

Louisville Metro Housing Authority

**Proposed Amendment to
Moving to Work
Annual Plan**

Fiscal Year 2017

(July 1, 2016 – June 30, 2017)

**Addition of Activity #48-2017:
Local Project-Based Voucher (PBV) Program**

**Public comment welcome from
March 17, 2017 – April 17, 2017**



Activity #48-2017: Local Project-Based Voucher (PBV) Program

A. Description

HUD awarded LMHA a \$29,575,000 Choice Neighborhoods Initiative (CNI) Implementation Grant in December 2016 for the revitalization of the Beecher Terrace public housing development and the wider Russell neighborhood. All buildings on the current Beecher Terrace site will be razed and replaced with a vibrant, sustainable mixed-income, mixed-use community.

Today's Beecher Terrace includes 758 public housing dwelling units that together contain 1,317 bedrooms. Per the Housing Authority's CNI Implementation Grant Agreement with HUD, LMHA must replace **all 1,317 bedrooms** currently on the site. LMHA has further committed to replacing **all 758 units** on the site, ensuring that the same number of households residing at Beecher today will be housed post-revitalization.

Replacement units will be affordable to low-income families for a minimum of 40 years, and all replacement housing must be available to families by the end of the CNI Implementation Grant term, which expires September 30, 2023.

The Housing Authority anticipates that all or nearly all of the 758 Beecher Terrace replacement units will be subsidized with Project-Based Voucher (PBV) assistance.

In order to deliver on this large-scale commitment within a limited time frame, and while meeting all other CNI program requirements, LMHA plans to utilize the regulatory flexibilities provided through MTW to create a Local PBV Program.

This Local PBV Program will not be limited to Beecher replacement units; however, the provision of these units will be the central goal of the Program until all 1,317 pledged bedrooms have been delivered through the creation of approximately 758 affordable dwelling units.

The Housing Authority's Local PBV Program has been designed with the following key objectives in mind:

- Supporting neighborhood revitalization, especially the transformation of the Russell neighborhood (which includes Beecher Terrace), by creating new housing choices that provide in-neighborhood relocation options for displaced LMHA residents and attract new residents to the neighborhood;
- Increasing housing choices for low-income families in high-opportunity areas;
- Providing options for low-income families to live in mixed-income and mixed-use developments; and
- Incentivizing developers to preserve or create affordable housing units that expand housing options for low-income families.

Use of the following MTW authorities will further the Housing Authority's ability to meet these key objectives:

Proposal Selection Process

Proposed Policy: PBV proposals may be selected based on any one of the following three methods:

1. The results of a previous competition (no MTW authority required);
2. Issuance of a Request for Proposals, which may be limited to a specific site or sites or to geographic areas that meet certain criteria (for example, non-impacted census tracts); or
3. Selection of LMHA-owned properties without a competitive process or prior HUD approval.

1st Applicable Regulation: Current regulations at 24 CFR 983.51 require that proposals not be limited to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

Rationale for Use of MTW Authority: LMHA and Louisville Metro Government currently maintain site control for (or may obtain site control for) several highly desirable properties that are suitable for development as Beecher Terrace replacement units. In addition, Louisville Metro Government has committed \$1 million to the acquisition of an additional parcel(s) for development as Beecher Terrace replacement housing.

The Housing Authority believes that the offer of such properties to developers at market rate, below market rate, or no cost will serve as a strong inducement to developers to apply for PBV assistance, while giving LMHA greater ability to ensure that units are developed at properties that will be highly desirable to LMHA residents, and that in some cases are located at critical locations where neighborhood revitalization efforts are being concentrated. For example, the Housing Authority has site control of a key parcel located at the epicenter of the Russell neighborhood, directly across the street from the Kentucky Center for African American Heritage and fronting the planned arts and cultural district along Muhammad Ali Boulevard. Compatible redevelopment of this parcel would have a catalytic effect, spurring additional development along the Muhammad Ali corridor.

Secondly, the CNI Program requires that replacement housing units be built either in the Russell neighborhood or in non-impacted census tracts.¹ LMHA seeks the authority to restrict PBV proposals to these or any other geographic criteria that affirmatively further fair housing or encourage affordable housing development in neighborhoods that are undergoing significant revitalization.

2nd Applicable Regulation: Current regulations at 24 CFR 983.51 require that properties owned by the Public Housing Agency must be selected through a competitive process.

Rationale for Use of MTW Authority: While LMHA believes that there will be a strong response from local developers interested in project-based assistance for their developments (The Housing Authority has never made PBV assistance available before, and the level of interest already expressed by developers leads us to believe that there is significant pent up demand), the provision of such a large number of Beecher Terrace replacement units by September 30, 2023 will be a challenge, and the Housing Authority has no interest in waiting to see if the private market will fully accomplish this task. LMHA would also like to hasten the pace with which PBV units come

¹ A “non-impacted census tract” is a census tract in which the poverty rate is below 40% and the minority concentration is no more than 20% higher than that for the MSA as a whole.

on-line, so that families relocating from the Beecher site can move directly into permanent replacement units.

To this end LMHA has obtained site control for two turnkey four-plexes (8 units in total) in the Russell neighborhood at which it would like to project-base assistance for four units. As all Beecher replacement units will be in mixed-income developments, the other four units will also be restricted to families whose household income is below 80% of AMI, but these non-PBV units will not receive direct, ongoing subsidy.²

LMHA is also examining the feasibility of acquiring a second, 12-unit apartment complex in the Russell neighborhood, at which it would also like to project-base assistance at half of the units, while restricting the balance to families whose household income is below 80% of AMI.

LMHA will continue to pursue the acquisition of properties suitable for use or development as Beecher Terrace replacement units, and seeks authority to project-base assistance at such properties.

Proposal Selection Requirements

Proposed Policy: Up to 100% of units within any given project may be awarded PBV assistance. However, in furtherance of the Housing Authority's commitment to the development of mixed-income housing, at its sole discretion, LMHA may limit the percentage of units that may be project-based at any given project to some amount less than 100%.

Applicable Regulation: 24 CFR 983.56 provides that a Public Housing Agency may not provide PBV assistance for more than 25% of units within a given project unless the units are in a building that has four or fewer dwelling units or the additional units house elderly and/or disabled families or the families residing in the additional units receive (and are required to participate in) supportive services.

Rationale for Use of MTW Authority: LMHA is committed to providing Beecher replacement units in mixed-income communities and in areas of opportunity, but the Housing Authority does not believe that a particular structure or project should be looked at in isolation when considering whether awarding PBV assistance will contribute to the goal of creating mixed-income communities.

For example, a local developer, who would qualify for PBV assistance under the previous competition selection method and who has expressed interest in receiving such assistance, is currently developing a 21-unit apartment building within an existing New Urbanist community that already contains more than 2,000 market-rate units. The median household income in this community is \$124,495 (more than 2.5 times the average median income for Louisville Metro). Within this context, providing PBV assistance for all 21 units within this building would increase, rather than decrease, the income mix within the community, and would provide LMHA residents with a wide variety of amenities and services, including a new elementary school, YMCA, grocery store, drugstore, restaurants, childcare facility, parks, and pools.

² Additional MTW flexibilities related to this project will be requested through the Housing Authority's FY 2018 MTW Annual Plan.

Likewise, on-site at Beecher Terrace, LMHA plans to project-base just under 50% of the new units (49.4%). The remaining units will be either tax-credit-only (21.6%) or market rate (29.6%). The approximate proportions are the result of a two-year, CNI-funded community planning process that involved more than 600 residents and community stakeholders and nearly 100 meetings. The ratio also meets the CNI Program requirements regarding mixed-income development.

Requirements for Rehabilitated and Newly Constructed Units

Proposed Policy: When LMHA has received owner notice that the rehabilitated or newly constructed housing is completed, the Housing Authority will inspect the units to determine if the housing has been completed in accordance with the Agreement to Enter a HAP Contract (AHAP), including compliance with HQS standards, except that in lieu of LMHA inspection of the units, the owner may submit the Certificate of Occupancy issued by Louisville Metro Government as evidence of compliance.

Applicable Regulation: According to 24 CFR 983.156, upon owner notice that rehabilitated or newly constructed housing is completed, the Public Housing Agency must inspect the units to determine compliance with the AHAP, including HQS.

Rationale for Use of MTW Authority: Before issuing a Certificate of Occupancy, Louisville Metro Government inspects rehabilitated and newly constructed housing to ensure compliance with local codes and ordinances, which are more stringent than HQS. LMHA believes it is not a cost effective use of federal funds to duplicate these inspections. LMHA has used this MTW authority in the past at developments associated with several of its HCV Special Referral Programs.

HAP Contract Term

Proposed Policy: The initial term of the HAP contract will not exceed 20 years or be less than one year. LMHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, for an additional term not to exceed 20 years, if LMHA determines an extension is appropriate to continue providing affordable housing for low-income families. LMHA may provide for multiple extensions; however, in no circumstance may such extensions exceed 20 years, cumulatively.

Applicable Regulation: Per 24 CFR 983.205, the initial term of the HAP contract must not exceed 15 years. Although contract extensions are permitted, in no case may the cumulative length of any extensions granted total more than 15 years.

Rationale for Use of MTW Authority: LMHA has committed that Beecher Terrace replacement housing will be permanent units, and in its CNI Implementation Grant application, committed to providing a 40-year affordability restriction for all replacement units. Increasing the permitted cumulative length of the HAP contract from 30 years (15 year initial contract plus 15 year extension) to 40 years (20 year initial contract plus 20 year extension) will allow us to fulfill this commitment. The policy would apply to LMHA-owned units as well.

This proposed policy is also consistent with regulatory changes to the HAP contract term described in the Federal Register notice entitled “Housing Opportunity Through Modernization Act of 2016:

Implementation of Various Section 8 Provisions,” which was published in the Federal Register on January 18, 2017 (82 FR 5458) and originally scheduled to become effective on April 18, 2017. It is the Housing Authority’s understanding that this notice is currently subject to a regulatory freeze/review by Executive Order, and that its future implementation is uncertain. Should the notice provisions permitting the initial PBV HAP contract term to extend for up to 20 years and providing that any extension(s) of the PBV HAP contract may cumulatively total up to 20 years be implemented at some future date, this MTW authority will be removed from subsequent MTW Annual Plans.

Inspections

Proposed Policy: LMHA will not inspect units at new tenant turnover. LMHA will inspect all units within a specific building concurrently once per year. Should the owner add or substitute a unit covered under the HAP contract, LMHA will inspect the new or substitute unit before providing assistance to that unit. LMHA will also conduct complaint inspections upon tenant request.

Applicable Regulation: The regulation at 24 CFR 983.103 requires that all units must be inspected at turnover. It also requires that at least 20% of the contract units in each building be inspected at least biennially.

Rationale for Use of MTW Authority: Conducting inspections concurrently at each building once per year will increase the cost effectiveness of federal expenditures by allowing LMHA to schedule inspections by geography instead of conducting inspections on an individual basis across the city whenever a unit turns over.

In any given year, one unit may turn over several times while another unit houses the same family for the entire 12 months. Under HUD’s current regulations, the unit experiencing multiple turnovers will receive multiple inspections during the year, while the unit that does not turn over will likely not be inspected at all unless captured in the random 20% sampling of units inspected biennially. It may be years between inspections for a unit occupied by a long-term tenant.

LMHA believes inspecting all units annually, but in a more geographically efficient manner, will better ensure compliance with HQS.

LMHA may still choose to rely on an alternative inspection process at mixed-finance properties in lieu of an annual inspection. However, the Housing Authority will ensure that all units are inspected at least once per year.

Locally-Defined Definition of Elderly

Proposed Policy: For the purpose of determining the order in which families on the Housing Authority’s PBV waiting list are referred by LMHA to the owner of a project-based elderly or elderly/disabled building, an “Elderly Family” will be defined as a family whose head (including co-head), spouse, or sole member is a person who is at least 55 years of age. It may include two or more persons who are at least 55 years of age living together, or one or more persons who are at least 55 years of age living with one or more Live-In Aides.

Applicable Regulation: Per 24 CFR 5.403, an elderly family is defined as a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more Live-In Aides.

Rationale for Use of MTW Authority: For the purpose of determining eligibility for admission to designated housing developments in its Public Housing Program, LMHA has lowered the age at which a person can be considered elderly from 62 to 55. LMHA wishes to maintain consistency in this usage between the two programs. This is especially important to provide additional housing choices to public housing residents relocating from Beecher Terrace, as at the time of CNI Implementation Grant application submission, 117 Beecher households included a family member between the ages of 55 and 61.

Income Limits

Proposed Policy: The income eligibility limit for PBV units will be increased from 50% to 80% of Area Median Income (AMI) except in the case of PBV units that are subject to a lower income restriction due to limitations imposed by other 3rd-party funding sources (for example, units that also have low-income housing tax credits or funding awarded through the National Housing Trust Fund). In the case of funding sources that impose an income cap that falls between 50% and 80% of AMI, the maximum allowable income cap will be used (For example, PBV units that also have low-income housing tax credits capped at 60% of AMI, would have an income eligibility limit of 60% of AMI).

Applicable Regulation: PBV units are subject to the income eligibility requirements governing the tenant-based HCV Program, which can be found at 24 CFR 982.201. Typically, admission to a PBV unit is limited to households whose income does not exceed 50% of AMI with special exceptions made for households with incomes between 50% and 80% of AMI. These exceptions include, but are not limited to, families that are “continuously assisted” under the 1937 Housing Act or that that meet additional eligibility criteria specified in the Public Housing Agency’s Administrative Plan.

Rationale for Use of MTW Authority: Today, Beecher Terrace’s 758 public housing units serve households whose income does not exceed 80% of AMI at the time of admission. Absent MTW authority, post-revitalization, the 758 planned PBV replacement units will serve households whose income does not exceed 50% of AMI.

758 units represents nearly 20% of the Housing Authority’s total public housing stock today. Absent the requested MTW flexibility, LMHA’s ability to serve families with incomes between 50% and 80% of AMI will be significantly hampered. Households in this income range will simply have fewer housing choices.

Regulation already makes provision for the admission of certain households with incomes between 50% and 80% of AMI, including in the fairly generic case that families “meet additional eligibility criteria specified in the PHA administrative plan.” LMHA is simply requesting the ability to increase the income eligibility limit to 80% of AMI without “additional eligibility criteria.”

Income and Asset Verification

Proposed Policy: For PBV units that are also low-income housing tax credit (LIHTC) units, LMHA will utilize the LIHTC program's Tenant Income Certification form to verify income and assets both for determining eligibility at admission and at recertification.

Applicable Regulation: 24 CFR 982.201 provides that Public Housing Agencies must verify that families are income-eligible before issuing them a voucher. Regulations at 24 CFR 982.516 further require that Agencies must re-examine and verify family income at least annually thereafter; family assets must be verified at least once every three years.

Rationale for Use of MTW Authority: Owners of PBV units that utilize tax credits must comply with federal LIHTC regulations, which are very similar to HCV regulations. This will increase the cost effectiveness of federal expenditures by reducing LMHA staff cost incurred to verify income and assets, while still meeting the objective of the federal regulation, which is to ensure that families are income-eligible and that their Total Tenant Payment is equitable and justifiable. Residents will also benefit as they will not have to produce redundant documentation to both LMHA staff and the PBV owner. The Tenant Income Certification form requires the client's statement of income and assets, the client's signature, and the property owner's certification that they verified the data provided by the client, and is therefore reliable documentation of the client's income/asset profile.

Notes:

- LMHA recognizes that several of the authorities requested above require modifications to the OMB-numbered HAP contract. Following activity approval, LMHA will submit a local HAP contract to HUD that reflects the approved modifications as a technical amendment to the MTW Annual Plan then in effect or in any manner that may otherwise be directed by HUD.
- LMHA already uses a number of HUD-approved MTW activities within its HCV Program. The Housing Authority plans to use the following eligibility, rent, and occupancy flexibilities in its PBV Program as well:
 - Alternate year reexaminations of elderly and disabled families (Activity #4-2007)
 - Elimination of standard earned income disregard (Activity #32-2012) and creation of new earned income disregard for elderly families (Activity #6-2008)
 - Standard medical deduction (Activity #8-2008)
 - Deduction of childcare expenses when determining Program eligibility (Activity #27-2011)
 - Annual contract rent increase limit (Activity #39-2012)
 - Financial aid disregard in calculation of Total Tenant Payment (Activity #40-2014)

B. Relation to Statutory Objectives

This activity will increase high quality housing choice for low-income families by encouraging the development of affordable, mixed-income housing in areas of opportunity and in neighborhoods undergoing targeted revitalization; by allowing families with incomes between 50% and 80% of AMI to live in PBV units; and by allowing families whose head, co-head, spouse, or sole member is

between the ages of 55 and 61 to have the option to live in an elderly or elderly/disabled building. Lengthening PBV contracts to a maximum of 40 years will ensure that these housing choices remain available to families over the long-term.

The activity will increase the cost effectiveness of federal expenditures by eliminating duplicative inspections and by allowing inspectors to coordinate inspections by geography, while still ensuring that units are inspected annually. Likewise, the activity will streamline the process for income and asset verification.

C. Anticipated Impact on the Stated Objectives

By September 30, 2023, LMHA plans to develop 758 new PBV units, leveraging a \$29,575,000 CNI Implementation grant and more than \$200 million in additional committed funds, to create a diverse array of housing choices for low-income families. The new housing will be operated in a manner that increases the cost effectiveness of federal expenditures by reducing income/asset verification and inspection costs.

D. Anticipated Schedule for Achieving the Stated Objectives

Upon HUD approval of this activity, LMHA will begin soliciting PBV proposals. Concurrently, the Housing Authority will develop a local HAP contract for submission to the MTW Office within two weeks of activity approval.

LMHA anticipates it will begin selecting proposals for PBV award before the end of calendar year 2017, awarding approximately 100 – 150 PBV vouchers annually in order to fulfill its commitment to create 758 new PBV units by September 30, 2023. Once all Beecher Terrace replacement units have been provided, the Housing Authority will make a determination as to whether or not it should close the application process for its Local PBV Program.

E-I. Activity Metrics Information

LMHA will track the following HUD Standard Metrics for this activity:

<i>CE #1: Agency Cost Savings¹</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Cost of task prior to implementation of the activity (in dollars).	Expected cost of task after implementation of the activity (in dollars).	Actual cost of task after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
	Unit Inspections			
	As of FY2016: Total cost is \$0 (No PBV unit inspections)	FY 2017: Total cost is \$0 (No PBV unit inspections)	TBD	TBD
	FY2016 average inspection cost per HCV unit: \$35.70 (1.5 inspections per unit * 0.6 hrs per inspection *	Expected average inspection cost per PBV unit in subsequent FYs: \$21.82 using FY2016		

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	\$39.67 per staff hour)	staff cost (1.1 inspections per unit * 0.5 hrs per inspection * \$39.67 per staff hour)		
	Income / Asset Verification			
	As of FY2016: Total cost is \$0 (No PBV unit inspections)	FY 2017: Total cost is \$0 (No PBV unit inspections)	TBD	TBD
	FY2016 average verification cost per HCV unit: \$18.80 (0.75 hrs per verification * \$25.07 per staff hour)	Expected average verification cost per PBV unit in subsequent FYs: \$10.03 using FY2016 staff cost (0.4 hrs per verification * \$25.07 per staff hour)		
	Total Savings			
As of FY 2016: \$0 (No PBV units)	FY 2017: Total cost is \$0 (No PBV units)	TBD	TBD	
Cost of inspecting and verifying income/assets for PBV units annually prior to implementation	Expected cost of inspecting and verifying income/assets for PBV units during FY	Actual cost of inspecting and verifying income/assets for PBV units during FY	Explanation to be provided	
Data Source(s): Emphasys; Staff logs; PHA financial records				

¹ Although average per unit inspection and verification costs are expected to decrease over time (when comparing traditional HCV units to new PBV units), total inspection and verification costs are expected to increase over time as new PBV units are developed.

CE #2: Staff Time Savings¹				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.
	Unit Inspections			
	As of FY2016: 0 hrs (No PBV units)	FY 2017: 0 hrs (No PBV units)	TBD	TBD
	FY2016 average inspection hours per HCV unit: 0.9 hrs (1.5 inspections per unit * 0.6 hrs per inspection)	Expected average inspection hours per PBV unit in subsequent FYs: 0.6 hrs (1.1 inspections per unit * 0.5 hrs per inspection)		
Income / Asset Verifications				
As of FY2016: 0 hrs (No PBV units)	FY 2017: 0 hrs (No PBV units)	TBD	TBD	
FY2016 average	Expected average			

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	verification hours per HCV unit: 0.75 hrs	verification hours per PBV unit in subsequent FYs: 0.4 hrs		
	Total Savings			
	As of FY 2016: 0 hrs (No PBV units)	FY 2017: 0 hrs (No PBV units)	TBD	TBD
Staff hours expended inspecting and verifying income/assets for PBV units annually prior to implementation	Expected staff hours expended inspecting and verifying income/assets for PBV units during FY	Actual staff hours expended inspecting and verifying income/assets for PBV units during FY	Explanation to be provided	
Data Source(s): Emphasys; Staff logs; PHA financial records				

¹ Although average staff time spent per unit on inspections and verifications is expected to decrease over time (when comparing traditional HCV units to new PBV units), total staff time spent per unit on inspections and verifications is expected to increase over time as new PBV units are developed.

CE #4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increase).	Amount leveraged prior to implementation of the activity (in dollars). This number may be zero.	Expected amount leveraged after implementation of the activity (in dollars).	Actual amount leveraged after implementation of the activity (in dollars).	Whether the outcome meets or exceeds the benchmark.
	As of FY 2016: \$0	FY 2017: \$0 (No PBV units) Expected funds leveraged in subsequent FYs: \$19,048,700 (\$190,487 (TDC for a 2-BR walkup) * 100 units)	TBD	TBD
	Amount leveraged prior to implementation of the activity	Expected amount leveraged during FY	Actual amount leveraged during FY	Explanation to be provided
Data Source(s): CNI quarterly reports; PHA financial records				

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
# of new housing units made available for HHs at or below 80% AMI as a result of the activity (increase). If units reach a specific type of HH, give that type in this box.	Housing units of this type prior to implementation of the activity (#). This # may be zero.	Expected housing units of this type after implementation of the activity (#).	Actual housing units of this type after implementation of the activity (#).	Whether the outcome meets or exceeds the benchmark.
	As of 2016: 0	FY 2017: 0 (No PBV units) Expected new housing units annually in subsequent FYs:	TBD	TBD

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		100		
	PBV units acquired/developed prior to implementation of the activity	Expected PBV units acquired/developed during FY	Actual PBV units acquired/developed during FY	Explanation to be provided
Data Source(s): CNI quarterly reports; Emphasys				

HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	Average applicant time on wait list prior to implementation of the activity (in months).	Expected average applicant time on wait list after implementation of the activity (in months).	Actual average applicant time on wait list after implementation of the activity (in months).	Whether the outcome meets or exceeds the benchmark.
	As of FY 2016: 7 years	7 years	TBD	TBD
	Average applicant time on wait list prior to implementation of the activity.	Expected average applicant time on wait list during FY.	Actual average applicant time on wait list during FY.	Explanation to be provided
Data Source(s): Emphasys				

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
# of households (HHs) able to move to a better unit &/or neighborhood of opportunity as a result of the activity (increase).	HHs able to move to a better unit &/or neighborhood of opportunity prior to implementation of the activity (#). This # may be zero.	Expected HHs able to move to a better unit &/or neighborhood of opportunity after implementation of the activity (#).	Actual increase in HHs able to move to a better unit &/or neighborhood of opportunity after implementation of the activity (#).	Whether the outcome meets or exceeds the benchmark.
	As of FY 2016: 0	FY 2017: 0 (No PBV units) Expected to increase by 100 HHs annually in subsequent FYs	TBD	TBD
	Number of HHs residing in a PBV unit prior to implementation of the activity	Expected number of HHs residing in a PBV unit at FYE	Actual number of HHs residing in a PBV unit at FYE	Explanation to be provided
Data Source(s): Emphasys				

J-K. Authorizations Cited and Explanation

Attachment C, Section B.3, “Definition of Elderly Family,” which allows LMHA “to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old.” This authorization waives certain provisions of Section 3(b)(3) and (G) of the 1937 Act and 24 CFR 5.403 as necessary to implement the agency’s Annual MTW Plan.

- Necessary to permit families whose head, co-head, spouse, or sole member is between the ages of 55 and 61 to reside in elderly and elderly/disabled developments.

Attachment C, Section D.1.a, which allows the Housing Authority “to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration.” This authorization waives certain provisions of Section 8(0)(7) of the 1937 Act and 24 CFR 982.162 as necessary to implement the agency's Annual MTW Plan;

- Required to increase cumulative term of HAP contract (initial term plus any extensions) to 40 years.

Attachment C, Section D.3.a, which authorizes the Housing Authority “to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations.” This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 CFR 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the agency's Annual MTW Plan.

- Necessary to initially determine families whose household income is between 50% and 80% of AMI eligible for PBV assistance.

Attachment C, Section D.3.b, which permits the Housing Authority to “adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations.” This authorization waives certain provisions of 24 CFR 982.516 and 982 Subpart E, as necessary to implement the agency's Annual MTW Plan.

- Needed to permit LMHA to accept the LIHTC program's Tenant Income Certification form to verify income and assets both for determining eligibility at admission and at recertification.

Attachment C, Section D.5, “Ability to Certify Housing Quality Standards,” which allows LMHA “to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD.” This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 CFR 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.

- Necessary to permit proposed inspection schedule.

Attachment C, Section D.6.c, which allows LMHA to “adopt a local process for determining whether units meet certain eligibility requirements, including “[p]rocedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.” This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 CFR 983 Subpart D as necessary to implement the agency's Annual MTW Plan.

- Required to permit LMHA to accept the Louisville Metro Government issued Certificate of Occupancy as evidence of compliance with HQS in lieu of Housing Authority inspection of the units when determining whether the units meet the requirements for rehabilitation and construction.

Attachment C, Section D.7, “Establishment of an Agency MTW Section 8 Project-Based Program,” which permits the Housing Authority “to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance.”

- Needed to allow LMHA to project-base up to 100% of units within a given development.

Attachment C, Section D.7.a, which authorizes the Housing Authority “to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing” and allows that “[p]roject-based assistance for such owned units does not need to be competitively bid.” This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 and 24 CFR Part 983 as necessary to implement the agency's Annual MTW Plan.

- Necessary to project-base assistance at agency-owned units without a competitive process.

Attachment C, Section D.7.b, which permits LMHA “to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities.” This authorization waives certain provisions of 24 CFR 983.51 as necessary to implement the agency's Annual MTW Plan.

- Needed to restrict PBV requests for proposals to a specific site or sites or to geographic areas that meet certain criteria (for example, non-impacted census tracts).

L. Information for Rent Reform

1) Impact Analysis

This activity has a single rent reform component: the use of the LIHTC Program’s Tenant Income Certification form to serve as verification of household assets and income for PBV units that are also LIHTC units.

Because the calculation used to determine Total Tenant Payment will not change, LMHA does not anticipate that this initiative will affect the amount of rent paid by any household.

At the family’s request, LMHA staff will conduct a second verification of income and assets instead of relying solely on the PBV owner provided Tenant Income Certification form. LMHA will monitor the volume of such requests and the frequency with which they result in a material change to household income or assets.

Should a significant percentage of secondary reviews conducted by LMHA result in a material change to household income or assets, the Housing Authority will evaluate whether additional training of PBV unit management staff could remedy the situation; whether LMHA staff could rely on certain information contained in the Tenant Income Certification form while conducting independent verification of other data points; or if the activity should be discontinued altogether.

2) Hardship Case Criteria

At the family’s request, LMHA staff will conduct a second verification of income and assets instead of relying on the PBV owner provided Tenant Income Certification form. Families will also have recourse through the Housing Authority’s informal hearing process.

3) Description of Annual Reevaluation of Rent Reform Activity

This rent reform initiative will be reevaluated annually by LMHA using the benchmarks and metrics discussed above. The Housing Authority will also consider the volume of resident requests for LMHA staff to conduct secondary reviews of household income and assets, and the percentage of secondary reviews that result in a material change to household income or assets. Finally, LMHA

will take into account community input received during the MTW Annual Plan public comment period and public hearing.

4) *Transition Period*

The Tenant Income Certification form will be used for PBV units that also have low-income housing tax credits upon execution of the HAP contract.

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