

**HOUSING AUTHORITY OF BALTIMORE  
CITY**

**Moving To Work Program  
Annual Plan for Fiscal Year 2013**



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# I. Introduction and Overview

The Housing Authority of Baltimore City (HABC) entered into a ten-year Moving to Work Agreement (MTW Agreement) with the US Department of Housing and Urban Development (HUD) effective as of December 24, 2008. Through a previous agreement between HUD and HABC, HABC has been a full participant in the MTW program since 2005.

MTW is a national demonstration program authorized by Congress which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher (HCV) programs. The MTW statutory objectives include the following:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the statutory objectives.

This document is the MTW Annual Plan for Fiscal Year 2013, which is the period from July 1, 2012 to June 30, 2013. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

In order to provide the public and HUD with a more detailed view of HABC’s overall plans and strategies, this Annual Plan includes discussions of both MTW activities and other activities which do not specifically require MTW authority to implement. It also references and details proposed changes to both the HCV Administrative Plan and the public housing ACOP (Admissions & Continued Occupancy Policies).

HABC made the Fiscal Year 2013 MTW Annual Plan available for public review and comment. Copies of these documents were available at HABC’s main offices, the Enoch Pratt Free Library and on the website at [www.baltimorehousing.org](http://www.baltimorehousing.org) beginning February 24, 2012. A public hearing was held on March 26, 2012 at 201 N. Aisquith Street, Baltimore MD 21202. HABC reviewed and considered all comments that were received, no later than April 04, 2012.

## **Overview of FY 2013 Objectives and Activities**

*As of the publication date of this Annual Plan, Congress has not finalized calendar year 2013 funding for critical programs administered by HABC including the Public Housing Operating Fund and Housing Choice Voucher Program. Published reports indicate the potential for significant cutbacks to HABC and Public Housing Authorities nationwide. Thus, the programs and initiatives described herein may need to be modified based on final funding decisions.*

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2013, HABC intends to work towards these overarching goals by undertaking a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major initiatives and objectives for the year ahead include:

- Public Housing Occupancy – HABC projects that it will achieve a 97% adjusted occupancy rate in its public housing developments.
- Leased Housing Lease Ups – HABC projects that it will have a total of 14,612 units under lease including Thompson and all other programs.
- Capital Planning – HABC will continue its aggressive program of capital improvements and development activities, including the completion of many projects funded under the American Recovery and Reinvestment Act (ARRA) and EPC Program. HABC projects hard cost capital expenditures of approximately \$71.1 million in the coming year.
- Development Activities - HABC, in conjunction with the City of Baltimore will continue its ten year plan to develop approximately 3,080 housing units, including approximately 1066 low-income rental units to replace severely distressed units in its current inventory. Many of the units will be developed using the mixed finance development method, and all units will be developed to create economically diverse, stable neighborhoods. MTW single fund flexibility is a key ingredient of HABC's development program.
- Portfolio Planning – HABC will continue its ongoing portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, and identifying a framework for future development activity. In tandem, both traditional and non-traditional sources of funding will be assessed including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments. A revised 10-year Capital Plan and Needs Assessment is included as part of this effort.
- Resident Services – HABC plans to serve over 5,000 households through a wide array of self sufficiency, personal development and supportive service program offerings including a Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.

Other FY 2013 objectives which utilize HABC's MTW flexibility and which promote one or more of the MTW statutory objectives will include:

- Rent Policy – HABC will continue its agency-wide rent policy for public housing, which is designed to increase resident self-sufficiency.
- Gilmor Demonstration – HABC will continue the Gilmor pilot which incorporates modified rent policies, work and savings incentives and enhanced self-sufficiency services.
- Risk-Based Inspections – HABC will continue to analyze data and trends in annual inspections to determine the best implementation method for the Risk Based Inspection

process and will complete implementation planning for a risk-based inspection program of leased Housing Choice Voucher units in FY 2013.

- Two-Year Recertifications – Under MTW, HCV households will continue to be recertified every two years.
- Family Self Sufficiency – HABC will continue to implement FSS activities that provide supportive services and family savings for both public housing and HCV residents.
- Project Based Vouchers – An estimated 120 additional housing units will be leased under HABC's PBV program.

Required information on ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan.

## II. General Operating Information

This section of the Annual Plan provides required information on HABC's current inventory, projected leasing activities and waiting lists for both the Public Housing and HCV programs. It includes details on planned changes to the housing stock as a result of new development, demolition and disposition efforts. Planned significant capital expenditures are also summarized in this section.

### A. Housing Stock Information

#### 1. Public Housing Inventory

All HABC public housing units are included in the MTW Block Grant. As of December 31, 2011, 14,357 units are under an Annual Contributions Contract (ACC) with the Department of Housing and Urban Development, 10,714 of which are available for occupancy. As a total of 10,458 households currently reside in public housing – HABC's adjusted occupancy rate is 97.6%. Table 1 provides details on HABC's existing MTW public housing inventory and leasing as of December 2011. Because of the MTW Agreement requirement to submit the Annual Plan 75 days prior to the end of the fiscal year, the numbers provided as of December 2011 serve as a proxy for its anticipated inventory at the beginning of the year.

**Table 1:  
Public Housing Inventory and Occupancy December 2011**

BR Size	Total Units	Available for Occupancy*	Occupied as of December 31, 2011	Adjusted Occupancy Rate as of December 31, 2011**
OBR	1,237	1,214	1,174	96.7%
1BR	3,719	3,617	3,534	97.7%
2BR	3,432	3,304	3,234	97.8%
3BR	2,079	1,920	1,885	98.2%
4BR	677	520	512	98.5%
5BR	169	101	101	101%
6BR	33	18	18	100%
<b>TOTAL</b>	<b>11,345</b>	<b>10,714</b>	<b>10,458</b>	<b>97.6%</b>

\*Available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 901.5. These exempt units include units: a) undergoing or identified to undergo renovation and/or vacated due to consent decree mandated alterations; b) undergoing or identified to undergo modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration.

\*\* Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

\*\*\* The majority of the four bedrooms are long-term vacant units located at Mt. Winans ( HABC will be submitting a demolition application to HUD in FY 2013 for Mt. Winans). . As for HABC's 6-bedroom units, occupancy rates are low because there is a lack of demand for units this large. In FY 2013, HABC will continue to focus on transferring residents who are under-housed in an effort to increase the occupancy rate amongst these larger bedroom units.

During Fiscal Year 2013, HABC anticipates changes to its existing public housing inventory as a result of acquisition/development of units in the mixed finance portfolio and the demolition or



disposition of obsolete units. Table 2 identifies 50 public housing (ACC) units projected to be added to the public housing inventory in FY 2013.

**Table 2:  
Projected New Public Housing Units for FY 2013**

Structure Type	*Project Number	**Accessible Features	1 BR	2 BR	3 BR	4 BR	5 BR	Total
Detached	N/A			5	20	5		30
Semi-Detached	N/A			5	10	5		20
Row House								
Walk-Up								
Elevator								
Sub-Total				10	30	10		50

\*The units noted in table 2 are to be acquired as per the Revised Hollander Ridge Revitalization Plan. The Plan was approved after submission of the FY2013 MTW Plan on 5/31/12. To date, HABC has not yet requested a project number for these units  
 \*\* Pursuant to Fair Housing Laws, five-percent (5%) of the units acquired under the Hollander Ridge Revitalization Plan will be 504 compliant. Once the units have been acquired and an assessment completed, HABC will determine which units will be modified to comply with UFAS.

HABC projects that a total of 143 non-viable and obsolete units will be dispositioned and/or demolished from the public housing inventory during FY 2013 as described in Table 3.

**Table 3:  
Projected Demolition/Disposition of Public Housing Units for FY 2013**

Project Name	Project Number	Projected Units	Reason for Demo or Dispo	Status as of December 31, 2011
Barclay: (Demolition and/or Disposition)  Demolition Only	MD0020121	*13  3	HABC plans to dispose of 13 units to the developer for the construction of affordable housing. Three of the 13 units will be demolished <b>and</b> disposed of. An additional three (3) units are scheduled for demolition only.	Disposition approval received April 7, 2008. Demolition Approval received by 7/18/11.
Somerset (Vacant Land Disposition)	MD0020010	Vacant Land	Distressed obsolete housing.	Disposition Application to be submitted to HUD FY 2013.
O'Donnell Heights (Vacant Land Disposition)	MD0020009	Vacant Land	Disposition for redevelopment.	Disposition Application for Phase I submitted to HUD FY 2012
Coppin Redevelopment	MD0020203	**2	Distressed obsolete housing	Disposition Application to be submitted to HUD FY 2013.
Scattered Sites	MD0020200, 0201,0202, & 0203	37	Distressed/obsolete housing	Disposition approval received October 8, 2009.
Mt. Winans	MD0020029	88	Distressed/obsolete housing	Demolition Application to be submitted to HUD in FY 2013
TOTAL		143		

\* As previously reported in the FY 2012 Plan, the disposition of the 32 units proposed for the Barclay Redevelopment project have all been approved by HUD. Of these 32 units, 16 were disposed of in FY 2012. The remaining 16 units will be disposed of and/or demolished in FY 2013.

\*\*Also reported in the FY 2012 Plan, the disposition of the two (2) scattered sites units for Coppin Redevelopment was scheduled for submission to HUD in FY 2012; however personnel changes at Coppin delayed this project. HABC anticipates submission of this application during the first quarter of FY 2013.

## 2. Section 8/Housing Choice Voucher Program Inventory

As of December 2011, HABC's existing Section 8 Housing Choice Voucher leased housing inventory includes 13,239 MTW units (11,502 regular program units; 1737 Thompson units) and 1,000 non-MTW units). By the end of the current fiscal year, these figures are projected to increase to 13,806; 12,031 total regular program units; 1,775 Thompson units and 1079 non-MTW units respectively. Table 4 shows leasing levels as of December 2011 and projected leasing levels as of June 30, 2012. For MTW vouchers, from July 2011 to December 2011, including Thompson voucher activity, there was a net decrease of 9 HCV leased households when compared to units leased at the end of FY 2011 (HABC leased 57 less units under the regular program and leased 48 more units under Thompson).

Under its ACC, HABC is authorized to issue 18,504 MTW vouchers (not including Thompson). Available HUD funding, however, limits the number of households for which assistance could be made available to no more than approximately 12,031. The requirement for additional project-based units under the Bailey Consent Decree will require a decrease in tenant-based voucher holders or an increase in funding or both.

**Table 4:  
Housing Choice Voucher Program Inventory and FY 2012 Projected Leasing**

	<b>Actual Leased as of 12/31/11</b>	<b>Projected Leased as of 6/30/12</b>
MTW Tenant Based Vouchers (Non Consent Decree)	9,535	9,873
MTW Project Based Vouchers (Non Consent Decree)	950	1,002
MTW Tenant Based Vouchers - Bailey*	804	850
MTW Project Based Vouchers – Bailey	213	306
<i>Sub-Total</i>	<i>11,502</i>	<i>12,031</i>
MTW Tenant Based Vouchers – Thompson	1,583	1,600
MTW Project Based Vouchers – Thompson	154	175
<i>Sub-Total</i>	<i>1,737</i>	<i>1,775</i>
<b>TOTAL MTW VOUCHERS</b>	<b>13,239</b>	<b>13,806</b>
Non-MTW Section 8 Moderate Rehab	333	368
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	71	115
<i>Sub-Total</i>	<i>1,000</i>	<i>1,079</i>
<b>TOTAL ALL</b>	<b>14,239</b>	<b>14,885</b>

\*The total number of Bailey vouchers for non-elderly disabled (NED) households receiving assistance under the tenant-based program as of 12/31/11 is 804; however, an additional 57 NED households received a voucher and were actively searching for a unit for a combination of 861 Bailey vouchers. HABC is committed to providing assistance to 850 Non-Elderly Disabled households as under the Bailey Consent Decree.

HABC has also applied for and received special purpose vouchers in the following amounts: Family Unification Program Vouchers, 100; Non-Elderly Disabled Category II Vouchers, 40; Veterans Affairs Supportive Housing Vouchers, 225.

### **3. Neighborhood Development Activities and Expenditures**

HABC in conjunction with the City of Baltimore proposes to develop approximately 3,080 housing units, including 1066 low-income rental units over a ten year period through 2019 to replace severely distressed units in its current inventory. These figures do not include all of the units to be redeveloped at O'Donnell Heights (only the 1<sup>st</sup> phase) or units at Somerset Homes, which are still in the planning and/or predevelopment stage. These projects are discussed below in the "Other Development Activities" section.

Many of the units will be developed using the mixed finance development method, and all units will be developed to assist in the creation of economically diverse, stable neighborhoods. The 1300 low-income rental units will use MTW Block Grant funds, Low Income Housing Tax Credits, or other available sources to finance their development. Approximately 481 affordable for-sale units will be developed using MTW and non-MTW sources including HOPE VI and private funding. The balance of the units will be developed with private funding. Combined, the mix will provide public housing and HCVP eligible households with expanded housing choices in stable, diverse neighborhoods, and will increase choices for non-elderly persons with disabilities and households that need UFAS compliant accessible features.

HABC's housing development accommodates four distinct strategies, which include MTW funds and proposed public and private leveraged funds as summarized in Table 6. Each of the four strategies (Neighborhood Reinvestment, New Housing Production, Thompson Partial Consent Decree Production, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in the development or pre-development stages, the final unit numbers and development approach may vary from those presented below.

#### **Neighborhood Reinvestment**

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2013 goals and activities in this strategy area:

*Barclay* HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis completed a redevelopment plan calling for the new construction and rehabilitation of approximately 322 mixed-income housing units. The first rental phase of 72 affordable units has been completed. The first affordable homeownership phase consisting of 20 rehabilitated units will be completed in FY 2013 and sold to families making 120% of AMI. Additionally, there will be 3 units demolished in FY2013.

Construction of Phase 2 of the project will commence in FY 2013. This phase includes the demolition of the entire 400 block of E. 20<sup>th</sup> Street and the new construction of 69 affordable rental units on this site. This site will include the disposition of 13 HABC units to an entity of the

developer, Telesis Baltimore Corp. in FY 2013. Construction is expected to commence in December 2012 and will be completed in early 2014. The new units will be in a townhouse style design and will also include a small community center. Units are being produced to provide housing opportunities for non-elderly persons with disabilities and other households that need accessible unit features.

Phase 2 will also include the construction of a small park surrounded by 30 homeownership units on the 300 block of E. 20<sup>th</sup> Street. Demolition and site preparation work will be completed in FY 2013. One former HABC public housing unit will be demolished on this site in FY 2013.

In addition, properties included in Phase 3 of the project along the 1900 and 2000 blocks of Greenmount Avenue will be demolished in FY 2013. Clearance of this site will enhance the adjacent Phase 2 site. Phase 3 is anticipated to include approximately 28 units of market-rate rental housing and ground floor commercial space. Two former HABC public housing units will be demolished on this site in FY 2013.

Public housing capital was used to fund 53 public housing units in Phase 1 of the project. No additional expenditure of public housing funds is planned for the remainder of the project. The developer is using LIHTCs, HOME funds, and private loans to finance the remaining construction.

*Johnston Square* -Johnston Square is a part of a larger transformation that is taking place over a broad swath of the Central City beginning in EBDI and continuing to Barclay. The development strategy for Johnston Square is built from a strong base of existing assets including: existing concentrations of homeownership, prominent green and open spaces, St. Frances Academy, and nearby redevelopment activities including Barclay, Oliver/Preston Place, and City Arts. Additionally, HABC is using federal stimulus funds to rehabilitate approximately 37 scattered site properties throughout Johnston Square.

*Mi Casa, Inc.* will develop 30 units of affordable homeownership in the 700-800 blocks of E. Preston Street using Neighborhood Stabilization Program 2 funds.

*The French Development Company and Empire Homes of Maryland*, will construct a 74 unit green LIHTC apartment building in the 1300 block of Greenmount Avenue, representing a \$16M investment. Construction is scheduled to begin in January 2012.

### **New Housing Production Program**

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2013, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city. These projects generally involve the use of Project Based Housing Choice Vouchers in order to make units affordable to all income ranges rather than ACC payments (public housing).

*Uplands* – The City acquired the 52-acre Uplands Apartments site from HUD in January 2004 through a foreclosure auction with the intent of developing a new mixed income neighborhood that offered a modern, urban rental and for-sale housing product. Baltimore City's Housing and Community Development agency (HCD) engaged a master planning firm for the site with the full engagement of the surrounding community. The Master Plan calls for the development of 1,146

new units, of which 761 units will be located on the 52-acre site, including affordable and market-rate for-sale units.

The developer applied for and received a LIHTC allocation for the first rental phase of the project, consisting of 104 apartment homes in several buildings along the perimeter of the site. It is intended that 16 of these will be dedicated to non-elderly persons with a disability and 12 for UFAS, 6 of which will be designated as long term affordable UFAS. The construction of these units will be completed by the first quarter in FY2013

HABC will provide 62 Project Based Vouchers (PBV) for the returning residents, NEDS and UFAS units. These affordable units will provide replacement housing for households displaced by the closing of the former FHA development on site and for non-elderly disabled residents. Development was delayed for several years due to a lawsuit filed by the former tenants. A Settlement Agreement was reached and approved by the US District Court judge. The agreement requires 74% of the homes to be rented and sold to affordable to families at or below 115% AMI and 26% of the homes to be rented and sold at market rates

*Orchard Ridge (formerly Claremont/Freedom)* –The Claremont/Freedom redevelopment, now known as Orchard Ridge, consists of 444 newly constructed mixed-income rental and for-sale units and a newly constructed 8,200 square foot community center. Of the total, 249 units are rental homes while the remaining 195 are for sale housing. Construction is complete on all three phases of the rental development. Phase I homeownership unit mix has changed from what was previously reported. Phase I homeownership now consist of seventy-one (71) affordable homeownership units and one (1) market rate unit. To date, forty-one (41) of the affordable units have been sold fee simple to owner occupants and one (1) unit sold as market rate to an owner occupant. The remaining thirty (30) units will be constructed and sold by Habitat for Humanity's of the Chesapeake using their affordable no-interest loan homeownership model. Phase II homeownership consists of 123 lots that are to be sold to private homebuilders.

Development of the homeownership units has lagged due to the national recession and the decline of the sales market. Efforts are underway to create additional affordability in the remaining homeownership units. These efforts are not likely to involve HABC resources.

### **Thompson Partial Consent Decree Production**

To meet the public housing unit production requirements of the Thompson Partial Consent Decree HABC is undertaking the following:

*58 Unit Program* – In FY 2007, HUD approved the acquisition of 58 units in non-impacted locations in the Baltimore area, including the surrounding counties. Fifty-seven (57) of the fifty-eight (58) units have been acquired and rehabilitated by Homes for America (HFA) and will be operated as public housing. The 58 Unit Program will be completed in the third quarter FY 2012.

*Sandtown-Winchester 22 Thompson Units* – HABC was required to create 22 public housing units in Sandtown-Winchester. The parties to the Consent Decree have agreed that these units may be purchased in other areas of the City as well as Sandtown-Winchester. On October 29, 2009, HUD approved HABC's development proposal for the creation of the 22 units. HABC has acquired all 22 units and will finalize rehabilitation for occupancy in the first quarter of FY 2013.

*Homeownership Demonstration Program* – Metropolitan Baltimore Quadel (MBQ) has implemented the Thompson Homeownership Demonstration Program, which was created pursuant to the Partial Consent Decree. Funding for this program was carved out of the Lafayette HOPE VI Grant to create 168 homeownership opportunities, if feasible, in non-impacted Areas. To date, 41 families have purchased a home through this program. During FY 2013 HABC anticipates another 10 families will become homeowners through MBQ.

*Project-Based Development Program* - Additionally, under the Thompson partial consent Decree, MBQ is implementing a project based development program to create project based units in non-impacted areas. Subject to funding availability, MBQ is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership Demonstration Program (MD-06-URD-002-I294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. Under this initiative, MBQ has placed 20 units in the Hilltop development project under AHAP. MBQ's goal is to create up to 120 scattered site project based units in addition to the units in the Hilltop development project during fiscal years 2013 and 2014.

### **Bailey Consent Decree Housing Production**

In order to meet its obligations under the Bailey Consent Decree, HABC may devote Housing Choice Voucher (HCV) funds available as part of the MTW Block Grant to the production of units that will benefit from Project Based HCV vouchers, ACC payments, or that otherwise meet the requirements of the Bailey Consent Decree. HABC is considering various options, including payments, loans or grants to cover costs of converting units to meet UFAS requirements and providing financial incentives to developers to reserve units for non-elderly disabled residents. Sources of funding for such payments, loans, grants and incentives could include City funds, HCV funds, and other discretionary funds available to HABC.

*Incentives for NED and UFAS Units* – Developers seeking support from HABC and Baltimore City for LIHTC must agree to set aside at least 15% of the LIHTC units for non-elderly persons with disabilities (NED) in order to obtain that support. Developers proposing new construction or rehabilitation and who receive certain federal capital funds must make at least 5% of the units UFAS compliant. In FY 2009 as an incentive to developers to create more than the units already required for non-elderly persons with disabilities and more than the required UFAS compliant units, HABC began offering, via a request for proposals (RFP), capital funds to developers who agree to create in excess of 15% of the LIHTC units for non-elderly persons for disabilities and/or in excess of the 5% of the units as UFAS compliant. The offer is also open to developers and apartment unit owners that will take Project Based HCVs and participate in either the NEDs or UFAS programs. In order to maximize the effectiveness of the RFP, HABC may expand upon the current offer in FY 2012 with additional funding, may amend the offer in other ways, or may cancel the offer entirely.

*Housing for Persons with Disabilities* – HABC will offer to combine capital funds made available from HCV or public housing funds with other subsidies, including but not limited to Section 811 funds, Shelter Plus Care vouchers and Supportive Housing Program funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. The funds are being made available under HABC's RFP described above. HABC may amend this offer as circumstances change or may cancel it entirely.

*New Construction Scattered Site Units* – HABC intends to construct up to 70 units of UFAS compliant housing for persons with mobility impairments. HABC expects to receive approval from HUD in the first quarter of 2012 and begin construction by the second quarter of 2012 for the first 26 units. It is HABC’s intent to hire home builders to construct the units on land currently in its inventory, as well as, land to be transferred from the City of Baltimore. HABC will ultimately own and operate the housing units.

### **Other Development Activities**

HABC will also conduct a series of master planning efforts to develop long-term solutions for distressed properties including:

*O’Donnell Heights* – O’Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished over the last several years and 304 remain on-line. The current plan for the 62-acre site envisions the demolition of the remaining housing units and the creation of a mixed income residential community to include the replacement of public housing units on site. The development is to be completed in multiple phases over the next 10 years.

A Steering Committee, made up of members of the O’Donnell Heights Tenant Council, area residents and other stakeholders was created to assist in planning the future of O’Donnell Heights. Through a competitive Request for Qualifications process the team of Michaels Development Company and the Greater Baltimore AHC was selected as HABC’s development partner for the redevelopment of O’Donnell Heights.

The draft master plan calls for the construction of 925 residential units. The developer is moving forward with the first phase of the redevelopment. The first phase, which is part of a disposition application to HUD in FY 2012, will be completed in two sub-phases. The portion of the site included in the disposition application covers 9.42 acres and was cleared of all buildings and improvements as part of an earlier HUD approved demolition application.

The anticipated 151 unit first phase is will include 144 rental and 7 homeownership units. Of the 144 rental units, 73 units will be deeply affordable through the issuance of project based vouchers. The remainder of the rental units will be affordable to households earning less than 60% of area median income (AMI). The redevelopment includes the construction of new roads which will be conveyed to the City of Baltimore upon completion.

Sub-phase 1, consisting of 76 rental units (39 project based voucher and 37 affordable units at below 50% of AMI), received a reservation award in July 2011 from the Maryland Department of Housing and Community Development for Rental Housing Production Program funds and 9% low income housing tax credits. Under the current schedule, construction closing is planned for June 2012 and completion September 2013.

HABC foresees a multi-phase, mixed-finance development, including a possible future Choice Neighborhoods grant program application.

*Somerset* – HABC has been working with the City of Baltimore’s Planning Department, other agencies and organizations, as well as resident stakeholders to develop plans for redevelopment of a broad area of the Orleans to Fayette Street corridor (the “Old Town Mall” area), including the distressed Somerset Homes site and possibly using the development opportunity that exists in the

vacant land holdings of HABC across Fayette Street. A final master plan was completed in FY 2010 and HABC commenced planning efforts for the redevelopment of Somerset in FY 2011. HABC has plans to submit a Request For Proposal for a Developer in FY2013. Additionally, the agency will continue to identify financial resources to leverage in the redevelopment of Somerset.

The site will be a mixed-income property. The Old Town Master Plan generally calls for more affordable housing units and HABC expects to replace the former Somerset units with a mix of public housing or Project Based HCVs as well as market rate units at the Somerset site and some of the units replaced offsite in the surrounding community.

*Hollander Ridge HOPE VI Funding* – Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available for use in other locations. HABC intends to use these funds to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O’Donnell Heights residents. The properties are likely to be scattered-site units, although other property types may be included in the overall transaction.

In satisfaction of the April 5, 2002 Stipulation and Order in *Thompson v. HUD*, HABC will also make available the equivalent of \$7,140,000 (“Replacement Funds”). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge (“HOPE VI Funds”) to develop one or more scattered site projects totaling approximately 100 units. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

Plans for this acquisition project include augmenting the Hollander Ridge funds with low income housing tax credits or other moneys to expand the scope of the project. HABC has had discussions with both the O’Donnell Heights Tenant Council and the ACLU regarding this plan. HABC anticipates acquiring and rehabilitating approximately 50 units for this project in FY 2013.

*Other Developments* – HABC may use its public housing or Housing Choice Voucher resources for other developments throughout the City as opportunities arise.

### **Homeownership Programs**

In addition to the *Thompson Homeownership Demonstration Program* and various homeownership activities planned or underway as part of HABC development efforts as discussed above, HABC will continue to implement two programs to encourage first-time homeownership by eligible low-income households:

*MTW Homeownership Program* – Using its MTW flexibility, HABC submitted a revised MTW Homeownership Plan, which was approved by HUD in 2009. While stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home, HABC will continue to expand its efforts to assist new homeowners. Under the revised Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents. During FY 2013, HABC projects that it will assist two (2) families in achieving homeownership under this Plan.



*Housing Choice Voucher Homeownership Program* – As of December 31, 2011, 61 homes have been purchased by participants in the Housing Choice Voucher Homeownership Program (HCVHP). HABC’s goal in FY 2013 is to assist an additional eight (8) families so that the projected total number of homes purchased under the HCVHP will be 69 by June 30, 2013. Continuing uncertainty regarding the housing market and availability of mortgages could significantly impact this goal.

**Table 5:  
Housing Production**

Project Name	Total Project									Status	Estimated Completion		
	Rental				Homeownership			Grand Total	MTW			Non-MTW	
	Affordable		Market	Total	Affordable	Market	Total						
	LIHTC PH Only	PBS											
<b>I. Neighborhood Reinvestment</b>													
Barclay	53	-	91	61	205	22	85	107	312	\$7,597,130	\$85,000,000	Phase 1 Completed, Phase 2 funded	Phased through 2018
Johnston Square – Preston St											\$9,281,000	Mi Casa Phase II- 12 units are under construction	Q2 FY2013
<b>Total Planned</b>	<b>53</b>		<b>91</b>	<b>61</b>	<b>205</b>	<b>52</b>	<b>85</b>	<b>137</b>	<b>342</b>	<b>\$7,597,130</b>	<b>\$94,281,000</b>		
<b>II. New Housing</b>													
Uplands (Phase 1 – Site A/B/Triangle/Westside Skills)	-	146	62	0	208	340	213	553	<b>761</b>	\$	\$233,719,361	Mass Grading/Infrastructure Installation under	Phased through 2019)
Freedom/Claremont (Orchard)						30			<b>30</b>			Habitat for Humanity will complete Phase I by building 30	Q4 FY2013
O'Donnell Heights (Phase 1A)		37	39		76				<b>76</b>			LIHTC awarded in 2011. Financial Closing anticipated to be in 2nd Qtr	Q2 FY2014
O'Donnell Heights		34	34		68		7	7	<b>75</b>	TBD	TBD		TBD
Bailey Scattered Sites	70				70				<b>70</b>	\$14,000,000		Development proposal submitted to HUD. RFP for design/build teams	Q1 FY2014.
Somerset Homes					TBD			TBD	TBD	TBD	TBD	Planning	TBD
Hollander Ridge HOPE VI	100	-	-	-	100	-	-	0	100	0	\$26,000,000	Planning – Revitalization Plan to be submitted to HUD	TBD
<b>Total Planned</b>	<b>170</b>	<b>217</b>	<b>135</b>	<b>0</b>	<b>522</b>	<b>370</b>	<b>220</b>	<b>590</b>	<b>1,112</b>	<b>\$21,597,130</b>	<b>\$359,719,361</b>		
<b>III. Thompson Production</b>													
HFA 58 Units	58	-	-	-	58	-	-	-	58	\$19,403,933	\$102,320	Substantially Complete	Q3 FY 2012
Preston Street	10				10				10	\$1,683,880	\$225,921	10 PH units completed. Homeownership units under construction	TQ3 FY 2011
*22 Thompson	22	-	-	-	22	-	-	-	22	\$4,840,224	\$1,650,000	Under Construction	Q2 FY2013
Homeownership	-	-	-	-						\$ -		Underway	Undetermined
<b>Total Planned</b>	<b>90</b>	<b>-</b>	<b>506</b>	<b>-</b>	<b>596</b>	<b>59</b>	<b>-</b>	<b>59</b>	<b>655</b>	<b>\$25,928,037</b>	<b>\$1,978,241</b>		
<b>Grand Total</b>	<b>313</b>	<b>217</b>	<b>732</b>	<b>61</b>	<b>1,323</b>	<b>481</b>	<b>305</b>	<b>786</b>	<b>2,109</b>	<b>\$47,525,167</b>	<b>\$455,978,602</b>		

## B. Leasing Information - Planned

### 1. Public Housing Projected Leasing

Table 6 provides details on HABC's projected MTW public housing inventory and leasing as of June 30, 2013. HABC projects an adjusted occupancy rate of 97.1% in FY 2013.

**Table 6:  
Public Housing Inventory and Occupancy Projected as of June 30, 2013**

BR Size	Projected Total Units	Projected Available for Occupancy	Projected Occupied as of 6/30/ 2013	Projected Adjusted Occupancy Rate as of 6/30/ 2013
OBR	1,219	1,217	1,181	97%
1BR	3,632	3,629	3,522	97.1%
2BR	3,387	3,329	3,229	97%
3BR	1,985	1,965	1,906	97%
4BR	605	547	530	97%
5BR	113	113	109	96.5%
6BR	22	20	19	95%
<b>TOTAL</b>	<b>10,963</b>	<b>10,820</b>	<b>10,496</b>	<b>97.1%</b>

*\*The projected net reduction in units reflects the additional ACC units planned for FY 2013 in addition to the 140 units planned for demolition/disposition in FY 2013.*

HABC is projecting a lower occupancy percentage for public housing primarily because of a decrease in allocations of funding to the housing operations division and the uncertainty of future appropriations. Higher than expected occupancy during the current fiscal year was due mainly to significantly fewer move-outs by residents, however, HABC is anticipating the number of move-outs to increase to more normal levels and planning higher numbers of transfers due to under- and overhousing situations.

### 2. Section 8/Housing Choice Voucher Program Projected Leasing

Table 7 provides a summary of HABC's Tenant-based and Project-based MTW Housing Choice Voucher programs including current leasing rates and projected leasing through June 30, 2013. Also included are non-MTW units under the VASH, Moderate Rehab, and Substantial Rehab and New Construction programs.

**Table 7:  
Housing Choice Voucher Program FY 2013 Projected Leasing**

	<b>Projected Leased as of 6/30/12</b>	<b>Projected Leased as of 6/30/13</b>
MTW Tenant Based Vouchers (Non Consent Decree)	9,873	9,313
MTW Project Based Vouchers (Non Consent Decree)	1,002	1,063
MTW Tenant Based Vouchers – Bailey	850	850
MTW Project Based Vouchers – Bailey	306	395
<i>Sub-Total</i>	<i>12,031</i>	<i>11,621</i>
MTW Tenant Based Vouchers – Thompson	1,600	1,650
MTW Project Based Vouchers – Thompson	175	225
<i>Sub-Total</i>	<i>1,775</i>	<i>1,875</i>
<b>TOTAL MTW VOUCHERS</b>	<b>13,806</b>	<b>13,496</b>
Non-MTW Section 8 Moderate Rehab	368	370
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	115	150
<i>Sub-Total</i>	<i>1,079</i>	<i>1,116</i>
<b>TOTAL ALL</b>	<b>14,885</b>	<b>14,612</b>

Under its ACC, HABC is authorized to issue 18,504 MTW vouchers (not including Thompson). Available HUD funding, however, limits the number of households for which assistance could be made available to no more than approximately 12,031. The requirement for additional project-based units under the Bailey Consent Decree will require a decrease in tenant-based voucher holders or an increase in funding or both.

In addition, the decrease in the projected number of units under HAP contract as of June 2013 is based on projected increases in per unit HAP and UAP costs (contract rent increases, utility allowance increases, etc.). Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2012 and 2013 is an additional contributing factor in determining projected utilization.

In FY 2013, pending availability of funds, HABC anticipates adding a total of 120 new project-based units to its inventory:

- The Greens at Irvington (Enterprise Housing Corp.) – 20 units dedicated to non-elderly persons with a disability
- North Avenue Gateway –(Woda Group) 11 units dedicated to non-elderly disabled persons
- Lillian Jones – 22 Units (The French Comp) 14 units for non-elderly disabled and persons with mobility impairments; 8 LTA units
- Uplands – (Pennrose) 62 Units dedicated to the returning former residents of Uplands, (40 regular project-based units; 16 units for non-elderly persons with a disability and persons with a mobility impairment; 6 LTA units).
- Gertrude Stein House – (The Women’s Housing Coalition) 5 Units of supportive housing for formerly homeless women with disabilities and children

As shown above, 61 of the 120 project-based units projected to be added to HABC's inventory in FY 2013 will be dedicated to non-elderly persons with a disability.

## **C. Waiting List Information**

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of December 31, 2011, there are a total of 32,597 applicants for HABC's programs including: 24,164 public housing-only applicants; 6,925 HCV-only applicants; and, 1,508 applicants on both the public housing and HCV waiting lists. Demographics on current waiting list households are included in Appendix H.

The HCV waiting list is currently closed, while the Public Housing waiting list remains open. By the end of FY 2012, HABC will complete a partial update of the Public Housing waiting list. It is expected that a significant number of households may not respond to HABC's correspondence, thus potentially reducing the overall number of waiting list applicants. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

### **Public Housing – Local Preference for Admission of Voucher Participants**

HABC's public housing program will discontinue its local preference to admit Housing Choice tenant-based voucher participants who qualify for a two bedroom or larger public housing unit. This preference is no longer needed to stabilize the financial health of the HCV Program.

### **Waiting List Preferences Under Thompson**

Under the Thompson Consent Decree, HABC created 22 public housing units in Sandtown-Winchester and other areas of Baltimore City. HABC's Admissions and Leasing Office is responsible for screening the families in accordance with Chapter 2 of the public housing Admissions and Continued Occupancy Policies (ACOP). Metropolitan Baltimore Quadel (MBQ) is under contract to counsel and prepare the families prior to moving into the units. Families selected by the Admissions and Leasing Office for UFAS units are also referred to MBQ for pre-move counseling.

The families found eligible to move into the 22 units will be housed in accordance with the following preferences:

- 1<sup>st</sup> Preference– Current and former public housing residents displaced by HOPE VI redevelopment projects and demolition/disposition activity who are in MBQ's caseload; and
- 2<sup>nd</sup> Preference – Current residents of HABC public housing who are in MBQ's case load.

HABC's Admissions and Leasing Office is also responsible for screening families to occupy the units that meet the Uniform Federal Accessibility Standards ("UFAS") in accordance with the following preferences:

- 1<sup>st</sup> Preference – HABC public housing residents who are on the reasonable accommodation transfer wait list and need the features of a UFAS unit; and
- 2<sup>nd</sup> Preference – Applicants on HABC's public housing wait list who need the features of a UFAS unit.

**Units Created for Non-elderly Persons with Disabilities:** HABC may require that units created for non-elderly persons with disabilities and subsidized by funding other than the use of Housing Choice Vouchers, (such as Section 811 funds, Shelter Plus Care vouchers and Supportive Housing Program grants), be tenanted only by non-elderly persons with disabilities with active applications on HABC's HCVP waiting list. In these cases, property management of included units will request and receive referrals from HABC and will be required to offer tenancy to persons meeting site eligibility requirements in the order in which names appear on the referred list.

For the purposes of meeting its obligations under the Bailey Consent Decree these units will be counted toward the total number of required project-based units. An HABC-referred person who accepts an offer of tenancy at one of the included units will have his/her HCVP application placed in an inactive status for a minimum of one year from the date of occupancy of the unit. At the end of that period, the applicant may request reactivation of his/her application. HABC will then reactivate the application with its original application date. While this change to our waiting list policy and procedures does not require any additional MTW flexibilities, it was included in Volume 2 of the FY 2011 Annual Plan (the HCV Administrative Plan), Chapter 20.

### III. Non-MTW Related Information

This section of the Annual Plan provides information on HABC’s planned sources and uses of non-MTW HUD funds. As required by the MTW Agreement, information on HABC’s planned sources and uses for MTW, State and Local funds is included in Chapter VII. This financial plan is compiled based on current information and HUD’s anticipated funding level as of February 2012. It is subject to revision as conditions and/or assumptions change. This section also includes a summary of HABC’s planned non-MTW activities, i.e. activities that do not specifically require use of MTW Agreement authority in order to be implemented.

#### A. Planned Sources and Uses of Other HUD Funds Excluding HOPE VI

This category of Other HUD funds excluding HOPE VI are for the following funding sources:

- Other Section 8 Programs include the Section 8 Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP), Non-Elderly Disabled (NEDS), Moderate Rehabilitation, Substantial Rehabilitation and New Construction programs
- Family Self Sufficiency Coordinator (FSS)
- Resident Opportunity Self Sufficiency (ROSS)
- American Recovery and Reinvestment Act Competitive (ARRA)

Table 8 and the following notes provide information on planned sources of Other HUD funds.

**Table 8:  
FY 2013 Planned Sources of Other HUD Funds excluding HOPE VI**

<b>Sources</b>	<b>Total</b>
Housing assistance payments	8,331,881
Ongoing administrative fees earned	728,218
FSS Coordinator	344,040
HUD Operating Grants	24,607
<b>Total Operating Grants</b>	<b>9,428,746</b>
Capital Improvement - Hard Cost	832,733
Other Government Grants	304,280
Investment Income	2,681
Other Revenue	9,000
<b>Total Other HUD Non-MTW Source</b>	<b>10,577,440</b>



**Notes to Sources:**

1. Total Operating Grants in the amount of \$9,428,746 includes the following funding:
  - Housing Assistance Payments (HAP) subsidies for Other Section 8 programs as described above.
  - Ongoing Administrative Fees Earned are calculated in accordance with the current fee level for Other Section 8 programs.
  - FSS Coordinator Subsidy through the Section 8 programs.
  - HUD Operating Grants include soft costs such as administrative and management improvements for capital activities of the ARRA grants.
2. Capital Improvement – Hard Cost funding is budgeted based on planned construction activities from ARRA grants as described in the capital improvement plan.
3. Other Government Grants include ROSS grant amounts planned for FY 2013 activities based on the previous awarded grants.
4. Investment Income is based on a short-term interest rate on estimated average daily cash balance for Other Section 8 programs.
5. Other Revenue is related to reimbursement of Audit costs from HUD for Other Section 8 programs.

Table 9 and the following notes provide information on planned uses of other HUD funds.

**Table 9:  
FY 2013 Planned Uses of Other HUD Funds excluding HOPE VI**

Uses	Total
Administrative	619,775
Tenant Services	518,808
General Expenses	132,090
<b>Total Operating Expenses</b>	<b>1,270,673</b>
Housing Assistance Payments	8,331,881
Capital Improvement - Hard Costs	832,733
<b>Total Other HUD Non-MTW Uses</b>	<b>10,435,287</b>

HABC’s projected total uses of Other HUD Funds are \$10,435,287 for the fiscal year ending June 30, 2013. Sources exceed the Uses of funding by \$142,153 resulting in a small operating surplus from Other Section 8 program.

**Notes to Uses:**

1. Administrative expenses include salaries and benefits to administer Other Section 8 programs and soft costs expenses for administering ARRA grants. Also included in this expense category are office supplies, telephone, postage, and other computer materials and contracts.

2. Tenant Services include salaries and benefits of employees directly working for the ROSS grants and the Section 8 FSS Coordinator program. It also includes other materials and services as required by the grant agreements.
3. General Expenses include applicable insurance premiums for workers compensation in the Other Section 8 programs and ROSS grants.
4. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants of Other Section 8 programs.
5. Hard Costs include construction projects funded from ARRA grants, such as renovation of long-term vacant scattered sites and conventional units and Electrical Infrastructure Modernization at Latrobe Homes.

## B. Planned Sources and Uses of Other Non-MTW Funds

Additional Non-MTW funding sources include the following:

- Energy Performance Contract (EPC)
- HOPE VI
- Other business activities, which include Partnership Rental Housing Programs (PRHP) market rate units, HABC’s forced account (HABCo) and a resident services grant (Our House-Friends of the Family).

Table 10 and the following notes provide information on planned sources of these additional Non-MTW funds.

**Table 10:  
FY 2013 Planned Sources of Other Non-MTW Activities**

<b>Sources</b>	<b>Total Non-MTW Activities</b>
Net Tenant Revenue	1,253,678
Tenant Revenue Other	32,595
<b>Total Tenant Revenue</b>	<b>1,286,273</b>
HUD Operating Grants	520,590
Capital Improvement - Hard Cost	35,962,770
Other Government Grants	250,000
Other Revenue	2,582,449
<b>Total Non-MTW Source</b>	<b>40,602,082</b>

### Notes to Sources:

1. Net Tenant Revenue is for PRHP market rate units managed by HABC’s privatized firms.
2. HUD Operating Grants include HOPE VI soft costs for administrative and management improvements for the Affordable Home Initiative (AHI).
3. Capital Improvement – Hard Cost funding is budgeted based on planned EPC Construction and HOPE VI development activities.

4. Other Government Grants include funding for the Our House – Friends of the Family program.
5. Other Revenue is for HABCo’s construction and maintenance activities.

Table 11 and the following notes provide information on planned uses of other Non-MTW funds.

**Table 11:  
FY 2013 Planned Uses of Other Non-MTW Activities**

<b>Uses</b>	<b>Total Non-MTW Activities</b>
Administrative	2,126,174
Tenant Services	225,274
Utilities	171,179
Ordinary Maintenance & Operations	754,328
Protective Services	13,843
General Expenses	928,455
<b>Total Operating Expenses</b>	<b>4,219,253</b>
Capital Improvement - Hard Costs	36,362,770
<b>Total Non-MTW Activities</b>	<b>40,582,023</b>

HABC’s projected total uses of Other HUD Funds are \$40,582,023 for the fiscal year ending June 30, 2013. Sources exceed the Uses of funding by \$20,059 resulting in a small operating surplus from HABCo’s construction and maintenance activities.

**Notes to Uses:**

1. Administrative expenses include salaries and benefits for HABCo and the PRHP market rate units. Also included in this expense category are office supplies, telephone, postage, and other computer materials and contracts.
2. Tenant Services include salaries and benefits of the Our House program.
3. Utilities include expenses for water, electricity, and gas consumed by market rate units in the PRHP.
4. Ordinary Maintenance & Operations include salaries and benefits of maintenance workers, material and contracts for routine maintenance of PRHP units.
5. General Expenses include insurance premiums for general liability, properties and workers compensation applicable to PRHP, HABCO and the Our House program.
6. Hard Costs include planned construction activities of the EPC program. HABC is in Phase II of a four phase EPC that involves energy conservation measures (ECM) and energy reduction capital improvements. These activities are for five selected developments - Gilmore, Cherry Hill, Latrobe, Westport and Brooklyn Homes. Planned work includes decentralization of heating system at Latrobe Homes, piping modernization projects at Cherry Hill Homes, and improvement of local

controls, energy efficient lighting, water conservation and tenant metering at the five housing sites. Also included in Hard Costs are HOPE VI initiatives for Affordable Home Ownership through the AHI program.

## **Public Housing**

HABC's Housing Operations Division has established five broad objectives for the Public Housing program, which are to:

- Maximize Occupancy
- Continuously Improve Customer Service
- Maximize Rent Collection
- Preserve Public Housing Physical Assets
- Provide a Safe Residential Environment for Residents and Neighbors

A brief discussion of FY 2013 plans and issues for each of these objectives follows:

### **Maximize Occupancy**

HABC will achieve a 97% adjusted occupancy rate during FY 2013. Occupancy on June 30, 2013 is projected to equal or exceed 97%.

### **Improve Customer Service**

HABC will continue to respond promptly and efficiently to work order requests. In FY 2013:

- 99% of emergency work orders will be abated within 24 hours
- More than 97% of routine work orders will be completed within 30 days
- The average number of days to respond to and complete a routine work order will be less than 7 days.

### **Maximize Rent Collections**

In FY 2013, HABC will equal or exceed a rent collection rate of 97%. Recent success in obtaining high rent collection rates has resulted in big reductions in evictions for nonpayment of rent. HABC has implemented a number of initiatives to increase rent collection and will continue to explore additional initiatives, including:

- "Lockbox" for residents to mail their rent in pre-addressed stamped envelopes.
- Enhanced communication with residents, including pro-active rent conferences and regular written communication.
- Pre- and post-occupancy meetings stressing the need to pay rent and related costs as a matter of priority.
- Stricter lease enforcement with respect to rent payment, including an automated Failure to Pay application and implementation of Maryland's "No Right of Redemption" statutes.
- HABC has implemented and will continue to expand the implementation of automatic debits from bank accounts of residents who choose this option.

### **Preservation of Viable Housing Assets**

In addition to capital improvements detailed in this plan, HABC will achieve the following in FY 2013:

- 100% of all units will be inspected at least once.
- 100% of all systems inspections will be completed.

HABC will continue to outsource the inspections of all units, sites, and common areas to ensure thorough inspections and effect long-term operating cost savings by improved preventive maintenance.

### **Safety and Security**

HABC has implemented a variety of initiatives and means to increase resident safety. The Lease Enforcement Unit, Security Cameras (including CCTV), and the Building Monitor Program for high-rise buildings represents key investments and commitments to resident safety:

*Lease Enforcement Unit* - The Lease Enforcement Unit (LEU) was established in January 2005 as a part of the Office of Legal Affairs (OLA). In August of 2011, the LEU was transferred from the Office of Legal Affairs to the Office of the Deputy Executive Director for HABC. The LEU staff consists of a Chief and investigators, who are sworn police officers and a senior administrative assistant. The LEU works in partnership with the Baltimore City Police Department (BPD) and other law enforcement agencies to investigate lease violations resulting from criminal activity in public housing and HCV units. The LEU investigates such information, and in consultation with Housing Operations, initiates lease enforcement actions, including evictions, against those residents who fail to comply with their lease. Additionally, the LEU receives allegations concerning non-criminal lease violations in both public housing and HCV, such as unauthorized occupancy and subleasing, and initiates appropriate action. Further, the LEU investigators are subpoenaed regularly to testify as HABC representatives for Baltimore City prosecutors in cases involving criminal activity on HABC property.

LEU receives weekly crime statistics from BPD, known as Project Rankings, categorized by crime type and public housing developments. In reviewing the weekly crime statistics LEU has noticed an increase in criminal reports involving domestic violence. In light of this increase LEU will be providing educational workshops and information to residents concerning domestic abuse, which is expected to continue in FY 2013.

In FY 2013, LEU will continue to conduct building checks at HABC's mixed population developments, consisting of vertical patrols and interaction with residents to establish better relationships with the police department and LEU. Further, during FY 2013 LEU will continue to conduct crime prevention awareness meetings at housing developments to inform residents of ways to avoid becoming a crime victim. LEU has established a TIPLINE for residents to report non-emergency incidents such as: illegal occupancy, nuisance activity, and unsecured vacant units.

The LEU continues work in partnership with Housing Operations staff, residents, and BPD to identify and implement strategies designed to improve security in public housing. One such activity that will begin in FY 2012 and continue into FY 2013 is the National Prescription Drug Take Back Initiative. This is a collaborative effort with the Drug Enforcement Agency (DEA) to remove potentially dangerous controlled substances from our medicine cabinets. Through this initiative public housing communities can surrender expired, unwanted, or unused pharmaceutically controlled substances and other medications to law enforcement officers for destruction. This effort will educate the community on the dangers of abuse of doctor prescribed medicines as well as the dangers associated with using prescriptions that have expired.

LEU also has a working relationship with the following law enforcement and crime prevention agencies:

### **Allied Agencies and Organizations**

- Baltimore Police Department (BDP)
- Resident Advisory Board
- HABC Office of Inspector General
- HUD Office of Inspector General
- Baltimore City States Attorney's Office
- Maryland State Parole and Probation
- Mayor's Office of Criminal Justice
- Middle Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLLEN)
- Baltimore City School Police
- Governor's Office on Crime Prevention
- HABC Office Of Legal Affairs
- Sheriffs Office of Baltimore City
- Baltimore Executive Security Team (B.E.S.T.)
- Domestic Violence Coordinating Committee
- The Drug Enforcement Agency

*Camera Monitoring Systems* – In FY 2013, HABC in collaboration with the BCPD and Baltimore City will continue to monitor and maintain its CCTV system. The CCTV system is a series of permanently mounted cameras that monitor the exterior of some of HABC's family developments. In FY 2012, HABC through a Safety and Security Grant installed an additional 11 exterior CCTV cameras at Gilmor, increasing Gilmor's cameras from 20 to 31 and HABC's overall CCTV cameras from 167 to 178 fixed exterior security cameras at six family housing sites (Latrobe, Gilmor, Perkins, McCulloh, PVG and Cherry Hill.). The cameras are monitored by the BCPD. In FY 2012, HABC has also installed 16 new interior security cameras at various mixed population buildings bringing its overall count from 239 interior security cameras within nineteen (19) of its mid-and high-rise mixed population buildings to 255.

The CCTV system has been effective, resulting in the reduction of crime in the family developments—especially drug-related crimes—as well as increasing success in prosecutions and lease enforcement. Because the CCTV system has an expandable infrastructure, HABC is pursuing the addition of CCTV equipment at other family developments as new funding sources are identified.

HABC has also installed fourteen (14) PODSS at various developments. PODSS are “flashing blue light”, mobile-mounted exterior cameras that are easily relocated as needed. Strategic deployment of these camera units has been successful at interrupting and reducing criminal activity in targeted areas.

These efforts have been complemented by revised building rules and procedures affecting visitors to the buildings to achieve greater effectiveness in controlling access to the buildings and to discourage any behavior and activity that pose a threat to residents and visitors. Refinement of these procedures may continue as needed.

*Building Monitor Program* - All mixed-population high rises are staffed with a building monitor, whose primary responsibility is to control access into and out of the buildings. This is a 24-hour, 7 days-a-week operation. In addition to being strategically located to ensure that only residents and authorized staff and visitors are allowed to enter the buildings, staff in this program monitors the security cameras installed in and around their buildings. All residents are required to show their HABC-issued photo IDs when they enter their buildings. Visitors are required to leave their IDs with the monitor and retrieve them upon departure.

## **Housing Choice Voucher Program**

HABC’s Leased Housing Division has established four objectives for the Leased Housing programs, which are to:

- Maximize Occupancy
- Expand Housing Choice
- Improve the quality of leased housing units
- Efficiently allocate subsidy resources

A brief discussion of FY 2013 plans for each of these objectives follows:

### **Maximize Occupancy**

As detailed in Chapter II, HABC projects that occupancy of MTW leased housing units will decrease by 310 households in FY 2013 relative to the projected June 2012 leasing levels (410 fewer MTW households under the regular program and 100 more MTW households under Thompson). The number of households assisted is directly related to available federal funding levels. Given the uncertainty of funding available for FY 2012 and 2013, the number of households assisted may vary from current projections.

### **Expand Housing Choice**

In FY 2013, HABC will continue initiatives to increase housing choice by program participants including:

- Increasing the number of Project Based Vouchers (PBV) committed and/or in use by 128 units relative to the June 2012 projected PBV levels.
- Utilizing HUD-published 50<sup>th</sup> percentile rents to establish payment standards
- Encouraging voucher holders to find units outside areas of poverty or minority concentration, and to avail themselves of mobility counseling programs

### **Improve the Quality of Leased Housing Units**

HABC will continue its policy of completing pre-contract HQS inspections on 100% of new units; of conducting annual HQS inspections on 100% of leased units, as well as performing pre-contract HQS inspections on 100% of proposed units. HABC will transition to a risk-based inspection model as defined in prior MTW Annual Plans. (See Chapter VI discussion.)

### **Efficiently Allocated Limited Subsidy Resources**

HABC will continue to conduct a careful analysis of all proposed rents at initial occupancy, upon receipt of a rent increase request and throughout the term of the HAP agreement.

### **HCVP Administrative Plan**

The HCVP Administrative Plan describes the policies used by HABC in the administration of its HCV Tenant Based and Project Based programs, including MTW-authorized and all other policies. The Administrative Plan describes HABC's HCV policies, except for those adopted pursuant to the Special Administrative Plan for the Thompson Partial Consent Decree (see below). The MTW authorizations in the HCV Administrative Plan may also be utilized if elected in the Thompson Special Administrative Plan. Appendix E provides a summary of proposed changes to the HCV Administrative Plan for Fiscal Year 2013.

### **Administrative Plan for Thompson Partial Consent Decree and Related Activities**

HABC is currently and will continue to contract services to administer its obligations for the Special Housing Choice Voucher Mobility Program under the Thompson partial consent decree and related activities. Policies for this program are described in the HABC Administrative Plan for Thompson v. HUD Section 8 Programs, and any proposed changes to the Administrative Plan for Thompson are summarized in Appendix F.

### **Resident Services**



The Office of Resident Services, (ORS) continues to creatively explore avenues to provide opportunities for self-sufficiency and to improve the overall quality of life for public housing and Housing Choice Voucher program families. However, in this tough economy resource development and expanded partnerships continue to be a challenge. Last year, ORS was forced to reduce program services in important areas of employment services and self-sufficiency. HUD grants that funded program services for employment and Neighborhood Network Centers ended their final years and the local contract with the Baltimore City Department of Social Services was not renewed due to budget constraints.

Faced with these gaps in services, ORS continued to aggressively pursue other avenues for resources and partnerships. A partnership was forged with Digital Systems and Verizon to provide 130 computers and volunteers for training and technical support to our computer labs. A health strategy planning committee, funded through the Casey Foundation, opened the door for expanded partnerships and presented a grant opportunity to implement a recommendation from the committee to develop a community health worker model to train and hire residents to act as health education advocates in their community.

The proposal was submitted and the outcome of funding is pending. The non-profit, Resident Services, Inc., (RSI), has also taken a more increasing role in resource development, bringing in another \$1 million in services for our residents. This year ORS will continue to seek such arrangements through more aggressive marketing campaigns and public relation activities to help fill these gaps.

Despite these challenges, HABC continued to explore ways to encourage our residents to seek and retain employment. The pilot rent reform initiative which showed success and promise in increasing the income at our Gilmore Homes development was expanded authority-wide to provide the opportunity for employment incentives to all residents. Though internal supports for employment services to residents were reduced due to lost funding, this year ORS will be restructuring its department for more efficient operation in service delivery and to increase staff for added employment service support to residents under the new rent policy.

Along with an increased emphasis on self-sufficiency, ORS will continue to provide supportive services to address issues in family living and promote family stability. Critical partnerships with many in the community who help with crisis intervention, food services, health care, eviction prevention and a host of other services will continue and address the needs of families at our public housing developments.

Existing programs and special initiatives will continue as resources allow. These programs include a partnership with the city for youth training and employment, a state funded parenting program – Our House, child care services, the Boys and Girls Clubs and other expanded youth initiatives. A proposal is on the table to privatize the remaining child care center under the auspices of RSI. Proposed program targets under self-sufficiency and supportive services for FY 13 are as follows:

**Table 12:  
Residents Served in Self-Sufficiency Programs FY 2013**

Service Program Area	Projected # Residents Served
Family Self-Sufficiency	450
Job Training Services	60
Employment Services	300
Resident Training and Technical Assistance	75
<b>Totals</b>	<b>885</b>

**Table 13:  
Residents Served in Support Service Programs FY 2013**

Service/Program Area	Projected # Residents Served
Crisis Intervention/Service Coordination	2500
Child Daycare Program	65
Our House Family Support Center	200
Pre and Post Occupancy	750
Building Communities Initiative	220
Mega Resource Center	500
<b>Totals</b>	<b>4235</b>

### **Pre and Post Occupancy**

The Pre and Post Occupancy Program continues to successfully provide residents an introduction to housing and the information needed for them to maintain their units and be good neighbors. The workshop assist new and existing public housing residents in understanding the responsibilities of their lease, complying with the community service requirement, becoming self-reliant in the upkeep and maintenance of their units and being informed on the resources and programs that exist within their communities and Baltimore City. In FY 2013, ORS proposes to serve 750 residents through this training initiative.

### **Building Communities Initiative**

Designed to address the growing challenge of the social integration of seniors and residents with disabilities in our mixed population sites, the Building Communities Initiative has begun to show some success. The program model has been strengthened to include core team members from several HABC departments and outside partners who come together to handle the issues presented for the site.

The core component of the program continues to be the community boards consisting of both populations designed to intervene and negotiate conflict between the two groups as well as to develop programs and activities that promote safe and friendly environments. Greater coordination and focus was placed on developing solutions to this problem using a special task force involving, ORS, Housing Operations, Lease Enforcement and the Desk Monitor Supervisor working in close cooperation with the community board.

Special attention was focused on the two most troubled – Bel-Park Towers and J. Van Story Branch Apartments. A model was developed from this collaboration that will be used at the other sites. While twelve boards have been developed to date, it has been an ongoing challenge keeping the boards operational. The goal this year is to maintain these boards in an active status using the new model.

The second component of this initiative is the Adopt-A-Resident (AAR). AAR is designed to provide companionship and personal care assistance to the seniors and disabled residents. Volunteers are recruited to assist residents in the common areas of the buildings. The program was also expanded to include educational and informational workshops, as well as social and recreational activities. In FY 2013, the goal will be to recruit 20 additional volunteers.

### **Youth Services**

This year the focus for youth services will be increasing staff involvement and partnering with the tenant councils and the Resident Advisory Board to more effectively implement the on-site youth clubs. In addition, a youth summit is planned for this summer to empower youth's leadership growth and development as well as involvement in their communities. The partnership with the Boys and Girls Club of Metropolitan Baltimore, Living Classrooms and the Carmello Anthony Foundation for on-site youth programs will continue at Brooklyn Homes, O'Donnell Heights, Westport/Mt. Winans and Pleasant View Gardens.

### **Rising Star Scholarship Program**

The Rising Star Scholarship Program – a partnership between Resident Services, Inc. and the Resident Advisory Board is expanding its fund raising activities this year. The program which provides scholarships to graduating seniors who plan to attend college will launch its first Golf Tournament which will be an annual fund raising event to set up an endowment for the scholarship program. Each year for the past three years, five (5)-\$1,000 scholarships have been provided. The plan this year is to create an endowment for the program and award ten (10) scholarships and to amend other program requirements to strengthen the scholarships for the participating youth.

### **Resource Development**

The success of RSI to date has laid the groundwork for improved resource development outreach in the years to come. Since its inception three years ago, Resident Services Inc. alone has brought in over \$1.5 million in grant funding and is administering over \$1.9 million in program funding awarded and under contract. These funding amounts do not include grants awarded to HABC. With this success, RSI has established itself as a credible non-profit increasing the opportunity for greater access to grant and funding opportunities. In FY 2012, through combined efforts and partnerships, HABC received an additional \$1.1 million in resources for service delivery. These funds help to fill critical gaps in needed service delivery. This year RSI will be strengthening its marketing and public relations strategy to help improve the resource development outcomes. The goal will again be \$1 million.

### **Self-Sufficiency and Supportive Service Programs**

Self-sufficiency and Supportive Service Programs are they key operational areas for the HABC ORS. Though program funding for self-sufficiency has been reduced, key programs like Family Self-Sufficiency and PACE will continue. It is hopeful that the ORS restructuring will increase PACE staffing to bring more support to the HABC authority-wide rent reform initiative. Crisis intervention, service coordination, Our House Family Support Center, literacy training, computer training will continue as key components under supportive services.

### **Training and Technical Assistance for Resident Organizations**

Building the capacity for the HABC Resident Advisory Board and the HABC Resident Councils to function as professional community-based organizations and to assist them with resource development activities will continue to be key goals for HABC. Last year ORS assisted eleven resident councils in receiving over \$489,000 in grant funding. These councils are now operating programs with technical assistance support from ORS to implement services in their communities that help improve the overall quality of life. Next year ORS will continue to work with the RAB to implement leadership training and apply for eligible grants, as well as explore ways to foster the development of highly functioning and capable resident organizations that promote self-sufficiency at the organizational and community levels.

### **Information Technology**

In support of the MTW Annual Plan, HABC's Information Technology Department will undertake and/or complete the following initiatives in FY 2013:

HABC will solicit proposals for a turnkey Document Management System capable of handling current and future housing application needs. The system must be flexible and scalable and have the capacity for future growth and meet all current specifications and requirements.

HABC will issue an RFP for a vendor to replace the current Housing Management Enterprise System (HMES). An HMES is a complete suite of software that will offer an integrated solution to our Agency's day-to-day management. It allows you to maximize your ability to manage Housing Choice Vouchers, conventional Low-Rent Public Housing, Project-Based leased housing, and many special state and locally subsidized programs. The following is a sample list of integrated housing management modules:

- Waiting Lists
- Housing Choice Voucher Program
- Rent Reasonableness
- Affordable Housing (50059, TRACS)
- Public Housing & Property Management
- Work Orders

- Utility Billing
- Handheld Inspections

HABC will be looking for superior functionality and forward-thinking technology to help streamline daily business processes, improve productivity and promote cost efficiency in all operations.

HABC will procure and implement an Interactive Voice Response system (IVR) to accomplish the following tasks:

- Allow HABC to interact with our Waitlist clients to verify identifiable information such as name, address and phone number.
- Allow HABC to conduct surveys, and polls to collect certain information about our customer service to our residents.

The feasibility of installing a Kiosk for the Applications Department will also be evaluated. This is to explore the effectiveness of our clients using a Kiosk to self-serve their Waitlist applications.

HABC will also evaluate the feasibility of installing and implementing Virtual Desktops. Virtual desktops are attractive due to their cost, reliability, flexibility and security. If your desktop malfunctions, there's no need to purchase another, just turn on another machine, login and keep working.

## IV. Long-Term MTW Plan

In its initial request for MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self-sufficiency.

HABC is committed to creating new affordable housing opportunities for City residents at a wide range of incomes. Within its financial constraints and the limits of the on-going Thompson Consent Decree, HABC plans to replace lost public housing units through the production of new homes for existing public housing residents and others with incomes that would qualify for public housing. In its redevelopment efforts, HABC will strive to create vibrant, mixed-income neighborhoods that will benefit both local residents and the wider community.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to increase the number of households housed in public housing by 965 households between June 2006 and December 2011. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources have shifted back to the Housing Choice Voucher program which has resulted in serving 2,024 more households during the same period (Excludes Substantial Rehab, New Construction, VASH and Thompson Tenant and Project Based Vouchers).

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, which is continuing into FY 13, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants, and begun implementation for Public Housing residents. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization

of Project Based resources is a key component of HABC's neighborhood reinvestment, new housing production, Thompson Partial Consent Decree and Bailey Consent Decree production initiatives;

- Developing 1066 low-income rental units over the next ten years, as part of the City of Baltimore's plans to develop an overall total of 3,080 new housing units. MTW funds will be combined with Low Income Housing Tax Credits and other financial resources in support of this goal. Specific development plans are discussed in the Annual Plan.
- Streamlining income, deduction and rent calculation policies and procedures. Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding and development flexibility is an essential component of these efforts;
- The rent policy adopted for Gilmor Homes was adopted agency wide and will be implemented by June 2012; however, due to lack of funding, the agency wide rent policy initiative does not include a supportive services component. If HABC is able to obtain funding to provide services similar to the Gilmor pilot, such services will be added to improve self-sufficiency outcomes.
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components.

HABC will continue to pursue this long term vision – and identify new ways to utilize MTW flexibility in support of the MTW statutory objectives - over the ten-year term of the new MTW Agreement.

## V. Proposed MTW Activities

This section of the MTW Annual Plan provides information on new MTW activities proposed for FY 2013.

### **MTW Activities**

As summarized in Table 14, HABC proposes to implement a new MTW Activity.

*New Investment Policies for HABC.* HABC will adopt investment policies consistent with state law for both HABC program funds and the Other Post Employment Benefit (OPEB) Trust, to the extent such policies are in compliance with applicable OMB circulars and other federal laws. Increased investment revenue will alleviate some of the federal expenditures necessary to carry out federal programs. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability. To measure this MTW activity, HABC will compare the state law investment rate of return with the federal investment restrictions.

### **Leased Housing MTW Activities**

As summarized in Table 15, HABC proposes to implement a new MTW Activity within the Housing Choice Voucher Program (HCVP).

*Local Subsidy Program for Homeless Families* – HABC will exercise its MTW fund flexibility in order to use MTW Block Grant funds as housing subsidy for participants in The Journey Home Program. Housing subsidy will be time-limited for this program as the participants' transition from homelessness to full-time employment.

One of the goals of The Journey Home, a part of Baltimore City's 10 Year Plan to End Homelessness, is that by 2018, all Baltimoreans will have an income sufficient to afford housing. In support of that endeavor, proceeds from an inaugural fundraiser for The Journey Home are paying for a job developer and a job navigator at the Mayor's Office of Employment Development for a transitional employment program for 75 homeless families. A one-time lump sum of money provided by HABC, and a grant from the Abell Foundation will be used to provide housing subsidy for the families.

The Journey Home Program is set up so that participants will be referred from three (3) homeless shelters located in Baltimore City, (St Vincent de Paul's Sarah's Hope; The Salvation Army's Booth House; and, Jobs, Housing & Recovery at the Harry and Jeannette Weinberg Housing and Resource Center) to the Mayor's Office of Employment Development (MOED). MOED will enroll them into a 12-week employment program and assign each person a job developer and a job navigator. The job navigator will assist the participant in identifying and eradicating barriers to full-time employment while the job developer assists the participant in obtaining and retaining employment that matches their skills and abilities.



Eight weeks into MOED's program, the participant is eligible for a housing subsidy that declines over six (6) months. The housing subsidy will be provided by HABC and a grant from the Abell Foundation. The participant will be able to use this subsidy to find a home that rents for up to \$500 per month, however, this subsidy amount may differ depending on the family size.

During the first three months, the Program will pay the full rental amount while the participant is required to save 40% of their monthly income during that time. In the fourth month, the Program will pay half of the rental amount and the participant pays the remainder; during the 5<sup>th</sup> month one-quarter of the rent will be paid with the remainder paid by the participant and in the sixth month the Program will pay half as much with the remainder paid by the participant. At the seventh month, the participant is responsible for the total amount of the rent.

If, during this time the participant loses his or her employment they will be referred to one of the Emergency Solutions Grant Programs funded eviction prevention providers to receive counseling, case management, and eviction prevention assistance, or other support services.

The target outcome for the program is to obtain permanent housing (market rate) for 75 formerly homeless families by 2018.

*Rent Increase Suspension/Freeze for Landlords* – This MTW activity appeared in the FY 2006 Annual Plan but was implemented during FY 2011. HABC implemented this activity due to uncertainty of funding for FY 2011, ongoing commitments and increasing costs of new moves/ lease ups. At that time it was foreseen that HAP expenditures would exceed available funding. In an attempt to prevent termination of rental assistance to HCVP families, HABC found it necessary to use MTW flexibility to implement a freeze on landlord rent increase requests effective 11/1/10.

This activity was implemented from 11/1/10 thru 6/30/12. Since that time, HABC has lifted the rent freeze and is now accepting/approving rent increase request effective 7/1/12.



**Table 14:  
Proposed MTW Activity**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
Adoption of investment policies for HABC.	Increase cost effectiveness in Federal expenditures through increases of investment revenues.	Increased investment revenue would alleviate the federal expenditures necessary to carry out the federal programs. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability.	<p>The baseline investment is the prescribed federal investment guidelines as set forth in HUD Notice PIH 96-33. . In May 2012, HABC earned 2 basis points on its investments through the overnight repurchase agreement.</p> <p>The benchmarks would be the investment guidelines outside the federal restrictions to the extent such policies are consistent with state law. The Maryland Local Government Investment Pool in May 2012 paid 14 basis points on investments, which were 7 times higher than the aforementioned federal restricted investments.</p>	HABC will compare the state law investment rate of return with the federal investment restrictions.	MTW Agreement, Attachment C, section B(5).	N/A.

**Table 15:  
Proposed MTW Activities for Leased Housing**

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
Local Subsidy Program for Homeless Families: Provide MTW Block Grant funds for a one-time lump sum contribution to The Journey Home Program; a Baltimore City Program created to obtain employment and permanent housing for 75 homeless families by 2018.	This activity will help increase housing choices for low-income families and also provide economic self-sufficiency incentives to homeless families by enrolling them in a job-training program.	This initiative is subject to availability of funding and if successful will allow 75 formerly homeless families to obtain employment and permanent housing by 2018.	The baseline = 0 as HABC does not currently use MTW funds for local subsidy programs.  The benchmark: The target benchmark will be 75 formerly homeless families to obtain employment and permanent housing by 2018.	External data collection of the number of homeless families who obtain employment and permanent housing and for how long.	<u>MTW Agreement</u> , Attachment C, sections B1b(iii), 1b(viii); and section B2. <u>MTW Agreement</u> , Attachment D, “Single Fund Budget with Full Flexibility”, and full compliance with PIH 2011-45 when invoking such authorization.	If the participant loses his or her employment they will be referred to one of the Emergency Solutions Grant Programs eviction prevention providers to receive counseling, case management, and eviction prevention assistance, or other support services.
Rent Increase Determinations (Suspension/freezing of rent increase adjustments).	This activity will Increase cost effectiveness in Federal expenditures by keeping program spending within budgetary limits.	Suspending rent increase adjustments will Keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.	Baseline- The number of families removed from the HCVP due to program expenditures exceeding available funding = 0.  Benchmark: To keep program spending within budgetary limits and prevent removal of housing assistance from low-income families.  The rate for rent increases in CY 2012 was 4.84%. HABC anticipated the number of requests to be 3500. The annual saving due to a freeze in rent increases in CY 2011 was \$744,000. It was	Data will be obtained from HABC’s HCV computer system	MTW Agreement, Attachment C, section D(2)(b)	N/A

Activity	Statutory Objective	Projected Impact	Baseline and Benchmarks	Data Collection Process	MTW Authorization	Hardship Policy
			<p>estimated, this cost saving initiative would support continued assistance for 73 households.</p>			

## VI. Ongoing MTW Activities

In addition to utilization of MTW Block Grant flexibility to support critical capital and development efforts and the proposed new activities discussed in Chapter V, HABC continues to implement a wide array of MTW activities in support of HABC’s mission and the national MTW statutory objectives. For MTW activities approved prior to 2010, HABC developed benchmarks and metrics as part of the FY 2010 Annual Report process.

HABC will continue to monitor and evaluate MTW activities during FY 2013. At this point, HABC does not intend to use external evaluators for new or ongoing MTW initiatives. Internal reports will be generated on a periodic basis to assess performance against proposed targets. Quarterly internal reviews will be conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate by HABC in the MTW Annual Report.

Table 16 summarizes previously approved, ongoing MTW activities in the public housing program.

**Table 16:  
Ongoing MTW Activities for Public Housing**

<b>MTW Plan Year</b>	<b>Activity</b>	<b>Description</b>	<b>Planned Changes</b>	<b>Status</b>
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will generally conduct a full reexamination of household income and composition for all fixed income households one time every twenty-four (24) months.	None	Implemented as of 2011
2006	Family Self Sufficiency	HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements vary from the existing regulatory framework: 1) eliminated mandated thresholds for number of participants in the HCVP program and expanding the program to include public housing residents; 2) enhanced program design to target the populations in need; 3) focused outcomes toward homeownership and unsubsidized economic independence; 4) changed the maximum contract period from five (5) to four (4) years; and developed new procedures/regulations regarding the release of the escrow funds. In addition, to maximize program effectiveness a caseload limit was set for staff to client ratio of 1:75.	None	Implemented as of 2006
2009	Homeownership Plan	HABC modified its existing Section 32 Homeownership Plan. It incorporates a number of features that differ from the	None	Implemented as of 2009

<b>MTW Plan Year</b>	<b>Activity</b>	<b>Description</b>	<b>Planned Changes</b>	<b>Status</b>
		standard Section 32 homeownership requirements including, but not limited to: HABC's plan does not place a firm cap on the percentage of adjusted income that is considered "affordable" for homeownership purposes; HABC extends the recapture period for net sales appreciation to a total of 10 years using a declining scale; and, HABC's plan is open in terms of timetable and the number of scattered site units to be covered under the Plan, i.e. potentially over time, all scattered site units could be eligible for homeownership for qualified households.		
2009	TDC Limits	HABC has established a local Total Development Cost policy for the Thompson 58 scattered site acquisition program.	None	Completed
2010	Gilmor Self-Sufficiency Initiative	This activity simplified the rent policy for staff and residents; and encouraged employment, job retention, and wage progression. It also increased choices for HABC's clients by providing residents with an additional rent policy option; and applicants with a demonstration site with enhanced self-sufficiency services and a rent policy versus other available public housing sites.	None	Implemented as of 2010
2011	Asset Self-Certification	To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.	None	Implemented as of 2011
2012	Rent Policy	The rent policy adopted for Gilmor Homes was adopted agency wide and will be implemented by June 2012; however, due to lack of funding, the agency wide rent policy initiative does not include a services component. If HABC is able to obtain funding to provide services similar to the Gilmor pilot, such services will be added to improve self-sufficiency outcomes.	None	To be Implemented by June 2012

Table 17 summarizes previously approved, ongoing MTW activities in the leased housing program, including activities applicable to the HCV program and/or the Special Mobility Program.

**Table17:  
Ongoing MTW Activities for Leased Housing**

<b>MTW Plan Year</b>	<b>Activity</b>	<b>Description</b>	<b>Planned Changes</b>	<b>Status</b>
2006	Risk Based Inspections	HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC's discretion.	None	In planning stage
2006	Two Year Recertifications	HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does <u>not</u> apply to: <ul style="list-style-type: none"> <li>• Residents living in Mod Rehab and Mod Rehab SRO units</li> <li>• Residents with other vouchers that do not qualify based on HUD funding restrictions.</li> <li>• Residents with Homeownership vouchers</li> <li>• Residents with HUD Awarded Special vouchers (Veterans Affairs Supportive Housing VASH &amp; NEDs CAT II for NEDs's coming out of a nursing home or other healthcare facility)</li> </ul>	Residents with HUD-Awarded special vouchers, (VASH, some NEDS vouchers) are excluded from this MTW initiative.	Implemented in 2007
2006	Limits on Project Based Vouchers	HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers and also to waive the per-building and per-project cap on the percentage of units, which may be designated as project-based units.	None	Implemented in 2006
2006-08	Special Admin Plan	To facilitate the activities required under the Thompson Partial Consent Decree, several MTW-related activities have been incorporated into the Special Administrative Plan. As such, these apply to the units administered by MBQ: <ul style="list-style-type: none"> <li>• Implementation of exception payment standards subject to funding availability</li> <li>• Verification of eligibility allowable up to 180 days before issuance of voucher or tenant enters into project-based lease</li> <li>• Recertifications conducted every 24-months</li> <li>• Implementation of risk-based inspections</li> </ul>	None	Implemented 2006-2008
2007-2008	Project-Based Transitional Housing	As provided under the MTW Agreement HABC is authorized to waive certain provisions of 24 CFR 983.53 in order to pay Project Based Voucher assistance for units in a transitional housing facility. Such authorization increases housing choices for low-income families.	None	Implemented in FY 2011
2009	Special Admin Plan	The Special Administrative Plan was modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program: <ul style="list-style-type: none"> <li>• Allow floating units instead of identifying specific units in the HAP contract</li> </ul>	None	Implemented in FY 2010
2009	Section 811 Supportive	HABC may combine MTW funds with 811 funds to create units for non-elderly persons with disabilities	None	Implemented in FY 2009.



MTW Plan Year	Activity	Description	Planned Changes	Status
	Housing	pursuant to the Bailey Consent Decree. HABC will make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.		
2009	Payment Standards at the 50th percentile	As an alternative to using the HUD published Fair Market Rent (FMR) as the basis for determining its Payment Standards, HABC will use the HUD-published 50th percentile rent estimates.	None	Implemented in 2009
2010	Unit sizes	The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request	This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size	Implemented in 2010
2010	Increased Project Based Units in a Project or Building	The HCV Administrative Plan was modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the households must be eligible.  The HCV Administrative Plan was modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a building regardless of the family or household type that will occupy the units provided that the households must be eligible	None	Implemented in 2010
2010	A Long-Term Affordable Project-Based Voucher Contract	HABC will create a Housing Assistance Payment (HAP contract to: increase the term of the contract from 10 to 15 years; reflect the owner's obligation to request renewals of the HAP contract for PBV's to subsidize NED residents in LTA units; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.	None	Implemented in 2010
2012	Utility Allowances for families living in larger units than voucher size.	The HCVP implemented changes in the use of its utility allowance table to calculate gross rents. The utility table used will be the lesser of the actual unit size or the voucher unit size. This change will apply to the tenant-based voucher program and the HCVP Homeownership program.	None	Implemented in FY 2012
2012	Special Admin Plan: Exclude all assets from income when the cash value of the asset is less than \$50,000.	Counting income from assets at \$50,000 and over for residents will reduce the time it takes to verify income and reduce the burden and cost to residents whose institutions charge them a fee for asset verifications. This rent simplification measure will increase efficiency without having any negative impact on increasing residents' rent.	None	Implemented in FY 2012
2012	Special Admin Plan: Definition of Adjusted	All residents who have wages listed as an income source will receive a higher level of deductions. This is to encourage residents to obtain and keep employment. This deduction level can be obtained as soon as the resident	An annual review of the standard	Implemented in FY 2012

MTW Plan Year	Activity	Description	Planned Changes	Status
	Income: Create a standard expense deduction for working families. There will be no minimum wage level to qualify	reports to MBQ that he or she is now receiving wages. In addition to the \$2,000 or \$6,000 deductions, families classified as elderly or disabled will receive an additional \$400 deduction. The additional deduction is further consideration to prevent a hardship for these families. The standard deduction policy was carefully analyzed to assure that there were no disparate impacts on any one particular subset of the program	deductions will occur to ensure that tenant total payments remain at an average of 25% of the tenant's gross annual income.	
2012	Special Admin Plan: Ability to admit current Direct Homeowners into the Section 8 Direct Homeownership Program	<p>There are two (2) homeownership options for eligible members to the Special Mobility Program. The first option is called the "Direct Homeownership Program" and provides second mortgage assistance to first time homebuyers who were current or former residents of HABC public housing at the time of the home purchase. In addition to a second mortgage, participants in the Direct Homeownership Program receive pre and post purchase counseling.</p> <p>The second homeownership option is the Section 8 Homeownership option. In addition to the services offered to participants of the Direct Homeownership Program, the Section 8 Homeownership Program offers a monthly mortgage assistance payment funded by the HCV program.</p> <p>The definition of Continued Assistance will be expanded to include participants in the Direct Homeownership Program in order to provide a safety net to those who may become income eligible for the HCV program and to avoid possible foreclosure.</p>	None	Implemented in FY 2012

**Proposed Change to approved Housing Choice Voucher Activity:**

*Two-Year Re-certifications* - Two-year recertifications for the Housing Choice Voucher Program were included in the FY 2006 Annual Plan and implemented during that fiscal year. In FY 2013, HABC will exclude from this MTW initiative HUD special-awarded vouchers such as Veterans Affairs Supportive Housing VASH & NEDs CAT II for NEDS's coming out of a nursing home or other healthcare facilities.

*Unit Sizes* - In FY 2010 the HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. In FY 2013, this MTW initiative has been modified to include current participants living in units where the unit size exceeds the voucher size

*Special Admin Plan* - During FY 2012, the Thompson Administrative Plan was modified to expand the definition of adjusted income and create a standard expense deduction for working families. In order to ensure that the Total Tenant Payment remains at an average of 25% of the tenant's gross annual income, MBQ will conduct an annual review of the standard deductions.

## VII. Sources and Uses of Funding

This section of the Annual Plan describes HABC’s planned sources and uses of MTW, State and Local funds. Planned sources and uses for other HUD, federal and Non-MTW funds are described in Chapter III. This financial plan is compiled based on current information and HUD’s anticipated funding level as of February 2012. It is subject to revision as conditions and/or assumptions change.

### A. Planned Sources and Uses of MTW Funding

HABC’s Moving-to-Work (MTW) Block Grant includes three major funding sources:

- Low Income Public Housing (LIPH)
- Section 8 Housing Choice Voucher (HCV)
- Capital Fund Program (CFP) /Replacement Housing Factor Fund (RHFF)

Table 18 and the following notes provide information on planned sources of MTW funds for the fiscal year ending June 30, 2013.

**Table 18:  
FY 2013 Planned Sources of MTW Funds**

<b>Sources</b>	<b>Total MTW</b>
Net Tenant Revenue	30,707,027
Tenant Revenue Other	330,770
<b>Total Tenant Revenue</b>	<b>31,037,797</b>
HCV Housing Assistance	117,508,212
Thompson Housing Assistance	33,525,256
Ongoing administrative fees earned	10,704,968
HUD Operating Grants	88,986,312
<b>Total Operating Grants</b>	<b>250,724,748</b>
Capital Grants - Hard cost Only	7,344,702
Investment Income	71,880
Fraud recovery	15,000
Other Revenue	1,801,026
<b>Total MTW Source</b>	<b>290,995,153</b>

#### Notes to Sources:

1. Net Tenant Revenue is planned at a 97% occupancy rate with the average rent assuming 1.5% increases.
2. Tenant Revenue Other represents estimated income from various transactions such as warrant, court and maintenance costs anticipated during FY 2013.

3. HABC's Total Operating Grants of \$250,724,748 include the following funding:
  - Section 8 HCV Housing Assistance Payments (HAP) subsidies are planned at the level based on changes as published in HUD's Notice PIH 2011-67 (HA) dated December 9, 2011. Disbursement of funding is based on data reported in the Voucher Management System (VMS). Remaining authorized fund not disbursed to HABC would be withheld in HUD's account.
  - Ongoing administrative fee earned is calculated based on current rates with an estimated proration at 77%.
  - HUD Operating Grants include Public Housing Subsidies budgeted at 85.7% and Capital Fund soft costs for administering the planned capital improvement and operating activities. The estimated funding proration is based on the federal budget data as of February 2012. HABC intends to contact HUD HQ about the funding for administering the Thompson Consent Decree in the amount of \$4.4 million.
4. Capital Grants – Hard Costs funding is based on planned capital improvement and construction activities as described in the capital improvement plan.
5. Investment Income is based on a short-term interest rate on the estimated average daily cash balance.
6. Fraud Recovery is for recovery of funds from the Section 8 HCV program.
7. Other Revenue is related to vending machines, roof top antenna income, and lease income from the public housing program. It also includes the Abel Foundation grant for the Section 8 HCV program.

Table 19 and the following notes provide information on planned uses of MTW funds for FY 2013.

**Table 19:  
FY 2013 Planned Uses of MTW Funds**

<b>Uses</b>	<b>Total MTW</b>
Administrative	12,845,620
Public Housing - Site Management	14,195,292
Section 8 HCV Management	11,618,160
Tenant Services	2,737,343
Utilities	24,972,062
Utility Other	3,580,006
Ordinary Maintenance & Operations	33,766,100
Protective Services	4,272,083
General Expenses	23,315,650
<b>Total Operating Expenses</b>	<b>131,302,316</b>
Extraordinary Maintenance	500,000
Casualty Loss	500,000
HCV Housing Assistance	117,508,212
Thompson Housing Assistance	33,525,256
Hard Costs	19,391,128
<b>Total MTW Uses</b>	<b>302,726,912</b>

HABC's projected total MTW uses of funds is \$302,726,912 for the fiscal year ending June 30, 2013. Uses of funding exceed sources of funding by \$11,731,760, which includes approximately \$5 million capital improvement activities from previous HAP funds and \$7 million from previous MTW funds for UFAS units as discussed in the capital improvement plan.

## Notes to Uses:

1. Administrative expenses include salaries and benefits for administrative and CFP/RHFF programs staff. Also included are administrative operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies.
2. Public Housing – Site Management includes salaries and benefits for Housing Management staff at the Asset Management Project (AMP) levels. Also included are their respective operating expenses such as telephone, computer materials and contracts, postage and supplies.
3. Section 8 HCV Management includes salaries and benefits applicable to the administration of the Section 8 HCV program. It also includes contract costs in the amount of \$4.4 million to administer the Thompson consent decree vouchers and \$300,000 for the Mobility Counseling contract in accordance with the Bailey consent decree. Also included are operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies.
4. Tenant Services includes salaries, benefits and related materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing such as Child Day and Congregate Housing.
5. Utilities include expenses for water, electricity, gas, steam and fuel consumed by the Housing Authority AMPs. Estimated increases in the utility rates are approximately 7% increases for water, 4% increase for steam, and 2% increase for gas. Electricity is based on the currently procured rate. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. Utility consumptions are adjusted based on addition or demolition activities planned for the fiscal year. In addition, applicable utility savings as a result of the Energy Performance Contract (EPC) has also been factored into the projected utility costs.
6. Utility Other includes monthly payments of the EPC debt service, energy audit and other utility related equipment.
7. Maintenance & Operations include salaries and benefits of maintenance workers and crews assigned to public housing units. It also includes maintenance materials and maintenance contracts used for ordinary maintenance operations. This category also includes outside contract costs to privatized firms, which manage some of HABC's public housing and affordable housing units.
8. Protective Services includes salaries, benefits and other related costs of building monitors and lease enforcement personnel assigned to public housing developments.
9. General Expenses (non-capitalized) include insurance premiums for general liability, worker's compensation, automobiles, compensated absences, etc. This category also includes collection losses for uncollected rent, a \$6.5 million Debt Service payment from the Capital Fund Program to repay the State Capital Anticipation Loan Proceeds for the sale of bonds by the State of Maryland, as well as the annual Other Post Employment Benefits (OPEB) Cost as required under GASB Statement No. 45.
10. Extraordinary Maintenance budget is set aside for unforeseen break down of heating systems, boilers, chillers, etc.
11. Casualty Loss is estimated for unforeseen repairs and losses at public housing units that are not covered by insurance carriers.
12. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants under the Section 8 HCV program. The HAP

amount for Thompson consent decree vouchers in FY 2013 is reported separately in the above Planned Uses of Fund table.

13. Construction (Hard) Costs in FY 2013 are planned for capital improvement activities including 504 UFAS and ADA Compliance, security and safety projects, marketability and viability of existing portfolio, improvement of major systems, infrastructure, extraordinary maintenance, and creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant. Also, major construction projects and estimated expenses for FY 13 include Waterproofing and Tuck pointing at Van Story Branch, 504 UFAS Modifications at various locations, gas line repairs at Cherry Hill, roof replacement at Cherry Hill and Scattered Sites. Capital Improvement activities are discussed in more detail in Chapters II and III.

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

Programs that are included in the State and Local Funds category include the following funding sources:

- City of Baltimore - Housing and Community Development (HCD) pass-through reimbursable expenses
- Various Resident Services Grants

Table 20 and the following notes provide information on planned sources of State and Local Funds for FY 2013.

**Table 20:**  
**FY 2013 Planned Sources of State and Local Funds**

<b>Sources</b>	<b>Total State and Local</b>
Other Government Grants	23,150,074
Other Revenue	339,723
<b>Total State &amp; Local Sources</b>	<b>23,489,797</b>

### Notes to Sources:

- a. Other Government Grants funding include State funding for O'Donnell Heights development activity, the Department of Social Services and the Maryland State Department of Education to provide funding for the Family Self-Sufficiency and Child Care Program. This category also includes pass-through activities for expenditures in which HABC receives instantaneous reimbursements from the City of Baltimore. In addition, it also includes City's funding for joint-venture development activities being provided by HABC's force-labor department (HABC<sub>o</sub>).
- b. Other Revenue is for resident payment for Child Care and Congregate Housing programs.

Table 21 and the following notes provide information on planned uses of State and Local Funds for FY 2013.

**Table 21:  
FY 2013 Planned Uses of State and Local Funds**

<b>Uses</b>	<b>Total State and Local</b>
Administrative	4,797,661
Tenant Services	555,650
Utilities	22,100
Ordinary Maintenance & Operations	2,632,000
General Expenses	946,936
Hard Cost	14,535,450
<b>Total State &amp; Local Uses</b>	<b>23,489,797</b>

**Notes to Uses:**

1. Administrative expenses are primarily for salaries and benefits of the pass-through activities from the City of Baltimore. HABC receives instantaneous reimbursements from the City for these activities.
2. Tenant Services expenses are related to staffing and program costs to support day care activities, as well as Family Self-Sufficiency program services to residents for job placement and case management.
3. Utilities are estimated for the Child Day Care Center.
4. Ordinary Maintenance & Operations expenses are related to non-capitalized activities from the City's funds for joint venture development being provided by HABC's force-labor department (HABCco).
5. General Expenses include the applicable portions for the State and Local Funds of the insurance premiums for general liability, worker's compensation, automobiles, compensated absences, etc, as well as the annual Other Post Employment Benefits (OPEB) Cost as required under GASB Statement No. 45.
6. Hard Cost is for some development costs of 76 units in O'Donnell Heights funded by the State.

**C. Planned Sources and Uses of Central Office Cost Center**

This section is not applicable to HABC.

**D. Local Asset Management Plan**

Since instituting its Local Asset Management plan, HABC has seen a decrease in its indirect cost rate primarily due to steady expenditure levels of the indirect departments such as Central Office, while the direct costs such as maintenance and utilities have increased over the years. As a result, the Indirect Rate has dropped because the numerator (indirect) has not grown as fast as the denominator (direct costs). . Proposed updated cost allocation calculations for FY 2013 are included in Appendix C.



## **E. Single Fund Flexibility**

The MTW Agreement allows HABC to combine public housing operating and capital funds (including development and replacement housing factor) provided under Section 9, and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. HABC uses this combined funding source to carry out MTW program activities in support of MTW statutory objectives to achieve greater costs effectiveness and to increase housing choices for low-income families.

The following activities will take place in FY 2013 using the single fund flexibility concept:

- Due to inadequate funding for capital activities, HABC plans to use the prior year's HCV HAP Fund to supplement various capital improvements as detailed in the FY 2013 Capital Spending Plan.
- HABC continues to use the prior year's MTW Fund for renovation and development of UFAS units to meet the 504 accessibility requirements.
- HABC may also use HAP funds to meet some of its consent decree and related obligations.
- Subject to availability of funding HABC will use HAP funds to provide housing subsidy for homeless families.
- HABC may use MTW Funds to provide gap financing for the construction of Section 811 units.
- HABC may use MTW Funds up to \$3.31 million as collateral for a third party loan to meet the leverage requirements of the grants from the American Recovery and Reinvestment Act (ARRA) approved by HUD."

## **F. Capital Planning Expenditures**

In Fiscal Year 2013, HABC will implement a wide range of capital investments at existing public housing sites and continue its ambitious program of citywide housing development activities as noted on pages 10-17. HABC projects it will expend a total of approximately \$71.1 million on capital/development projects in the coming year.

HABC has provided an update to the Asset Management Table in Appendix B which describes the current status of each public housing site, outlines certain risk factors that will be monitored over the life of the MTW Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for current and future years' planning. As a result of our preliminary findings in HABC's portfolio wide asset review, we have updated the Asset Management table to identify sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources.

In 2009, HABC received \$32,724,445 under the Capital Fund American Recovery and Reinvestment Act Formula grant program (ARRA). These capital funds supported projects including the renovation of approximately 156 long-term vacant scattered sites and

approximately 26 conventional units; the creation of approximately 9 additional UFAS units; waterproofing and tuck pointing of building exteriors at 2 high rise buildings for the elderly and disabled; elevator upgrades at 6 high rise buildings for the elderly and disabled; and, a project to install electric meters and long overdue site work at one family site. ARRA required a mandatory three-year spending program with rigid milestones for obligation and expenditure of all funds. Under the terms of the ARRA Formula grant, HABC obligated the entire grant in FY 2010. As of March, 2012, the grant is 100% expended and closed.

Also in 2009, HABC was awarded \$33,341,007 under the ARRA Competitive grant program (11 grant awards). These capital funds support renovation of non-dwelling space for elderly and disabled support services providers at two mixed population buildings, approximately 80 long-term vacant scattered sites and installation of energy conservation measurements such as electrical upgrades, furnaces, appliances, energy management systems and heating upgrades at seven family sites. ARRA Competitive grants also require that all funds be obligated and expended within a three-year period. Under the terms of the ARRA Competition grant, HABC obligated the entire grant in FY 2011. As of May 31, 2012, HABC has expended cumulatively 97% of the competitive grants with 7 grants closed. All remaining funds will be fully spent by September, 2012.

### **Major Capital Needs and Projects, Estimated Costs and Proposed Timetables**

Appendix L includes HABC's revised Long Term Capital Plan beginning with FFY2012/FY 2013 through FFY 2021/FY2022. This Long Term Plan addresses planned Capital Fund activities, anticipated opportunities for leveraged funds with emphasis on energy related programs and the most recent physical needs assessment which started in calendar year 2010 and was completed in January, 2011. HABC's portfolio requires greater than \$800 million in capital investment over the next 10 year's which is in stark contrast to the approximate \$13.5 million in Capital Fund program funds expected annually in each of the next 10 years.

Appendices I and J include the Annual Statement/Performance and Evaluation Reports (Form HUD 50075.1) for all ARRA Grants (competitive and formula) and Appendix K is the Capital Safety and Security Grant awarded for improvements at Gilmore Homes. HABC will utilize MTW Block Grant (Capital Funds including Replacement Housing Factor, Housing Choice Voucher Program, and Operating Funds), in addition to non-MTW funding (ARRA, Capital Safety and Security Grant, HOPE VI funds, HABC Unrestricted Funds, Baltimore City, Maryland State funds, and private loan resources for Energy Performance Contracting and other capital improvements) to complete its major capital and development initiatives.

HABC notes that Housing Choice Voucher funds have been made available for capital activities to renovate long-term vacant units, to modify units for handicap accessibility and to improve physical conditions to ensure long term viability of existing inventory. Prior year allocations of Housing Choice Voucher funds are being utilized to complete planned activities in FY 12. Additional funds may be made available in FY 13 for work items included in HABC's Long Term Capital Plan that contribute to the long term viability of our existing portfolio.

HABC's five major priorities for Capital/ARRA activities are: (1) 504 UFAS and ADA Compliance (handicap accessibility); (2) vacancy renovation; (3) improvements to major systems,

infrastructure, extraordinary maintenance; (4) installation of energy conservation measures; and, (5) creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant Funds.

Additionally, other properties in HABC's portfolio which are not currently listed may, in the future, require MTW capital expenditures. HABC may elect to undertake these capital projects in FY 2013. It should be noted that some expenditures may take place in FY 2013 as a result of projects planned for and begun in FY 2011 and FY 2012, but completed and paid for in 2013. HABC has let a number of contracts that will be started in FY 2012 but will not be fully expended until FY 2013 - 2014. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

Finally, HABC has submitted a letter to HUD requesting approval to accumulate up to five years of first and second increment Replacement Housing Factor (RHF) grants, totaling approximately \$21.1 million to develop mixed finance public housing replacement units in Baltimore City. HABC needs to accumulate these resources in order to have adequate funds to develop the units. We are also including an Amendment to the MTW Agreement involving the use of Replacement Housing Factor Funds for development

### **Replacement Housing Factor Funds for Development.**

Pursuant to the MTW Agreement, as mentioned above, HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant, with the exception of the American Recovery and Reinvestment Act and Capital Safety and Security funds. HABC acknowledges that the American Recovery and Reinvestment Act Capital Fund and the Security and Safety Grant activities will be carried out in accordance with all HUD regulations, including 24 CFR 905.951, 24 CFR 968, and other requirements applicable to the Capital Fund Program.

Table 22 provides a summary description of planned FY 2012 expenditures. Additional narrative commentary follows.

**Table 22:**  
**Capital Expenditures Planned for FY 2013**  
**(MTW and non-MTW Capital Activities)**

<b>Capital Projects</b>	<b>Planned Expenditures FY 2013</b>	<b>Development(s)</b>
Handicap Accessibility Modifications	\$5,770,611	Brooklyn Homes, Latrobe Homes, Perkins Homes, Scattered Sites and other developments as determined necessary and associated A&E fees.
Vacancy Renovation	\$1,249,168	Scattered Sites and other developments as determined necessary and associated A&E fees.
Major Systems, Infrastructure, and Extraordinary Maintenance Repairs	\$12,687,797	Brentwood, Chase House, Cherry Hill Homes, Douglass Homes, Latrobe Homes, McCulloh Homes, Pleasant View Gardens, Scattered Sites, Van Story Branch, Central Office and other developments as determined necessary and associated A&E fees.
Energy Conservation Measures	\$29,346,834	Brooklyn, Central Office, Cherry Hill Homes, Douglass Homes, Gilmor Homes, Latrobe Homes, Westport Homes, and other developments as determined necessary and associated A & E fees.
Redevelopment Projects	\$22,067,670	Affordable Home Ownership Program, Broadway 58 Units, Thompson 22 units, development of units for non-elderly disabled and associated development soft costs.

As required by the MTW Agreement, HABC has not identified any activities as part of the MTW Capital Budget that represent planned significant expenditures greater than 30% of HABC's total MTW Capital Budget for FY 2013.

**504 Accessibility Improvements**

In FY 2013, HABC will continue to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities. In addition, HABC continues to work closely with the City of Baltimore to upgrade those pedestrian curb ramps on HABC's sites but within the public right-of-way.

Under the ARRA Formula Grant, HABC will renovate 158 long term vacant units; and under the ARRA Competitive Grant, HABC will renovate 80 long term vacant units. As part of this

renovation process, HABC created an additional 13 UFAS units or 5.46% of the total 238 units scheduled for renovation, as follows: (i) In FY 2011 4 units were created; and (ii) in FY 2012 9 units were created. These 13 units are in addition to the 31 scattered site units being created pursuant to the Bailey Consent Decree.

To date 610 UFAS units have been created and certified. To meet HABC's obligations of 756 UFAS units under the Bailey Consent Decree, an additional 146 UFAS units must be created. HABC plans to create these units by the end of CY 2015. Of the 146 UFAS units that are needed: (i) 38 UFAS units are in construction by P/D and ECI and are expected to be certified in FY 2012; (ii) construction is about to start on 10 UFAS units and will be completed in FY 2013 by ECI within existing developments; and (iii) 37 UFAS units will be funded in part through low income housing tax credits and HOME Funds. The remaining 61 UFAS units will be created by building on vacant lots that are owned by the City or HABC. ECI is expected to complete 6 in FY 2013 and P/D will complete the balance by FY 2016.

### **Security Camera Installation**

In FY 2013, the BCPD will continue to monitor the exterior cameras and HABC will issue maintenance contracts to insure their viability. Under the Capital Safety and Security Grant awarded to HABC in FY 11, HABC in FY2012 installed 11 additional cameras at Gilmore Homes. In FY 2012 HABC submitted an application for the FY 2012 Capital Safety and Security Grant for Cherry Hill to replace approximately 4 outdated CCTV cameras; install approximately 3 new cameras to overcome some camera high crime dark areas; and upgrade approximately 16 cameras to Gunshot Technology. If HABC receives this grant the work will be done in FY 2013.

### **Infrastructure and Extraordinary Maintenance**

In FY 2013 HABC will: (i) complete the upgrade of the electrical distribution systems at Latrobe; (ii) continue to upgrade the heating infrastructure system at Latrobe and Cherry Hill; (iii) install new windows, doors and façade at J. Van Story Branch;(iv) continue the new roof replacement program at Cherry Hill and scattered sites; ; (v) Erosion control at Dukeland; install a new chiller at the Community Room at Cherry Hill, begin to investigate and determine corrective actions for water rise replacement at several mixed population buildings and (vi) continue with HABC's oil tank removal program.

As part of HABC's ARRA Grant (both Formula and Competition) HABC committed to complete the renovation of 238 long term scattered site units. Based upon current construction cost this amount may increase by 10 to 248 units or 5.24% of the total 248 units scheduled for renovation. The schedule is as follows: (i) In FY 2011 approximately 134 units were completed; (ii) In FY 2012 approximately 109 units were completed; and (iii) In FY 2013 approximately 5 will be completed.

Also, in FY 2013, HABC will: (i) continue to develop master plans which note physical areas of concern and a course of action to rectify them (landscaping, egress, hazards, etc.); (ii) address some concrete walkway issues; (iii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies; (v) complete long term vacant units; and (vi) begin plans to eliminate erosion problems.

**Energy Service Company (ESCO)**

In FY 2012, HABC completed its 5 year energy audit; obligated approximately 95% of its 3 year Phase 1 Energy Performance Contract (EPC); and will develop an EPC Phase 2. In FY 2013, HABC will continue to implement the EPC program by completing: (i) the installation of energy conservation measures (ECM) at 5 family developments; (ii) the installation of an energy management control system; and (iii) the implementation of excessive consumption charges and utility allowances at the Phase 1 sites. Also in FY 2013, HABC, depending upon funding, will implement its EPC 2.

## **VIII. Administrative**

The following section of the Plan provide a series of appendixes including materials required by HUD pursuant to the MTW Agreement and other information provided by HABC to inform HUD and the public of its MTW activities. The following is a list of appendixes:

Appendix A: Board Resolution Adopting the Annual MTW Plan & Certification of Compliance

Appendix B: Asset Management Table

Appendix C: FY 2012 Proposed Cost Allocation Methodology & Local Asset Management Plan

Appendix D: Certifications (Previously submitted electronically to HUD)

- HUD-50071 – Certification of Payments to Influence Federal Transactions
- SF-424 – Application for Federal Assistance
- HUD-52723 – Operating Fund Calculation of Operating Subsidy

Appendix E: Summary of Proposed Changes to the HCV Administrative Plan

Appendix F: Summary of Proposed Changes to the Thompson Special Admin Plan

Appendix G: Summary of Proposed Changes to the Admissions & Continued Occupancy Plan

Appendix H: Waiting List Demographics

Appendix I: Forms HUD 50075.1 ARRA Annual Statements (Competitive)

Appendix J: Form HUD 50075.1 ARRA Annual Statement (Formula)

Appendix K: Emergency Safety & Security Grant

Appendix L: Long-Term MTW Capital Plan 2012 – 2021

Appendix M: Replacement Housing Factor Funds Amendment

Appendix N: Documentation of Public Meeting

Appendix O: Changes Made Due to Comments Received