponsor-based Housing program				X	Pilot programs - Uses MTW Block Grant to fund a Local Sponsor-based program - provides housing funds to service provider who sub-leases to targeted household	Increase housing choices; Increase self sufficiency of targeted population	2007	Implemented. 25 unit pilot (FY 2007) expanded in FY 2009 to 155 units: Modified in FY 2010 to 145 units with re-allocation of a portion of set-aside to project based subsidy for higher-need households. Will consider additional expansion in future years as need and resources identified.

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
15	Income Eligibility - maximum income limits	X	X	X		Consider policy that would cap the income residents may have and still be eligible for KCHA programs	Increase housing choice	2008	On hold pending review of impact of rent structure implemented in FY 2010. May be considered in future years if WIN Rent policy changes do not sufficiently address need.
16	Income Exclusion - State payments made to a Landlord		X	X		Excludes payments made to a landlord by a state agency (DSHS) on behalf of a tenant from income and rent calculation under the Section 8 program	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented
17	Income verification requirements - \$0 HAP		X	X		Allows Section 8 participants for whom \$0 HAP is paid to self-certify their annual income	Reduce costs and achieve greater cost effectiveness	2004	Implemented
18	Increase the Rent Cap		X	X		Moves the Section 8 program rent cap to 40% of Gross Rent, up from the 40% of adjusted rent standard	Increase Housing Choice	2005	Implemented
19	Lease term for PH Units with Tax Credit overlay	X				Current regs conflict with Tax Credit renewal terms which required lease to be no more than 1 year.	Reduce costs and achieve greater cost effectiveness	2008	Implemented
20	Occupancy requirements of Section 8 households			X		Allows tenants to remain in occupancy when family size exceeds standards by 1 member	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented
21	Payment Standards to 120% FMR w/ RA allowance above Range			X		Allows Payment Standards up to 120% of FMR for HCV program (and above 120% for Reasonable Accommodation) w/o prior HUD approval	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2007	Implemented - modified following review of outcomes/impact, see item below
22	Payment Standard Changes		X	X		This initiative will decouple payment standards from Fair Mkt Rents, allowing the HA to establish standards that fit local and neighborhood conditions	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2008	Implemented

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
23	PBS8 Local Program		X			Develop a local project based program that streamlines contract and program management	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - as shown below: additional changes may be implemented in FY 2010 and beyond as determined necessary by KCHA
24	PBS8 Local program: wait list management		X			Allows the project sponsor to manage the waiting list rather than the Housing Authority, as determined appropriate by KCHA.	Reduce costs and achieve greater cost effectiveness	2004	Implemented - modified in FY2005 to allow KCHA to solicit applications directly from service providers
25	PBS8 Local program: exit vouchers		X			Modifies PBS8 regs that require a general Section 8 voucher to be available at the end of PBS8 participation. Replaces offer of a voucher with priority access to KCHA's Public Housing program	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented
26	PBS8 Local program: Preferences		X			Consider ability to expand use of PH preferences to all PB programs	Reduce costs and achieve greater cost effectiveness	2008	Implemented
27	PBS8 Local program: Allocation of assistance		X			Allows KCHA to allocate PBS8 subsidy non-competitively to KCHA controlled units and transitional housing	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - modified in 2005 to allow KCHA to assign subsidy to projects financed through conduit financing program with a minimum contract term of 20 yrs
28	PBS8 Local program: Contract term		X			Consider possible changes to lengthen the allowable term of the Section 8 project based contract	Increase housing choice	2009	On hold. May be brought forward in FY 2011 if need warrants
29	PBS8 Local program: PH rules for PBS8 vouchers outside a mixed finance setting		X			In connection with Springwood redevelopment without a mixed-finance approach; current policy requires use of PBS8 regs, will require waiver to allow default to PH policy (similar to use at Greenbridge)	Reduce costs and achieve greater cost effectiveness	2008	Implemented
30	PBS8 Local program: Project Based Applications		X			Streamline Applications - modified preferences and selection to match Public Housing developments	Reduce costs and achieve greater cost effectiveness	2008	Implemented in FY 2009



#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
31	PBS8 Local program: site assignment and deconcentration		X			Allows KCHA to prioritize assignment of PB assistance to units located in low-poverty census tracts, including those with poverty rates below 20% (15% for families with children and off-site HOPE VI replacement units) Modification anticipated in FY 2011 change to allow assignment of PBS8 subsidy (up to 80 units) to ARCH ( <i>A Regional Coalition for Housing</i> ) for allocation to developers in low-poverty census tracts in the North and East areas of King County.	Increase housing choice	2004	Implemented; Pending change in FY 2011 - see <i>Description</i> column to the left
32	PBS8 Local program: unit caps per development		X			Waives the 25% cap on the number of units in a development that can be project-based for transitional, supportive or elderly housing programs and/or sites with fewer than 20 units	Increase housing choice	2004	Implemented - modified in FY 2008 to allow KCHA to exceed cap when used to redevelop PH units
33	Performance Standards	X	X	X	X	Develop locally relevant performance standards and benchmarks to evaluate the MTW Program	Reduce costs and achieve greater cost effectiveness	2008	In progress but delayed to allow for , consideration of the impact of pending PHAS reporting requirements will affect HA's desire to move this initiative forward
34	Project-based Local program: combined program management		X			Allows PBS8 subsidy to conform to operating rules of other government subsidy program when used in mixed finance setting	Reduce costs and achieve greater cost effectiveness	2005	Implemented - modified in FY2008 to include redeveloped sites outside a "mixed-finance" approach
35	Project-based Local program: eligible unit types		X			Modifies the types of housing accepted under a PBS8 contract - allows shared housing, excludes Rehab category of units from eligibility	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - FY 2005 modification to define Existing Housing to housing that could meet HQS within 180 days adds manufactured homes, transitional housing and hi-rise buildings as eligible housing; FY 2009 expansion to include cooperative housing
36	Project-based Local program: HAP contracts		X			Allows KCHA to modify the HAP contract to ensure consistency with MTW changes	Reduce costs and achieve greater cost effectiveness	2004	Implemented - modified in FY 2009

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
37	Project-based Local program: Payment Standards		X			Assigns standard HCV Payment standards to the program, but allows modification with Exec. Director approval where appropriate/necessary	Reduce costs and achieve greater cost effectiveness	2004	Implemented - modified in FY2005 to cap rents at the Payment Standard for LIHTC units, rather than the Tax Credit rent
38	Project-based Local program: program administration		X			Allows KCHA to complete subsidy layering and environmental reviews in-house - in cooperation with local responsible entity	Reduce costs and achieve greater cost effectiveness	2004	Implemented
39	Project-based Local program: unit inspections		X			Modifies inspection rules to require owners or their agents to conduct their own construction/rehab inspections; allows the management entity to complete initial inspections (rather than KCHA); implements inspection sampling at annual review	Reduce costs and achieve greater cost effectiveness	2004	Implemented - modified in FY2009 to allow KCHA to inspect units at contract execution rather than proposal date
40	Project-based Local program: unit size		X			Allows participants in wrong-sized units to remain in place and pay higher rent if needed	Increase housing choice	2005	Implemented - modified in 2009
41	Project-based Local program: Rent Reasonableness determinations		X			Allows KCHA to determine Rent Reasonableness for units using same process as Tenant-based program - does not require 3rd party appraisals	Reduce costs and achieve greater cost effectiveness	2004	Implemented
42	Project-based Local program: subsidy assignment		X			Allows KCHA to assign PBS8 subsidy to a limited number of "demonstration" projects not qualifying under standard policy, but which serve an important public purpose	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented
43	Public Housing Eligibility	X				Allow Public Housing program to restrict eligibility of single persons households who do not otherwise qualify as elderly, near-elderly, disabled, or displaced	Reduce costs and achieve greater cost effectiveness	2008	Implemented
44	Public Housing Site-based and Regional waiting lists	X				Implement a streamlined waiting list system for Public Housing that combines Site-based, Regional and Set-aside waiting lists; streamlines implementation rules	Increase housing choices; Reduce costs and achieve greater cost effectiveness	2004	Implemented - possible modification in future plan years

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
45	Remove Cap on Voucher Distribution		X	X		Allow KCHA to maintain utilization above 100% during year without impact on funding; current allocation formulas require avg utilization at or below 100%	Increase housing choices	2007	Implemented
46	Rent Policy Phase II - Working and Work-able Households	X	X	X		Develop a revised rent policy for working and work-able households that encourages self-sufficiency and income progression and increases positive graduation from subsidized housing while increasing administrative efficiency and cost effectiveness	Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness;	2008	Policy adopted in July 2010 - included change to income based tiered rent set at 28.3% of low-end of income tier. Eliminated deductions (other than childcare/medical), earned income disregards and flat rents. Moved to Biennial recertifications and reduced interim recertification policy.
47	Rent Reasonableness - reduction in frequency of tests		X	X		Allows KCHA to complete Rent Reasonableness determinations only when a Section 8 Landlord has asked for an increase in the contract rent	Reduce costs and achieve greater cost effectiveness	2004	Implemented
48	Rent Reasonableness at KCHA owned units		X	X		Allow KCHA staff to perform Rent Reasonableness inspections of KCHA-owned properties	Reduce costs and achieve greater cost effectiveness	2004	Implemented
49	Resident Opportunity Plan (ROP)	X	X	X		Develop a local FSS program pilot that empowers residents to increase income and successfully graduate from housing subsidy	Give incentives that assist in obtaining employment and becoming economically self-sufficient	2007	ROP finalized development in July 2009 - program targets 100 households in E. King County Park Lake Homes Site II (Seola Gardens)
50	Resident Service Stipends - increase amount of exclusion allowed	X	X	X		Allow residents to retain earnings up to \$500 without inclusion in rent calculation	Increase income - encourage employment; Reduce costs and achieve greater cost effectiveness	2008	Implemented
51	Revised definition and treatment of Asset Income	X	X	X		Streamline verification of assets by changing definition to include only assets valued above \$50,000; Income of assets below threshold is excluded from income calculation; Tenant allowed to self-certify valued below \$50,000.	Reduce costs and achieve greater cost effectiveness; Increase economic self-sufficiency	2008	Implemented - may further modify in future years to revise / eliminate treatment of imputed income and disposal costs

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
52	ROSS Grant Homeownership	X		X		Financial Assistance funded through MTW reserves, Modified rules to meet local circumstances: eligibility to allow use for PH residents with an HCV; mini income requirement; min savings prior to entry, not limited to first time homebuyers, etc	Increase housing choice; Increase economic self-sufficiency and encourage employment	2004	Complete - program exceeded goal to assist 30 households over 3-year term
53	MTW-Enhanced Transfer Policy	X	X	X	X	Increase Housing Choice for residents by developing a policy that allows residents to transfer among KCHA programs - promotes efficient use of KCHA housing resources to meet client needs through streamlined access	Increase housing choice; Reduce costs and achieve greater cost effectiveness	2007	Implemented - minor modifications in FY 2009 following review of first year results. Modified in FY 2010 to expedite KCHA ability to conform units to UFAS standards. Additional changes may result from review and follow-up of existing policy. In addition, during FY 2011, KCHA intends to explore and may execute a Domestic Violence Transfer Partnership between other MTW PHAs in the Western Region in order to facilitate resident moves to safe, secure housing in times of crisis.
54	Section 8 Applicant Eligibility			X		Increase program efficiency by removing eligibility for those currently on a Federal Subsidy program	Reduce costs and achieve greater cost effectiveness	2007	Implemented
55	Section 8 Single, non-disabled household eligibility		X	X		Restrict eligibility of single person households who are neither elderly or disabled or near-elderly	Reduce costs and achieve greater cost effectiveness	2009	Implemented
56	HQS Inspection Standards: Minor Fails @ Annual		X	X		Ability to release HAP with minor fail @ annual inspection and owner agreement to repair within 30 days	Reduce costs and achieve greater cost effectiveness	2004	Implemented
57	HQS Inspection Standards: Minor Fails @ Move-in		X	X		Ability to release HAP with minor fail @ initial inspection and owner agreement to repair within 30 days	Reduce costs and achieve greater cost effectiveness	2007	Implemented
58	HQS Inspection Standards: Unit clustering		X	X		Increase efficiency of operation through reduction in repeated visits to the same property annually; Annual inspections completed within 8-20 months of initial inspection and annually thereafter to allow inspections to be grouped according to location/property	Reduce costs and achieve greater cost effectiveness	2006	Implemented

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
59	HQS Inspection Standards: inspection of KCHA owned properties		X	X		Allows KCHA staff, rather than a 3rd party entity, to complete HQS inspection of KCHA owned properties	Reduce costs and achieve greater cost effectiveness	2004	Implemented
60	HQS Inspection Standards: Unit Clustering		X	X		Allows HQS unit inspections 8-20 months following the date of initial inspection	Reduce costs and achieve greater cost effectiveness	2007	Implemented
61	HQS Inspection Standards: date of annual inspections		X	X		Allows annual HQS inspections under the Section 8 program to be completed within 120 days of annual date	Reduce costs and achieve greater cost effectiveness	2004	Implemented
62	Section 8 requirements to provide- proper notice to move		X	X		Requires participants to provide notice to move by the 20th of the month in order to have the paperwork processed that month	Reduce costs and achieve greater cost effectiveness	2004	Implemented
63	Self-certification of DSHS co-pay		X	X		Section 8 program participants are allowed to self-certify \$50 or less received as pass through from DSHS childcare subsidy	Reduce costs and achieve greater cost effectiveness	2004	Implemented
64	Self-certification of family membership	X	X	X		Allows applicants to self-certify membership in the household at the time of admission	Reduce costs and achieve greater cost effectiveness	2004	Implemented
65	Self-certification of Housing Preference		X	X		Applicants with income below 75% of 30% of AMI allowed to self-certify housing preference	Reduce costs and achieve greater cost effectiveness; Increase housing choice	2004	Implemented. FY 2009 change to conform PBS8 to Public Housing - all under 30% AMI qualify as a preference without further documentation or certification
66	Social Security Number Verifications	X	X	X		Modified SSN verification/documentation to household members 18 and older - rather than the regulatory requirement of age 6	Reduce costs and achieve greater cost effectiveness	2004	Implemented - however, PIC reporting currently limits cost savings of this initiative
67	Utility Allowances - PH - S8	X	X	X		Develop alternate protocols for establishing and applying Utility Allowances for PH, PBS8 and S8 households	Reduce costs and achieve greater cost effectiveness	2008	Implemented in FY 2010 in conjunction with Phase II rent reform (WIN Rent and Easy Rent modifications).

#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
68	Verification Expiration dates	X	X	X	X	Decrease expenses and staff time in re-verifying information - set outside limit at 180 days	Reduce costs and achieve greater cost effectiveness	2008	Implemented
69	Supportive Housing for high need homeless families		X			Develop demonstration program for up to 20 households in Project-based FUP-like environment	Increase housing choice and encourage economic self-sufficiency	2010	Deferred. Program partners opted for tenant-based model in current FY. May be brought forward in future program year.
70	Resident Satisfaction Survey	X				Development internal Satisfaction Survey in lieu of requirement to comply with RASS portion of HUD's PHAS system	Reduce costs and achieve greater cost effectiveness	2010	KCHA internal survey process is in place. However, KCHA has temporary exemption from HUD's RASS reporting requirements Will determine need for use as a RASS substitute upon publication of revised PHAS rule.
71	Streamlining of Public Housing and Section 8 Forms and Data Processing	X	X	X	X	Identify and modify and/or replace HUD forms in order to more readily comply with HA's revised policies and increase administrative efficiency	Reduce costs and achieve greater cost effectiveness	2010	Initial forms identified, delayed to allow for implementation of revised Rent Reform policies adopted in FY 2010 - item will be ongoing as forms/processes are identified.
72	Use MTW Reserves to fund Resident Incentives	X	X	X	X	Develop policies to encourage lease compliance - fund using MTW single-block-grant authority and accumulated reserves	Reduce costs and achieve greater cost effectiveness	2010	Initiated in FY 2010 with policy to allow payment of \$250 to encourage over-housed residents to accept first unit offer. Will consider other incentive payments as warranted in future years.
73	Modified PH and Section 8 Inspection process	X	X	X		Modify HQS approach using risk-based analysis to decrease administration while maintain program integrity and unit quality.	Reduce costs and achieve greater cost effectiveness	2010	Delayed due to time constraints. Will review in late FY 2010 / early FY 2011.
74	Simplify Verification Process for Section 8 and Public Housing	X	X	X		Replace current policies with alternate system where possible to simplify third-party and other KCHA verification systems	Reduce costs and achieve greater cost effectiveness	2010	Implemented in FY 2010 through modifications to Interim and regular recertification process. Further changes possible in future years pending review of outcomes for Rent Reform changes
75	30-Day Referral for Project-based units		X			Allow direct owner referral to vacant PBS8 units when unit remains unfilled after 30 days.	Reduce costs and achieve greater cost effectiveness	2010	Implemented



#	MTW Activity Name	P H	P B S 8	H C V	L o c a l	MTW Initiative Description	MTW Statutory Objective	Plan Year	Status
76	Revise Interim Review process	X	X	X		Revise policies to limit interims between full recertifications without adversely impacting KCHA operations.	Reduce costs and achieve greater cost effectiveness	2010	Implemented
77	Limit number of moves for a Section 8 participant			X		Increase family stability and reduce program administration by limiting the number of times a HCV participant can move to once per year	Reduce costs and achieve greater cost effectiveness; increase economic self-sufficiency	2010	Deferred for consideration in a future year if need arises
78	Implement a Maximum Asset Threshold for program eligibility	X	X	X		Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010
79	Incentive Payments to Section 8 participants to leave the program		X	X		Offer incentive to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program	Increase housing choice	2010	On hold pending outcome analysis of Rent Reform policies adopted in FY 2010
<p><i>* The above is a listing of the current status of activities and policy modifications previously approved under KCHA's MTW program agreement with HUD. During FY 2011, these activities and policy changes are subject to modification as a result of ongoing review of program effectiveness, impact upon KCHA clients and/or the need for mid-course redirection in order to attain targeted results.</i></p>									

## SECTION VII. SOURCES and USES of FUNDING\*

### A. Sources and Uses of MTW Funds

As an MTW Block Grant agency, KCHA combines all Public Housing Operations and Capital resources into a single fund with full funding flexibility. The tables below, presented in the format required under KCHA's MTW Agreement with HUD, detail KCHA's anticipated sources and uses of funds for the fiscal year beginning January 1, 2011 and ending December 31, 2011.\* As shown below, KCHA anticipates a shortfall in amounts needed to carry out planned program activities. To the extent necessary, KCHA will utilize MTW reserves to cover any variances between actual sources and uses of funds during FY 2011.

Sources of MTW funds	Planned Amount
HCV block grant	\$ 89,417,000
Public Housing subsidy	\$ 6,906,000
Public Housing rental income	\$ 5,897,000
Public Housing non-rental income	\$ 166,000
Public Housing Capital Fund	\$ 7,293,000
Interest income	\$ 325,000

**Total** \$ 110,004,000

Uses of MTW funds	Planned Amount
HCV Program Operations	\$ 75,960,000
Sponsor-based Program Operations	\$ 1,485,000
Public Housing Program Operations	\$ 10,064,000
Public Housing Rehabilitation	\$ 12,938,000
Resident Service Activities	\$ 2,322,000
Site and Facility Utilities	\$ 2,688,000
Provision/Acquisition of New Affordable Housing	\$ 6,557,000
Debt Repayment	\$ 960,000
MTW Program Administration	\$ 513,000
Misc. Development Costs	\$ 265,000
Other Misc. Operations	\$ 100,000

**Total** \$ 113,502,000

*\* **Please note:** Amounts shown are estimated for CY 2011 as actual amounts cannot be precisely established until HUD funding levels for the year have been finalized and KCHA's FY 2011 budget adopted*

## B. Sources and Uses of State and Local Funds

Sources of State/Local funds	Planned Amount
Washington State Dept of Commerce	\$ 1,031,000
Puget Sound Energy	\$ 1,375,000

**Total** \$ 2,406,000

Uses of State/Local funds	Planned Amount
Home Repair & Weatherization	\$ 2,406,000

**Total** \$ 2,406,000

## C. Sources and Uses of Central Office Cost Center Funds

Sources of COCC funds	Planned Amount
Public Housing Management Fee	\$ 1,693,000
Public Housing Bookkeeping Fee	\$ 713,000
Public Housing Asset Management Fee	\$ 1,156,000
CFP Management Fee	\$ 501,000
HCV Management Fee	\$ 1,608,000
HCV Bookkeeping Fee	\$ 900,000
Regional Maintenance charges	\$ 2,373,000
Grant Income - CFP	\$ 1,875,000
Investment income-operating	\$ 294,000
Conduit loan fees	\$ 148,000
Misc income	\$ 3,000
Incoming payments on note receivable	\$ 61,000

**Total** \$ 11,325,000

Uses of COCC funds	Planned Amount
Administrative Salaries	\$ 5,154,000
Administrative Benefits	\$ 1,560,000
Supplies & Equipment	\$ 367,000
Professional Services	\$ 704,000
Travel & Training	\$ 338,000
Communications	\$ 351,000
Insurance	\$ 40,000
Other Administrative Expenses	\$ 268,000
Maintenance salaries	\$ 1,344,000
Maintenance benefits	\$ 486,000
Utilities	\$ 77,000
Other Facility Expenses	\$ 82,000
Other capital purchases	\$ 300,000
Transfer to vehicle replacement fund	\$ 25,000
Debt Service Payment on CO Building	\$ 116,000
<b>Total</b>	<b>\$ 11,212,000</b>

## D. Changes in Cost Allocations from 1937 Act Regulations

To date, changes from 1937 Act Regulations have not been implemented. Though no changes are currently planned, KCHA reserves the right to implement changes to current cost allocations should any be identified as necessary during FY 2011.

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

## E. Uses of Single Fund Flexibility

KCHA has utilized funding flexibility of the MTW Block grant across traditional lines to fund a number of MTW activities outlined in this and prior Annual Plans and Reports. The following is a listing of major activities where single-fund budget authority has assisted KCHA in the development of innovative programs to meet the housing needs of the local jurisdiction:

- ❑ KCHA's Sponsor-based program (formerly known as Provider-based) implemented in 2007 enables more than 150 households to access safe, secure housing with wrap-around supportive services designed to break the cycle of homelessness;
- ❑ KCHA's new Resident Opportunity Plan (ROP), approved for implementation by the Board of Commissioners in 2009 will assist up to 100 households gain the tools needed to move up and out of subsidized housing;
- ❑ Redevelopment of distressed Public Housing, such as Birch Creek (formerly Springwood Apartments). To date, Single-fund flexibility of the MTW program has enabled KCHA to take proactive steps to preserve more than 1,000 units of affordable housing resources for low-income households over the long-term. KCHA's planned disposition of 509 scattered-site public housing units, and the substitution of project based vouchers will stabilize these developments, allowing potential recapitalization needed to address significant capital needs.
- ❑ Acquisition and preservation of affordable housing throughout the Puget Sound region. In early 2010 KCHA utilized MTW's single-fund flexibility to support the acquisition of Westminster Apartments, preserving an additional 60 units of affordable housing for extremely low income seniors in Shoreline, WA. The Authority continues to seek opportunities to acquire additional housing in proximity to existing KCHA properties, leveraging existing management capacity. In August 2010, the Board of Commissioners authorized the purchase of Park Royal, a family development in Bothell, WA. Acquisition of the property, which added 23 units to KCHA's Public Housing inventory, was completed September 10<sup>th</sup>, 2010. The flexibility provided through the use of MTW block grant financing – and the ability to provide short and long-term financial assistance to encourage investment in affordable housing development – is a key component of KCHA's strategy in addressing the needs of the local community.

During FY 2011, as new opportunities arise, KCHA will continue to utilize its single-fund flexibility to support programs and activities across a broad spectrum in order to support the myriad needs of the region's low-income residents. Among new activities anticipated for FY 2011 is a new partnership with the Building Better Futures consortium, which includes KCHA, Kent Youth and Family Services, the Center for Career Alternatives, the Puget Sound Educational Service District and the Kent School district. Under this initiative, KCHA intends to partner with the Kent School District (KSD) to develop a pilot program designed to improve academic performance, reduce truancy and increase high school graduation rates. KCHA will seek to coordinate data sharing between local schools and "complementary learning" programs located on-site at KCHA's public housing communities. This activity will enhance educational and family support for youth who also attend school in the KSD service area in order to improve academic performance and assist in building a strong foundation for future success. If successful, the program may be expanded to targeted schools in the Highline School District in 2011.

#### **F. MTW Reserve Balance *(Optional)***

*KCHA elects not to include this OPTIONAL information.*



## SECTION VIII. ADMINISTRATIVE

### A. Required Resolution, Forms and Certifications

☐ **Comments received regarding MTW Annual Plan Components**

✓ Please see Page 43

☐ **Board Resolution approving the FY 2010 Annual Plan**

✓ Please see Pages 44-45

☐ **PHA Certification of Compliance with MTW Plan requirements**

✓ Please see Page 46-47

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

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

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

KCHA carefully tracks outcomes and impacts of activities made possible through participation in the MTW demonstration to ensure that initiatives continue to meet intended targets and identify areas where course correction may be warranted. Data regarding outcomes and program progress is reported in the MTW Annual Report submitted in March of each fiscal year. KCHA remains in discussions with HUD and other MTW Agencies regarding the potential to utilize an outside contractor to conduct a full evaluation of the MTW Demonstration program.

## FY 2011 MTW Annual Plan

### PUBLIC COMMENTS

Name	Group/Agency	Comment Received	KCHA Response
Arthur Sullivan	City of Bellevue	Have looked through the document and don't have any explicit comments other than looking forward to working with you on the new 23 units, and some additional project based vouchers in East King County. Quite the ambitious plan.	None needed
Pam Elessa	YWCA	Plan is transparent, appreciates ability to meet with KCHA to review and discuss proposed policies;	None needed

**THE HOUSING AUTHORITY OF THE COUNTY OF KING**  
**RESOLUTION NO. 5302**  
**APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN**  
**FOR FISCAL YEAR 2011**

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

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

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

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

**WHEREAS**, staff has developed the required MTW Annual Plan covering Fiscal Year 2011 (January 1, 2011 through December 31, 2011) in a manner that is responsive to and complies with the Restated MTW Agreement requirements; and

**WHEREAS**, in developing the FY 2011 Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including coordination with the KCHA Resident Advisory Council and community stakeholders and including a public hearing held on September 28<sup>th</sup>, 2010; and

**WHEREAS**, the Plan envisions a number of significant changes in the operational policies of the Section 8 and Public Housing programs which are consistent with the goals of the MTW Demonstration and KCHA's mission; and

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

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

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution and the accompanying memorandum ("Fiscal Year 2011 Annual Plan") for implementation and submission to HUD.
2. The Board of Commissioners certifies that the Public Hearing Requirement has been met and authorizes the Chair of the Board to execute the Attached HUD Certification of Compliance with MTW Plan Requirements and Related Regulations.

**ADOPTED AT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 14<sup>th</sup> DAY OF OCTOBER 2010.**

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

  
**Michael Brown**, Chairman Pro Tempore  
Board of Commissioners

  
**STEPHEN NORMAN**  
Secretary-Treasurer

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

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2011, hereinafter referred to as "the Plan", of which this document is apart and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

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

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

King County Housing Authority  
PHA Name

WA002  
PHA Number/HA Code

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

Michael Brown  
Name of Authorized Official

Chairman Pro Tempore  
Title

Michael Brown  
Signature

10-14-10  
Date

# KING COUNTY HOUSING AUTHORITY

## FY 2010 MTW ANNUAL PLAN APPENDICES

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