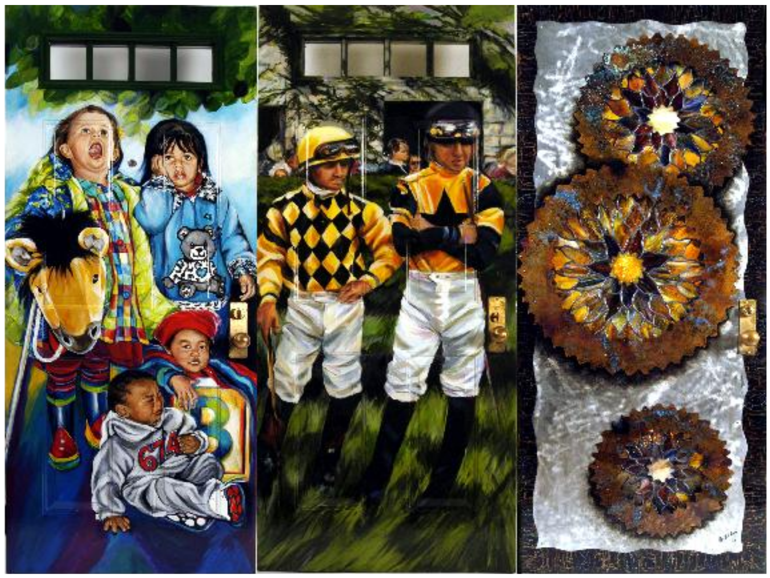
Lexington-Fayette Urban County Housing Authority

OPENING DOORS...



...To Opportunity

...To Homeownership

...To Success

...To Independence

FY 2014 MOVING TO WORK (MTW) DEMONSTRATION ANNUAL PLAN

Version 1 Submitted April 2013
Version 2 Submitted July 2013
Version 3 Submitted September 2013

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I. Introduction

The Lexington-Fayette Urban County Housing Authority (LHA), formerly known as the Lexington Municipal Housing Commission, was established in 1934 to provide safe and desirable affordable housing to low and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA presently manages 1,283* public housing units and provides voucher assistance to 2,644 Housing Choice Voucher (HCV) families throughout the Lexington community. **(*Twenty (20) units at Pimlico Apartments were removed from inventory prior to the start of FY 2014).**

The Authority is governed by a Board of Commissioners, a group of dedicated citizens and local officials appointed in accordance with state housing law, who establish and monitor agency policies and are responsible for preserving and expanding the Authority's resources and ensuring the Authority's ongoing success.

In November 2010, LHA submitted a formal application to the federal U.S. Department of Housing and Urban Development (HUD) seeking admittance to the Moving to Work (MTW) demonstration program. HUD announced LHA's selection for program admittance in March 2011, and the Authority formally entered the MTW program on November 10, 2011 with the execution of an MTW Agreement between HUD and LHA.

HUD approved Version 3 of the Authority's FY 2012 MTW Annual Plan on December 29, 2011. As LHA entered the MTW Program in the middle of its fiscal year and did not have the opportunity to implement many of its planned activities until late in the Plan year, with the submission of Plan Version 6 the Authority received HUD's approval to extend the Plan's effective date through FY 2013 (June 30, 2013).

MTW Program Background

The MTW program, authorized by Congress and signed into Law as part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, offers public housing authorities the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families. The program allows exemptions from existing low-income public housing and tenant-based HCV rules and permits public housing authorities to combine operating, capital, and tenant-based assistance funds into a single funding source.

MTW is a demonstration program that allows public housing authorities to design and test ways to achieve three statutory goals. The activities and policies designed by the Authority must further at least one of these goals:

1) To reduce costs and achieve greater cost effectiveness in federal expenditures;

2) To give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and

3) To increase housing choices for low-income families.

MTW agencies are also required to implement at least one rent reform initiative designed to encourage employment and self-sufficiency by participating families.

Under the MTW program - prior to the beginning of each fiscal year - housing authorities create and adopt an MTW Annual Plan that describes new and ongoing activities that utilize the authority granted to them through the program. At the end of each fiscal year, the housing authority then prepares an MTW Annual Report to share the status and outcomes of these activities.

To ensure LHA's participation in the MTW demonstration program meets the specific needs of the Lexington-Fayette community, the agency has carefully crafted an additional list of local objectives, which are community-driven refinements of the program's federal objectives:

1. Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community;

2. Increase the number of families moving toward self-sufficiency;

3. Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a "service-enriched" housing environment; and

4. Reduce the agency's administrative costs while limiting the administrative burdens placed on staff and residents.

To further both the federal and local MTW objectives listed above; the LHA sought and received HUD approval to implement eleven new MTW activities during the first year of its participation in the MTW program. Through the submission of the FY 2014 Plan, the Authority seeks approval modify our MTW activities as follows:

FY 2014 MTW Activities

	Activity Name	Renamed Activity (as applicable)	Modification
#1	Management Team 1 Rent Reform Controlled Study: Increase Minimum Rent at Pimlico to $150	Minimum Rent Increase to $150 for Public Housing and HCV Households	Change - Expand to all public housing and HCV units (excluding special partners and elderly/disabled families)
#2	Management Team 3 Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Resident		Removed – replaced with Activity 13
#3	Management Team 4 Rent Reform: Triennial Recertification of Griffith Towers Households	Triennial Recertification Connie Griffith Towers and HCV Elderly/Disabled Households	Change - Expand to HCV Households (only elderly/disabled families on fixed incomes)
#4	HCV Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy		No Change
#5	Streamlined HQS Inspection Policy for HCV Units		Changes - Layout procedures for 5-star inspections process
#6	Biennial Housekeeping Inspection Policy for HCV Units		Removed
#7	Public Housing Acquisition Without Prior HUD Approval		No Change
#8	Conversion of Pimlico and Appian Hills Public Housing Units to Project-Based Vouchers		Changes - Modify to reflect LHA's acceptance into HUD's Rental Assistance Demonstration for Pimlico Apartments
#9	Development of Project-Based Voucher Units at 800 Edmond Street		This activity is on hold but it is still our intention to do so when financially feasible
#10	HCV Special Partners Programs	HCV Tenant-Based Voucher Special Partners Programs	Changes - Remove block-granted special partners
#11	Local, Non-Traditional Use of MTW Funds to Improve Connie Griffith-Ballard Towers	Local, Non-Traditional Use of MTW Funds: Emergency Reserves for Connie Griffith-Ballard Towers	Change - allow use of MTW funds in case of capital emergency
#12	Local, Non-Traditional Use of MTW Funds for HCV Special Partners		New activity - funding to HCV Special Partner agencies with fixed housing units
#13	Local Self-Sufficiency Admissions and Occupancy Requirements		New activity - requesting the authority to modify the definition of work activity for self-sufficiency households, define imputed minimum earned income and Self-Sufficiency II criteria to Pimlico (Centre Meadows) post-revitalization

II. General Housing Authority Operating Information

A. Housing Stock Information

1. **Number of public housing units at the beginning of the plan year:** 1,283*

   ***PIC reports 1,303 public housing units; however, 20 units were taken off-line at Pimlico Apartments during FY2013 .**

2. **General description of any planned significant capital expenditures by development:**
   The Lexington-Fayette Urban County Housing Authority (LHA) plans to expend $1,438,758 on physical improvements to its developments during FY 2014 as follows:

2014 Capital Expenditures by Development / AMP			
Development / AMP	**Unit Count**	**FY 2014 Budget**	**Description**
KY004000001 Bainbridge-Pine Valley-Cost.	180	$281,191	Repair and seal parking lots; site repairs; building interior/exterior repair; window/door replacement
KY004000002 Pine Valley	139	$217,142	Interior / exterior repair / upgrade/replacement
KY004000003 Atiya Place, Catera Trace, Constitution, Wilson	102	$159,341	Mechanical / electrical upgrade; site repair; driveway repair; interior / exterior repair/replacement/upgrade; door and window repair/replacement
KY004000004 Connie Griffith	183	$285,877	Replace heat pumps & distributors; replace ceiling; upgrade security camera; interior/exterior repair/replacement/ upgrade
KY004000006 Georgetown	17	$26,557	Exterior/interior repair / replacement / upgrades
KY004000007 12th Street	40	$62,487	Exterior / interior repair / replacement / upgrades
KY004000008 Sugar Mill	46	$71,860	Exterior/interior repair/replacement /upgrade; repair/replace locks
KY004000009 Russell Cave	26	$40,616	Exterior / interior repair / replacement / upgrade
KY004000010 The Shropshire	32	$49,989	Hardscape and exterior repair/ replacement/upgrade; parking lot repair
KY004000011 Shropshire East	24	$37,492	Parking lot repair; exterior repair/replacement/upgrade
KY004000013 Twin Oaks	60	$93,730	Hardscape and exterior repair/ replace/ upgrade
KY004000028 Falcon Crest	72	$112,476	Exterior/interior repair / replacement / upgrade
Totals	**921**	**$1,438,758**	

3. Description of any new public housing units to be added during the year by development:

LHA does not have any specific plans to add new public housing units to its inventory during FY 2014. However, the agency is continually working to acquire and develop additional public housing in order to increase the number of affordable choices available to low-income families and will continue to do so during FY 2014.

4. Number of public housing units to be removed from the inventory during the year by development:

The LHA's Pimlico public housing development will be revitalized under HUD's Rental Assistance Demonstration (RAD) Program. The 20 units already taken off-line, plus 186 Pimlico units remaining in LHA's public housing stock are scheduled to be vacated and renovations are scheduled to begin in FY 2014.

The LHA continues to investigate financing options to modernize Appian Hills, but does not have any plans to begin this work during 2014.

LHA will remove 206 public housing units from its PIC inventory during FY 2014 (20 of these units were already off-line as of July 1, 2013, but still recorded in the LHA's PIC public housing stock inventory). All 206 Pimlico public housing units will be converted to project-based HCV units in FY 2014 as follows:

Revitalized Site	1-Bed	2-Bed	3-Bed	4-Bed	Total Units
Pimlico	44	112	50	0	**206**
Total Units	**44**	**112**	**50**	**0**	**206**

Removing the 206 units at Pimlico from LHA's public housing stock will reduce public housing inventory from 1,283 to 1,097 by the end of FY 2014.

5. Number of MTW Housing Choice Vouchers (HCV) units authorized:

As of July 1, 2013, the total number of HCV vouchers authorized through LHA's ACC with HUD is 2,405. The Authority will continue to include all tenant-based vouchers in its MTW program.

6. Number of non-MTW HCV units authorized:

As of July 1, 2013, LHA had 225 HCV units authorized through special purpose programs. These units are not and will not be included in the agency's MTW program.

Non-MTW HCV Program	Units Authorized As of July 1, 2013
Mainstream Program	25
Shelter Plus Care	30
Veterans Affairs Supportive Housing (VASH)	170
Total Non-MTW Vouchers	**225**

7. Number of HCV units to be project-based during the Plan year:

During FY 2014, all 206 units at the Pimlico public housing development will be converted to project-based vouchers and included in the agency's MTW program. Although renovations of the Pimlico site will commence during FY2014, the LHA does not expect to begin leasing the newly renovated units at the site – which will be renamed "Centre Meadows" - until FY2015.

LHA has committed the majority of its available funds to the renovation of Pimlico Apartments, but continues to look for funding sources for the new construction of units at its 800 Edmond Street property, although it does not expect this project will commence during FY 2014.

B. Leasing Information

1. Anticipated total number of MTW PH units leased in the Plan year:

LHA anticipates it will maintain a 97% public housing occupancy rate during FY 2014, leasing approximately 1,064 of the 1,097 public housing units remaining after subtracting the 206 units to be removed during the renovation of Pimlico.

2. Anticipated total number of non-MTW PH units leased in the Plan year:

Not applicable. All 1,097 of the LHA's public housing units are included and will remain in its MTW program.

3. Anticipated total number of MTW HCV units leased in the Plan year:

LHA is very fortunate that the HCV per unit cost (PUC) has decreased over the last 12 months due primarily to a change in the utility allowances. In addition, payment standards were reduced in 2011. Since HUD regulations require that 12 months notice be given to impacted families, LHA has seen an ongoing reduction in PUC over the last year as these new payment standards went into effect. The PUC for 2012 was $562. Thus far in 2013, the Housing Authority's PUC has been $519, more than a 7% reduction. This reduction should allow the LHA to continue to lease at a high level, as long as further reductions in funding levels are not too severe.

Although the LHA will serve at least the same number of families in aggregate during FY 2014 – the number of households served specifically through MTW HCV vouchers will decrease.

Approximately 355 special partner families currently using MTW HCV vouchers will in the future be served through the flexibilities provided under Activity #12, *Local, Non-Traditional Use of MTW Funds for HCV Special Partners.* As illustrated below, although the apparent HCV lease rate will decrease to 85.2%, the total number of families served (2,405) will not decrease:

Apparent FY 2014 HCV lease rate:

2,050 (# families to be served with MTW HCV vouchers in FY 2014)
÷ 2,405 (# authorized ACC vouchers)
85.2%

Actual number of families to be served in FY 2014:

2,050 (# families to be served through MTW HCV vouchers in FY 2014)
+ 355 (# current special partner MTW HCV families to be served thru
2,405 Activity #12 in FY 2014)

4. Anticipated total number of non-MTW HCV units leased in the Plan year:

During the Plan year, LHA anticipates it will lease 100% of the 225 non-MTW HCV units authorized as of July 1, 2013. This includes 170 VASH units, 30 Shelter Plus Care units, and 25 Mainstream units.

5. Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH):

LHA has traditionally maintained high occupancy rates in both its public housing and HCV programs, and does not anticipate any difficulties leasing units during FY 2014. LHA anticipates issuing tenant-based HCVs to facilitate the relocation of current Pimlico residents prior to RAD conversion. Any voucher turnover occurring during this time period will be used to provide vouchers to relocating Pimlico residents. Rather than add to the LHA's (already long) voucher waiting list, the LHA plans to keep its HCV waiting list closed at least until the relocation process is complete. The HCV waiting list will likely remain closed throughout FY 2014.

LHA was awarded an additional 50 VASH vouchers in April 2012 (bringing its total VASH voucher count to 170), and 122 of LHA's 170 vouchers were in use by VASH families as of January 31, 2013. The Housing Authority is working with the Lexington VA (Veterans Affairs) to lease these vouchers, but cannot do so without referrals from the VA. In April 2013, the Lexington VA expanded their geographic area to include the Somerset, Kentucky voucher program's jurisdiction, and the LHA is now porting VASH vouchers to this jurisdiction. As of July 1, 2013, twenty VASH vouchers had been ported to Somerset. LHA will continue to meet periodically with Lexington VA staff to assess VASH leasing strategies.

6. Number of project-based vouchers in-use at the start of the Plan year

As of July 1, 2013, the LHA has no project-based vouchers. However, during FY 2014 the LHA plans to convert 206 units at the Pimlico public housing development to project-based vouchers under HUD's Rental Assistance Demonstration (RAD) program. The Housing Authority does not expect to begin leasing these units until FY 2015.

Table II-B.1 Leasing Information

Housing Program	As of July 1, 2013 Units Available	Units Leased	Occupancy Rate
Public Housing[1]	**1,097**	**1,064**	**97%**
Housing Choice Voucher Program			
MTW Housing Choice Vouchers[2]	2,405	2,405	100%
Non-MTW Housing Choice Vouchers			
Veterans Affairs Supportive Housing (VASH)	170	122	72%
Shelter Plus Care[3]	30	36	120%
Mainstream Program[3]	25	26	104%
Total Housing Choice Voucher Program	**2,630**	**2,589**	**101%**
Total Units	***3,727***	***3,653***	***98%***

[1]LHA anticipates it will maintain a 97% public housing occupancy rate during FY 2014, leasing approximately 1,064 of the 1,097 public housing units remaining after subtracting the 206 units to be removed in expectation of the renovation of Pimlico.

[2]Renovation of the Pimlico site will commence in FY 2014, and all 206 units at the site will be converted to project-based vouchers. Renovations are not expected to be complete until FY 2015. Thus, the MTW HCV leasing numbers will not reflect the addition of these project-based vouchers until that time.

[3]In both the Shelter Plus Care and Mainstream programs, LHA's actual cost of rental assistance has been lower than the amount used to calculate the grant. This happens primarily because the grants are calculated using HUD-prescribed Fair Market Rents (FMRs), but most participants have some income and, therefore, contribute something toward their rent. Additionally, participants are sometimes able to locate units to lease for rents that are less than the FMR. In such instances, LHA realizes savings equal to the difference between the FMRs utilized in calculating the grant and the actual amount of Housing Assistance Payments made on behalf of participants. Program regulations allow the Housing Authority to use these savings to serve a greater number of participants, resulting in utilization rates in excess of 100%.

Note that 50 of the VASH Vouchers were awarded April 1, 2012 which means as of July 1, 2013 they were still in the lease up period. If these units are removed from the VASH inventory VASH leasing is 102%. Also please bear in mind that VASH units cannot be leased without a referral from the VA. In April 2013 the Lexington VA expanded their geographic area to include the Somerset, Kentucky voucher program jurisdiction, and the LHA began to port VASH vouchers to this jurisdiction. To date, 20 VASH vouchers have been ported to Somerset.

C. Waiting List Information

1. Description of anticipated changes in waiting lists:

The proportional composition of LHA's public housing and HCV waiting lists by bedroom-size and household income level is not expected to vary significantly during FY 2014.

Please see tables II.C-1 and II.C-2 below for waiting list composition as of July 1, 2013.

2. Description of anticipated changes in the number of families on the waiting lists and opening and closing of waiting lists:

Public Housing

On May 1, 2013 the LHA's public housing waiting lists (excluding Connie Griffith Tower, which is designated near-elderly) were closed. The LHA anticipates that these public housing waiting lists will remain closed for the duration of FY 2014.

Housing Choice Voucher Program

As of July 1, 2013, the Housing Authority's HCV waiting list is closed. The LHA plans to keep its voucher waiting list closed at least until Pimlico relocation is complete. The HCV waiting list will likely remain closed for the duration of FY 2014.

Table II-C.1 Waiting List Households by Unit Size

	As of July 1, 2013					
Housing Program	**1 Bed**	**2 Bed**	**3 Bed**	**4 Bed**	**5 Bed**	**Total**
Public Housing (closed except for Connie Griffith Manor)	1,300	626	389	114	2	**2,431**
Housing Choice Voucher Program (closed)	86	130	89	24	3	**332**
Total Households on All Waiting Lists						***2,763***

Table II-C.2 Waiting List Households by Income Level

	As of July 1, 2013					
Housing Program	**Extremely Low**	**Very Low**	**Low**	**Moderate**	**High**	**Total**
Public Housing[1]	1,271	120	23	81	48	**1,543**
Housing Choice Voucher Program	251	44	13	0	24	**332**
Total Households on All Waiting Lists	***1,522***	***164***	***36***	***81***	***72***	***1,875***

*As indicated in Table II-C.1, the total number of public housing waiting list households is 2,431. However, households on this waiting list do not consistently provide income information even though this data is requested in the pre-application. As of July 1, 2013, income information is not available for 888 public housing waiting list households.

III. Non-MTW Related Housing Authority Information

A. Sources and Uses of Other HUD and Federal Funds

A list of planned sources of MTW-ineligible HUD funds during FY 2014 follows. The uses of the funds are evident given the sources.

Sources of Other HUD and Federal Funds[1]
(Non-MTW Funding Sources)

	FY 2014
HUD-Shelter Plus Care Vouchers	$196,320
HUD-Mainstream Vouchers	$137,253
HUD-VASH Vouchers	$316,755
Public Housing FSS Coordinator	$54,000
HCV FSS Coordinator	$50,028
Total Non-MTW Funding	**$754,356**

[1]Although final appropriations can vary from year to year, the ongoing sequestration makes the funding levels even more unclear than in past years.

B. Non-MTW Activities

LHA offers a number of resident programs that fall outside of the scope of the MTW demonstration program. These programs encourage self-sufficiency and increase the housing choices available to families.

HCV and Public Housing Family Self-Sufficiency (FSS) Programs
LHA offers self-sufficiency activities for 50 HCV and 50 public housing families. Each participating family works with an FSS Coordinator to develop a personalized family self-sufficiency plan, which includes a list of family strengths and barriers to self-sufficiency; a list of goals for each family member (both children and adults) and for the family as a whole; and a list of tasks the family plans to undertake in order to reach these goals.

Service Coordinator for Elderly/Disabled Residents
The LHA employs a full-time Service Coordinator to coordinate supportive services for elderly and/or disabled public housing residents, helping them to remain independent and in their own homes. This person assesses service needs, helps determine eligibility for public services, and links residents to supportive or medical services provided by public agencies or private practitioners within the community.

HCV Homeownership Program
This program is designed to provide homeownership opportunities for low- and moderate-income families who ordinarily would not be able to afford to purchase their own home. Administered by REACH (a local non-profit affordable housing development agency), the program requires potential homebuyers to be both income and mortgage eligible, with eligibility determined by the mortgage lender. LHA is proud to currently be assisting 29 families with their mortgage payments through this program.

Mainstream HCV Program
LHA maintains 25 HCV vouchers as part of HUD's Mainstream Program. These vouchers enable families including a person with disabilities to lease affordable private housing of their choice. These families often face difficulties in locating suitable and accessible housing on the private market.

Self-Sufficiency Public Housing
LHA has 845 self-sufficiency public housing units throughout the Lexington community. Designed to reward working families, these units have features that tend to make them more desirable than the rest of the Authority's more traditional public housing stock - they are newer or newly renovated; they contain more amenities; and the buildings are much smaller (generally duplexes or single-family dwellings). Typical amenities not found in the rest of LHA's public housing stock include dishwashers, wall-to-wall carpeting, ceramic floors, icemakers, and multiple bathrooms in larger units.

To qualify for Self-Sufficiency I units, the family's head-of-household, co-head or spouse must work at least 37.5 hours a week. A multi-person family with only one adult member, who is enrolled as a full-time student in an accredited college, university or vocational school, is also eligible. To qualify for Self-Sufficiency II units the head-of-household, co-head or spouse must work 20 hours a week, although a multi-person family with only one adult member, who is enrolled as a full-time student, is also eligible.

Shelter Plus Care HCV Program
LHA maintains 30 HCV vouchers as part of HUD's Shelter Plus Care Program. These vouchers provide long-term housing for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and AIDS or related diseases. The program targets individuals and families who are living in places not intended for human habitation (i.e., living on the street) or in emergency shelters.

Veterans Affairs Supportive Housing (VASH) HCV Program
LHA maintains 170 HCV vouchers as part of HUD's VASH program, which combines HCV rental assistance for homeless veterans with case management and clinical services provided by Veterans Affairs. Twenty of these vouchers were awarded in April 2012, and were still in the initial lease up period at the end of FY 2013.

Rental Assistance Demonstration (RAD) / Pimlico Rehabilitation
In December 2012, HUD notified the LHA that it had been accepted into the RAD program, giving the Housing Authority permission to convert 206 units in the Pimlico

public housing development to project-based vouchers or project-based rental assistance. See Appendix H for additional information regarding the LHA's plans for Pimlico.

Revitalization of Appian Hills

The upcoming revitalization of Pimlico Apartments leaves Appian Hills as LHA's last aging family public housing development. Should HUD issue a NOFA during FY 2014 that would aid in the redevelopment of the site, LHA may apply for these funds.

IV. Long-Term MTW Plan

The mission of the Lexington-Fayette Urban County Housing Authority (LHA) is to provide safe and desirable affordable housing to low and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA's long-term vision for its participation in the MTW demonstration program integrates this local mission with the federal statutory objectives of the MTW program. The result is a carefully crafted list of local goals, which tailor the federal objectives to the specific needs of the Lexington-Fayette community.

1. Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community.
2. Increase the number of families moving toward self-sufficiency.
3. Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a "service-enriched" housing environment.
4. Reduce the Agency's administrative costs while limiting the administrative burdens placed on staff and residents.

The following sections describe how LHA plans to leverage the MTW program to achieve each of these goals.

Goal 1: Increase the number and quality of affordable housing choices throughout the Lexington-Fayette community.

By the 1990s, unchecked development in Fayette County was accelerating the loss of Lexington's famous bluegrass pastures and horse farms to such an extent that public outcry launched legislative initiatives to limit growth including a moratorium on rural lot creation for subdivision development. These efforts succeeded in saving Lexington's bucolic surroundings but at a price; land costs within the city boundaries increased significantly as did housing prices in general. Affordable housing creation became much more difficult and the waiting lists for subsidized housing programs grew.

Today, over 2,000 Lexington families are waiting for one of LHA's 1,283 public housing units to become available. Due to stiff competition with the community's large number of university students for other non-public-housing options, one-bedroom units are in particularly short supply.

Meanwhile, the demand for Housing Choice Voucher (HCV) units so outstrips supply that the Authority's waiting list was closed from August 2004 to October 2010. When LHA decided to briefly open the list to new applicants in 2010, the agency received 1,343 applications in five days. The message is clear – Lexington desperately needs additional housing choices for low-income families.

And LHA has been working tirelessly to fulfill this need. Thanks to a significant infusion of federal HOPE VI funds over the last decade, the agency has demolished two large, obsolete family public housing developments – Charlotte Court and Bluegrass-Aspendale - and created vibrant mixed-income communities in their place. These large-scale revitalization projects created hundreds of new rental and homeownership units, both on the original sites and scattered throughout the community.

Now, as LHA winds up the last of the Bluegrass HOPE VI construction and prepares to begin renovation of Pimlico Apartments through HUD's Rental Assistance Demonstration (RAD) during FY 2014 (See Appendix H for additional information), it is evaluating its past development strategies and synthesizing new approaches. LHA is eager to develop alternative strategies besides competitive grant applications that don't leave the Authority possibly waiting for years for its turn at highly competitive and extremely limited funds.

As part of the Appian Hills rehabilitation, LHA will explore the concept of "flexible floor plans." The site has a large number of 4-bedroom units, and the agency is currently in desperate need of 1-bedroom apartments. Converting these units to flexible floor plans would allow LHA to seamlessly adapt to the constantly changing demographics of residents without expensive unit reconfigurations, using these units alternately as either multi-bedroom homes or one-bedroom apartments.

Looking beyond the rehabilitation needs of sites like Pimlico and Appian Hills, the agency is focusing on the acquisition and development of smaller sites, typically only a half-dozen units or less. This kind of work requires a more nimble strategy; the Authority must be able to adjust to continuously shifting local market conditions and act swiftly when a promising site becomes available. The flexibilities provided by the MTW demonstration, including single-fund fungibility and a streamlined acquisition process, better position LHA to take advantage of opportunities as they appear.

But creating these new affordable housing units is not enough. The entire exercise is moot if low-income households remain unaware of the full range of their housing choices. According to the *2009 Analysis of Impediments to Fair Housing Choice in Lexington-Fayette County, Kentucky*, "Individuals and/or households in the Lexington-Fayette County, Kentucky jurisdiction may not consider housing opportunities across a broad range of neighborhoods and communities that provide a desired quality of life and contain quality affordable housing." The Analysis of Impediments further found that "while income disparities across racial and ethnic groups contribute to segregated residential patterns, our analysis suggests that households across all income groups live in racially and ethnically segregated neighborhoods. In particular, black households of all incomes live in neighborhoods with disproportionately fewer whites…To the extent that such decisions are a matter of choice, households may not be making decisions with information about the full range of options available throughout the Lexington-Fayette

County area, and so restrict their housing searches to a subset of neighborhoods. These search patterns reinforce segregation in the city of Lexington and the county of Fayette."

In short, information is a key component to furthering fair housing choice in the Lexington community – and communicating this information is a key goal of LHA staff. The LHA is committed to this goal, instituting a number of new initiatives designed to enhance LHA's ability to communicate with residents and the wider community.

Perhaps the most important of the agency's initiatives is the creation of four resident advisory panels – one for each of its three property management teams plus an additional panel for its HCV program. These residents advise LHA staff on the most effective ways to reach their neighbors, while serving as a conduit to disseminate information to the rest of the community. These panels also provide real-time feedback on MTW initiatives, allowing the Authority to course-correct as soon as issues arise.

Other new communications initiatives include the publication of an annual report and calendar, frequent use of the agency's website to inform residents, and separate resident newsletters for each of the Authority's three property management teams.

LHA is also pleased to have Art Crosby of the Lexington Fair Housing Council on its MTW Stakeholders Committee. His continued presence will ensure that the promotion of fair housing choice remains a principal goal of the MTW program over the long-term.

Goal 2: Increase the number of families moving toward self-sufficiency.

Providing additional affordable housing stock – while critical – isn't the only way to help low-income families increase their housing choices. Initiatives that raise or stabilize household income also boost the number and variety of housing types a family can afford.

Therefore, the second prong of LHA's long-term MTW approach involves moving more families toward self-sufficiency.

Rent Reform
One of the founding goals of MTW was to have the demonstration serve as a laboratory to test alternative rent models that encourage employment and self-sufficiency. In fact, rent reform is currently the **only** policy innovation that MTW agencies are required to implement.

MTW rent reform policies typically fall into one of six categories, which can be implemented as stand-alone initiatives or in combination:

- Flat or tiered rent structures;
- Modifications to current exclusion/deduction requirements;

- Alternate income verification procedures;
- Alternate utility allowance policies;
- Alternate minimum/maximum rents; and/or
- Alternate recertification schedules.

LHA is particularly interested in the ability the MTW program provides to tailor rent reform initiatives to the needs of specific resident populations. One initiative might target families with young children, while another focuses on elderly residents with fixed-incomes, and a third is specifically designed to help residents already living in self-sufficiency units.

Embracing the idea of MTW as laboratory, LHA's Executive Director challenged the managers of each of its property management teams and its Housing Choice Voucher program to design their own pilot rent reform initiative targeting the residents served by their team. Why this approach to rent reform? The idea was to implement the reforms front-line LHA staff believed would be the most effective as soon as possible. Three of the four initiatives were so successful during FY 2012-FY 2013 that the LHA plans to expand them agency wide during FY 2014.

With input from their team members, senior staff, and the MTW Stakeholders Committee, each manager crafted the rent reform pilot he or she thought would best serve their resident population:

- Management Team I: Increase Minimum Rent at Pimlico from $50 to $150;
- Management Team II: Triennial Recertification of Griffith Tower Households;
- Management Team III: Prohibit Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents; and
- Housing Choice Voucher Program: Prohibit Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Households.

In light of a recent restructuring of the agency's property management teams that reduced the number of public housing teams from four to three, the LHA has opted not to implement an additional suggested pilot to create a tiered rent structure at the 12th Street public housing development.

In order to rigorously test the effects of alternate rent structures, HUD requires that at least one of these rent reform initiatives be implemented as a controlled study. That means each household will be randomly assigned to a treatment or control group. Only the treatment group will be subject to the initiative requirements. The control group will continue to be governed by LHA's current policies. After consultation with HUD and the

Authority's MTW Evaluation Team, LHA decided to implement the rent reform initiatives for Management Teams I and III and the Housing Choice Voucher Program as controlled studies. All three studies were implemented during FY 2012-FY 2013.

LHA will report on the results of each of these rent reform initiatives annually in its MTW Annual Report. The report will summarize initiative results using the benchmarks and metrics detailed for each activity in Sections V and VI of this Plan, which describe both new and ongoing MTW activities.

Furthermore, an impact analysis will be conducted annually for each initiative. This analysis will verify that the rent reform initiative does not disparately impact the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender. These results will also be included in the MTW Annual Report.

Changes to these initiatives will be included each year in the Authority's MTW Annual Plan. Each year's Plan will have a 30-day public comment period, which will include a public hearing.

Resident Rewards Incentive Program
Beyond rent reform, one the most promising and exciting initiatives included in LHA's long-term MTW Plan is an initiative that will reward LHA tenants' positive behavior. In the FY 2012-2013 Plan, LHA staff proposed that a program would be piloted at Pimlico and target parents and guardians who become more involved in their child(ren)'s education. Although LHA staff has many positive examples of families who are moving successfully toward self-sufficiency, we can cite just as many examples of families who struggle toward self-sufficiency.

After further review staff realizes that this initiative should be broadened beyond households with children. Staff plans to promote and implement a Resident Rewards Incentive Program (RRIP) that will target residents of Lexington's public housing and Housing Choice Voucher (HCV) programs, encouraging them to make positive strides toward self-sufficiency. Staff is scheduling meetings with local stakeholders during the first quarter of calendar year 2013 to determine the best approach to moving forward with this initiative. We believe that rewarding positive behavior will bring about desired results, such as:

·*Being Responsible Tenants*
·*Being Good Neighbors*
·*Gaining Tools to become Homeowners*
Involvement in the community
·*Positive Influence on Children*
·*Active Participant in the education their children*
·*Encourage their children to excel in education*
·*Continuing their Education*
·*Secure and Maintain Steady Employment*

We plan to design the RRIP to offer points to tenants who demonstrate their efforts toward effecting positive changes like: gaining a GED, seeking employment, attending resident meetings, taking part in community events, attending parent/teacher conferences, receiving good grades, volunteerism, etc. Households can then redeem points using a menu of incentives offered at a variety of different points levels. Families may select items with a low points value that they can earn quickly like books and gift cards, or save their points for more long-term goals – perhaps a bicycle for a child or a free month's rent for the household. LHA staff talked with an on-line rewards firm on April 5, 2013 to discuss options for developing a rewards program. From that meeting, staff received price estimates and now has a starting point, knowing the upfront costs that are necessary to get the program off the ground. While we realize the complexity of such a project, we think the rewards will prove worthwhile.

Goal 3: Increase and strengthen the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a "service-enriched" housing environment.

The ability of public housing authorities to provide direct services for residents has traditionally been limited by the scope and funding provisions of the primary federal programs that facilitate resident services - FSS (Family Self-Sufficiency), ROSS (Resident Opportunity and Self-Sufficiency), and HOPE VI. These programs provide funding to hire service coordinators who manage activities or refer residents to other non-profit or local government agencies, but do not provide the type of intense, direct intervention populations with special needs often require.

The MTW program provides housing authorities with regulatory flexibilities that allow them to forge stronger partnerships with service providers, creating housing the partner can manage as service-enriched housing – in other words, partnerships that allow residents to receive the help they need in the place where they live.

The possibilities are almost endless - housing authorities have used MTW to help many different populations. Examples include women and children leaving abusive environments; families dealing with mental illness or other health issues like HIV/AIDS; and mothers returning from prison who want to reunite with their children.

LHA is eager to use available MTW flexibilities to both strengthen its current partnerships with local social service agencies and to forge new affiliations to help underserved populations with special needs in the Lexington community. The Authority currently has 11 such partners, who together are allocated 437 vouchers. These agencies serve victims of domestic violence; individuals with mental illness and/or substance abuse issues; individuals recently released from prison or jail; families in need of financial literacy, credit management, and homeownership resources; single parents enrolled full-time in higher education; and homeless individuals and families. These partnerships provide service-enriched housing to households while they participate in a program offered by the non-profit organization.

LHA proposes to enter into a memorandum of understanding (MOU) with each of the eight special partners that house participant families in fixed dwelling units and negotiate a facility monthly rent with each. The MOU will include a description of each program, the targeted population, an overview of services provided, and a list of program goals. The agreement will also state the basic obligations of both the special partner and the Housing Authority. Applicant income eligibility will be determined based on HUD requirements, and the partners will report to LHA on a regular basis information on both households served and services provided. LHA intends to negotiate these MOU's between April 1, 2013 and June 30, 2013, although no special partner MOU will be effective until after HUD approves this Annual Plan.

LHA looks forward to pursuing additional partnerships in upcoming years, and will continuously seek input from its resident advisory panels, the MTW Stakeholders Committee, and the community at large regarding the best places to pursue this type of programming.

Goal 4: Reduce the Agency's administrative costs while limiting the administrative burdens placed on staff and residents.

MTW is in part a deregulation demonstration, designed to relieve public housing authorities from excessive regulatory burden. This means housing authorities have the opportunity – with prior HUD approval – to streamline their processes by waiving onerous regulations that do not serve their local needs.

LHA has decided to focus its efforts in this area on the inspections processes used in the Housing Choice Voucher and public housing programs.

Housing Choice Voucher (HCV) Inspections
HUD regulations currently mandate that housing authorities inspect every HCV unit at least annually to ensure it meets Housing Quality Standards (HQS). While LHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all HCV households, the Authority believes it can achieve this outcome more cost-effectively through a new *Star Rating System* for HCV property owners.

Over the course of the last year, LHA has developed a risk-based inspection process that evaluates owners on multiple factors including:

- Past HQS inspection scores
- Number and outcome of complaint inspections requested in the past
- Number of past abatements

These factors will be used to assign a star rating from one ✯ through five ✯ ✯ ✯ ✯✯ stars to each landlord. This rating will then be used to determine the frequency of future inspections.

During FY 2014 LHA will implement this new inspection process, creating a streamlined, cost-effective approach that aggressively enforces HQS at the most at-risk/problematic properties, while reducing inspection frequency at high-quality properties.

Strategic Planning
During FY 2013 staff saw a need for rebranding MTW locally and developed "Opening Doors…" as the tagline for introducing MTW activities to our residents and the community. "Opening Doors…" conveys exactly what we want for those we serve. In discussions about self-sufficiency and what it means to this agency and our clients, "Opening Doors" seemed appropriate because we want our clients to have the necessary tools to open doors to: education, employment, homeownership, financial security, or whatever their goal for self-sufficiency may be. The doors used in the campaign are actual doors that were salvaged from the now demolished Bluegrass-Aspendale housing complex and transformed into works of art for the 2003 public arts project - Dynamic Doors Portals to Creativity are featured on the cover of this report as well as used in our marketing efforts.

We see the creation of a MTW mission statement and a local definition of self-sufficiency as priorities that go hand in hand with our new brand name. The LHA defines a self-sufficient family as one that has become a responsible tenant family through employment, education and community involvement. The mission statement reflects our goals for "Opening Doors…"

MTW Mission Statement
The Lexington Housing Authority will serve as a prudent financial steward of federal, state and local resources endeavoring to more effectively provide safe and desirable affordable housing, while furthering the self-sufficiency of families within Lexington-Fayette County.

Logic Model
Staff is currently working to develop a logic model that will be helpful in stating the relationship between resources, activities and outcomes in the LHA's reporting. Starting FY 2013 a logic model will be incorporated into the LHA's annual reporting.

Evaluation
If the MTW demonstration program is a laboratory to test innovative approaches in public housing and the HCV program, a strong research-based, outcome-focused evaluation component is the only way to determine which of these new approaches actually work. Otherwise, claims of success are often anecdotal and difficult to verify.

That is why LHA has sought the participation of an objective, third party evaluator, Kentucky State University (the state's only historically black college and an 1890 land-grant institution), to continually monitor and report on the effects of its MTW initiatives.

For each MTW initiative implemented by the Authority, the evaluation team assists in determining appropriate baselines, benchmarks, and metrics to assess outcomes affecting residents, LHA, and HUD statutory objectives. Kentucky State will work with the agency to collect all relevant data, which the evaluation team will then analyze, so they can regularly report on progress against baselines and benchmarks, recommending initiative modifications where appropriate. At the end of each Plan year, they will help LHA determine which MTW activities should be continued or expanded, which should be modified, and which should be dropped.

At the completion of the MTW demonstration or upon renewal of the MTW Agreement with HUD, they will create a final report summarizing the outcomes of all the agency's MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

The evaluation team will be particularly helpful as the agency attempts to implement multiple rent reform initiatives. As appropriate for each initiative, Kentucky State will help LHA set up and track a controlled study where residents are randomly assigned to treatment and control groups. They will also perform an annual impact analysis to make sure the Authority's rent reforms do not have any unintended disparate impacts on protected classes of residents.

V. Proposed MTW Activities: HUD Approval Requested

This section also includes previously approved MTW activities that will be significantly modified in FY 2014.

Activity 1) Minimum Rent Increase to $150 Across All Housing Programs

A. Description

The LHA initially proposed this activity in the FY 2012 – FY 2013 MTW Annual Plan for Pimlico Apartments, the agency's largest, aging family public housing site. Minimum rent for Pimlico households was increased effective May 2012. During FY 2013, the LHA applied for and was accepted into HUD's Rental Assistance Demonstration (RAD). During FY 2014 the Pimlico site will be completely vacated and renovation will begin. However during FY 2012 - 2013 the revenue generated from the $150 minimum rent increase at the site was approximately $17,000 monthly. LHA staff sees the increased revenue as significant, given the pressing need to generate dollars in uncertain economic times. Therefore, the LHA will expand this activity to all public housing and HCV units excluding elderly, disabled households and HCV special partners during FY 2014. The initiative will promote self-sufficiency by encouraging heads-of-household to work, while raising much-needed revenue. This revenue can then be put directly back into the LHA's public housing developments to include, but not limited to – allowing LHA to complete long-deferred maintenance projects, in addition to using this revenue to supplement the voucher program funding and assist more families.

Pimlico Rent Reform Study

This activity will be suspended at Pimlico during FY 2014 as the units will be vacant during the revitalization process. Once the site has been re-occupied, the LHA will not re-institute this rent reform study. As the LHA plans to expand the $150 minimum rent to its entire public housing inventory (see below), no comparable public housing site charging a $50 minimum rent will be available to serve as a control group.

Rent Reform Expansion

To ensure this initiative targets heads-of-household who are able to work, elderly and disabled families will be exempt. Of the 860 non-disabled / non-elderly public housing households, 219 pay less than $150 in rent. In the HCV program, of 1,454 vouchers held by non-elderly and non-disabled households and excluding special partner participants, 588 pay less than $150 in rent. The expanded version of this activity will not be implemented in a controlled study.

Households currently paying less than $150 per month will be given ninety days notice of the increase in their family's rent. Hardship requests will be processed per LHA's MTW Rent Reform Hardship Policy, which can be found in Appendix C.

B. Relation to Statutory Objectives

This activity will increase family self-sufficiency.

C - E. Impacts, Metrics, and Data Collection

Pimlico Rent Reform Study Metrics

The Pimlico Rent Reform Study will terminate following the relocation of residents from the site in FY 2014. For this reason, no updates have been made to the metrics tables below for FY 2014.

	Control Group: Appian	*Treatment Group:* Pimlico
Units	44	206
Occupied Units	40	185
Disabled / Elderly Households	4	33
Non-Disabled / Non-Elderly Households	**36**	**152**

Impact: Encouraging non-disabled/non-elderly (ND/NE) adult household members to work

Metric	Study Group	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	Data Source
# (%) of families paying at least $150 per month in rent	Control:	17 (43%)	17 (43%)	WinTen2
	Treatment:	31 (20%)	147 (97%)	
Avg (Median) earned income reported by families monthly	Control:	$454 ($0)	$454	WinTen2
	Treatment:	$181 ($0)	$272	
Avg (Median) total income reported by families monthly	Control:	$1,358 ($1,172)	$1,358	WinTen2
	Treatment:	$694 ($592)	$785	
Avg (Median) monthly rent payment of families	Control:	$200 ($94)	$200	WinTen2
	Treatment:	$105 ($55)	$150	
# (%) of families requesting hardship exemptions	Control:	N/A	N/A	Property Manager Log
	Treatment:	N/A	15 (10%)	
# (%) of families granted hardship exemptions	Control:	N/A	N/A	Property Manager Log
	Treatment:	N/A	4 (3%)	
# (%) of residents requesting transfer	Control:	3 (8%)	3 (8%)	Property Manager Log
	Treatment:	2 (1%)	5 (3%)	
# (%) of residents who: a) transfer, b) move out of LHA housing, c) are evicted	Control:	A = 0 (0%) B = 10 (25%) C = 2 (5%)	A = 0 (0%) B = 10 (25%) C = 2 (5%)	Property Manager Log / WinTen2
	Treatment:	A = 0 (0%) B = 35 (19%) C = 8 (4%)	A = 2 (1%) B = 37 (20%) C = 8 (4%)	

Impact: Assessing the costs/benefits of this activity for LHA

Metric	Study Group	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	Data Source
Total monthly rent revenue (Rent less utility subsidy) from ND/NE households	Control:	$6,896 ($401)	$6,896 ($401)	WinTen2
	Treatment:	$15,958 (-$4,449)	$29,790 ($18,281)	
# of initiative-related complaints reported to staff	Control: Treatment:	N/A N/A	N/A 16	Property Manager Log
Staff time spent handling complaints	Control: Treatment:	N/A N/A	N/A 5.5 hours	Property Manager Log

Impact: Assessing the impact of this activity on residents

Metric	Study Group	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	Data Source
Resident satisfaction (Likert scale – 5=Low; 10=Medium; 15=High)	Control:	N/A	Medium (10)	Survey / Focus Group Results
	Treatment:	N/A	Low (5)	

Agency-Wide Metrics

	HCV	*Public Housing*
Households Subject to Rent Reform Activity	1,454	860

Impact: Encouraging non-disabled/non-elderly (ND/NE) adult household members to work

Metric[1]	Program	FY 2013 Baseline[2]	FY 2014 Benchmark	Data Source
# (%) of families paying at least $150 per month in gross rent / TTP	Public Housing	641 (75%)	860 (100%)	WinTen2
	HCV	866 (60%)	1,454 (100%)	
	Agency-Wide	1,507 (65%)	2,314 (100%)	
Avg (Median) gross annual earned income reported by families	Public Housing	$10,512 ($8,190)	$10,825 ($8,425)	WinTen2
	HCV	$8,632 ($3,000)	$8,890 ($3,075)	
	Agency-Wide	$9,331 ($6,084)	$9,605 ($6,225)	
Avg (Median) total adjusted annual income reported by families	Public Housing	$11,197 ($8,958)	$11,530 ($9,220)	WinTen2
	HCV	$10,501 ($8,136)	$10,815 ($8,375)	
	Agency-Wide	$10,760 ($8,410)	$11,075 ($8,650)	
Avg (Median) monthly gross rent payment / TTP of families	Public Housing	$281 ($226)	$302 ($226)	WinTen2
	HCV	$271 ($203)	$306 ($203)	
	Agency-Wide	$275 ($211)	$305 ($211)	
# (%) of families requesting hardship exemptions (of those whose rent is increased)	Public Housing	N/A	11 (5%)	Property Manager Log
	HCV	N/A	29 (5%)	
	Agency-Wide	N/A	40 (5%)	
# (%) of families granted hardship exemptions (of those whose rent is increased)	Public Housing	N/A	7 (3%)	Property Manager Log
	HCV	N/A	18 (3%)	
	Agency-Wide	N/A	25 (3%)	
# (%) of residents who leave LHA housing	Public Housing	97/11%	102/12%	Property Manager Log / WinTen2
	HCV	152/10%	160/11%	
	Agency-Wide	257/11%	270/12%	

[1] Metrics exclude disabled/elderly families, special partner families, and live-in aides.
[2] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)

Impact: Assessing the costs/benefits of this activity for LHA

Metric[1]	Program	FY 2013 Baseline[2]	FY 2014 Benchmark	Data Source
Total gross monthly rent revenue (Net monthly rent revenue)	Public Housing	$242,040 ($146,196)	$259,737 ($163,893)	WinTen2
	HCV	$394,734 ($145,633)	$445,333 ($196,232)	
	Agency-Wide	$636,774 ($291,829)	$705,070 ($360,125)	
# of initiative-related complaints reported to staff	Public Housing	N/A	20	Property Manager Log
	HCV	N/A	55	
	Agency-Wide	N/A	75	
Staff time spent handling initiative –related complaints	Public Housing	N/A	7 hours	Property Manager Log
	HCV	N/A	18 hours	
	Agency-Wide	N/A	25 hours	

[1] Metrics exclude disabled/elderly families, special partner families, and live-in aides.
[2] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)

Impact: Assessing the impact of this activity on residents

Metric	Program	FY 2013 Baseline	FY 2014 Benchmark	Data Source
Resident satisfaction (Likert scale – 5=Low; 10=Medium; 15=High)[1]	Public Housing	TBD	Low (5)	Survey / Focus Group Results
	HCV	TBD	Low (5)	
	Agency-Wide	TBD	Low (5)	

[1] Baseline resident satisfaction data will be collected following HUD approval of MTW activity modification

F. Authorizations Cited

Attachment C, Section C.11. Rent Policies and Term Limits, which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 966 Subpart A.

Attachment C, Section D.2.a. Rent Policies and Term Limits, which waives certain provisions of: Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518.

G. Rent Reform Information

Agency's Board approval of policy:
See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:
In the following tables, the LHA has compiled baseline data that will allow it to analyze the impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. LHA will continue to conduct an impact analysis annually to verify that this rent reform initiative does not unintentionally disparately impact the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Activity 1: Public Housing Disparate Impact Analysis - Baseline Data					
Public Housing Population	**Heads of Household**	**Average Gross Annual Earned Income**	**Average Total Adjusted Annual Income**	**Average Gross Rent Payment**	**Average Increased Rent Burden**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households	860	$10,512	$11,197	$281	$21
Gender of Head of Household					
Female	774	$10,610	$11,245	$284	$20
Male	86	$9,623	$10,764	$260	$26
Race of Head of Household *(Multiple selections permitted)*					
Black	677	$10,959	$11,656	$290	$21
White	179	$9,267	$10,022	$257	$17
American Indian / Native Alaskan	4	$9,407	$3,333	$116	$34
Asian/Pacific Islander	5	$13,170	$7,930	$208	$27
Native Hawaiian / Other Pacific Islander	4	$8,120	$6,890	$210	$4
Other / Not Disclosed	3	$0	$568	$83	$67
Ethnicity of Head of Household					
Non-Hispanic	843	$10,514	$11,245	$282	$21
Hispanic	17	$10,411	$8,798	$251	$21
Age of Head of Household					
18 - 31	421	$9,284	$9,320	$249	$21
32 - 46	292	$11,734	$13,162	$317	$17
47 - 61	147	$11,600	$12,667	$305	$27
Excluded Households					
Elderly/Disabled Households	363	$971	$11,051	$260	N/A

Activity 1: HCV Disparate Impact Analysis - Baseline Data					
HCV Population	Heads of Household	Average Gross Annual Earned Income	Average Total Adjusted Annual Income	Average TTP	Average Increased Rent Burden
	FY 2013	*FY 2013*	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*
All Households Subject to Rent Reform Activity	1,454	$8,632	$10,501	$271	$35
Gender of Head of Household					
Female	1,404	$8,697	$10,547	$273	$34
Male	50	$7,995	$8,958	$237	$47
Race of Head of Household *(Multiple selections permitted)*					
Black	1,183	$8,942	$10,787	$279	$34
White	277	$7,561	$9,341	$242	$38
American Indian / Native Alaskan	5	$6,298	$7,354	$189	$34
Native Hawaiian / Other Pacific Islander	1	$0	$6,624	$166	$0
Asian/Pacific Islander	-	-	-	-	-
Other / Not Disclosed	1	$22,260	$0	$50	$100
Ethnicity of Head of Household					
Non-Hispanic	1,438	$8,654	$10,475	$271	$35
Hispanic	16	$10,432	$12,096	$306	$21
Age of Head of Household					
18 - 31	497	$8,258	$9,035	$237	$42
32 - 46	759	$9,231	$11,774	$302	$29
47 - 61	198	$7,579	$9,238	$242	$38
Excluded Households					
Elderly/Disabled & Special Partner Households	1,196	$1,810	$8,879	$227	N/A

Annual reevaluation of rent reform initiative:
This rent reform initiative will be reevaluated annually by LHA and its evaluation partner Kentucky State University (KSU) using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:
Elderly, disabled and HCV special partners households will be exempt from this initiative. All households will be subject to LHA's MTW Rent Reform Hardship Policy (see Appendix C).

Transition period:
LHA will mail 90-day notices informing affected households that their rent will be raised to $150. The minimum rent for public housing and HCV households will be raised to $150 approximately 90 days after this activity is approved by HUD.

Documentation of public hearing:
This rent reform initiative was discussed at a public hearing for the MTW Annual Plan. See Appendix A for public hearing documentation.

Activity 3) Triennial Recertification of Connie Griffith Towers and HCV Elderly/Disabled Households

A. Description
The Housing Authority implemented this activity for all 183 units at Connie Griffith Towers, a near elderly high rise, during FY 2012 – FY 2013. The success of that initiative has prompted staff to request authority to expand the activity to HCV elderly and disabled families on a fixed income. As the vast majority of elderly and disabled households in the HCV programs rely on fixed-income sources, there is little variation in household income on an annual basis. In reference to this activity, households on a fixed income are defined as any household with any amount of income from a fixed income source like Social Security, SSDI, or pension income.

At Connie Griffith Towers, 111 (66%) of the site's 167 families receive Social Security, while 82 (49%) receive SSI, and 41 (25%) have income from a pension. In all, 142 (85%) of these families rely on at least one fixed income source. All households residing at Connie Griffith, whether they have fixed income or not, are recertified every three years.

In HCV, 502 (67%) of the programs 751 elderly/disabled families receive Social Security, 480 (64%) receive SSI and 26 (3%) receive income from a pension. In all, 741 (99%) receive income from at least one fixed source.

Recertifying these families once every three years instead of annually will result in significant administrative relief for both residents and housing authority staff. Between triennial recertifications, whenever the federal government adjusts benefits paid through fixed-income programs like Social Security and SSI, the LHA reserves the right to adjust resident household incomes and rent payments accordingly.

The LHA is requesting approval to create a "local version" of HUD-Form 9886 that would be signed by the tenant at the triennial recertification. The form's content has been altered only to extend the expiration period from 15 months to 36 months and to remove any reference that would otherwise indicate it is a federal form. The new form available for review is located at the end of Activity 3 in the FY 2014 Annual MTW Plan. Families will be given the opportunity to switch between flat and income-based rent only during triennial recertification.

Households who experience a significant loss of income, an increase in allowable medical expenses, or a change in family composition may request an interim recertification at any time. Households whose income increases $200 or more must request an interim recertification.

B. Relation to Statutory Objectives
This activity will help reduce costs and achieve greater cost effectiveness in federal expenditures.

C-E. Impacts, Metrics, and Data Collection

Connie Griffith Metrics

	Connie Griffith Tower
Units	183
Occupied Units	**181**

Impact: Reducing costs and achieving greater cost effectiveness in federal expenditures

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Total number of annual recerts per year	181	61	61	WinTen2
# (%) of families requesting / receiving interim recerts	14 (8%)	18 (10%)	16 (9%)	WinTen2
Dollar value of staff time spent processing annual + interim recerts	$8,717	$3,531	$3,545	Management Specialist Interview / Payroll System

Impact: Assessing the costs / benefits of this activity for residents

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Avg (Median) gross annual earned income reported by families	$1,490 ($0)	$1,490	$1,520	WinTen2
Avg (Median) gross annual non-earned income reported by families	$9,847 ($9,144)	$9,847	$10,040	WinTen2
Avg (Median) total annual income reported by families	$11,337 ($9,480)	$11,337	$11,560	WinTen2
Resident satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium (10)	Medium to High (10-15)	Focus Group
Avg (Median) monthly rent payment of families	$223 ($198)	$223	$227	WinTen2

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Total monthly rent revenue	$40,416	$40,416	$41,220	WinTen2
Estimated costs savings from fewer recerts	N/A	$5,364	$5,172	Management Specialist Interview / Payroll System
Employee satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium to High (10-15)	Medium to High (10-15)	Focus Group

HCV-Wide Metrics

	HCV
Households Subject to Rent Reform Activity	741

Impact: Reducing costs and achieving greater cost effectiveness in federal expenditures

Metric	FY 2013 Baseline[1]	FY 2014 Benchmark	Data Source
Total # of annual recerts per year	741	185	WinTen2
# (%) requesting/receiving interim recert	63 (9%)	75 (10%)	WinTen2
Dollar value of staff time spent processing annual + interim recerts	$35,376	$11,523	Management Specialist Interview / Payroll System

[1] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)

Impact: Assessing the costs / benefits of this activity for residents

Metric	FY 2013 Baseline[1]	FY 2014 Benchmark	Data Source
Avg (Median) gross annual earned income reported by families	$996 ($0)	$1,015 ($0)	WinTen2
Avg (Median) gross annual non-earned income reported by families	$13,215 ($10,464)	$13,475 ($10,670)	WinTen2
Avg (Median) total adjusted annual income reported by families	$10,529 ($8,360)	$10,735 ($8,525)	WinTen2
Resident satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)[2]	TBD	Medium to High (10-15)	Focus Group
Avg (Median) monthly TTP of families	$264 ($209)	$269 ($213)	WinTen2

[1] All FY 2013 baseline data is based on a 12-month period ending February 28, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)
[2] Baseline resident satisfaction data will be collected following HUD approval of MTW activity modification

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2013 Baseline[1]	FY 2014 Benchmark	Data Source
Total monthly gross rent revenue (Net rent revenue) from families	$195,345 ($103,435)	$199,250 ($105,500)	WinTen2
Estimated costs savings from fewer recerts	N/A	$23,853	Management Specialist Interview / Payroll System
Employee satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)[2]	TBD	Medium to High (10-15)	Focus Group

[1] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)
[2] Baseline employee satisfaction data will be collected following HUD approval of MTW activity modification

F. Authorizations Cited

Attachment C, Section C.4. Initial, Annual and Interim Income Review Process, which waives certain provisions of Sections 3 (a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257.

Attachment C, Section D.1.c, Operational Policies and Procedures, which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan.

G. Rent Reform Information
Agency's Board approval of policy:
See Board Resolution documentation in Section VIII.A of this Plan.

Impact Analysis:
As elderly and disabled households will continue to be able to request an interim recertification if they experience a significant loss of income, an increase in allowable medical expenses, or a change in household composition, LHA does not anticipate that this rent reform initiative will increase the rent burden or have a disparate impact on protected classes of households.

Even so, LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender. Baseline data for this analysis is shown on the following tables:

Activity 3: Connie Griffith Manor Disparate Impact Analysis - Baseline Data				
Griffith Tower Population	**Heads of Household**	**Average Earned Income per Month**	**Average Total Income per Month**	**Average Gross Rent**
	FY 2011	*FY 2011*	*FY 2011*	*FY 2011*
All Households	181	$124	$945	$223
Gender				
Male	93	$130	$994	$231
Female	88	$118	$892	$215
Race				
Black	120	$136	$943	$221
White	59	$104	$954	$229
Native Hawaiian / Other Pacific Islander	2	$0	$736	$185
American Indian / Native Alaskan	-	-	-	-
Asian/Pacific Islander	-	-	-	-
Other	-	-	-	-
Ethnicity				
Non-Hispanic	179	$126	$945	$223
Hispanic	2	$0	$922	$256

Activity 3: HCV Disparate Impact Analysis - Baseline Data				
HCV Population	**Heads of Household**	**Average Gross Annual Earned Income**	**Average Total Annual Adjusted Income**	**Average TTP**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2013*
All Households	741	$996	$10,529	$264
Gender				
Female	614	$1,070	$10,604	$266
Male	127	$640	$10,167	$255
Race *(Multiple selections permitted)*				
Black	434	$1,229	$10,742	$269
White	306	$669	$10,238	$256
American Indian / Native Alaskan	1	$0	$7,016	$176
Asian/Pacific Islander	-	-	-	-
Native Hawaiian / Other Pacific Islander	-	-	-	-
Other / Not Disclosed	-	-	-	-
Ethnicity				
Non-Hispanic	740	$997	$10,532	$263
Hispanic	1	$0	$8,216	$206
	1			

Annual reevaluation of rent reform initiative:
This rent reform initiative will be reevaluated annually by LHA using the benchmarks and metrics discussed above and the results of the annual impact analysis. LHA will also seek public comment annually during the public hearing for its MTW Annual Plan.

Hardship case criteria:
No hardship exemption is needed for this initiative as households who experience a significant loss of income, an increase in allowable medical expenses, or a change in family composition may request an interim recertification at any time between scheduled triennial recertifications.

Transition period:
LHA plans to phase in this initiative for HCV families over a three-year period beginning July 2013. Recertifications for all eligible new households will be scheduled three years after their move-in date. For existing households no annual recertifications will be scheduled from July 1 through December 31, 2013. Half of the remaining families will be recertified in calendar year 2014 and all remaining households will be scheduled for calendar year 2015. Thereafter, all eligible households will be recertified on a triennial schedule.

Documentation of public hearing:
See Appendix A for public hearing documentation.

Local Authorization for the Release of Information Form

Activity 5) Streamlined HQS Inspection Policy for Housing Choice Voucher Units

A. Description

HUD regulations currently mandate that housing authorities inspect every HCV unit at least annually to ensure they meet Housing Quality Standards (HQS). While LHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all HCV households, the Authority believes it can achieve this outcome more cost-effectively through a new *Star Rating System* for HCV property owners.

LHA spent Year 1 of its participation in the MTW Demonstration crafting this new inspection process, aiming to create a streamlined, cost-effective approach that aggressively enforces HQS at the most at-risk/problematic properties, while reducing inspection frequency at high-quality properties.

The new protocol evaluates owners on multiple factors including:

- Past inspection scores;
- Results of new drive-by inspections;
- Proportion of units that have been abated in the past; and
- Past complaints reported by voucher holders

These factors will be used to assign a *Star Rating* from one ✯ through five ✯ ✯ ✯ ✯✯ stars to each landlord. These ratings will then be used to determine the quantity and frequency of future inspections.

LEXINGTON-FAYETTE URBAN COUNTY HOUSING AUTHORITY
FIVE-STAR INSPECTION PROGRAM

Intervals between HQS inspections of HCV units will be determined by the landlord's star rating as follows:

✯	Six-month interval between HQS inspections
✯✯	Twelve-month interval between HQS inspections
✯✯✯	Eighteen-month interval between HQS inspections
✯✯✯✯	Twenty-four month interval between HQS inspections
✯✯✯✯✯	Thirty-six month interval between HQS inspections

LANDLORD RATINGS WILL BE ESTABLISHED VIA THE FOLLOWING CRITERIA:

ONE STAR RATING (✯)
- A high percentage of units have historically failed annual HQS *(LHA will analyze historical failure rates to establish an appropriate numerical cut-off defining "high percentage.")*
- 20% or more of units go into abatement annually or 20% or more of units receive complaint inspections
- A $12 fee will be charged for each inspection

TWO STAR RATING (✯✯)
- Any landlord with 3 or fewer units on the program (subject to increased rating after three years with no failed inspections)
- Landlords new to the program
- Fewer than 20% of units go into abatement annually
- Fewer than 20% of units required complaint inspections over the previous year
- An $8 fee will be charged for each inspection

THREE STAR RATING (✯✯✯)
- Fewer than 10% of units go into abatement annually
- Fewer than 10% of units required complaint inspections over the previous year
- No failed drive by inspections
- Landlords self-certify annually that all units meet HQS
- A $4 fee will be charged for each inspection

FOUR STAR RATING (✯✯✯✯)
- Less than 2% of units go into abatement annually
- No complaint inspections over the previous year
- No failed drive by inspections
- Landlords self-certify annually that all units meet HQS

FIVE STAR RATING (✯✯✯✯✯)

- Site-based units (Special Partners)
- No complaint inspections over the previous year
- No failed drive by inspections
- Landlords self-certify annually that all units meet HQS

RATINGS ADJUSTMENTS:

During FY 2014 the LHA will examine additional criteria that will allow landlords to increase their star rating with the goal of including these criteria in the FY 2015 MTW Annual Plan. Possible criteria include the following:

- Reducing failed inspections
- Providing documentation that all units are under contract for professional pest control
- Providing documentation that all HVAC systems are inspected annually by qualified professionals
- Equipping units with energy-saving devices

INITIAL INSPECTIONS:

All new contracts will require an initial inspection. Based on the results of this inspection and an analysis of the owner's inspection history, the unit will then be assigned to star category 1, 2, 3, 4, or 5. This rating will determine when the next inspection is due. Landlords new to the program will initially default to the two-star category and will remain in this rating category until the LHA can collect sufficient historical data to assign them appropriately.

QUALITY CONTROL:

As the LHA has 2,405 authorized MTW HCV units, HUD recommends the Housing Authority conduct a minimum of 32 quality control inspections each year.[1] For the purposes of evaluating this activity the LHA plans to conduct a minimum of 50 quality control inspections annually, which we believe will provide ample data to statistically evaluate the program. The LHA will consult periodically with its Evaluation Team to ensure that sampling sizes are adequate to render statistically valid results.

[1]Minimum quality control inspection number (32) calculated using HUD's minimum recommended sampling guidelines for files and records.

All units inspected less than annually will be subject to increased, random quality control inspections according to the following schedule:

Star Rating	Percentage of Units in Star Rating Category to Be Randomly Inspected Each Year[2]
5	2%
4	5%
3	10%

[2]Percentages will be adjusted based on the final distribution of landlords between star categories.

MONETARY CHARGES TO THE LANDLORD:
In addition to the rating-based inspection fees, the following charges will be assessed to landlords:

- $75.00 for each abatement
- $75.00 for the second consecutive missed appointment
- $5.00 for each missing or inoperable smoke detector

DRIVE BY INSPECTIONS:
Quarterly, random drive-by inspections will be performed without notice on all three- to five-star rated units. Inspectors will check that:

- Lawns and parking areas are free of inoperable vehicles, downed gutters, excessive trash, etc.
- Apartment breezeways and other common areas are clean
- The grass is not overgrown, nor are weeds prevalent

Self-Certification of Continued HQS Compliance
In order to permit HQS inspections to occur at intervals greater than one year, the LHA will require landlords to self-certify that their units will continue to meet HQS standards until their unit is next inspected. A draft of this self-certification form has been included at the end of this activity for HUD's review and approval. The LHA will also modify the content of its HAP contract to outline and require landlord compliance with the Housing Authority's new 5-star inspection process.

Pre-Implementation Steps
The following update and information is presented after the first quarter of baseline data was reviewed. The HCV Inspectors have inspected 90% of the properties that we initially place in the 5 star category. Over 99% of these units passed on the initial inspection and the overall quality of these units was very good to excellent leading us to believe our initial assessment and inclusion in this category was correct. It should be noted that the only 2 units that failed, did so for minor violations that were corrected while the inspector was on-site.

During this initial period, the inspectors have utilized an inspection log to keep track of the ratings to determine not only if our initial assessment of category assignment was correct, but to allow landlords the opportunity to have their properties advance to the next level. The assessment period of this data is October – December 2012. Based on our evaluations during this period we are recommending that 11 landlords move up based on the condition of their units and their compliance with HQS. We further recommend that three landlords move down the rating scale necessitating more frequent inspections, based upon the general condition of their units, instances of non-compliance with HQS, complaints from tenants, and our records indicating the need to abatement HAP payments. LHA inspectors will continue to collect baseline HQS inspection data through September 2013, at which time the FY 2013 baselines listed in the metrics tables below will be updated as appropriate.

B. Relation to Statutory Objectives
This activity will help reduce costs and achieve greater cost effectiveness in federal expenditures.

The LHA is aware that there will be new costs associated with adding the category "drive by inspections" to the types of inspections the Housing Authority conducts on a regular basis.

However, the LHA projects a 10% decrease in the number of inspections conducted in the 12 months immediately following activity implementation (pro-rated to 7% in FY 2014 as the new 5-star inspection protocol will not be implemented until October 1, three months into the FY 2014 Plan year).

Once both a 2% inflation factor for rising staff costs and the projected 7% decrease in the number of inspections have been factored in, the Housing Authority anticipate a 5% reduction in the aggregate cost of HQS, quality control, and complaint inspections during FY 2014.

In addition, the LHA plans to collect approximately $9,150 in new landlord fees during FY 2014 as a result of unit abatements; missing or inoperable smoke detectors; and landlords who miss their 2nd scheduled inspection appointment.

C-E. Impacts, Metrics, and Data Collection

Metrics have been modified to better conform with updated 5-star inspection protocol. As this activity will not be implemented until FY 2014, baseline metrics have been updated to reflect more recent (FY 2013) data.

Impact: Reducing costs and achieving greater cost effectiveness in federal expenditures

Metric	FY 2013 Baseline	FY 2014 Benchmark	Data Source
# of landlords (units) in each star category rating	845 (2,477)	1-star:28 (73) 2-star:450 (1,312 3-star:257 (753) 4-star:102 (292) 5-star:2 (47)	WinTen2
# of HQS inspections conducted during fiscal year (Initial & Annual)	4,033	3,750	WinTen2
Estimated annual staff cost of all: A. HQS inspections B. Quality control inspections C. Drive-by inspections D. Complaint inspections	A. $76,627 B. $1,900 C. N/A D. $2,850	A. $72,800 B. $1,800 C. $5,000 D. $2,700	WinTen2 / Payroll System
Total (avg) inspection fees collected from landlords by star category	N/A	1-star:$1,750 2-star :$10,500 3-star:$2,250	WinTen2
Total fees collected by LHA as a result of: A. Abatement B. 2nd consecutive missed appointment C. Missing or inoperable smoke detector	A. 82 B. 18 C. N/A	A. $6,600 B. $1,350 C. $1,200	WinTen2

Assessing the costs / benefits of this activity for residents

Metric	FY 2013 Baseline	FY 2014 Benchmark	Data Source
# (%) of units placed into abatement at least once during FY:	92	1-star: 6 (8%) 2-star: 60 (5%) 3-star: 20 (3%) 4-star: 2 (1%) 5-star: 0 (0%)	WinTen2
# (%) of units receiving complaint inspections	152	1-star: 10 (14%) 2-star: 100 (8%) 3-star: 35 (5%) 4-star: 4 (1%) 5-star: 0 (0%)	WinTen2
# (%) of units receiving quality control inspections:	112	3-star: 75 (10%) 4-star: 15 (5%) 5-star: 1 (2%)	WinTen2
# (%) of units passing HQS inspection on first try:	1,871 (77%)	1-star: 55 (75%) 2-star: 1,025 (78%) 3-star: 640 (85%) 4-star: 260 (90%) 5-star: 47 (100%)	WinTen2
# (%) of units receiving drive-by inspections:	N/A	3-star: 753 (100%) 4-star: 292 (100%) 5-star: 47 (100%)	WinTen2

F. Authorizations Cited
Attachment C, Section D.5. Ability to Certify Housing Quality Standards, which waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I.

Attachment C, Section D.1.a. Ability to determine the term and content of HAP contracts to owners, provided any revised HAP contract includes language noting that the funding for the contract is subject to the availability of Appropriations, which waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan.

Attachment C, Section D.1.d.Operational Policies and Procedures, which waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual Plan.

G. Rent Reform Information
Not applicable.

Sample of HQS Self-Certification Form

Continued Compliance with Housing Quality Standards (HQS)

Landlord Self-Certification

Dwelling units occupied by Housing Choice Voucher (HCV) participants must at all times remain decent, safe, and sanitary. To ensure the health and safety of HCV participants, the Lexington-Fayette Urban County Housing Authority (LHA) conducts regular inspections of all HCV housing units within its program to ensure they continue to meet minimum, HUD-defined performance and acceptability criteria throughout the tenancy of the HCV participant family. These criteria encompass 13 key aspects of housing quality:

1. Sanitary facilities;
2. Food preparation and refuse disposal;
3. Space and security;
4. Thermal environment;
5. Illumination and electricity;
6. Structure and materials;
7. Interior air quality;
8. Water supply;
9. Lead-based paint;
10. Access;
11. Site and neighborhood;
12. Sanitary condition; and
13. Smoke Detectors.

While the LHA conducts periodic inspections of its HCV units, it is the responsibility of the landlord to ensure dwelling units continue to remain HQS compliant between inspections.

Landlord Self-Certification:

I hereby certify that from today's date to the date of next Housing Quality Standards (HQS) inspection, which is scheduled to occur on ______________, I will continuously maintain the dwelling unit(s) located at (attach additional pages as necessary)

____

____

in compliance with all HQS regulations as published in the Code of Federal Regulations at 24 CFR 982. In addition, I certify that the unit will continuously comply with all Lexington-Fayette Urban County Housing Authority HQS policies per Chapter 12 of the agency's HCV Administrative Plan.

Landlord Name: ____

Landlord Signature: ____

Date: ____

Activity 8) Conversion of Appian Hills Public Housing to Project-Based Vouchers

A. Description
In December 2012 the LHA was notified of approval to participate in HUD's Rental Assistance Demonstration (RAD) for the 206-unit Pimlico public housing development (see Appendix H for details of the conversion). As the LHA will be using authorizations provided through RAD to convert Pimlico to project-based voucher or project-based rental assistance, the Housing Authority no longer requires the MTW authorizations approved for the site in last year's MTW Annual Plan. However, the LHA will need MTW authorities to permit self-sufficiency, promoting admissions and continued occupancy requirements at the revitalized site. The request for these authorizations is included in Activity 13, which describes new self-sufficiency requirements for all of the agency's self-sufficiency units. The upcoming revitalization of Pimlico and conversion of all 206 units at Pimlico using RAD leaves Appian Hills as LHA's largest aging public housing site (44 units). Should HUD issue a NOFA during FY 2014 that would aid in the redevelopment of Appian Hills, LHA may apply for these funds.

Appian Hills
While Appian Hills recently received $500,000 in ARRA-funded energy improvements (cool roofing materials, new doors, and high-efficiency furnaces and water heaters), this 1970's turnkey development still needs extensive capital improvements – including façade improvements, new windows, insulation in the exterior walls, and soundproofing between units.

As part of this renovation, LHA will explore various ways to reconfigure the site's 27 four-bedroom homes. While LHA currently has an adequate number of multi-bedroom homes in its housing stock, the agency is in desperate need of one-bedroom units. The waiting list for one-bedroom public housing units is currently longer than the combined waiting lists for all other unit sizes. A number of the four-bedroom units may simply be converted into multiple one-bedroom apartments, but the agency is also interested in exploring the concept of "flexible floor plans," which would give them the opportunity to use these units as either multi-bedroom homes or one-bedroom apartments. While more and more Americans are delaying or choosing never to marry and/or have children (pointing to a long-term trend towards smaller units), Lexington also has a fairly large and growing number of immigrant and international families, who often have very different bedroom needs than typical U.S. households. Housing stock that can "flex," as local demographic trends change over time, will allow LHA to better serve its resident population. As all available financial resources are being funneled to Pimlico, the rehab of Appian Hills has been put on hold, however staff will continue look for funding sources.

Conversion Process
LHA continues to work diligently to secure adequate funding to revitalize the Appian Hills public housing development. This site may be rehabilitated in its entirety or in phases, as determined by the Authority. Once a plan for revitalization is agreed upon that includes the substitution of project-based vouchers for public housing subsidies, LHA will submit an appropriate application for disposition of the affected portion(s) of the site as well as a request for tenant protection vouchers for residents of affected units.

Once the disposition has been approved, LHA plans to sell disposed units to one or more non-profit affiliate entities and use its MTW flexibilities to:

1. Exceed the 25% cap on the number of project-based units allowed at a property and project-base 100% of the units at this site and
2. Waive the requirement to assign project-based assistance to these units through a competitive bidding process, as is allowable using MTW flexibilities in instances where the housing authority is project-basing units at properties owned by the authority or an affiliate entity.

To allow units converted from public housing to project-based vouchers to remain affordable to current residents, LHA may make rent or occupancy policy adjustments that allow the Authority to treat future project-based voucher households in a manner more consistent with the way they were treated as public housing residents than project-based voucher rules would otherwise permit. Rent or occupancy policies affected may include providing more flexibility to allow under-housed or over-housed residents to stay in their current units; taking steps to mitigate potential rent increases that would otherwise affect households currently paying public housing flat rents, including possibly allowing families now paying flat rents to continue to pay such rents or transitional higher rents not exceeding 30% of adjusted income; defining market rents for mixed families containing eligible and ineligible (non-citizen) members in the manner currently used in the public housing program; or other necessary steps. Prior to implementation, such changes would require additional MTW authorizations and would be vetted through a public process that would either amend the current MTW Annual Plan activity or comprise a new, stand-alone activity.

B. Relation to Statutory Objectives
This activity will help increase housing choices for low-income families.

C-E. Impacts, Metrics, and Data Collection

Appian Hills
Conversion of Appian Hills has been put on hold, so that available financial resources can be focused on the rehabilitation of Pimlico.

Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of units revitalized	0	0	0	IMS/PIC

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Leveraged funding	$0	$0	$0	Duvernay + Brooks, LLC

F. Authorizations Cited
Attachment C, Section D.7.a. Establishment of an Agency MTW Section 8 Project-Based Program, which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102, and 24 C.F.R. Part 983.

G. Rent Reform Information
Not applicable.

Activity 11) Local, Non-Traditional Use of MTW Funds: Emergency Reserves for Connie Griffith-Ballard Towers

A. Description

LHA currently manages a complex that includes Ballard Place, a 134-unit, high-rise, tax-credit property for persons 62 and older, and Connie Griffith Manor, a 183-unit, high-rise, public housing property for persons 55 and over, that are connected by a common entrance and lobby including community space. To expand on the history of the two properties – Connie Griffith Manor, a public housing high-rise property for the elderly, was built by LHA in approximately 1968. Ballard Place, a Section 8-assisted property, was built by LHA in approximately 1978 and sold to Ballard Place, LLC, an entity related to LHA, in 1998. Ballard Place was renovated, in part, using equity raised from the syndication of low-income housing tax credits. Upon the expiration of the fifteen-year tax credit compliance period, the managing member of this LLC will be able to obtain title to the property and is expected ultimately to return the property to LHA.

These two properties initially were separated by an access road that led to a parking lot. In 1998, Connie Griffith Manor underwent a major renovation of some $10 million with HUD Major Reconstruction of Obsolete Project (MROP) public housing funds; that renovation created a connector between the two buildings, creating one main entrance/receiving lobby. HUD approved the design concept knowing that these two buildings had separate funding mechanisms. The complex was renamed Connie Griffith-Ballard Towers, denoting one facility, and has served the tenants of both buildings well. Tenants were and are still unaware of the separate funding mechanisms – they see themselves as living in a single desirable complex.

Residents of both buildings enjoy indoor activities in an exercise room, computer room, craft room with a kiln, billiards room, spacious recreation room and dining room. Other amenities available to residents of both buildings include:

- Senior nutrition lunch program – Monday through Friday
- Blood pressure screening – bi-weekly
- God's Pantry commodities distribution – monthly
- St. Vincent DePaul on-site non-perishable convenience store for residents - open twice a week
- Community Action bus for local shopping – once a week and twice a week during school season
- On-site seminars (offered by AVOL, Assisting Hands Home Care, UK Sanders Brown, Legacy Center, etc.)
- Holiday parties
- Weekly church service

Outside, residents enjoy a 15,000-gallon reflecting fish pond, a large patio and a gazebo for summertime activities, raised garden boxes for planting vegetables and flowers and a walking path for exercise or just strolling. These facilities are located within wrought-iron fencing that encloses the entire campus, which not only blends well into the surrounding neighborhood but also provides added security for the complex.

Other than from a funding standpoint, Connie Griffith-Ballard Towers is a single complex. The buildings are managed by one team. In less than three years, LHA will have full ownership of the Ballard side of the complex.

When the LHA initially proposed this activity in its FY 2012 – FY 2013 Annual Plan the Authority did not have a confirmed funding source for sorely needed capital improvements that were needed at the time. After the activity was approved, the site's tax credit investors informed the LHA that they would indeed have sufficient funds to complete the needed work. Having spent a significant portion of their reserves to fund these improvements the Housing Authority is concerned about their ability to cover any additional emergency capital repairs.

Given these developments, the LHA is proposing to modify this activity through its FY 2014 MTW Annual Plan. Although MTW funds are no longer needed to complete the capital improvements initially proposed through this activity, the LHA would like to retain the flexibility to use MTW funds should Ballard require significant emergency capital repairs. MTW funds would only be used if the tax credit investor can demonstrate to the Authority's satisfaction that it does not have the financial resources to complete the repairs itself.

Although emergency repairs by their very nature are difficult to predict, the LHA is aware that 134 individual HVAC units in use at Ballard Place apartments are nearing the end of their lifecycle. The current Ballard Place budget estimates the replacement of 10 units per year at a cost of approximately $1,300 per unit. These replacement averages have held true for the past 3 years, but a large number of HVAC units failing at the same time would result in a financial hardship for the property, which might necessitate the use of the proposed MTW emergency reserves.

In the fall of 2009 LHA had to deal with an infestation of bedbugs in Ballard & Griffith Towers. Necessary treatment expenses totaled $102,453, which was taken from Ballard Place, LLC reserves. Any unforeseen future bug infestation might result in a financial hardship for the property, which might necessitate the use of the proposed MTW emergency reserves.

Despite the number/extent of unforeseen capital emergencies that might arise, Ballard Place will be provided no more than $300,000 in emergency funds in total.

While HUD has not required broader uses of funds activities carried out by other MTW agencies to relate to the public housing or Section 8 programs or to those programs' beneficiaries, in this case there is a strong relationship. As Ballard Place falls outside of the Section 8 (Housing Choice Voucher) and Section 9 (Public Housing) programs, LHA requires MTW flexibility to permit the use of MTW funds fund significant emergency capital repairs, should the property's reserve funds be either insufficient or unavailable to cover the full cost of these repairs.

LHA is pursuing several options to provide much-needed supportive services to residents of both Connie Griffith Manor and Ballard Place, including onsite case management and health services. To this end, in FY 2013 the LHA applied for and received funds to support a newly created service coordinator position at Ballard. The Authority will continue to examine possible avenues to utilize MTW funding flexibility to enhance the provision of these services.

B. Relation to Statutory Objectives
This activity will increase housing choices for low-income families by providing high-quality units that are affordable to elderly households of limited means.

C-E. Impacts, Metrics, and Data Collection

Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of low-income housing units protected through emergency reserve	0	134	134	IMS/PIC
MTW funds utilized to meet emergency capital needs	$0	$0	$0	Financial records / LHA Mod Dev Office

F. Authorizations Cited
As Ballard Place falls outside of the Section 8 and Section 9 programs, The LHA and HUD have entered into the Second Amendment of their MTW Agreement, which permits the broader use of MTW funds to support local, non-traditional activities. The executed Amendment serves as the authorization for this activity.

G. Rent Reform Information
Not applicable.

Activity 12) Local, Non-Traditional Use of MTW Funds for Special Partners

A. Description

LHA is eager to use available MTW flexibilities to both strengthen its current partnerships with local social service agencies and to forge new affiliations to help underserved populations with special needs in the Lexington community. The Authority currently has eight (8) such partners, who together are allocated 355 vouchers. These agencies serve victims of domestic violence; individuals with mental illness and/or substance abuse issues; individuals recently released from prison or jail; families in need of financial literacy, credit management, and homeownership resources; single parents enrolled full-time in higher education; and homeless individuals and families.

These partnerships provide service-enriched housing to households while they participate in a program offered by the non-profit organization. This local, non-traditional initiative would permit specified special partner organizations to alter their programs in two specific ways:

1. With Housing Authority approval, special partner organizations will be permitted to require that participants reside in designated service-enriched housing units in order to receive rental subsidy; and

2. With Housing Authority approval, special partner organizations will be permitted to house program participants in HUD-defined special housing types. Within these special housing type units, partner organizations will also be permitted to request Housing Authority approval to house up to two unrelated adults in a zero- or one-bedroom unit.

As a local, non-traditional use of MTW funds activity, LHA proposes to enter into a memorandum of understanding (MOU) with each of these special partners and to negotiate a facility monthly rent with each. The MOU will include a description of the special partner's program and the targeted population; an overview of services the special partner will provide; and an enumeration of program goals. The document will also include a list of the basic obligations both the special partner and the Housing Authority have agreed to.

The LHA has no plans at this time to expand either the number of special partners receiving funding or the amount of funding each receives. Should the Housing Authority decide to add additional special partners in the future, publicly available planning and/or assessment documents such as the city's *Consolidated Plan* and the Department of Social Services' *Lexington Social Service Needs Assessment Report*, will be used to determine the unique special populations most in need of subsidized housing that includes on-site supportive services. A public Request for Proposals (RFP) process will then be used to select non-profit partners that serve these populations.

Regardless of whether or not new special partners are added, the LHA will limit the total amount of funding that can be provided to special partners in any given year to 20% of its HCV Program funding.

Since this activity has not yet been approved by HUD, the MOU with each special partner has not been finalized. However, the LHA has discussed a standardized methodology for calculating the proposed facility monthly rent with each partner, and pending the outcome of final negotiations, plans to set this rent to the partner's CY 2012 gross potential rent less an adjustment to account for average vacancy levels.

The MOU for each special partner will list the minimum number of families they must serve during the year. This minimum will equal the average number of families served per month during CY 2012. Thus, the initial subsidy for each participant family will be no more than the average monthly subsidy possible per household during CY 2012. Funding in future years will be adjusted to account for any federal funding pro-ration experienced by the LHA. In addition, rent reasonableness will be examined at regular intervals, and the facility monthly rate adjusted as necessary to account for local market rent fluctuations.

Since special partners have traditionally operated their housing units at a per unit cost (PUC) approximately 15% below the average PUC for all LHA landlords, the Housing Authority expects that special partner families will be able to capitalize on these PUC savings to serve approximately 50 additional families (or 405 families total) annually under the proposed funding structure.

Annual tenant household income will be calculated per HUD regulations, and each special partner's MOU will state that rents may not exceed 30% of the family's adjusted gross income or the special partner's stated minimum rent. Each partner will be required to supply regular reporting documents and a copy of the facility IPA audit to ensure that families are not charged rents in excess of these limits.

Special partner families served through local, non-traditional use of funds

Special Partner	Description of Households Served	Families Served
Canaan House	Individuals who have been diagnosed with a mental illness	17
Chrysalis House	Parents with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Hope Center	Persons who have a substance abuse problem and are in need of voluntary or court-mandated treatment	115
New Beginnings Bluegrass, Inc.	Individuals who have been diagnosed with a mental illness	26
OASIS Rental Assistance Housing Program	Families in need of financial literacy, credit management, and homeownership resources	20
One Parent Scholar House	Single parents who are full-time students in a post-secondary educational institution	80
Serenity Place	Parents with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Urban League of Lexington-Fayette County	Elderly individuals	17
Total Special Partner Units		**355**

B. Relation to Statutory Objectives

This activity will both help increase housing choices for low-income families, and provide supportive services to increase family self-sufficiency.

C-E. Impacts, Metrics, and Data Collection

Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of special partners	8	8	8	MOU Documentation
# of families served through activity	390	390	400	Special partner reporting
MTW funds utilized	N/A	N/A	TBD[1]	LHA financial records
Avg MTW funds spent per family served	N/A	N/A	TBD[1]	Special partner reporting / LHA financial records

[1]The LHA expects to complete MOU's with each of its special partners prior to July 1, 2013. FY 2014 benchmarks will be calculated following completion of this process.

F. Authorizations Cited

Attachment D. Use of MTW Funds. As added through the Second Amendment to the Agency's MTW Agreement, the Agency is authorized to use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute.

The LHA is aware of and will comply with the requirements set forth for local, non-traditional programs in PIH Notice 2011-45 when negotiating MOUs with partners.

G. Rent Reform Information

Hardship Criteria

At the time of admission to a special partner's programming, residents are informed of and agree to abide by a set of family obligations they must follow in order to remain in the special partner's program and to retain their housing subsidy. Families are told at this time that leaving the special partner's program for any reason (voluntary or otherwise) will result in the loss of their housing subsidy.

Approximately half of the special partner units included in this activity are permanent housing (the tenant family is permitted to live in the unit indefinitely as long as they continue to participate in special partner programming), so this type of hardship provision is not needed.

The remaining special partner units represent transitional housing. The special partners that operate these units have been working with their target populations for many years; are well aware of the transitional obstacles families may face as they near the end of assistance; and provide appropriate counseling to support them through this transition. A list of the specific transitional services available from each special partner is provided to families at the time they initially lease the unit. This list will also be recorded in the Memorandum of Understanding the LHA plans to sign with each special partner.

Activity 13) Local Self-Sufficiency Admissions and Occupancy Requirements

A. Description

LHA has re-examined its public housing self-sufficiency program with the aim of eliminating loopholes that a small but significant number of residents use to avoid work requirements. As part of this activity the LHA is requesting the authority to:

1. **Impose a minimum earned income calculation for families residing at self-sufficiency units regardless of employment status –** Minimum earned income for households members subject to the LHA's self-sufficiency work requirement will be calculated based on the following: *Self-Sufficiency I* units - 52 weeks x 37.5 hours x federal minimum wage; and, *Self-Sufficiency II* units - 52 weeks x 20 hours x federal minimum wage. The amount of assumed annual income will be modified when the federal minimum wage is updated. This requirement is a condition of admissions and continued occupancy for all families who accept self-sufficiency units. Families whose head/co-head is a full-time student are exempted. The total amount of expected earned income will be used to calculate annual income in the case of adult household members expected to earn more than the imputed minimum earned income. LHA will phase in this activity to current tenants living at Self-Sufficiency I units to reduce the financial burden. During the first year all self-sufficiency households will be subject to the minimum earned income based on 20 hours per week, after that time Self-Sufficiency I households will be subject to a minimum earned income based on 37.5 hours per week as there is a work requirement of 37.5 hours per week for these households.

2. **Modify the Definition of Work Activity** used to determine whether or not a family is compliant with the self-sufficiency requirements. In order to ensure that the employment activities sought by residents will enable them to earn at least the minimum imputed earned income, the LHA is seeking permission to create a local definition of "work activity," which will limit compliant work activities to paid activities that are most likely to ensure families' incomes at least equal the minimum imputed earned income amount. The majority of the LHA's public housing units have a work requirement based on Self-Sufficiency Level I or Self-Sufficiency Level II requirements. Instead of using the requirements found at 42 USC 607(d), the LHA would like to define "work activity" as follows:
   a) Unsubsidized employment;
   b) Subsidized private sector employment;
   c) Subsidized public sector employment;
   d) Paid on-the-job training.

Authorization to Expand Current Self-Sufficiency Requirements to the Revitalized Pimlico Units

In addition, the LHA is requesting authority to require Self-Sufficiency Level II Admissions and Continued Occupancy Rules at Pimlico Apartments post-revitalization. Pimlico is a 206-unit public housing site, to be revitalized through the Rental Assistance Demonstration

(RAD) Program during FY 2014 (See Self-Sufficiency II Requirements below). As of April 16, 2013, 149 of 165 Pimlico households have accepted a Housing Choice Voucher and waived their right to return to Pimlico following renovation. The remaining 16 families to be relocated from Pimlico public housing development prior to revitalization will be exempt from these requirements for one year following reoccupancy. LHA expects that any Pimlico households that wish to return will not be able to do so until the start of FY 2016 when renovation is anticipated to be complete. All households including full-time students - but excluding elderly/disabled families - will be subject to the $150 minimum rent.

Self –Sufficiency Levels

Self-Sufficiency I and Self-Sufficiency II requirements are as follows:

Level I Self-Sufficiency

a. Families must be able to provide a record of excellent or above average housekeeping and conformance to lease provisions, particularly as it relates to disturbances and behavior of family members.

b. Head-of-household or spouse/co-head-of-household must demonstrate he/she has been working for at least 37 ½ hours per week for at least 6 months prior to the eligibility certification or prior to signing a lease at a self-sufficiency site (for resident transfers). **OR** A single head-of-household may be a full-time student if he/she can demonstrate a 6-month enrollment history (as certified by the educational institution) at an accredited and degree-granting college, university, trade, or business school (full-time student basis as defined by the institution).

c. In cases where there is both a head-of-household and a spouse/co-head-of-household, at least one adult resident must have been working at least 37 1/2 hours per week for at least 6 months.

d. Full-time students in one-person households are generally excluded from PH/LIHTC properties. Full-time students in households of two or more persons may be eligible for PH/LIHTC properties if they meet one of the following five exceptions to the full-time student prohibition:
   i. At least one member of the household is currently enrolled in a job-training program that receives assistance under the Job Training Partnership Act (JTPA) or is funded by a state or local agency;
   ii. The head of household is a single parent with children and neither the parent not the children are the dependent of another individual;
   iii. The members of the household are married and file a joint federal tax return;
   iv. At least one member of the household receives assistance under Title IV of the Social Security Act (e.g. payments under K-TAP); or
   v. At least one member of the household was previously under the care of a state foster program.

e. Non-citizen students are prohibited from receiving housing assistance as well as their non-citizen spouses and children. The prohibition on providing assistance to a non-citizen student does not extend to the citizen spouse or citizen children of the student.

f. Disabled and/or elderly individuals and families may also be considered for Self-Sufficiency communities.

g. To better screen persons being housed in these units, applicants who do not have a 12-month housing reference will be moved into General Housing to establish a good housing reference in order to attain eligibility for Self-Sufficiency housing. This policy may be waived for applicants who have parent(s) or another responsible party willing to act as a co-signer on the applicant's behalf for one year.

The annual earned income of any adult household member who both resides in either a Self-Sufficiency I or II unit and is subject to the self-sufficiency minimum work requirement, will be assumed to be at least that received by an individual employed 20 hours per week and 52 weeks per year at the federal minimum wage. This imputed minimum annual earned income will be updated whenever the federal minimum wage rate is updated. Should the individual's annual earned income exceed this minimum value, their actual earned income will be used when calculating the household's annual income. Families that experience a loss of income due to circumstances beyond the household's control, may request a hardship exemption in accordance with the LHA's MTW Rent Reform Hardship Policy, which can be found in Appendix C of the agency's MTW Annual Plan. Families requesting a hardship exemption should do so in writing, stating both the reason for the hardship and its expected duration. If a family's request is approved, the imputed minimum annual earned income of affected adult(s) will temporarily be abated, and their recorded annual earned income reduced to the value of their actual annual earned income. Regardless of the number of adults in the household that are subject to the work requirement, as a household, the family's minimum earned income may only be abated for a maximum of 90 days in any twelve-month period (whether or not such days are consecutive). Once the household has received the 90-day limit, the annual earned income of each affected family member will be raised to the imputed minimum annual earned income value.

Level II Self-Sufficiency
Criteria and exclusions for Level II self-sufficiency units are identical to the Level I requirements except that the work requirement is reduced to 20 hours per week.

Exceptions
In the event that there are no families requiring mobility accessible units on either the Self-Sufficiency waiting list or the general occupancy waiting list, Management may, at its discretion, allow a family on the Self-Sufficiency waiting list that does not require a mobility accessible unit, but meets all Self-Sufficiency requirements, to occupy a mobility accessible unit. However, the family must sign a waiver agreeing to move to any available Self-Sufficiency unit in order to accommodate a family requiring a mobility accessible unit. Families in self-sufficiency units must continue to meet all self-sufficiency requirements.

LHA Self-Sufficiency Site	# of Units	Housing Type
Allante Brooke	32	SS I
Atiya Place	18	SS I
Camelot	36	SS I
Georgetown Addition	6	SS I
Catera Trace	23	SSI
Heartsbrook.	34	SS I
Olde Towne	8	SS I
Rosemary	26	SS I
Trent	9	SS I
Wilson 1 (Phase I)	12	SS I
Wilson 2 (Phase II)	17	SS I
Scattered Houses Team I	11	SS I
Scattered HousesTeam II	9	SSI
Scattered Houses Team III	15	SSI
Total Self-Sufficiency I Units	**256**	
12th Street	40	SS II
Bainbridge Court.	48	SS II
Bridlewood Place.	88	SS II
Constitution Square	17	SS II
Grand Oaks	88	SS II
Pine Valley	32	SS II
Russell Cave	26	SS II
The Shropshire	32	SS II
The Shropshire East	24	SS II
Twin Oaks Park	60	SS II
Falcon Crest	72	Tax Credit/SSII
Georgetown	17	Tax Credit/SSII
Sugar Mill	46	Tax Credit/SSII
Total Self-Sufficiency II Units	**590**	
Total Self-Sufficiency I and II Units	**846**	

B. Relation to Statutory Objectives

This activity will help to increase family self-sufficiency.

C-E. Impacts, Metrics, and Data Collection

	Self-Sufficiency I	*Self-Sufficiency II*	*Pimlico*
Occupied Households/Total # Units	245/256	577/590	169/260
Elderly / Disabled Households	35	153	23
Non-Elderly / Non-Disabled Households	**210**	**424**	**146**

Impact: Encouraging non-disabled/non-elderly adult household members to work

Metric	Self-Sufficiency Group	FY 2013 Baseline[1]	FY 2014 Benchmark[2]	Data Source
Imputed minimum annual	Self-Sufficiency I	N/A	$7,540	U.S. Department of

Metric	Self-Sufficiency Group	FY 2013 Baseline[1]	FY 2014 Benchmark[2]	Data Source
earned income	Self-Sufficiency II	N/A	$7,540	Labor, Federal Minimum Wage
	Pimlico	N/A	Exempt	
Avg (Median) gross annual earned income reported by families	Self-Sufficiency I	$16,555 ($16,653)	$18,457 ($16,653)	WinTen2
	Self-Sufficiency II	$11,012 ($10,460)	$13,497 ($10,460)	
	Pimlico	$3,395 ($0)	Exempt	
# (%) of families reporting no annual earned income	Self-Sufficiency I	44 (21%)	0 (0%)	WinTen2
	Self-Sufficiency II	118 (28%)	0 (0%)	
	Pimlico	98 (67%)	0 (0%)	
# (%) of families reporting annual earned income less than minimum imputed earned income	Self-Sufficiency I	61 (29%)	0 (0%)	WinTen2
	Self-Sufficiency II	159 (38%)	0 (0%)	
	Pimlico	114 (78%)	0 (0%)	
Avg (Median) total adjusted annual income reported by families	Self-Sufficiency I	$16,431 ($14,652)	$18,333 ($16,246)	WinTen2
	Self-Sufficiency II	$12,101 ($11,184)	$14,587 ($13,148)	
	Pimlico	$4,340 ($2,400)	Exempt	
Avg (Median) monthly rent payment of families	Self-Sufficiency I	$380 ($387)	$427 ($407)	WinTen2
	Self-Sufficiency II	$297 ($281)	$358 ($330)	
	Pimlico	$179 ($150)	Exempt	
# (%) of families requesting hardship exemption	Self-Sufficiency I	N/A	21 (10%)	Property Manager Log
	Self-Sufficiency II	N/A	42 (10%)	
	Pimlico	N/A	Exempt	
# (%) of families granted hardship exemption	Self-Sufficiency I	N/A	11 (5%)	WinTen2 / Property Manager Log
	Self-Sufficiency II	N/A	21 (5%)	
	Pimlico	N/A	Exempt	

[1] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)
[2] FY 2014 benchmarks account for the impact of LHA's planned minimum rent increase to $150 for all non-disabled / non-elderly public housing families

Impact: Assessing the costs / benefits of this activity for LHA

Metric	Study Group	FY 2013 Baseline[1]	FY 2014 Benchmark	Data Source
Total gross monthly (Net monthly) rent revenue	Self-Sufficiency I	$79,737 ($51,987)	$102,088 ($74,338)	WinTen2
	Self-Sufficiency II	$125,879 ($79,608)	$151,638 ($105,367)	
	Pimlico	$26,109 ($10,914)	Exempt	
Dollar value of staff time spent processing hardship requests	Self-Sufficiency I	N/A	$493	Payroll System / Staff Interviews
	Self-Sufficiency II	N/A	$986	
	Pimlico	N/A	Exempt	

[1] All FY 2013 baseline data is based on a 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment)

F. Authorizations Cited
Attachment C, Section 2. Local Preferences and Admission and Continued Occupancy Policies and Procedures. This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.

Attachment C, Section D.3.a. Authorizations Related to Section 8 Housing Choice Vouchers Only - Eligibility of Participants. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act. This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.268, and 982.201 as necessary to implement the Agency's Annual MTW Plan.

G. Rent Reform Information
This activity will not be implemented in a controlled study.

Transition period:
LHA will mail 90-day notices on July 1, 2013, informing affected households of the requirements for self-sufficiency units. LHA management staff will offer a series of resident workshops for affected households during the 90 days prior to implementation of this activity in an effort to educate them on the new self-sufficiency requirements and available community resources. To reduce the initial financial burden on families, both new admissions and current families living in Self-Sufficiency I units will be subject to an imputed minimum earned income based on a 20 hour workweek throughout FY 2015. Beginning July 1, 2015, the minimum earned income for these families will be calculated using a 37.5 hour workweek as there is a work requirement of 37.5 hours per week for these households.

Impact Analysis:
In the following tables, the LHA has compiled baseline data that will allow it to analyze the impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. LHA will continue to conduct an impact analysis annually to verify that this rent reform initiative does not unintentionally disparately impact the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Eleven (11) households plan to return to Centre Meadows (formerly Pimlico) when renovation is complete during FY 2016. Of the eleven households who plan to return to Centre Meadows, six (6) will be impacted by the Self-Sufficiency II requirements and those households will be exempt during their first year of occupancy. No baseline data is available for the 200 new households coming Centre Meadows, therefore no impact analysis table is available for Centre Meadows at this time.

Activity 13: Pimlico Disparate Impact Analysis - Baseline Data						
Pimlico Population	**Heads of Household**	**Average Total Adjusted Annual Income**	**Average Gross Annual Earned Income**	**Average Imputed Gross Annual Earned Income Increase**	**Average Gross Rent Payment**	**Average Increased Rent Burden**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*	*FY 2013*	*FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households	6	$5,900	$2,904	Exempt	$175	Exempt
Gender of Head of Household						
Female	4	$6,016	$4,357	Exempt	$181	Exempt
Male	2	$5,668	$0	Exempt	$165	Exempt
Race of Head of Household *(Multiple selections permitted)*						
Black	2	$5,668	$0	Exempt	$165	Exempt
White	3	$5,045	$2,513	Exempt	$167	Exempt
American Indian / Native Alaskan	-	-	-	Exempt	-	Exempt
Asian/Pacific Islander	1	$8,929	$9,886	Exempt	$223	Exempt
Native Hawaiian / Other Pacific Islander	-	-	-	Exempt	-	Exempt
Other / Not Disclosed	-	-	-	Exempt	-	Exempt
Ethnicity of Head of Household						
Non-Hispanic	6	$5,900	$2,904	Exempt	$175	Exempt
Hispanic	-	-	-	Exempt	-	Exempt
Age of Head of Household						
18 - 31	3	$6,059	$2,513	Exempt	$167	Exempt
32 - 46	1	$8,929	$9,886	Exempt	$223	Exempt
47 - 61	2	$4,148	$0	Exempt	$165	Exempt
Excluded Households						
Elderly/Disabled Households	5	$9,982	$0	N/A	$250	N/A

Disparate Impact Analysis - Baseline Data						
Self-Sufficiency I Population	**Heads of Household**	**Average Total Adjusted Annual Income**	**Average Gross Annual Earned Income**	**Average Imputed Gross Annual Earned Income Increase**	**Average Gross Rent Payment**	**Average Increased Rent Burden**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*	*FY 2013*	*FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households	210	$16,431	$16,555	$1,902	$380	$47
Gender of Head of Household						
Female	201	$16,399	$16,525	$1,912	$378	$47
Male	9	$17,154	$17,228	$1,676	$426	$36
Race of Head of Household *(Multiple selections permitted)*						
Black	170	$16,581	$16,281	$2,037	$387	$49
White	39	$17,164	$18,048	$1,362	$365	$34
American Indian / Native Alaskan	1	$5,184	$29,827	$0	$130	$20
Asian/Pacific Islander	2	$10,090	$20,313	$0	$278	$50
Native Hawaiian / Other Pacific Islander	0	$0	$0	$0	$0	$0
Other / Not Disclosed	0	$0	$0	$0	$0	$0
Ethnicity of Head of Household						
Non-Hispanic	204	$16,511	$16,508	$1,921	$381	$47
Hispanic	6	$13,711	$18,145	$1,257	$351	$26
Age of Head of Household						
18 - 31	88	$13,189	$13,760	$2,164	$312	$53
32 - 46	88	$17,554	$17,177	$2,124	$405	$52
47 - 61	34	$21,916	$22,179	$649	$489	$18
Excluded Households						
Elderly/Disabled Households	35	$15,369	$4,429	N/A	$343	N/A

Activity 13: Self-Sufficiency II Disparate Impact Analysis - Baseline Data						
Self-Sufficiency II Population	**Heads of Household**	**Average Total Adjusted Annual Income**	**Average Gross Annual Earned Income**	**Average Imputed Gross Annual Earned Income Increase**	**Average Gross Rent Payment**	**Average Increased Rent Burden**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*	*FY 2013*	*FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households[1]	419 (of 424)	$12,101	$11,012	$2,486	$297	$61
Gender of Head of Household						
Female	379	$11,813	$10,848	$2,485	$294	$61
Male	40	$15,238	$13,450	$2,049	$340	$47
Race of Head of Household *(Multiple selections permitted)*						
Black	351	$12,244	$11,051	$2,515	$300	$60
White	71	$11,594	$11,363	$2,026	$289	$53
American Indian / Native Alaskan	1	$5,400	$7,800	$0	$135	$15
Asian/Pacific Islander	1	$5,400	$7,800	$0	$135	$15
Native Hawaiian / Other Pacific Islander	3	$9,186	$10,826	$0	$230	$5
Other / Not Disclosed	0	$0	$0	$0	$0	$0
Ethnicity of Head of Household						
Non-Hispanic	415	$12,129	$11,057	$2,467	$298	$60
Hispanic	4	$13,246	$15,145	$0	$332	$4
Age of Head of Household						
18 - 31	223	$10,494	$10,459	$2,314	$268	$58
32 - 46	137	$13,416	$11,295	$2,706	$321	$65
47 - 61	59	$15,397	$13,044	$2,320	$360	$54
Excluded Households						
Elderly/Disabled Households	153	$10,371	$597	N/A	$260	N/A
[1] Demographic data not available for 5 Self-Sufficiency II households.						

Hardship Exemption
Families who lose income through no fault of their own may submit a hardship request. Through an approved hardship request a tenant's earned income will be changed to true income for up to ninety days while the tenant seeks employment. Only one hardship request may be submitted for a total of 90 days (whether consecutive or not) in any 12-month period. All households will be subject to LHA's MTW Rent Reform Hardship Policy (see Appendix C).

Documentation of public hearing:
This rent reform initiative was discussed at a public hearing for the MTW Annual Plan. See Appendix A for public hearing documentation.

VI. Ongoing MTW Activities: HUD Approval Previously Granted

Activity 4) Housing Choice Voucher Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy

A. Activity Continued from Prior Plan Year(s)

The HCV Rent Reform Controlled Study – No Rent Reduction Requests for 6 Months After Initial Occupancy was proposed in the LHA's initial MTW application in FY2011 and was implemented following approval of the FY 2012-2013 MTW Annual Plan.

Activity Description

Households sometimes take a new job or increase the number of hours they work just before requesting a Housing Choice Voucher (HCV) or moving with an HCV, so they will qualify to rent a unit whose gross rent exceeds LHA's payment standard without violating the statutory requirement that the rent they pay may not exceed 40% of their monthly adjusted income. Shortly after moving into a unit, they then reduce their hours or quit their job and apply for a reduction in their portion of the payment standard (i.e., a rent reduction, which leaves LHA paying an increased portion of the payment standard).

The LHA encourages families to carefully consider what kind of rent their household can truly afford to pay on an ongoing basis. To ensure that families base this decision on an accurate depiction of their expected income, LHA now prohibits families from requesting a rent reduction for six months after their initial move-in date. Instead, these families are subject to the MTW Rent Reform Hardship Policy as stated in Appendix C.

Elderly and disabled households are exempt from this rent reform initiative, and remain eligible to request a rent reduction according to LHA's current policies.

As required by HUD, this rent reform initiative was implemented as a controlled study. Households moving into an HCV unit are randomly assigned to a treatment or control group. Control group households are governed by LHA's current policy regarding the request of rent reductions, while treatment group households are prohibited from requesting a rent reduction for six months after their initial move-in date.

B. Status Update

This activity is ongoing, and we are not proposing modifications with the submission of this FY 2014 MTW Annual Plan. A more complete report of this activity's status will be provided in the LHA's FY 2012- FY 2013 MTW Annual Report.

C. Attachment C Authorizations

The LHA anticipates no changes to Attachment C Authorizations. The current authorizations are as follows:

Attachment C, Section D.1.c., which authorizes agencies to define, adopt, and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516.

D. Outside Evaluators

LHA has partnered Kentucky State University to evaluate the Housing Authority's MTW initiatives. FY 2014 benchmarks are presented below.

FY 2014 Benchmarks

Impact: Encouraging non-disabled/non-elderly (ND/NE) adult household members to work

Metric	FY 2011 Baseline[2]	Study Group	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Avg annual earned income reported by families at initial occupancy[1]	Not available	Control:	$6,222	$6,400	WinTen2
		Treatment:	$6,222	$6,400	
Avg monthly TTP at initial occupancy[1]	Not available	Control:	$239	$276	WinTen2
		Treatment:	$239	$276	
Avg gross annual earned income reported by families	$4,645 (Net)	Control:	$8,633 (Gross)	$8,890 (Gross)	WinTen2
		Treatment:	$8,633 (Gross)	$9,065 (Gross)	
Avg total adjusted annual income reported by families	$12,602	Control:		$10,816	WinTen2
		Treatment:	$10,501	$11,025	
Avg TTP of families	$141 (Net)	Control:		$279 (Gross)	WinTen2
		Treatment:	$271 (Gross)	$285 (Gross)	
# (%) of families requesting a) rent reduction (control) b) hardship exemption (treatment) within 6 months of move-in	81 (10%)	Control:	7 (10%)	7 (10%)	Management Team Log
		Treatment:	1 (2%)	5 (8%)	

[1] FY 2012 – FY 2013 "at initial occupancy" benchmarks have been updated to reflect admissions for the 12-month period ending January 31, 2013 (the most current data available as of the date the Annual Plan was posted for public comment). Historic data of this kind was not available at the time the original FY 2011 baselines were calculated.

[2] At the time FY 2011 baselines were calculated, LHA had not yet determined a method to correctly denote elderly / disabled "families" in order to exclude them from baseline calculations. Instead, any family containing either an elderly or disabled adult member was excluded from the baseline calculation. FY 2012 – FY 2013 and FY 2014 benchmarks estimates now correctly exclude elderly / disabled families (not elderly / disabled individuals).

FY 2011 baselines were also calculated using net values for earned income and TTP metrics. As the metrics for all other MTW activities use the gross values of these numbers, FY 2012 – FY 2013 and FY 2014 benchmarks now use gross values.

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2011 Baseline	Study Group	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Total monthly HAP	$1,320,599	Control:	$660,300	$680,100	WinTen2
		Treatment:	$660,300	$693,000	
Dollar value of staff time spent processing of a) rent reduction requests (control group) b) hardship exemptions (treatment group) within 6 months of move-in	$1,358	Control:	$670	$690	Management Specialist Interviews / Payroll System
		Treatment:	$134	$490	

Impact: Assessing resident and staff response to the activity

Metric	FY 2011 Baseline	Study Group	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Resident satisfaction with activity (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Control:	Medium (10)	Medium (10)	Annual Recertification Questionnaire
		Treatment:	Low (5)	Low (5)	
Employee satisfaction with activity (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium (10)		Medium (10)	Focus Group Results

LHA conducts an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis verifies that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Impact Analysis:
In the tables below, the LHA has compiled baseline data that will allow it to analyze the impacts of this initiative on protected classes of household by race, ethnicity, age, disability, and gender. LHA will continue to conduct an impact analysis annually to verify that this rent reform initiative does not unintentionally disparately impact the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender. The first year results of the disparate impact analysis will be reported in the FY 2012 – FY 2013 MTW Annual Report.

Activity 4: HCV Disparate Impact Analysis - Baseline Data					
HCV Population	**Heads of Household**	**Average Gross Earned Income per Month at Initial Occupancy**	**Average Gross Monthly Income**	**Average TTP**	**Average HAP**
	FY 2011	*FY 2011(2013)* [1]	*FY 2011*	*FY 2011*	*FY 2011*
Gender					
Female	2,451	$463	$739	$139	$533
Male	344	$1,278 *(4 households)*	$638	$158	$386
Race					
Black	1,898	$669	$754	$146	$531
White	874	$381	$672	$133	$480
American Indian / Native Alaskan	4	-	$369	$2	$611
Asian/Pacific Islander	4	-	$681	$116	$567
Native Hawaiian / Other Pacific Islander	2	-	$1,011	$206	$544
Other	13	-	$558	$85	$488
Ethnicity					
Non-Hispanic	2,769	$527	$724	$141	$515
Hispanic	26	$0 *(1 household)*	$993	$186	$521
Excluded Households					
Elderly/Disabled & Special Partner Households	1,193	$221	$948	$213	$948

[1]Historical data at time of initial occupancy was not available via LHA's computerized reporting system in FY 2011. Baseline data reflects new admissions between 2/1/2012 and 1/31/2013.

Activity 7) Public Housing Acquisition Without Prior HUD Approval

A. Activity Continued from Prior Plan Year(s)

Public Housing Acquisition Without Prior HUD Approval was proposed in the LHA's initial MTW application in FY2011 and approved in the FY 2012-2013 MTW Annual Plan. However, the LHA did not acquire any public housing properties during FY 2012 – FY 2013, so this activity was not implemented. Should the Housing Authority decide to acquire any public housing properties during FY 2014, the activity will be implemented at that time.

Activity Description

Relief from HUD approvals prior to the acquisition of property will enhance LHA's ability to respond quickly to unique market conditions, making the Authority more competitive with other purchasers in the tight real estate markets typical of low poverty areas of the city. For example, sellers are not always willing to provide the agency with an option of long enough duration to cover the typical amount of time LHA requires to obtain HUD approval for site acquisition.

This relief will apply only to the acquisition of public housing units or vacant land purchased for the development of public housing units in non-impacted areas of the city.

All acquired properties will meet HUD's site selection requirements. Approval from the local HUD office will be sought when a pending real estate acquisition deviates from the selection requirements. Copies of all required forms and appraisals will be maintained at the Authority's main office. After acquisition, all required documentation will also be provided to the HUD field office so HUD officials can ensure that site selection requirements were met and establish records for these new public housing properties in the agency's data systems.

B. Status Update

The LHA did not acquire any public housing properties during FY 2012 – FY 2013, so it was not necessary to implement this activity. The LHA will implement this activity during FY 2014 should the Authority decide to acquire public housing units or land for the development of public housing.

C. Attachment C Authorizations

The LHA anticipates no changes to Attachment C Authorizations. The current authorizations are as follows:

Attachment C, Section C.13. Site Acquisition, which waives certain provisions of 24 C.F.R. 941.401.

D. Outside Evaluators

LHA has partnered Kentucky State University to evaluate the Housing Authority's MTW initiatives. FY 2014 benchmarks are presented below.

FY 2014 Benchmarks

Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of sites purchased in non-impacted areas	1	2	1	Acquisition records
# of additional public housing units available (or to be developed) in non-impacted areas as a result of site acquisitions	1	2	2	Acquisition records

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Avg # of days from purchase agreement signing to closing	120	60	60	Acquisition records

Activity 9) Development of Project-Based Voucher Units at 800 Edmond Street

A. Activity Continued from Prior Plan Year(s)

Development of Project-Based Voucher Units at 800 Edmond Street was proposed in the LHA's FY2012-FY2013 MTW Annual Plan, but has since been put on hold so that available financial resources can be focused on the rehabilitation of Pimlico.

Activity Description

LHA plans to develop between five and eight projected-based 3-bedroom townhomes on a vacant lot owned by the agency on Edmond Street. The property is adjacent to an existing 3-unit public housing site and close to the Authority's Pine Valley Management Office.

LHA is considering several options to finance the new construction at 800 Edmond Street. The Authority may allocate dollars from its program income fund, which in turn was funded through property sales and the collection of development fees associated with the implementation of its previous HOPE VI grants for Charlotte Court and Bluegrass-Aspendale. Alternatively, LHA may seek outside funds from a non-federal source.

The flexibilities provided through this MTW activity will be used to project-base the units at Edmond Street without a competitive process and to exceed the per-building cap typically placed on project-based voucher developments. Current project-based voucher rules limit percentage of project-based units to 25% of the units in the development. The LHA plans to project-base 100% of the units at this site.

B. Status Update

This activity has been put on hold as all available capital resources are being re-allocated to Pimlico revitalization. However, LHA still plans to implement this activity once financial resources become available.

C. Attachment C Authorizations

The LHA anticipates no changes to Attachment C Authorizations. The current authorizations are as follows:

Attachment C, Section D.7.a. Establishment of an Agency MTW Section 8 Project-Based Program, which waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983.

D. Outside Evaluators

LHA has partnered Kentucky State University to evaluate the Housing Authority's MTW initiatives. FY 2014 benchmarks are presented below.

FY2014 Benchmarks

Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of units built	0	~~5-8~~ 0	0	IMS/PIC

Impact: Assessing the costs / benefits of this activity for LHA

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
Leveraged funding	$0	~~$133,500~~ $0	$0	Duvernay + Brooks, LLC

Activity 10) HCV Tenant-Based Special Partner Programs

A. **Activity Continued from Prior Plan Year(s)**
Tenant-Based Special Partner Programs was proposed in the LHA's FY2012 – FY2013 MTW Annual Plan, and implemented following the approval of the FY2012-FY2013 MTW Annual Plan.

Activity Description
LHA partners with three social service agencies in the Lexington area to provide stable, tenant-based voucher housing to low-income families while they receive services provided by the partner agency. (LHA partners with an additional eight social service agencies that provide designated, fixed housing to low-income families; these partners are addressed in Activity 12 of this Plan.) These "special partner programs" serve some of Lexington's most vulnerable low-income populations, those who need wraparound services in order to stabilize their family situation and begin working to increase self-sufficiency. Targeted populations include the mentally ill, the homeless, those recovering from alcohol or drug addiction, and parents who have recently been released from jail.

Through the approval of its FY 2012 – FY 2013MTW Annual Plan, the LHA received permission to require that participants relinquish their tenant-based voucher at the time they graduate from or otherwise leave the program offered by the special partner, so another family may benefit from the housing and programming offered by the special partner.

The approval of this activity has permitted the LHA to provide an admissions preference to families eligible for and willing to participate in these special partner programs as a condition of continued assistance.

While LHA hopes the majority of these families will subsequently seek unsubsidized housing in the private market, these households will also be eligible to apply for public housing or another HCV voucher (including Family Self-Sufficiency vouchers) through the Authority's normal application procedures.

LHA has not received any complaints from residents or special partner organizations regarding the implementation of this activity. The Housing Authority continues to believe that requiring families to surrender their voucher upon exiting the special partner's programming will maximize the number of families these programs can serve, ultimately increasing both the self-sufficiency of families and the number of housing choices available to low-income households.

LHA is not seeking any additional flexibilities for this activity at this time. The LHA will continue to use its HUD-approved flexibility to require voucher recipients relinquish their tenant-based voucher at the time they graduate from or otherwise leave the program offered by the special partner.

As a reasonable accommodation, special participants are permitted to select units that fall under HUD's definition of special housing types. These vouchers assist persons who are homeless, mentally ill, and persons with substance abuse problems in need of voluntary or court-mandated treatment. Some of those program participants are placed in HUD-defined special housing types as stated in the LHA Section 8 Administrative Plan.

B. Status Update

The Tenant-Based Special Partner Programs activity was proposed in the LHA's FY2012 – FY2013 MTW Annual Plan, and implemented following the approval of the FY2012-FY2013 MTW Annual Plan. The activity is ongoing, and no changes to requested authorizations are planned in FY 2014.

C. Attachment C Authorizations

The LHA anticipates no changes to Attachment C Authorizations. The current authorizations are as follows:

Attachment C. Section D.1.b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued, which waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F.

Attachment C. Section D.2.b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, which waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451, and 983 Subpart E.

Attachment C Section D.1.f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the agency chooses to use this authorization, it will need to provide a transition plan to both affected residents and HUD prior to the end of the demonstration. This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M.

D. Outside Evaluators

LHA has partnered Kentucky State University to evaluate the Housing Authority's MTW initiatives. FY 2014 benchmarks are presented below.

HCV Tenant-Based Families Served Through Special Partner Programs

HCV Special Partner	Description of Households Served	Families Selecting Private Market Units
Bluegrass Domestic Violence Program, Inc.	Victims of domestic violence, dating violence, sexual assault, and stalking	25
Bluegrass Regional Mental Health - Mental Retardation Board, Inc.	Persons with severe mental illness or substance abuse diagnoses who have completed treatment and are involved in recovery services	22
Volunteers of America	Homeless individuals and families	35
Total Units		**82**

FY2014 Benchmarks
Impact: Increasing housing choices for low-income families

Metric	FY 2011 Baseline	FY 2012 - FY 2013 Benchmark	FY 2014 Benchmark	Data Source
# of HCV Special Partners	2	2	2	MOU Documentation
# (%) of HCV vouchers allocated to special partners through Tenant-Based Voucher Program	47 (2%)	47 (2%)	47 (2%)	WinTen2
# of families served through special partner program who: a) move to unsubsidized housing, b) apply for permanent HCV voucher, c) move to public housing, d) move to another type of subsidized housing	Not currently tracked	Not currently tracked	A = TBD[1] B = TBD[1] C = TBD[1] D = TBD[1]	Special Partner Monthly Census Survey

[1]The LHA expects to complete MOU's with each of its special partners prior to July 1, 2013. These new agreements will include a list of data elements that the special partner must report to the LHA on a regular basis.

Discontinued Activities

The LHA has discontinued the two activities listed below and will report on their closeout in its FY 2012 – FY 2013 Annual Report submission.

Activity 2) Management Team 3 Rent Reform Controlled Study: No Rent Reduction Request for 6 Months After Initial Occupancy for Bluegrass HOPEVI Public Housing Residents

Activity Description as Originally Proposed
The 292 apartments this activity will apply to were created as part of LHA's Bluegrass HOPE VI Revitalization; they are the Authority's newest – and perhaps most desirable – public housing. In order to live in one of these units, a family must make a commitment to become more self-sufficient. The head-of-household or spouse must work at least 20 hours a week, or - if there is a single head-of-household - this person may be enrolled as a full-time student in an accredited college, university or vocational school.

Unfortunately, the Housing Authority has found that households – understandably eager to qualify for the highest quality housing for their families – sometimes take a job just to qualify for one of these units, knowing they can reduce their hours or quit entirely after they move in and immediately apply for a rent reduction.

Thus these units are not boosting self-sufficiency to the degree LHA originally hoped they would. Twenty-three of the 194 non-elderly/non-disabled households (12%) residing in these units currently do not meet the work/education requirement.

To ensure these highly desirable units serve their original intended purpose to further family self-sufficiency, LHA will restrict families moving into these units from requesting a rent reduction for six months after their initial move-in date. Instead, these families will be subject to the MTW Rent Reform Hardship Policy as stated in Appendix C.

Elderly and disabled households – including the 92 elderly / disabled families currently living in these units - will be exempt from this rent reform initiative, and remain eligible to request a rent reduction according to LHA's current policies.

LHA believes this initiative will encourage families to firmly commit to their self-sufficiency goals before applying to live in one of these housing units, and help to create a community where self-sufficiency is a shared and mutually re-enforced goal among public housing residents. This activity will essentially remove a current disincentive to maintaining household income - the ability to request a rent reduction immediately after move-in - thereby encouraging public housing residents who are already working to maintain their current level of employment.

As required by HUD, this rent reform initiative will be implemented as a controlled study. Households moving into public housing units at Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, and Twin Oaks will form the treatment group. Residents of LHA's Self-Sufficiency Level II public housing units in the Russell Cave and Sugar Mill developments will serve as the control group. Control group households will be governed by LHA's current policy regarding the request of rent reductions, while treatment group households will be prohibited from requesting a rent reduction for six months after their initial move-in date.

Activity 6) Biennial Housekeeping Inspection Policy for HCV Units

Activity Description as Originally Proposed
LHA will reduce administrative costs and reward residents for maintaining their units by conducting public housing housekeeping inspections biennially instead of annually for households that maintain an excellent rating for at least two years. In order to achieve an excellent rating, no deficiencies can be found during the unit inspection.

The following items are checked for general cleanliness during the housekeeping inspection:

- Kitchen: stove, refrigerator, cabinets, exhaust fans, sink, food storage areas, trash bins
- Bathroom: toilet, tub, exhaust fan
- Other Interior Items: walls, floors, ceilings, windows, woodwork, doors, trash bins, litter boxes
- Exterior: yards, porches, steps, sidewalks, storm/screen doors, parking lots, hallways, stairways, and storage sheds

In addition, none of the following hazards may be present:

- Non-operational or missing smoke detectors
- Blocked egress
- Tripping hazards
- Electrical hazards
- Pest infestation

Finally, the unit may not be in need of any maintenance repairs beyond what would be caused by normal wear and tear to the unit.

During FY 2012, LHA staff will review past inspection records, and anyone with two prior consecutive excellent ratings will automatically have their next inspection scheduled for two years out. Other households will be switched to the biennial inspection schedule once they achieve two consecutive excellent ratings. Subsequent housekeeping inspections will remain on a biennial schedule as long as the household sustains an excellent rating.

VII. Sources and Uses of Funding

For a complete list of Sources & Uses by AMP, please see Appendix E.

A. Operating, Capital, and HCV Funds

REVENUE (SOURCES OF MTW FUNDS)

	FY 2014
Public housing rental income	$1,517,956
Public housing subsidy*	$2,593,097
Public housing capital funding	$1,288,599
HCV subsidy and fees* (Excluding Mainstream, Shelter Plus Care, VASH)	$17,094,558
Investment / interest income	$32,680
Non-rental income**	$1,773,809
Reserves	$0
Total MTW-Eligible Revenue	$24,300,699

EXPENSE (USES OF MTW FUNDS)

	FY 2014
HCV housing assistance payments	$15,359,613
HCV administration (Excluding Mainstream, Shelter Plus Care, VASH)	$1,522,963
Agency-managed housing operations	$4,543,694
Privately-managed housing operations	$0
Utilities	$851,247
Public housing rehabilitation activities	$386,579
Development activities	$644,300
Resident services activities	$0
Protective services	$128,860
Debt service repayment	$0
Total MTW-Eligible Expenses	$23,437,256
Net Income / Loss	**$863,443**

**All though final appropriations can vary from year to year, the ongoing sequestration makes the funding levels even more unclear than in past years. Estimated funding levels for operating subsidy were based on a percentage of 82% and for HCV a percentage of 94%.*
***Non-rental income includes fee income for management, asset and bookkeeping fees, as well as management fees from tax credit entities. Additionally, it includes miscellaneous grants and fraud recovery.*

B. Budget by AMP

Account Description	Budget Fiscal Year 2014					
	AMP 1	AMP 2	AMP 3	AMP 4	AMP 12	HCV
	180	139	102	183	206	per 2013 actual
REVENUE:						
Net Tenant Rental Revenue	279,818	304,435	260,632	452,948	91,593	
Tenant Revenue - Other	30,539	19,832	20,553	35,935	21,671	
Total Tenant Revenue	310,357	324,267	281,185	488,883	113,264	0
HUD PHA Grants - Operating Subsidy	700,095	454,046	299,842	372,846	766,268	
HUD PHA Grants - All Other	0	0	0	0	0	17,094,558
Other Fees (BPLLC Mgmt Fees + LHOC fees)	0	0	0	0	0	0
Investment Income - Unrestricted	5,537	4,230	3,105	5,562	0	2,246
Other Revenue - Non Dwelling Rent	0	0	0	0	0	0
Other Revenue	150	0	0	40,073	(2,102)	91,343
Proceeds from disposition of assets held for sale	0	0	0	0	0	
TOTAL REVENUE	1,016,139	782,543	584,132	907,364	877,430	17,188,147
EXPENSES:						
Administrative:	0	0	0	0	0	0
Administrative Salaries + Tenant Services Salaries	64,165	42,221	31,943	57,888	60,462	518,539
Auditing Fees	3,593	3,593	3,593	3593	7,329	14,500
Management Fees to LHA						346,320
Management Fee (Property)	116,402	89,889	65,961	118,342	127,036	0
Bookkeeping Fee	16,200	12,510	9,180	16,470	18,540	216,450
Asset Management Fee	21,600	16,680	12,240	21,960	24,720	
Compensated Absences	1,500	0	4,236	515	1,237	0
Employee Benef Contr - Administrative + TS	25,297	16,645	12,593	22,823	26,070	204,427
Advertising & Marketing	185	221	600	1,721	567	7,311
Office Expenses	14,736	11,928	12,774	20,597	11,745	46,001
Legal Expense	5,613	0	0	1,100	732	237
Travel	1,557	1,845	1,141	1,352	1,142	1,943
Other	2,066	1,992	894	2,363	2,820	20,364
Total Operating-Administrative	0	0	0	0	0	0
Utilities:	0	0	0	0	0	0
Water	211,802	129,043	84,348	83,681	80,670	0
Electricity	15,755	8,231	2,999	174,407	16,392	0
Gas	2,691	1,497	896	19,613	6,439	0
Sewer	0	0	0	0	0	0
Other Utilities Expense	5,673	2,108	928	0	4,074	0
Total Utilities	0	0	0	0	0	0
Ordinary Maintenance & Operation:	0	0	0	0	0	0
Ordinary Maintenance & Operation - Labor	108,952	116,335	61,827	160,505	60,350	0
Ordinary Maintenance & Operation - Materials & Other	35,342	45,455	46,663	42,168	19,301	5,367
Ordinary Maintenance & Operation - Contract Costs	0	0	0	0	0	0
Ordinary Maintenance & Operations Garbage & Trash Removal	0	278	1,148	2,963	0	0
Ordinary Maintenance & Operations Miscellaneous	0	0	0	0	0	0
Heating & Cooling	21,414	11,043	12,324	27,284	8,093	0
Snow Removal	4,365	1,335	0	1,095	625	0
Elevator Maintenance	0	0	0	13,143	0	0
Landscape and Grounds	16,788	17,955	5,350	6,080	5,647	0
Unit Turnaround	36,827	32,634	13,052	24,161	22,960	0
Electrical	19,514	3,301	0	3,125	8,250	0
Plumbing	26,739	11,438	2,596	16,212	5,712	0
Extermination	32,735	15,437	8,443	38,937	15,344	0
Routine	6,047	5,555	6,440	14,127	3,736	8,195
Miscellaneous	4,566	14,265	13,273	34,325	8,168	15,000
Employee Benefit Contributions - Ordinary Maintenance	42,953	45,863	24,374	63,275	24,363	0
Total Maintenance	0	0	0	0	0	0
Protective Services	0	0	0	0	48,860	0
Insurance Premiums	0	0	0	0	0	0
Property Insurance	20,884	24,365	17,750	32,024	19,029	0
Liability Insurance	1,850	2,891	1,871	1,721	0	4,746
Workmen's Compensation	6,217	7,590	6,614	11,591	4,201	33,335
All Other Insurance	720	69	2,124	1,200	0	28,973
Total Insurance Premiums	0	0	0	0	0	0
Gen Adm Exp/FSS Coord/Contingency	916	0	0	13,588	0	51,255
Compensated Absences	0	0	0	0	0	0
Payments in Lieu of Taxes	3,825	32,442	25,731	19,328	0	0
Bad Debt - Tenant Rents	4,674	5,453	10,115	4,524	7,361	0
Reserve for Replacement		0	0	0	0	0
Housing Assistance Payments		0	0	0	0	15,359,613
Debt Service						
TOTAL EXPENSES	904,163	732,107	504,021	1,077,801	651,975	16,882,576
SURPLUS/DEFICIT BEFORE CAPITAL FUND	111,976	50,436	80,111	(170,437)	225,455	305,571
Capital Fund Allocation	(22,750)	(21,350)		175,000		(46,000)
TOTAL SURPLUS/DEFICIT	89,226	29,086	80,111	4,563	225,455	259,571

C. State and Local Funds

LHA does not receive or administer state or local funds.

LHA does maintain strong, mutually beneficial relationships with a variety of state and local partners, several of whom will have significant involvement in LHA's proposed FY 2014 MTW activities. These partners include the Authority's MTW evaluation partner (Kentucky State University), its HCV special partners, and its resident rewards incentive program partners.

D. Central Office Cost Center (COCC)

Central Office Cost Center FY 2014 Budget		
Account Description		**FY 2014**
REVENUE:		
Management Fee (Property)		**655,734**
Asset Management Fee		**121,680**
Bookkeeping Fee		**307,710**
Other Fees (BPLLC Mgmt Fees + LHOC fees)		**559,221**
Investment Income - Unrestricted		**12,000**
TOTAL REVENUE		**1,656,345**
EXPENSES:		
Administrative:		
Administrative Salaries + Tenant Services Salaries		**886,975**
Auditing Fees		**1,796**
Compensated Absences		**8,943**
Employee Benef Contr - Administrative + TS		**354,819**
Advertising & Marketing		**4,196**
Office Expenses		**80,244**
Legal Expense		**85,616**
Travel		**29,915**
Other		**6,575**
Utilities:		
Water		**6,163**
Electricity		**34,556**
Gas		**5,772**
Sewer		**0**
Other Utilities Expense		**860**
Ordinary Maintenance & Operation:		
Ordinary Maintenance & Operation - Labor		
Ordinary Maintenance & Operation - Materials & Other		**3,947**
Heating & Cooling		**1,863**
Snow Removal		**3,619**
Elevator Maintenance		**1,578**
Landscape and Grounds		**900**
Unit Turnaround		**0**
Electrical		**242**
Plumbing		**7,196**
Extermination		**1,200**
Routine		**28,199**
Miscellaneous		**33,564**
Insurance Premiums:		
Property Insurance		**8,543**
Liability Insurance		**6,000**
Workmen's Compensation		**31,250**
All Other Insurance		**1,200**
Gen Adm Exp/FSS Coord/Contingency		**18,003**
TOTAL EXPENSES		**1,653,734**
SURPLUS/DEFICIT		**2,611**

E. Variations in Cost Allocation / Fee-For-Service Approach

Not applicable. LHA policies follow 1937 Act requirements.

F. Uses of Single-Fund Flexibility

LHA will use its single-fund flexibility in accordance with Attachment C of the "Amended and Restated Moving to Work Agreement." LHA will exercise its authority to move funds and project cash flow among projects and programs as the Authority deems necessary to further its mission and cost objectives.

LHA's anticipates it will use this flexibility primarily for the preservation of public housing, the acquisition and/or development of new units for low-income families, and in FY 2014, the implementation of the resident rewards incentive program agency-wide for families with children in elementary school (as described below). Such use will be done in consultation with the agency's Board of Directors.

Resident Rewards Incentive Program

In FY 2014 LHA will implement Resident Rewards Incentive Program (RRIP) initiative that will reward LHA tenant's positive behavior. Staff plans to promote and implement a RRIP that will target residents of Lexington's public housing and Housing Choice Voucher (HCV) programs that make an effort to make positive strides toward self-sufficiency. Staff is scheduling meetings with local stakeholders during the first quarter of 2013 to determine the best approach to moving forward with this initiative.

We plan to design the RRIP to offer points to tenants who demonstrate their efforts toward effecting positive changes like: gaining a GED, seeking employment, attending resident meetings, taking part in community events, attending parent/teacher conferences, receiving good grades, volunteerism, etc. Households can then redeem points using a menu of incentives offered at a variety of different points levels. Families may select items with a low points value that they can earn quickly like books and gift cards, or save their points for more long-term goals – perhaps a bicycle for a child or a free month's rent for the household.

LHA will use the funding fungibility provided through the MTW Demonstration to finance this program. The Authority will also seek additional matching and/or grant funding from outside agencies, such as the state Department of Education and local financial institutions.

G. Reserve Balances

	FYE 6/30/14	
	Restricted Net Assets 511.1	Unrestricted Net Assets 512.1
	Across All MTW Programs	
AMP 1	$ -	$701,268.00
AMP 2	$ -	$593,598.00
AMP 3	$ -	$834,170.00
AMP 4	$ -	$631,925.00
AMP 5	$ -	-
AMP 12	$ -	-
HCV	$ -	$2,666,101.00
COCC	$ -	$948,298.00
	$ -	$6,375,360.00

To date, none of these reserve funds have been committed or obligated.

VIII. Administrative

A. Board Resolution

The LHA Board of Commissioners approved submission of the FY 2014 MTW Annual Plan at the April 11, 2013 LHA Board of Commissioners Meeting.

B. Agency-Directed Evaluations of the MTW Demonstration

No agency-directed evaluations of LHA's MTW demonstration are planned. Rather, the Authority plans to use Kentucky State University as a neutral, third party evaluator of its efforts. A copy of the commitment letter from the university follows:

C. Evidence of Resident Involvement

Each of the LHA's three property management teams and the HCV program hold quarterly resident meetings as a means to communicate housing authority and site specific information as well as receive resident comments. The following information documentation is evidence of such meetings.

Management Team I

Summary of Pimlico Apartments Resident Meeting to Discuss

Rental Assistance Demonstration (RAD)

10:00 a.m. & 5:30 p.m.

Tuesday, October 16, 2012

LHA staff sent notice of meetings to discuss the future of the Pimlico Apartments scheduled for Tuesday, October 16 to all Pimlico households. Meetings were planned at two different times - 10:00 a.m. and 5:30 p.m., allowing residents to choose the time most convenient for them.

- 36 Pimlico tenants attended the 10:30 a.m. meeting (see attached sign-in sheet)
- 28 Pimlico tenants attended the 5:30 p.m. meeting (see attached sign-in sheet)

Greg LaRue, Pimlico Manager, opened the meeting by announcing that LHA staff was there to discuss plans to apply for the Rental Assistance Demonstration (RAD) for major renovation of Pimlico Apartments. Mr. LaRue introduced Austin Simms, LHA Executive Director who gave details of the LHA's intentions for Pimlico Apartments. Other LHA staff present: Barry Holmes, Chief Operating Officer, Bill Garr, Pimlico Maintenance Supervisor and Andrea Wilson, Moving To Work Coordinator.

Mr. Simms gave the following overview:

Pimlico Apartments is in desperate need of repair and currently there are no funds available for a complete demolition and rebuild. LHA staff wants to apply for participation in HUD's RAD program which would mean complete renovation of the Pimlico site. LHA staff is here to discuss the implications of that process to the residents of Pimlico Apartments. The application is due October 24, 2012.

The site would convert from public housing to project-based vouchers (PBV) – noting that the tenant's rent would continue to be no more than 30% of their income or the $150 minimum rent (implemented under the Moving To Work Demonstration) and that the conversion would not change the rules of occupancy. Mr. Simms explained that PBV are not Section 8 tenant based vouchers that tenants can take with them when they move to another location; rather PBV's are tied to the site. In response to the rumors that all Pimlico residents are going to receive Section 8 vouchers and must move out are completely false.

If the application is approved, LHA staff will schedule meetings with architects to discuss design; tenants are encouraged to participate in those design meetings. Mr. Simms reminded those present that other issues brought up regarding maintenance requests should be addressed at the monthly resident meetings.

Questions raised by Pimlico tenants:

What if LHA doesn't get the funding?
Staff will continue to investigate funding opportunities but are unsure about other alternatives.

Will the LHA pay the tenant's moving expenses?
The LHA will pay moving expenses.

Where will Pimlico residents go when renovation begins?
Tenants will move to other units on the Pimlico site, other LHA sites, or there may be a possibility of Section 8 vouchers (not guaranteed) during renovation.

If a Pimlico resident has to move to another unit, who pays the utility deposits?
LHA will pay utility deposits/transfer fees that are in the head of household's name

Will rent increase if site is renovated?
The rent will continue to be no more than 30% of income and/or $150 minimum rent

If application is approved what is the possibility of tenants receiving Section 8 vouchers?
Section 8 relocation vouchers are a possibility but are not available at this time.

Will apartment size affect rent?
Tenants who are over housed (in units that exceed their household size) will be required to accept the size apartment they are qualified for based on their household size; rent continues to be based on income and shall not exceed 30% of their income or the $150 minimum rent.

Can Pimlico residents move to another city or state w/ voucher?
PBVs are tied to the site and cannot be taken by the tenant should they decide to move. Unless otherwise approved by HUD, after the first year of occupancy, residents who wish to move will be eligible for the first available tenant-based voucher.

Can former residents move back to Pimlico after renovation is complete?
If a tenant moves to another unit at Pimlico during the renovation they can continue to live at Pimlico once renovation is complete. Tenants who opt to move to other LHA public housing sites or out of LHA jurisdiction may return to Pimlico Apartments.

When will tenants start to move?
Details of the moving process are incomplete at this time, if the RAD application is approved information about moving would be announced in spring 2013.

Will utilities after the renovation be gas or electric? (Tenants said they preferred electric)
Utilities will be considered during the design process.

If Section 8 vouchers are given; who pays the moving expenses?
Any household that must move temporarily so that rehabilitation can be completed will have the moving expenses paid.

When will renovation begin?
We can only give an estimate at this time but anticipate at the earliest – summer 2013

When will renovation be complete?
Approximately two years.

Will the environment at the site change (i.e. – crime, congregating, people playing cards outside, etc.)
Mr. Simms suggested that a change in the environment will largely depend on the residents reactions to undesirable behavior and their involvement in resident meetings and reporting undesirable activity to management and law enforcement when necessary. Mr. Simms went on to say that residents may want to take an active role in establishing house rules.

Can playgrounds be improved?
At present no funds are available for playgrounds.

Can kitchens be updated with a backsplash at the stove?
Features such as this will be considered during the design process.

Can the structural problems at Pimlico be fixed?
Based on engineer/architect reviews the structural problems at Pimlico can be repaired.

Will plumbing and sewage back up problems be corrected in the renovation?
Plumbing issues will be addressed in the design process.

Will the apartments be the same configuration?
Yes, the apartments will be the same configuration.

Will all apartments have a washer/dryer hookup?
Washer/dryer hookups will be addressed in the design process.

Some tenants said they are not receiving the meeting notices.
Tenants were informed that the meeting notices are sent via mail, often times with the rent statements, in addition to being hand delivered and placed in doors.
When will LHA know if the application is approved?
LHA should know if we are selected to participate in RAD by December 2012.

Sign-In Sheet from 1/24/2013 Team I Resident Meeting

Pimlico/RAD Relocation Meeting
Sign In Sheet

Monday, March 11 at 9:00AM

Resident Name	Signature	Option A	Option B
FULZ, ANDREA D	Andrea Fulz		✓
GIBSON, JACQUETTA Q	Jacquetta Q. Gibson		✓
~~HONORATO, KIMBERLY M~~			

Pimlico/RAD Relocation Meeting Monday, March 11th at 11:00AM
Sign In Sheet

Resident Name	Signature	Option A	Option B
ROBINSON, TAMMY	Tammy Robinson		✓

Pimlico/RAD Relocation Meeting **Monday, March 11th 1:00 PM**
Sign Sheet

Resident Name	Signature	Option A	Option B
MARTINEZ, WENDY J	Wendy Martinez		✓
~~MCDOWELL, LARA K~~			
MCMILLIAN, CHASTITY L	Chastity McMillian		✓
MCMONIGAL, APRIL M	April McMonigal		✓

Pimlico/RAD Relocation Meeting Monday, March 11th at 6:00 PM
Sign In Sheet

Resident Name	Signature	Option A	Option B
JENKINS, SHANIKA N			✓
JOHNSON, ANTOINETTE R			
JONES, TYRENA			✓
KING, DIANN M			✓

Pimlico/RAD Relocation Meeting **Tuesday, March 12th at 6:00 PM**
Sign In Sheet

Resident Name	Signature	Option A	Option B
~~WEEKLY, MARCIO D~~			
WILSON, ALISHA D	[illegible]		✓
WILSON, SHERRY L	[illegible]		✓
WOODBERRY, TANIESHA S	Taniesha Woodberry		✓
TIERE Nutter	Tiane Nutter		✓
ENRICO HALL	Enrico Hall		✓
ADRIANE BROW	Adriane Brown		✓
Charlotte Adkins	Charlate Adkins		✓
Bonita Shelton	Bonita Shelton		✓
Bawili Hussein	B [illegible]		✓

Management Team II

Team II Management Team has regular monthly resident meeting the first Monday of every month at the Ballard-Griffith Towers. Sign-in sheets are not kept for these meetings.

Management Team III

HCV Program Participant Meetings

Appendix B. MTW Rent Reform Random Assignment Process

As outlined in Section V (*Proposed MTW Activities: HUD Approval Requested*), the Lexington-Fayette Urban County Housing Authority (LHA) will conduct two of its four proposed rent reform initiatives as controlled studies in FY 2014. Activity 1 - Increase Minimum Rent at Pimlico to $150 has been suspended as the site will be vacated for renovation during FY 2014. In addition, Activity 1 has been expanded to include public housing and HCV units and will not conduct a controlled study on the expanded activity. After receiving input from HUD that sufficient empirical evidence already exists to substantiate the assertion that triennial recertifications for elderly and disabled households effectively reduce administrative costs, LHA decided not to conduct a controlled study in conjunction with Activity 3 (Triennial Recertification of Griffith Tower Households). The LHA has decided not to implement the new Activity 13 as a controlled study.

In the case of Activity 4 (No Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Residents), Housing Choice Voucher residents continue to be randomly assigned to either a control or treatment group at the time they sign their initial lease for a unit.

Structure of Controlled Study Control and Treatment Groups

Note: All control and treatment groups described below will exclude elderly and disabled households.

<u>Activity 4: No Rent Reduction Requests for 6 Months After Initial Occupancy for Housing Choice Voucher Residents</u>

At the time a resident signs their lease either upon joining the Housing Choice Voucher Program or transferring to a new unit within the program, LHA's computer system will randomly generate a number that will determine whether the household is placed in the control or treatment group. Management Specialists will then explain the implications of this determination to the family and supply the head of household with a lease appropriately describing whether or not the family will be eligible to apply for a rent reduction during the first six months of occupancy. Families will thus have a randomized, 50% chance of being placed in either the control or treatment group.

Appendix C. MTW Rent Reform Hardship Policy

Lexington-Fayette Urban County Housing Authority (LHA)
Hardship Policy for MTW Initiatives

LHA's MTW Hardship Policy addresses the following types of rent reform initiatives:

1. Increases in Minimum Rent
2. Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy
3. Local Self-Sufficiency Admissions and Occupancy Requirements

1. Activity 1 - Increases in Minimum Rent
In order to qualify for a hardship exemption, households must meet both criteria listed below:

1. The household must experience an increase in rent as the direct result of an MTW rent reform initiative.
2. The household must request the hardship waiver before the deadline provided with the family's 90-day notice of an increase in minimum rent.

Households who meet the criteria listed above may mail or fax their request to LHA, stating both the reason for the hardship and its expected duration.

Requests will be considered on a case-by-case basis and weighed against other local resources available to the family.

Households granted a waiver to the increase in minimum rent would continue to pay pre-reform minimum rent until their next recertification, at which time the household will be subject to the rent reform initiative.

2. Activity 2 - Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy
In order to qualify for a hardship exemption, a household must experience a loss of income due to circumstances beyond the household's control. Examples of such circumstances include:

- A temporary medical condition that prevents an adult family member from working when loss of employment is not covered by paid medical benefits
- Loss of employment due to reduction in work force or closure of the place of employment where employment income loss is not covered by severance or separation benefits

Households, who experience an increase in medical expenses, such that these expenses exceed 15% of gross income, will also be eligible for a hardship exemption.

Households who meet the above criterion may mail or fax their hardship request to LHA, stating both the reason for the hardship and its expected duration.

Each request will be reviewed and weighed against other local resources available to the family.

Households granted a hardship exception would immediately be allowed to request a rent reduction following LHA's standard policies. No more than one such exception will be granted to any given family during the six months following initial occupancy.

3. Activity 13 - Local Self-Sufficiency Admissions and Occupancy Requirements

In order to qualify for a hardship exemption, a household must experience a loss of income due to circumstances beyond the household's control. Examples of such circumstances include:

- A temporary medical condition that prevents an adult family member from working when loss of employment is not covered by paid medical benefits
- Loss of employment due to reduction in work force or closure of the place of employment where employment income loss is not covered by severance or separation benefits

Families requesting a hardship exemption should do so in writing, stating both the reason for the hardship and its expected duration. If a family's request is approved, the imputed minimum annual earned income of affected adult(s) will temporarily be abated, and their recorded annual earned income reduced to the value of their actual annual earned income. Regardless of the number of adults in the household that are subject to the work requirement, as a household, the family's minimum earned income may only be abated for a maximum of 90 days in any twelve-month period (whether or not such days are consecutive). Once the household has received the 90-day limit, the annual earned income of each affected family member will be raised to the imputed minimum annual earned income value.

Appendix D. MTW Rent Reform Evaluation

As part of the agency's Moving to Work (MTW) demonstration program, the Lexington-Fayette Urban County Housing Authority (LHA) has proposed four activities which are rent reform initiatives (Section V-Proposed MTW Activities: HUD Approval Requested), for implementation within its jurisdiction, however, one of the four rent reform activities will be implemented as a controlled study. The rent reform activities are as follows:

1) Activity 1: $150 Minimum Rent at All Public Housing Sites & HCV Households
2) Activity 3: Triennial Recertifications at Connie Griffith & HCV Elderly and Disabled Households
3) Activity 2: No Rent Reduction Requests for HCV Households (controlled study)
4) Activity 13: Local Self-Sufficiency Admissions and Continued Occupancy Requirements

An evaluation team from the Kentucky State University (working jointly with LHA) will have oversight of the MTW program evaluation process, with an overall mandate to assess, monitor and report on the effects of MTW initiatives, including the proposed rent reform initiatives to be undertaken in FY 2014. The central goal of the rent reform evaluation is to measure the overall effectiveness of the rent reform in accomplishing HUD's stated goals of: increasing the number and quality of affordable housing choices throughout the Lexington-Fayette community, increasing the number of families moving toward self-sufficiency, strengthening the number of community partnerships benefitting residents with special needs, and reducing administrative costs while limiting administrative burdens placed on staff and residents. In addition, the evaluation will consider potential disparate impacts on protected classes of residents as determined by sex, race, ethnicity, age and disability.

Plan of action

In order to facilitate mapping of program effects on protected classes of residents arising out of rent reform initiatives, the evaluation team has determined baselines which capture the status quo for each initiative, interim benchmarks to track progress, and metrics to facilitate the measurement of subsequent changes and/or impact. An ongoing data collection process will inform periodic analysis and reports on program effects and outcomes, following a timeline (quarterly schedule). A comprehensive program evaluation report will be completed at the end of each fiscal year.

For each activity, the team has identified protected classes within the target population, and detailed their current status regarding metrics of interest. Impact analyses also present an understanding of how the various classes are affected by the status quo, as well as projections for future effects. By providing a picture of the status quo, downstream evaluation activities will have a baseline against which changes may be measured and monitored, as well as evaluating the scope of said change or effect, which may accrue as a result of any of the rent reform initiatives. In particular, outcomes will be scrutinized for the extent to which they signal which classes, if any, suffer disproportionate negative effects and hardships. Impact analyses also considered appropriate protocols for informing residents about the initiative, the use and structure of control and treatment groups as appropriate, as well as random assignment procedures for participants. The impact analysis tables for each activity are presented below.

1) Activity 1: $150 Minimum Rent at Pimlico

Impact Analysis – Projection
Controlled Study Suspended

		Head of Household	Average earned income per month	Average total income per month	Average gross rent	Average increased rent burden
Gender						
	Male	15	213.56	4633.79	65.46	84.54
	Female	106	495.09	6593.36	57.55	92.45
Race						
	White	38	484.28	6675.92	60.81	89.19
	Black	79	441.45	6216.76	57.44	92.56
	American Indian/ Native Alaskan	1	0	5992	50	100
	Asian/Pacific Islander	0	-	-	-	-
	Native Hawaiian/ Other Pacific Islander	0	-	-	-	-
	Other	3	800	5867	50	100
Ethnicity						
	Hispanic	1	0	4548	50	100
	Non-Hispanic	120	437.28	6250.32	58.6	91.4
Age						
	18 - 31	76	478.42	6580.73	58.20	91.80
	32 - 46	30	493.37	6749.43	62.43	87.57
	47 - 61	15	301.06	4385.6	52.40	97.60
	≥62	0	-	-	-	No change
Disabled		0	-	-	-	No change

This activity will be evaluated on its overall effectiveness in accomplishing HUD's goal of promoting self-sufficiency by encouraging heads of households to work.

This rent reform initiative will be suspended as a controlled study through FY 2015 as the Pimlico site will be vacant while under renovation and the controlled study will NOT be implemented on the expanded activity.

Activity 1 – Minimum Rent Increase to $150 Across All Housing Programs

Activity 1: Public Housing Disparate Impact Analysis - Baseline Data					
Public Housing Population	**Heads of Household** *FY 2013*	**Average Gross Annual Earned Income** *FY 2013*	**Average Total Adjusted Annual Income** *FY 2013*	**Average Gross Rent Payment** *FY 2013*	**Average Increased Rent Burden** *FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households	860	$10,512	$11,197	$281	$21
Gender of Head of Household					
Female	774	$10,610	$11,245	$284	$20
Male	86	$9,623	$10,764	$260	$26
Race of Head of Household *(Multiple selections permitted)*					
Black	677	$10,959	$11,656	$290	$21
White	179	$9,267	$10,022	$257	$17
American Indian / Native Alaskan	4	$9,407	$3,333	$116	$34
Asian/Pacific Islander	5	$13,170	$7,930	$208	$27
Native Hawaiian / Other Pacific Islander	4	$8,120	$6,890	$210	$4
Other / Not Disclosed	3	$0	$568	$83	$67
Ethnicity of Head of Household					
Non-Hispanic	843	$10,514	$11,245	$282	$21
Hispanic	17	$10,411	$8,798	$251	$21
Age of Head of Household					
18 - 31	421	$9,284	$9,320	$249	$21
32 - 46	292	$11,734	$13,162	$317	$17
47 - 61	147	$11,600	$12,667	$305	$27
Excluded Households					
Elderly/Disabled Households	363	$971	$11,051	$260	N/A

Activity 1 – Minimum Rent Increase to $150 Across All Housing Programs

Activity 1: HCV Disparate Impact Analysis - Baseline Data					
HCV Population	**Heads of Household**	**Average Gross Annual Earned Income**	**Average Total Adjusted Annual Income**	**Average TTP**	**Average Increased Rent Burden**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*
All Households Subject to Rent Reform Activity	1,454	$8,632	$10,501	$271	$35
Gender of Head of Household					
Female	1,404	$8,697	$10,547	$273	$34
Male	50	$7,995	$8,958	$237	$47
Race of Head of Household *(Multiple selections permitted)*					
Black	1,183	$8,942	$10,787	$279	$34
White	277	$7,561	$9,341	$242	$38
American Indian / Native Alaskan	5	$6,298	$7,354	$189	$34
Native Hawaiian / Other Pacific Islander	1	$0	$6,624	$166	$0
Asian/Pacific Islander	-	-	-	-	-
Other / Not Disclosed	1	$22,260	$0	$50	$100
Ethnicity of Head of Household					
Non-Hispanic	1,438	$8,654	$10,475	$271	$35
Hispanic	16	$10,432	$12,096	$306	$21
Age of Head of Household					
18 - 31	497	$8,258	$9,035	$237	$42
32 - 46	759	$9,231	$11,774	$302	$29
47 - 61	198	$7,579	$9,238	$242	$38
Excluded Households					
Elderly/Disabled & Special Partner Households	1,196	$1,810	$8,879	$227	N/A

2) Triennial Recertifications at Connie Griffith

Impact Analysis – Projections
Test group: Connie Griffith

		Head of Household	Average earned income per month	Average earned income per month	Average total income per month	Average gross rent	No of interim recertifications
Gender							
	Male	93	1557.01	10373.38	11930.88	230.89	7
	Female	88	1418	9291	10709.60	215.26	7
Race							
	White	59	1253.08	10200	11453	229.42	6
	Black	120	1630.76	9691	11321.89	220.92	8
	American Indian/ Native Alaskan	-	-	-	-	-	-
	Asian/Pacific Islander	-	-	-	-	-	-
	Native Hawaiian/ Other Pacific Islander	2	0	8826	8826	184.5	0
	Other	-	-	-	-	-	-
Ethnicity							
	Hispanic	2	0	11064	11064	255.5	0
	Non-Hispanic	179	1506.28	9833.88	11340.16	222.93	14
Age							
	≤ 59	59	1539.53	7296.82	8836.52	119.42	6
	60 – 79	113	1582.23	10849.14	12431.38	248.79	8
	≥ 80	9	0	13991.92	13991.92	237.55	0
Disabled							
	Yes	3	0	9348	9348	209.33	0
	No	178	1514	9856	11370.64	223.53	14

	Number of recertifications	Satisfaction	Financial Impact	
			Gain	Loss
Residents	Decrease	Increase	⟷	⟷
Employees	2/3rds decrease workload	Increase	NA	NA
LHA	Decrease		Increase	⟷

This activity will be evaluated on its overall effectiveness in accomplishing HUD's goal of easing administrative burdens for LHA staff and its residents, as well as reducing costs.

This rent reform initiative will be NOT implemented as a controlled study. All residents will be participants, and receive information about the initiative and its implications. Participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Focus group. LHA does not anticipate that this rent reform initiative will increase the rent burden of the treatment group households or have a disparate impact on protected classes of households.

Activity 3) Triennial Recertifications of Connie Griffith Towers and HCV Elderly/Disabled Households

Activity 3: Connie Griffith Manor Disparate Impact Analysis - Baseline Data				
Griffith Tower Population	**Heads of Household**	**Average Earned Income per Month**	**Average Total Income per Month**	**Average Gross Rent**
	FY 2011	*FY 2011*	*FY 2011*	*FY 2011*
All Households	181	$124	$945	$223
Gender				
Male	93	$130	$994	$231
Female	88	$118	$892	$215
Race				
Black	120	$136	$943	$221
White	59	$104	$954	$229
Native Hawaiian / Other Pacific Islander	2	$0	$736	$185
American Indian / Native Alaskan	-	-	-	-
Asian/Pacific Islander	-	-	-	-
Other	-	-	-	-
Ethnicity				
Non-Hispanic	179	$126	$945	$223
Hispanic	2	$0	$922	$256

Activity 3) Triennial Recertifications of Connie Griffith Towers and HCV Elderly/Disabled Households

Activity 3: HCV Disparate Impact Analysis - Baseline Data				
HCV Population	**Heads of Household**	**Average Gross Annual Earned Income**	**Average Total Annual Adjusted Income**	**Average TTP**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2013*
All Households	741	$996	$10,529	$264
Gender				
Female	614	$1,070	$10,604	$266
Male	127	$640	$10,167	$255
Race *(Multiple selections permitted)*				
Black	434	$1,229	$10,742	$269
White	306	$669	$10,238	$256
American Indian / Native Alaskan	1	$0	$7,016	$176
Asian/Pacific Islander	-	-	-	-
Native Hawaiian / Other Pacific Islander	-	-	-	-
Other / Not Disclosed	-	-	-	-
Ethnicity				
Non-Hispanic	740	$997	$10,532	$263
Hispanic	1	$0	$8,216	$206
	1			

3) No Rent Reduction Requests for HCV Households

Impact Analysis – Projections
Test group: New Incoming HCV tenants
n= 2795

		Head of House hold	Average earned income at initial occupancy	Average gross annual income	Average gross monthly income	Average monthly rent payment	Average Housing assistance Payments (HAP)	Average increased rent burden
Gender								
	Male	344	?	8161.41	638.3	158.17	386.43	
	Female	2451		9950.13	738.99	138.59	532.7	
Race								
	White	874		8923.84	671.72	132.51	479.88	
	Black	1898		10129.43	754.07	145.57	530.57	
	American Indian/ Native Alaskan	4		5370	369.17	1.75	610.75	
	Asian/Pacific Islander	4		8991	680.96	115.5	567	
	Native Hawaiian/ Other Pacific Islander	2		12852.5	1011.04	205.5	544	
	Other	13		6690.77	-	84.6	487.69	
Ethnicity								
	Hispanic	26		13065.42	993.01	185.96	520.92	
	Non-Hispanic	2769		9698.64	724.1	140.57	514.64	
Age								
	≤61	2567						
	>62	233						No Change
Disabled								
	Yes	782						No Change
	No	2018						

This activity will be evaluated on its overall effectiveness in accomplishing HUD's goal of increasing family self-sufficiency by encouraging heads of households to maintain household income level, reduce costs, and achieve greater cost effectiveness in federal expenditures.

This rent initiative will be implemented as a controlled study. All incoming households moving into an HCV unit will be randomized using a computer-based program to either control or treatment groups. Participants' lease information packets will reflect conditions of control or treatment group as appropriate. Participants in the treatment group will be provided information on the initiative, hardship policy, and available community resources. Elderly and disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms before participation in satisfaction surveys, if administered.

Activity 13) Local Self-Sufficiency Admissions and Occupancy Requirements

Activity 13: Pimlico Disparate Impact Analysis - Baseline Data						
Pimlico Population	**Heads of Household**	**Average Total Adjusted Annual Income**	**Average Gross Annual Earned Income**	**Average Imputed Gross Annual Earned Income Increase**	**Average Gross Rent Payment**	**Average Increased Rent Burden[1]**
	FY 2013	*FY 2013*	*FY 2013*	*FY 2014 Benchmark*	*FY 2013*	*FY 2014 Benchmark*
All Non-Elderly/Non-Disabled Households	146	$4,340	$3,395	Exempt	$179	Exempt
Gender of Head of Household						
Female	130	$4,358	$3,509	Exempt	$180	Exempt
Male	16	$4,197	$2,469	Exempt	$169	Exempt
Race of Head of Household *(Multiple selections permitted)*						
Black	94	$4,412	$4,365	Exempt	$181	Exempt
White	50	$4,223	$1,999	Exempt	$175	Exempt
American Indian / Native Alaskan	1	$1,044	$0	Exempt	$150	Exempt
Asian/Pacific Islander	1	$8,929	$9,886	Exempt	$223	Exempt
Native Hawaiian / Other Pacific Islander	1	$0	$0	Exempt	$150	Exempt
Other / Not Disclosed	1	$0	$0	Exempt	$150	Exempt
Ethnicity of Head of Household						
Non-Hispanic	142	$4,422	$3,491	Exempt	$180	Exempt
Hispanic	4	$1,440	$0	Exempt	$150	Exempt
Age of Head of Household						
18 - 31	85	$3,644	$3,130	Exempt	$169	Exempt
32 - 46	40	$5,289	$4,008	Exempt	$188	Exempt
47 - 61	21	$5,349	$3,302	Exempt	$202	Exempt
Excluded Households						
Elderly/Disabled Households	23	$9,309	$350	N/A	$233	N/A

Appendix E. Annual Statements / Performance Evaluation Reports

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name	Grant Type and Number	FFY
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: KY3-P004-501-12 Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 07/2012** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]	257,719			
3	1408 Management Improvements	257,720		9,377.20	9,377.20
4	1410 Administration (may not exceed 10% of line 21)	128,859		128,859	128,259
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	644,300			
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary

PHA Name	Grant Type and Number	FFY
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: KY36-P004-501-12 Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 07/2012** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03/31/2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	1,288,599		138,237.20	138,237.20
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	Date	Signature of Public Housing Director	Date

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No: Ky36-P004-501-12
CFFP (Yes/ No):
Replacement Housing Factor Grant No:

Federal FFY of Grant: 07/2012

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
PHA – Wide	Operations	1406		257,719				
Management Improvements	Security-On-Site	1408		257,720		9,377.20	9,377.20	
Administration	Management Fees	1410		128,859		128,859	128,859	
PHA – Wide	Dwelling Structures	1460		644,300				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name:

Grant Type and Number
Capital Fund Program Grant No:
CFFP (Yes/ No):
Replacement Housing Factor Grant No:

Federal FFY of Grant:

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Lexington-Fayette Urban County Housing Authority					**Federal FFY of Grant:**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
1406 LHA Wide Operation	03/2014		03/2016		
1408 Mgmt. Improvements	03/2014		03/2016		
1410 LHA Wide Administration	03/2014	06/2012	03/2016	06/2012	
1460 PHA Wide Dwelling Structures	03/2014		03/2016		

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-501-11 Date of CFFP:			**FFY of Grant: 2011** **FFY of Grant Approval:**	
Type of Grant ☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)** ☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**					
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised**[2]	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	269,804.00		0.00	0.00

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-501-11 Date of CFFP:	**FFY of Grant: 2011** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	269,804.00		0.00	0.00
20	Amount of Annual Grant:: (sum of lines 2 - 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
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Annual Statement/Performance and Evaluation Report
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U.S. Department of Housing and Urban Development
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OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-501-12 Date of CFFP:	**FFY of Grant: 2012** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	42,127.00		0.00	0.00

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U.S. Department of Housing and Urban Development
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OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-501-12 Date of CFFP:	**FFY of Grant: 2012** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	42,127.00		0.00	0.00
20	Amount of Annual Grant:: (sum of lines 2 - 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

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[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: CFFP (Yes/ No): Replacement Housing Factor Grant No: KY36-R004-501-12	**Federal FFY of Grant: 2012**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
LHA-Wide	Development Activities	1499		42,127.00				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-502-10 Date of CFFP:			**FFY of Grant: 2010** **FFY of Grant Approval:**	
Type of Grant ☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)** ☒ **Performance and Evaluation Report for Period Ending: 03-31-13** ☐ **Final Performance and Evaluation Report**					
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised**[2]	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	594,807.00		594,807.00	321,736.44

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-502-10 Date of CFFP:			**FFY of Grant: 2010** **FFY of Grant Approval:**	
Type of Grant ☐**Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)** ☒**Performance and Evaluation Report for Period Ending: 03-31-13** ☐ **Final Performance and Evaluation Report**					
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	594,807.00		594,807.00	321,736.44
20	Amount of Annual Grant:: (sum of lines 2 - 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		**Date**	**Signature of Public Housing Director**		**Date**

[1] To be completed for the Performance and Evaluation Report.
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: CFFP (Yes/ No): Replacement Housing Factor Grant No: KY36-R004-502-10	**Federal FFY of Grant: 2010**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
LHA-Wide	Development Activities	1499		594,807.00		594,807.00	321,736.44	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No Replacement Housing Factor Grant No: KY36-R004-502-11 Date of CFFP:	**FFY of Grant: 2011** **FFY of Grant Approval:**

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost [1]**	
		Original	**Revised[2]**	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	191,515.00		0.00	0.00

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[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
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Expires 08/31/2011

Part I: Summary

PHA Name: **Lexington-Fayette Urban County Housing Authority**

Grant Type and Number
Capital Fund Program Grant No
Replacement Housing Factor Grant No: KY36-R004-502-11
Date of CFFP:

FFY of Grant: 2011
FFY of Grant Approval:

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	191,515.00		0.00	0.00
20	Amount of Annual Grant:: (sum of lines 2 - 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
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Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No:
CFFP (Yes/ No):
Replacement Housing Factor Grant No: KY36-R004-502-11

Federal FFY of Grant: 2011

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
LHA-Wide	Development Activities	1499		191,515.00				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No
Replacement Housing Factor Grant No: KY36-R004-502-12
Date of CFFP:

FFY of Grant: 2012
FFY of Grant Approval:

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	352,873.00		0.00	0.00

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No
Replacement Housing Factor Grant No: KY36-R004-502-12
Date of CFFP:

FFY of Grant: 2012
FFY of Grant Approval:

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)	352,873.00		0.00	0.00
20	Amount of Annual Grant:: (sum of lines 2 - 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No:
CFFP (Yes/ No):
Replacement Housing Factor Grant No: KY36-R004-502-12

Federal FFY of Grant: 2012

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
LHA-Wide	Development Activities	1499		352,873.00				

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No: KY36-P004-501-10
Replacement Housing Factor Grant No:
Date of CFFP:

FFY of Grant: 07/2010
FFY of Grant Approval:

Type of Grant
☒ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]	270,160.00	270,112.80	270,112.80	270,112.80
3	1408 Management Improvements	36,000.00	180,000.00	180,000.00	180,000.00
4	1410 Administration (may not exceed 10% of line 21)	135,056.00	135,056.00	135,056.00	135,056.00
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	84,157.00	765,395.20	765,395.20	765,395.20
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	825,191.00	0.00	0.00	0.00

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: KY36-P004-501-10 Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant: 07/2010** **FFY of Grant Approval:**

Type of Grant

☒ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost [1]**	
		Original	**Revised [2]**	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	1,350,564.00	1,350,564.00	1,350,564.00	1,350,564.00
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages

PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: Ky36-P004-501-10 CFFP (Yes/ No): Replacement Housing Factor Grant No:	**Federal FFY of Grant: 07/2010**

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
PHA – Wide	Operations	1406		270,160.00	270,112.80	270,112.80	270,112.80	
Management Improvements	Security-On-Site	1408		36,000.00	180,000.00	180,000.00	180,000.00	
Administration	Management Fees	1410		135.056.00	135,056.00	135,056.00	135,056.00	
PHA – Wide	Dwelling Structures	1460		84,157.00	765,395.20	765,395.20	765,395.20	
PHA – Wide	Development Activities	1499		825,191.00	0.00	0.00	0.00	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and

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

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Lexington-Fayette Urban County Housing Authority					**Federal FFY of Grant: 07/2010**
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
1406 PHA –Wide Operations	09/2012	03/2011	09/2014	03/2011	
1408 Manangement Improvements	09/2012	06/2011	09/2014	06/2012	
1410 Administration	09/2012	03/2011	09/2014	03/2011	
1460 PHA – Dwelling Structures	09/2012	06/2011	09/2014	03/2013	
1499 PHA – Wide Development Activities BGA	09/2012	n/a	09/2014	n/a	

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 8/31/2011

Part I: Summary

PHA Name: Lexington-Fayette Urban County Housing Authority

Grant Type and Number
Capital Fund Program Grant No: KY36-P004-501-11
Replacement Housing Factor Grant No:
Date of CFFP:

FFY of Grant: 07/2011
FFY of Grant Approval:

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised[2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]	292,121.00	0.00	0.00	
3	1408 Management Improvements	207,030.00	0.00	207,030.00	207,030.00
4	1410 Administration (may not exceed 10% of line 21)	146,060.00	0.00	146,060.00	146,060.00
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	815,396.00	0.00	152,097.21	152,097.21
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]	0.00	0.00	0.00	0.00

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part I: Summary					
PHA Name: Lexington-Fayette Urban County Housing Authority	**Grant Type and Number** Capital Fund Program Grant No: KY36-P004-501-11 Replacement Housing Factor Grant No: Date of CFFP:		**FFY of Grant: 07/2011** **FFY of Grant Approval:**		
Type of Grant ☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)** ☒ **Performance and Evaluation Report for Period Ending: 03-31-2013** ☐ **Final Performance and Evaluation Report**					
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost [1]**	
		Original	**Revised [2]**	**Obligated**	**Expended**
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant:: (sum of lines 2 - 19)	1,460,607.00	0.00	505,187.21	505,187.21
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director	**Date**		**Signature of Public Housing Director**		**Date**

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/31/2011

Part II: Supporting Pages								
PHA Name: Lexington-Fayette Urban County Housing Authority		**Grant Type and Number** Capital Fund Program Grant No: Ky36-P004-501-11 CFFP (Yes/ No): Replacement Housing Factor Grant No:		**Federal FFY of Grant: 07/2011**				
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised [1]	Funds Obligated[2]	Funds Expended[2]	
PHA – Wide	Operations	1406		292,121.00	0.00	0.00	0.00	
Management Improvements	Security-On-Site	1408		207,030.00	0.00	207,030.00	207,030.00	
Administration	Management Fees	1410		146,060.00	0.00	146,060.00	146,060.00	
PHA – Wide	Dwelling Structures	1460		815,396.00	0.00	152,097.21	152,097.21	
PHA – Wide	Development Activities	1499			0.00	0.00	0.00	

[1] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[2] To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and

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

Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: Lexington-Fayette Urban County Housing Authority

Federal FFY of Grant: 07/2011

Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates [1]
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
1406 PHA –Wide Operations	09/2013		09/2015		
1408 Manangement Improvements	09/2013	03/2013	09/2015	03/2013	
1410 Administration	09/2013	06/2012	09/2015	06/2012	
1460 PHA – Dwelling Structures	09/2013		09/2015		
1499 PHA – Wide Development Activities BGA					

[1] Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Appendix F. Sources and Uses of Funds by AMP

Account Description	Budget Fiscal Year 2014					
	AMP 1	AMP 2	AMP 3	AMP 4	AMP 12	HCV
	180	139	102	183	206	per 2013 actual
REVENUE:						
Net Tenant Rental Revenue	279,818	304,435	260,632	452,948	91,593	
Tenant Revenue - Other	30,539	19,832	20,553	35,935	21,671	
Total Tenant Revenue	310,357	324,267	281,185	488,883	113,264	0
HUD PHA Grants - Operating Subsidy	700,095	454,046	299,842	372,846	766,268	
HUD PHA Grants - All Other	0	0	0	0	0	17,094,558
Other Fees (BPLLC Mgmt Fees + LHOC fees)	0	0	0	0	0	0
Investment Income - Unrestricted	5,537	4,230	3,105	5,562	0	2,246
Other Revenue - Non Dwelling Rent	0	0	0	0	0	0
Other Revenue	150	0	0	40,073	(2,102)	91,343
Proceeds from disposition of assets held for sale	0	0	0	0	0	
TOTAL REVENUE	1,016,139	782,543	584,132	907,364	877,430	17,188,147
EXPENSES:						
Administrative:	0	0	0	0	0	0
Administrative Salaries + Tenant Services Salaries	64,165	42,221	31,943	57,888	60,462	518,539
Auditing Fees	3,593	3,593	3,593	3593	7,329	14,500
Management Fees to LHA						346,320
Management Fee (Property)	116,402	89,889	65,961	118,342	127,036	0
Bookkeeping Fee	16,200	12,510	9,180	16,470	18,540	216,450
Asset Management Fee	21,600	16,680	12,240	21,960	24,720	
Compensated Absences	1,500	0	4,236	515	1,237	0
Employee Benef Contr - Administrative + TS	25,297	16,645	12,593	22,823	26,070	204,427
Advertising & Marketing	185	221	600	1,721	567	7,311
Office Expenses	14,736	11,928	12,774	20,597	11,745	46,001
Legal Expense	5,613	0	0	1,100	732	237
Travel	1,557	1,845	1,141	1,352	1,142	1,943
Other	2,066	1,992	894	2,363	2,820	20,364
Total Operating-Administrative	0	0	0	0	0	0
Utilities:	0	0	0	0	0	0
Water	211,802	129,043	84,348	83,681	80,670	0
Electricity	15,755	8,231	2,999	174,407	16,392	0
Gas	2,691	1,497	896	19,613	6,439	0
Sewer	0	0	0	0	0	0
Other Utilities Expense	5,673	2,108	928	0	4,074	0
Total Utilities	0	0	0	0	0	0
Ordinary Maintenance & Operation:	0	0	0	0	0	0
Ordinary Maintenance & Operation - Labor	108,952	116,335	61,827	160,505	60,350	0
Ordinary Maintenance & Operation - Materials & Other	35,342	45,455	46,663	42,168	19,301	5,367
Ordinary Maintenance & Operation - Contract Costs	0	0	0	0	0	0
Ordinary Maintenance & Operations Garbage & Trash Removal	0	278	1,148	2,963	0	0
Ordinary Maintenance & Operations Miscellaneous	0	0	0	0	0	0
Heating & Cooling	21,414	11,043	12,324	27,284	8,093	0
Snow Removal	4,365	1,335	0	1,095	625	0
Elevator Maintenance	0	0	0	13,143	0	0
Landscape and Grounds	16,788	17,955	5,350	6,080	5,647	0
Unit Turnaround	36,827	32,634	13,052	24,161	22,960	0
Electrical	19,514	3,301	0	3,125	8,250	0
Plumbing	26,739	11,438	2,596	16,212	5,712	0
Extermination	32,735	15,437	8,443	38,937	15,344	0
Routine	6,047	5,555	6,440	14,127	3,736	8,195
Miscellaneous	4,566	14,265	13,273	34,325	8,168	15,000
Employee Benefit Contributions - Ordinary Maintenance	42,953	45,863	24,374	63,275	24,363	0
Total Maintenance	0	0	0	0	0	0
Protective Services	0	0	0	0	48,860	0
Insurance Premiums	0	0	0	0	0	0
Property Insurance	20,884	24,365	17,750	32,024	19,029	0
Liability Insurance	1,850	2,891	1,871	1,721	0	4,746
Workmen's Compensation	6,217	7,590	6,614	11,591	4,201	33,335
All Other Insurance	720	69	2,124	1,200	0	28,973
Total Insurance Premiums	0	0	0	0	0	0
Gen Adm Exp/FSS Coord/Contingency	916	0	0	13,588	0	51,255
Compensated Absences	0	0	0	0	0	0
Payments in Lieu of Taxes	3,825	32,442	25,731	19,328	0	0
Bad Debt - Tenant Rents	4,674	5,453	10,115	4,524	7,361	0
Reserve for Replacement		0	0	0	0	0
Housing Assistance Payments		0	0	0	0	15,359,613
Debt Service						
TOTAL EXPENSES	904,163	732,107	504,021	1,077,801	651,975	16,882,576
SURPLUS/DEFICIT BEFORE CAPITAL FUND	111,976	50,436	80,111	(170,437)	225,455	305,571
Capital Fund Allocation	(22,750)	(21,350)		175,000		(46,000)
TOTAL SURPLUS/DEFICIT	89,226	29,086	80,111	4,563	225,455	259,571

Appendix G. Other Administrative Documents Required by HUD

Appendix H. Lexington-Fayette Urban County Housing Authority (LHA) - Significant Amendment to FY 2014 MTW Annual Plan

Consistent with the intent of its statements in Activity 8 to convert Pimlico's subsidy from public housing to project-based vouchers, LHA has applied under the Rental Assistance Demonstration (RAD) of the U.S. Department of Housing and Urban Development (HUD) to convert the 206 Pimlico public housing units to project-based vouchers. While LHA in the FY 2012 - FY 2013 MTW Annual Plan stated its intention to accomplish conversion through HUD's approval of the disposition of Pimlico and replacement with tenant protection vouchers, that scenario does not seem likely to be available. Thus, LHA's FY 2014 MTW Annual Plan states its intention to convert these units from public housing to project-based vouchers through RAD. LHA's RAD application is available on its Website (www.lexha.org) or in hard copies at its administrative office (300 West New Circle Road, Lexington, KY 40505). LHA also anticipates applying for low-income tax credits, the award of which along with the expenditure of LHA funds will help LHA address approximately $18 million in capital needs.

The required information for the significant amendment follows:

1. *Description of the units to be converted, including the number of units, the bedroom distribution of units, and the type of units (e.g., family, elderly/disabled, or elderly-only):*

   Pimlico is located at 1301, 1317 and 1333 Centre Parkway in Lexington. The 206 units to be converted include 44 one-bedroom units, 112 two-bedroom units, and 50 three-bedroom units in eleven two-story buildings. All of the units are designated for general occupancy (family). The units were built in the late 1960s and early 1970s.

2. *Any change in the number or bedroom distribution of units that is proposed as part of the conversion:* none.

3. *Any changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project sites after they have been converted, including any waiting list preferences that will be adopted for the converted project:*

   Commencing one year after their re-occupancy, and immediately for new admissions or resident transfers to Pimlico, families must meet the following requirements to be eligible for continued occupancy at Pimlico:

   a. Families must be able to provide a record of excellent or above average housekeeping and conformance to lease provisions, particularly as it relates to disturbances and behavior of family members.

   b. Head-of-household or spouse/co-head-of-household must demonstrate he/she has been working for at least 20 hours per week for at least 6 months prior to recertification (or prior to signing a lease for new admissions or transfers); **OR**

c. A single head-of-household may be a full-time student if he/she can demonstrate a 6-month enrollment history (as certified by the educational institution) at an accredited and degree-granting college, university, trade, or business school. The definitions for Work, Working and Full-Time Student shall be as stated in LHA's Admissions and Continued Occupancy Plan.

In cases where there is both a head-of-household and a spouse/co-head-of-household, at least one of these adult residents must have been working at least 20 hours per week for at least 6 months.

Adults subject to the requirement to work at least 20 hours per week must engage in work that meets the Authority's MTW-approved definition of "work activity." Such individuals will be assumed to have a minimum imputed annual earned income equal at least to the amount earned by an individual working 20 hours per week and 52 weeks per year at the federal minimum wage rate. Families including an adult member whose income decreases through no fault of the family may request the minimum imputed annual earned income be abated for a maximum of 90 days per 12 month period, consistent with the MTW Rent Reform Hardship Policy described in Appendix C of the agency's FY 2014 MTW Annual Plan.

Full-time students in one-person households not housed as part of the re-occupancy generally will be excluded from future occupancy of Pimlico.

Full-time students in households of two or more persons may be eligible for future occupancy of Pimlico if they meet one of the following five exceptions to the full-time student prohibition:

i. At least one member of the household is currently enrolled in a job-training program that receives assistance under the Job Training Partnership Act (JTPA) or is funded by a state or local agency;

ii. The head of household is a single parent with children and neither the parent nor the children are the dependent of another individual;

iii. The members of the household are married and file a joint federal tax return;

iv. At least one member of the household receives assistance under Title IV of the Social Security Act (e.g. payments under K-TAP); or

v. At least one member of the household was previously under the care of a state foster program.

Non-citizen students are prohibited from receiving housing assistance as well as their non-citizen spouses and children. The prohibition on providing assistance to a non-citizen student does not extend to the citizen spouse or citizen children of the student.

Disabled and/or elderly individuals and families may also be considered for occupancy at Pimlico.

To better screen persons not previously being housed at Pimlico, applicants who do not have a 12-month housing reference will be moved into General Housing to establish a good housing reference in order to attain eligibility for Pimlico. This policy may be waived for applicants who have parent(s) or another responsible party willing to act as a co-signer on the applicant's behalf for one year.

LHA will adhere to PBV Resident Rights and Participation contained in Section 1.6.C. and Attachment 1B of the revised RAD Notice 2012-32, REV-1 (July 2, 2013; the New RAD Notice), attached for reference as "Appendix: Required excerpts from New RAD Notice regarding resident rights." If there are any tenant rent increases as a result of RAD, LHA will phase them in over three years.

Supportive Services for Pimlico Post Renovation

In fulfillment of the project-based voucher requirement that non-elderly or disabled families in "excepted" units be receiving supportive services, Sec. 8(o)(13)(D) of the U.S. Housing Act of 1937 and 24 CFR 983.56(b),, LHA will offer supportive services to all Centre Meadows (formerly Pimlico) households once renovations are complete and re-occupancy starts during FY2015. LHA will offer Centre Meadows households the benefit of a preference for the Early Head Start and Head Start child development programs operated on-site by the Lexington-Fayette Community Action Council (CAC). LHA owns the facility from which the Head Start programs are operated and will require the preference for Centre Meadows households to be included in the terms of the facility lease.

The preference will be offered to families in order of the date and time of their request. If the on-site program cannot accommodate all requests from Centre Meadows families, a waiting list will be kept by date and time of request. A preference can be provided to families with children who meet the eligibility requirements for the Early Head Start or Head Start program.

In addition, all Center Meadows families will have on-site access to the CAC neighborhood-based office. The CAC provides community and neighborhood-based services that are integrated, comprehensive, developmental, and empowering for individuals and families. Examples of the types of services available through the CAC's neighborhood-based offices include rent or mortgage assistance, senior transportation services, tutoring and study skills, help with education and work goals and emergency assistance with utility bills.

LHA requests specific HUD acknowledgement that the described supportive services will meet applicable statutory and regulatory requirements.

4. *Information regarding transfer of assistance:* This required information relates to a transfer of assistance to other units or sites. LHA does not propose any transfer of assistance.

5. *Compliance agreements:* LHA is currently compliant with all fair housing and civil rights requirements and is not under a Voluntary Compliance Agreement.

6. *Required information for submitting amendment:* Please see part VIII of the FY 2014 Annual Plan.

7. *Information regarding use of MTW Fungibility as defined in the New RAD Notice.* LHA has not decided to use MTW Fungibility.

8. *Impact on Capital Fund:* LHA estimates that approximately 22.16% of its formula Capital Fund annual grant, or $285,536 for 2012, is associated with Pimlico. Approximately that amount of funds annually would be subtracted from the funding otherwise available annually for public housing capital or other eligible uses under the Moving to Work demonstration program.

   LHA will use approximately $1,129,390 in Replacement Housing Factor (RHF) funds to support the rehabilitation of Pimlico, and is considering the use of RHF funds to be received in the future to supplement RAD rents as allowed by the new RAD Notice. These commitments will enhance the viability of Pimlico's rehabilitation and allow LHA to use limited local funds flexibly for other low-income housing purposes.

Appendix: Required excerpts from New RAD Notice regarding resident rights

1.6 Special Provisions Affecting Conversions to PBVs

C. PBV Resident Rights and Participation

1. **No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.

2. **Right to Return.** Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved (see Section 1.6.B.7 and Section 1.7.A.8 on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

3. **Renewal of Lease.** Under current regulations at 24 CFR § 983.257(b)(3), upon lease expiration, a PHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the PHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR § 983.257(b)(3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.

4. **Phase-in of Tenant Rent Increases.** If a tenant's monthly rent increases by more than the greater of 10 percent or $25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP

Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP

Five Year Phase in:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP and the standard TTP

Year 2: Year 2 AR and any IR prior to Year 3 AR – 40% of difference between most recently paid TTP and the standard TTP

Year 3: Year 3 AR and any IR prior to Year 4 AR – 60% of difference between most recently paid TTP and the standard TTP

Year 4: Year 4 AR and any IR prior to Year 5 AR – 80% of difference between most recently paid TTP and the standard TTP

Year 5: AR and all subsequent recertifications – Full standard TTP

Please Note: In either the three year phase-in or the five-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

5. Public Housing Family Self Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs. Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS program, subject to the following:

a. If a PHA has an HCV FSS program, a PHA must convert the PH FSS program participants at the covered project to their HCV FSS program. Please see future FSS Notices of Funding

Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.

b. If a PHA does not have an HCV FSS program, the PHA must establish an HCV FSS program and convert the PH FSS program participants at the covered project into their HCV FSS program. PHAs are not required to offer enrollment in FSS to residents in converting projects and other HCV participants, other than to residents in converting projects that were enrolled in the PH FSS program. Please see future FSS Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.

All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984 and in accordance with the participants' contracts of participation. However, residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants.

6. **Resident Participation and Funding.** In accordance with Attachment 1B, residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

7. **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

a. **Termination Notification**. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257, related to owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

i. A reasonable period of time, but not to exceed 30 days:
If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or In the event of any drug-related or violent criminal activity or any felony conviction;

ii. 14 days in the case of nonpayment of rent; and

iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

b. Grievance Process. HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will waive 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),31 an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a PHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi)[31], the contract administrator will perform the hearing, as is the current standard in the program. For any additional hearings required under RAD, the PHA (as owner) will perform the hearing.

ii. An informal hearing will not be required for class grievances or to disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.

iii. The PHA (as owner) give residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).

iv. The PHA (as owner) provide opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

[31] § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate has been repealed.

8. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

   Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

9. **Capital Fund Education and Training Community Facilities (CFCF) Program**. CFCF provides capital funding to PHAs for the construction, rehabilitation, or purchase of facilities to provide early childhood education, adult education, and job training programs for public housing residents based on an identified need. Where a community facility has been developed under CFCF in connection to or serving the residents of an existing public housing project converting its assistance under RAD, residents will continue to qualify as "PHA residents" for the purposes of CFCF program compliance. To the greatest extent possible the community facility should continue to be available to public housing residents.

Attachment 1B – Resident Provisions in Conversions of Assistance from

Public Housing to PBRA and PBV

This Attachment contains two sections, describing:

1B.1 Summary of Resident Provisions

1B.2 Resident Participation and Funding

1B.1 Summary of Resident Provisions

The following is a summary of special provisions and alternative requirements related to tenants of public housing projects converting under RAD:

Conversion will be considered a significant amendment to a PHA Plan (see Section 1.5(E) of this Notice);

Notification of proposed conversion, meetings during the conversion process, written response to residents comments on conversion, and notification of conversion approval and impact (see Section 1.8 of this Notice);

No rescreening at conversion (see Section 1.6(C)(1) of this Notice for conversions to PBV and Section 1.7(B)(1) for conversions to PBRA);

Right to return after temporary relocation to facilitate rehabilitation or construction (see Section 1.6(C)(2) of this Notice for conversions to PBV and Section 1.7(B)(2) for conversions to PBRA);

Renewal of lease at expiration in the PBV program, unless good cause exists (see Section 1.6(C)(3) of this Notice);

Phase-in of tenant rent increases (see Section 1.6(C)(4) of this Notice for conversions to PBV and Section 1.7(B)(3) for conversions to PBRA);

Continued participation in the ROSS-SC and FSS programs (see Section 1.6(C)(5) of this Notice, for conversions to PBV and Section 1.7(B)(4) for conversions to PBRA);

Continued Earned Income Disregard (see Section 1.6(C)(8) of this Notice, for conversions to PBV and Section 1.7.(B)(7) for conversions to PBRA);

Continued recognition of and funding for legitimate residents organizations (see Section 1.6(C)(6) of this Notice for conversions to PBV, Section 1.7(B)(5) of this Notice for conversions to PBRA, and below in Attachment 1B.2 for additional requirements for both programs);

Procedural rights consistent with section 6 of the Act (see Section 1.6(C)(7) of this Notice for conversions to PBV and Section 1.7(B)(6) of this Notice for conversions to PBRA); and

Choice-mobility option allowing a resident to move with a tenant-based voucher after tenancy in the covered project (see 24 CFR § 983.260 for conversions to PBV and

Section 1.7(C)(5) of this Notice for conversions to PBRA).

1B.2 Resident Participation and Funding[76]

The following provisions contain the resident participation and funding requirements for public housing conversions to PBRA and PBV, respectively.

A. PBRA: Resident Participation and Funding *(not applicable--omitted)*

B. PBV: Resident Participation and Funding

To support resident participation following conversion of assistance, residents of covered projects converting assistance to the PBV program will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development.

1. Legitimate Resident Organization. A PHA must recognize legitimate resident organizations and give reasonable consideration to concerns raised by legitimate resident organizations. A resident organization is legitimate if it has been established by the residents of a covered project, meets regularly, operates democratically, is representative of all residents in the development, and is completely independent of PHAs, management, and their representatives.

In the absence of a legitimate resident organization at a covered project, HUD encourages the PHA and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the PHA directly with questions or concerns regarding issues related to their tenancy. PHAs are also encouraged to actively engage residents in the absence of a resident organization; and

2. Protected Activities. PHAs must allow residents and resident organizers to conduct the following activities related to the establishment or operation of a resident organization:

a. Distributing leaflets in lobby areas;

b. Placing leaflets at or under residents' doors;

c. Distributing leaflets in common areas;

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[76] For the purposes of this Attachment, HUD uses the term "PHA" to refer to the owner of a converting or covered project. In some instances the owner of a project could be a public, non-profit, or for-profit, e.g., mixed-finance projects).

d. Initiating contact with residents;

e. Conducting door-to-door surveys of residents to ascertain interest in establishing a resident organization and to offer information about resident organizations;

f. Posting information on bulletin boards;

g. Assisting resident to participate in resident organization activities;

h. Convening regularly scheduled resident organization meetings in a space on site and accessible to residents, in a manner that is fully independent of management representatives. In order to preserve the independence of resident organizations, management representatives may not attend such meetings unless invited by the resident organization to specific meetings to discuss a specific issue or issues; and

i. Formulating responses to PHA's requests for:

i. Rent increases;

ii. Partial payment of claims;

iii. The conversion from project-based paid utilities to resident-paid utilities;

iv. A reduction in resident utility allowances;

v. Converting residential units to non-residential use, cooperative housing, or condominiums;

vi. Major capital additions; and

vii. Prepayment of loans.

In addition to these activities, PHAs must allow residents and resident organizers to conduct other reasonable activities related to the establishment or operation of a resident organization.

PHAs shall not require residents and resident organizers to obtain prior permission before engaging in the activities permitted in this section.

3. Meeting Space. PHAs must reasonably make available the use of any community room or other available space appropriate for meetings that is part of the multifamily housing project when requested by:

a. Residents or a resident organization and used for activities related to the operation of the resident organization; or

b. Residents seeking to establish a resident organization or collectively address issues related to their living environment.

Resident and resident organization meetings must be accessible to persons with disabilities, unless this is impractical for reasons beyond the organization's control. If the development has an accessible common area or areas, it will not be impractical to make organizational meetings accessible to persons with disabilities.

PHAs may charge a reasonable, customary and usual fee, approved by the Secretary as may normally be imposed for the use of such facilities in accordance with procedures prescribed by the Secretary, for the use of meeting space. A PHA may waive this fee.

4. Resident Organizers. A resident organizer is a resident or non-resident who assists residents in establishing and operating a resident organization, and who is not an employee or representative of current or prospective PHAs, managers, or their agents.

PHAs must allow resident organizers to assist residents in establishing and operating resident organizations.

5. Canvassing. If a covered project has a consistently enforced, written policy against canvassing, then a non-resident resident organizer must be accompanied by a resident while on the property of the project.

If a project has a written policy favoring canvassing, any non-resident resident organizer must be afforded the same privileges and rights of access as other uninvited outside parties in the normal course of operations. If the project does not have a consistently enforced, written policy against canvassing, the project shall be treated as if it has a policy favoring canvassing.

A resident has the right not to be re-canvassed against his or her wishes regarding participation in a resident organization.

6. Funding. PHAs must provide $25 per occupied unit annually for resident participation, of which at least $15 per occupied unit shall be provided to the legitimate resident organization at the covered property. These funds must be used for resident education, organizing around tenancy issues, and training activities.

In the absence of a legitimate resident organization at a covered project:

a. HUD encourages the PHAs and residents to work together to determine the most appropriate ways to foster a constructive working relationship, including supporting the formation of a legitimate residents organization. Residents are encouraged to contact the PHA directly with questions or concerns regarding issues related to their tenancy. PHA are also encouraged to actively engage residents in the absence of a resident organization; and

b. PHAs must make resident participation funds available to residents for organizing activities in accordance with this Notice. Residents must make requests for these funds in writing to the PHA. These requests will be subject to approval by the PHA.