

HOUSING AUTHORITY OF BALTIMORE CITY

FY 2016 MTW ANNUAL PLAN

**30-Day Notice & Comment Period:
February 25th, 2015 through March 27th, 2015**

**Public Meeting:
March 23RD, 2015**

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Housing Authority of Baltimore City

A Moving To Work Agency The MTW Annual Plan for Fiscal Year 2016

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I. Introduction and Overview

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

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

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

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

This document is the MTW Annual Plan for Fiscal Year 2016, which is the period from July 1, 2015 to June 30, 2016. HABC is required to prepare this Annual Plan in conformance with the specifications of HUD Form 50900 “Elements for the Annual MTW Plan and Annual MTW Report”. For purposes of this document and the required submission to HUD, an “MTW activity” is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

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

Overview of FY 2016 Objectives and Activities

As of the publication date of this Annual Plan, (February 25, 2015), Congress has not finalized calendar year 2015 funding for critical programs administered by HABC including the Public Housing Operating Fund and Housing Choice Voucher Program. Published reports indicate the potential for significant cutbacks to HABC and Public Housing Authorities nationwide. Thus, the programs and initiatives described herein may need to be modified based on final funding decisions.

A. Short-Term Goals and Objectives

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2016, HABC intends to work towards these overarching goals by undertaking a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major non-MTW initiatives and objectives for the year ahead include:

- Public Housing Occupancy – HABC projects that it will achieve a 97% adjusted occupancy rate in its public housing developments.
- Leased Housing Lease Ups – HABC projects that it will have a total of 16,090 units under lease including Thompson and all other programs.
- HABC received a letter from HUD dated November 19, 2013 approving the inclusion of project-based vouchers and other affordable housing development options for HABC's development methods. We are currently obligating the Replacement Housing Factor Funds for grant years 2010 through 2014 for approximately \$17.7 million. Our projects include the new construction of scattered site handicap accessible units, the development of O'Donnell Heights, Phase I-B, and RAD related work at McCulloh Homes and Somerset Court Extension. We anticipate spending approximately \$5.8 million in FY 16 on these projects.

Additionally, HABC is requesting authority to accumulate the 2015, 2016 and 2017 Replacement Housing Factor (RHF) Funds for approximately \$5.2 million. These funds will be used in accordance with redevelopment methods that comply with the new Capital Fund rules involving the development of new affordable housing.

- Portfolio Planning –HABC will continue its ongoing portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, and identifying a framework for future development activity. In tandem, both traditional and non-traditional sources of funding will be assessed (we continue to analyze our Choice Neighborhood Program options) including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments.

In July 2013, the U.S. Department of Housing and Urban Development (HUD) released a revised version of the Rental Assistance Demonstration Program. The Program allows public housing subsidy to be replaced with Section 8 subsidy which can be combined with other resources such as Low Income Housing Tax Credits to raise needed capital for the renovation of public housing units. As such, the RAD program will bring over \$320 million in the next 3 years of new investment to the Housing Authority of Baltimore City (HABC). The majority of the renovation work will be focused on HABC's mixed population buildings throughout the city that serve the elderly and the non-elderly disabled.

On December 24, 2013, HUD approved HABC's request for a portfolio award under RAD to cover 22 public housing developments (the "**RAD Projects**"), which will allow for the

rehabilitation of the developments and the continued operation as affordable housing. HABC plans to convert 4,023 mixed-population units to RAD. Fifty-nine (59) mixed-population units will remain in HABC's inventory.

In order to maximize the capital for rehabilitation of the RAD Projects, tax exempt bonds and Low Income Housing Tax Credit (LIHTC) funds will be a portion of the construction financing. To utilize LIHTC, each of the RAD Projects must be conveyed to owner entities comprised of the selected developers and subsidiaries of HABC as the general partners and the low income housing tax credit investor limited partners.

On May 28, 2014, HABC created the Baltimore Affordable Housing Development, (BAHD) as a subsidiary to facilitate development activities, including the development projects approved by HUD for RAD, or other affordable housing development activities in Baltimore City. BAHD applied for and was awarded tax-exempt status under 501(c)(3) of the Internal Revenue Code.

As part of the transactions, HABC intends for BAHD to be the entity that conveys to the above-described owner entities a leasehold interest in the land through a long-term ground lease and a fee simple interest in the improvements on the land. In addition to the long term ground lease with BAHD, the RAD Projects will be subject to a recorded RAD Use Agreement which will ensure the long term affordability of the RAD Projects.

In addition, HABC will be party to certain agreements governing the administration of the centralized waiting list to ensure that the RAD Projects are operated in accordance with the requirements of RAD and HABC.

In FY 2016 HABC plans to move forward with additional RAD projects at the following public housing sites:

- Monument East
- Ellerslie Apartments
- Somerset Court Extension
- Govans Manor
- Rosemont Tower
- Van Story Branch (West Twenty)
- and several Hope VI projects

To maximize the RAD Program HABC will sell the properties to qualified affordable housing developers. By statute the new owners are required to maintain the units for the same population and all current residents will have the choice to return to the same property upon completion of significant renovations, or remain in HABC's conventional public housing program. All future residents will come from the HABC waiting list.

The second phase properties are expected to convert under RAD during FY 2016-17.

- Resident Services – HABC plans to serve over 6,000 households through a wide array of self sufficiency, personal development and supportive service program offerings including a

Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.

Capital Planning – HABC will continue its program of capital improvements and development activities. Major highlights include window and roof replacements; site work involving erosion control and sidewalk replacements; vacancy renovations and kitchen and bathroom upgrades at several HABC family and scattered sites. Development activities involve the completion of approximately sixty-six handicap accessible units and the potential acquisition/or development of approximately 110 new affordable housing units. HABC projects MTW and Non-MTW capital expenditures of approximately \$43.9 million in the coming year. HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant.

Other FY 2016 objectives which utilize HABC’s MTW flexibility and which promote one or more of the MTW statutory objectives will include:

- Risk-Based Inspections –HABC implemented Risk Based Inspections October 1, 2014. In FY2015, a total of 2,196 units (from 10/1/2014-6/31/2015) have qualified by consistently meeting HQS annual inspection standards, and will be inspected in FY2016. HABC will continue to inspect every two years for those units that consistently maintain HQS inspection standards and pass the annual inspection on the first attempt. HABC will expand this initiative by continuing to analyze data and trends in annual inspections to determine the best implementation methods for additional Risk Based Inspection activities.
- HCV Multi-Year Recertifications – Under MTW, HCV households will continue to be recertified every two years; however, HABC transitioned elderly and/or disabled families on fixed incomes to a three year recertification schedule. Pending HUD approval all PHAs will be afforded flexibility to recertify all fixed income families on a three year cycle. If granted, HABC will no longer consider this an MTW activity. All other families will remain on a two- year cycle except for the Non-MTW voucher families noted.
- Public Housing Multi-Year Recertifications - HABC placed this activity on hold in FY 2014; however HABC reactivated this activity in FY 2015 for all households. HABC plans to implement a three-year recertification cycle for public housing families whose only income is from a fixed income source. All other public housing families will be recertified every two years.
- Project Based Vouchers – An estimated 135 additional housing units will be leased under HABC’s PBV program.

In FY 2016, HABC will continue to work closely with the Mayor’s Office and other stakeholders to implement the Journey Home, Baltimore’s Ten Year Plan to End Homelessness. HABC will continue to play a major role in the planning and implementation of this comprehensive, multi-disciplinary long-term initiative. Though most of the initiatives implemented do not require HABC to use its MTW Authority, virtually all of HABC’s program activities help to support the goals of preventing and reducing homelessness in the City by providing quality, affordable housing to extremely low income families who would be at risk of homelessness without HABC’s resources. HABC’s commitment to the Mayor’s initiative includes the following targeted initiatives:

- Housing First Homeless Initiative – This initiative does not require MTW Authority as HABC provides up to 500 Housing Choice Vouchers to eligible chronically homeless households referred by Baltimore Homeless Services (BHS). Participants use their vouchers to find affordable permanent housing, while receiving supportive services from BHS and other agencies.
- Re-Entry Program – This program links permanent housing with supportive services to assist up to 200 chronically homeless individuals and families with an ex-offender household member. Referrals are made to HABC by the Mayor’s Office of Criminal Justice and Baltimore Homeless services. MTW Authority is not required for this initiative.
- Journey Home – MTW Authority was required to implement the Journey Home Program which assists up to 50 homeless households. It provides a nine month step-down housing subsidy for participants in the Shelter Based Employment Program operated by the Mayor’s Office of Employment Development in partnership with three City emergency shelters. Housing Specialists work with clients to find eligible housing units and ensure that timely housing payments are made to the property owners. Shelters provide up to nine months of case management. HABC has contributed a lump sum to provide housing subsidy for these families. In FY2015, HABC and the Mayor’s Office of Homeless Services placed this activity on hold in order to reevaluate the service component provided to eligible households. HABC anticipates the reactivation of this activity in early FY2017, subject to funding availability through the Mayor’s Office of Homeless Services.
- The Front Door Program – An MTW activity, which partners HABC with the Mayor’s Office of Human Services/Homeless Services Program, Sarah’s Hope (a shelter for the homeless); and St. Vincent De Paul to provide MTW Block Grant funds to the Front Door Program that will rapidly house 36 homeless families for up to one (1) year, until they become self-sufficient.
- Eviction Prevention – In Failure to Pay (“FTP”) court cases HABC has implemented an eviction prevention program prior to the family’s right to redeem the property is foreclosed upon. This program assists existing HABC residents with meeting their lease responsibilities and avoiding eviction action. This initiative continues to have a significant impact in preventing homelessness by reducing the number of HABC families evicted for lease violations or non-payment. As State law provides for the Right to Foreclose Redemption of HABC property, no MTW Authority is needed.
- Memorandum of Understanding (“MOU”) – In Breach of Lease (“BOL”) court actions HABC may enter into an MOU with the family found to be in non-compliance with the HABC Dwelling Lease. The MOU will set forth the conditions under which the family will cure the non-compliance and remain in the unit. No MTW Authority is required for this activity.
- The Thompson Settlement Agreement - In 1995 a class action entitled *Thompson v. HUD*, No. MJG 95-309, was filed in U.S. District Court for the District of Maryland against the Housing Authority of Baltimore City (HABC), the City of Baltimore and the U.S.

Department of Housing and Urban Development (HUD). The plaintiffs alleged that African-American residents of and applicants for public housing and Section 8 vouchers had been discriminated against based upon their race. Certain parts of the case were settled by the parties through a Partial Consent Decree approved by the District Court in June 1996.

In November 2012, the District Court approved a final Settlement Agreement. The *Thompson* Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 (“*Thompson* Remedial Vouchers”), in addition to the 1,788 Housing Choice Vouchers already utilized under the *Thompson* Partial Consent Decree (“*Thompson* PCD-Leased Vouchers”). The Settlement Agreement also provides for the continuation of the *Thompson* Homeownership Voucher Program. The Baltimore Regional Housing Program administers the vouchers for the *Thompson* Remedial and Partial Consent Decree vouchers. As such, the use of TW Authority is often used to promote the three (3) statutory objectives.

All *Thompson* Remedial, PCD-Leased, and Homeownership Vouchers must be used in Communities of Opportunity throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement.

The *Thompson* Consent Decree included a provision that prohibited HABC from using public housing capital and operating funds to create public housing units in impacted areas in Baltimore City. The settlement of the Consent Decree has removed this prohibition and HABC is no longer prohibited from creating public housing units in these areas.

Required information on the programs under *Thompson*, ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan.

- The *Bailey* Consent Decree - The plaintiffs in the *Bailey* case are persons with disabilities who are current or former residents of or applicants for HABC’s housing programs. To date, 693 of the required 756 UFAS units have been created and certified under the *Bailey* Consent Decree. An additional 63 UFAS units must be created.

In order to complete its obligations under *Bailey*, The Housing Authority of Baltimore City has identified a number of projects that create units that exceed the housing production requirements. For instance HABC has completed 16 of the remaining 63 UFAS compliant homes as new construction in the Scattered Sites inventory for persons with mobility impairments in order to meet the requirements of the Decree. The units will be located throughout various neighborhoods within Baltimore City.

Information on HABC’s obligations under *Bailey* is incorporated into the remaining chapters of the Annual Plan.

B. Long-Term Goals and Objectives

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

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

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to increase the number of households housed in public housing by 630 households between June 2006 and December 2014. In addition, as HABC nears completion of major renovation efforts to bring long-term vacant and uninhabitable units back on line, resources shifted back to the Housing Choice Voucher program which has resulted in serving 2,028 more households during the same period (Excludes Substantial Rehab, New Construction, VASH and Thompson Tenant and Project Based Vouchers).

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, which is continuing into FY 16, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and non-traditional sources of funding.

Other proposed long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher participants; however, this initiative was placed on hold for Public Housing residents but was reactivated in FY 2015. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun to implement an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources is a key component of HABC's neighborhood reinvestment, new housing production, and Bailey Consent Decree production initiatives;
- Pursuant to MTW authority, HABC modified its Long-Term Affordable (LTA) Program to promote the long term affordability of units. Under this initiative, HABC entered into LTA

Project Based contracts with developers/owners for some or all units to be developed on distressed former public housing sites, in rehabilitated or existing units in tax credit developments and through other development methods. LTA contracts are for a minimum forty (40) year term. The LTA Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds.

HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;

- Streamlining income, deduction and rent calculation policies and procedures. Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding, RAD and development flexibility is an essential component of these efforts;
- Establishing flexible homeownership initiatives that combine vouchers, soft second mortgages and family economic self-sufficiency components.
- Using MTW flexibility to fund housing subsidy for homeless families entering into an employment program.

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

II. General Housing Authority Operating Information

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

A. Public Housing Inventory

Current Leasing - All HABC public housing units are included in the MTW Block Grant. As of December 31, 2014, 11,275 units are under an Annual Contributions Contract (ACC) with the Department of Housing and Urban Development, 10,553^[1] of which are available for occupancy. As a total of 10,193 households currently reside in public housing – HABC's adjusted occupancy rate is 96.4%^[2]. Because of the MTW Agreement requirement to submit the Annual Plan 75 days prior to the end of the fiscal year, the numbers provided as of December 2014 serve as a proxy for its anticipated inventory at the beginning of the year.

Projected leasing - HABC's projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2016 is 97%. The total number of MTW public housing units to be leased as of June 30, 2016 is 7,260 (the decrease in leased units is due to the RAD conversion of eleven (11) mixed-population sites). HABC anticipates that its adjusted occupancy rate will remain the same from last year (97%) HABC will invest approximately 3.5 million dollars to address 150 vacancies that in most cases need capital related work to re-occupy. In addition the operations department is restructuring its labor force to create efficiencies related to unit prep.

Demolition/Disposition of Public Housing Units – During Fiscal Year 2016, HABC anticipates changes to its existing public housing inventory as a result of acquisition/development of units in the mixed finance portfolio and the demolition or disposition of obsolete units. Additionally, HABC's participation in the RAD program will result in the conversion of 4,023 units to Section 8. The charts below provide information on anticipated changes to the current inventory in Fiscal Year 2016. The matrix entitled "Planned New Public Housing Units to be Added During the Fiscal Year", identifies 56 public housing (ACC) units projected to be added to the public housing inventory in FY 2016

Fifty (50) of the 56 ACC public housing units will be acquired under the Revised Hollander Ridge Revitalization Plan which was approved by HUD on September 24, 2012 in the FY2013 MTW Annual Plan. To date, HABC has not yet requested a project number for these units. Pursuant to Section 504 of the Rehabilitation Act of 1983 and HUD's implementing regulations,

^[1]Available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 901.5. These exempt units include units: a) undergoing or identified to undergo renovation and/or vacated due to consent decree mandated alterations; b) undergoing or identified to undergo modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration

^[2] Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

at least five-percent (5%) of the units acquired under the Hollander Ridge Revitalization Plan will be 504 compliant. HABC will also require the developer to make 2% of the Hollander Ridge units hearing/vision compliant. Once the units have been acquired and an assessment completed, HABC will determine which units will be modified to comply with UFAS.

HABC projects that a total of 2,125 RAD and non-viable, obsolete units will be dispositioned and/or demolished from the public housing inventory during FY 2016.

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size							Total Units	Population Type*	# of UFAS Units	
	0	1	2	3	4	5	6 +			Fully Accessible	Adaptable
MD002/TBD Scattered Sites – UFAS	0	0	3	3	0	0	0	6	Disabled Families	6	0
MD002/TBD Hollander Ridge Replacement Units	0	10	10	25	5	0	0	50	Disabled Families	3	0

Total Public Housing Units to be Added

56

Other Population Type:

n/a

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
MD002/0201 Scattered Sites	125	Long-term vacant units of distressed obsolete housing;
MD002/Various RAD Sites	2,000	Several mixed-population sites in HABC's inventory will be placed in the Rental Assistance Demonstration Program (RAD) in FY 2016
MD002/0010	0	Somerset is a demolished site.
Total Number of Units to be Removed	2,125	

B. Section 8/Housing Choice Voucher Inventory

As of December 31, 2014, HABC's existing Section 8 Housing Choice Voucher leased housing inventory includes 16,090 MTW units (12,222 regular program units; 2,664 Thompson units) and 1,204 non-MTW units. By the end of the current fiscal year, these figures are projected to increase to 16,680; 12,800 total regular program units; 2,664 Thompson units and 1,216 non-MTW units respectively. Table 1 shows leasing levels as of December 31, 2014 and projected leasing levels as of June 30, 2016. For MTW vouchers, from July 2014 to December 2014, including Thompson

voucher activity, there was a net increase of 392 HCV leased households (HABC leased 240 more units under the regular program and leased 152 more units under Thompson).

Under its ACC, HABC’s has been able to provide over 12,200 households with assistance. As of December 2014, HABC has contract authority under the ACC to issue 18,579 MTW vouchers (excluding Thompson), and a total of 1,331 non-MTW vouchers; however, available HUD funding does not support this level of leasing for MTW vouchers. It is important to note that neither the HABC nor any other HCV administering agency is funded based on 100% of the ACC funding levels. The FY2005 Consolidated Appropriations Act changed the method and formula for allocation of HAP funds. The number of ACC authorized vouchers reflects the maximum number of families which may be assisted if adequate funds are provided by HUD.

**Table 1:
Housing Choice Voucher Program Inventory and FY 2016 Projected Leasing**

	Actual Leased as of 12/31/14	Projected Leased as of 6/30/16
MTW Tenant Based Vouchers (Non Consent Decree)	9,743	10,810
MTW Project Based Vouchers (Non Consent Decree)	1,180	1,200
MTW Tenant Based Vouchers - Bailey	934	875
MTW Project Based Vouchers – Bailey	365	415
<i>Sub-Total</i>	<i>12,222</i>	<i>13,300</i>
MTW Tenant Based Vouchers – Thompson	1,753	1,753
MTW Project Based Vouchers – Thompson	911	911
<i>Sub-Total</i>	<i>2,664</i>	<i>2,664</i>
TOTAL MTW VOUCHERS	14,886	15,964
Non-MTW Section 8 Moderate Rehab	297	300
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	311	355
<i>Sub-Total</i>	<i>1,204</i>	<i>1,251</i>
TOTAL ALL	16,090	17,215

The total number of Bailey vouchers for non- elderly disabled (NED) households receiving assistance under the tenant-based program as of December 31, 2014 is 934. HABC is obligated to provide assistance to 850 Non-Elderly Disabled households as under the Bailey Consent Decree.

HABC has also applied for and received special purpose vouchers in the following amounts: Family Unification Program Vouchers, 100; Non-Elderly Disabled Category II Vouchers, 40; Veterans Affairs Supportive Housing Vouchers, 360.

HABC will be working closely with its partners, providers, and property owners/managers to utilize the current wait list and to fill all vacancies in a timely manner.

New Housing Choice Vouchers to be Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based	Description of Project
4227 Frederick Avenue	9	This nine-unit building located in the Irvington neighborhood will be designated for non-elderly persons with disabilities (NEDS). All nine will be one-bedroom units.
Mulberry at Park	20	This 68 unit building on the Westside of downtown Baltimore will have 20 project-based units. Twelve will be one-bedrooms units designated for NEDS; while the remaining 8 units will consist of 6 three-bedroom and 2 two- bedroom LTA-UFAS.
Bon Secours Gibbons	20	This 80 unit building in Morrell Park will have 20 based project-based vouchers. Twelve will be one-bedroom units for NEDS; while the remaining 8 units will consist of 4 three-bedroom and 4 two-bedroom LTA-UFAS units
Penn Square 2	15	This 61-unit building in Penn North will have 15 project-based units. Twelve will be one-bedrooms units designated as LTA for NEDS; while the remaining 3 units will all be three-bedrooms designated as LTA-UFAS.
City Arts 2	15	This 60-unit building in Greenmount West will have 15 project-based units. Twelve will be one-bedrooms units designated for NEDS; while the remaining 3 units will all be three-bedrooms designated as LTA-UFAS.
Brexton-Chase Residences	7	This 10-unit building in the Mt. Vernon neighborhood will have 7 units designated for NEDS. All seven will be one-bedroom units.
Dorchester Residences	10	This is a 14-unit building in the Gwynn Oak neighborhood. Ten (10) units will be designated for NEDS. All 10 will be one-bedroom units.
Poppleton 3	10	This is a 32-unit building located in the Poppleton neighborhood. Ten of the 32 units will be project-based with 7 designated as LTA for NEDS (all one-bedrooms); and 3 units designed as LTA-UFAS (one two-bedroom and two three-bedrooms).
Barclay Rental	3	This is a 57- unit building located n the Barclay neighborhood. Telesis Financing will build three PBV units in the Barclay area of Baltimore. All three units will be 3 bedrooms with two of the units to house formerly homeless families and one unit for a family that needs the features of a UFAS unit.
Orchard Ridge Rental V	16	This is new construction at the Orchard Ridge site in southeast Baltimore. Pennrose Properties, LLC will build 65 units. Sixteen of the units will be subsidized by PBV's. Ten units will be one-bedrooms for non-elderly families with a disability, and 6 will be three-bedroom units for families that need the features of a UFAS unit.
Falstaff	3	This is a 16 unit building. Chai Developers will develop three units in the Falstaff area; 2 of which are one-bedrooms for NEDs and one three-bedroom unit for families that needs the features of a 3UFAS unit.
20 E. Franklin Street	7	This is a 41 unit bldg in the Mt. Vernon neighborhood. Osprey Property Company will develop 7one-bedroom units for NEDS families.

Anticipated Total New Vouchers to be Project-Based

135

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year

1716 (190 LTA-NEDS; 23 HABC LTAs; 526 PBV-UFAS; 977 MTW PBV's)

Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year

1615 (190 LTA-NEDS; 23 HABC LTAs; 415 PBV-

Other Changes to the Housing Stock Anticipated During the Fiscal Year

Vacant units at eleven (11) mixed-population developments previously scheduled for RAD conversion in FY 2015 as well as an additional nine (9) new projects to convert in FY 2016 will be held off-line for the temporary relocation of existing residents. HABC anticipates that its adjusted occupancy rate will remain at 97% primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations.

HABC anticipates the number of move-outs to increase due to the anticipated opening of the housing choice voucher waitlist and is planning for a higher number of transfers to accommodate commitments under the Bailey Consent Decree.

General Description of All Planned Capital Fund Expenditures During the Plan Year

Electrical distribution and steam and gas line repairs, installation of isolation valves and condensate pumps, REAC site work including sidewalks, paving, and erosion control, roof and window replacements, vacancy renovations, kitchen and bathroom modifications, elevator repairs, development of replacement housing, construction of 58 units (which includes 36 Long Term Affordable Project Based Units) at O'Donnell Heights, the Thompson Enhanced Leasing Assistance Program, completion of 40 new construction UFAS units, technical and non-technical salaries and benefits and associated capital operating costs, consultant fees, relocation, management improvements, resident anti-drug program, affordable homeownership, sub-metering maintenance and service, debt service and environmental related testing, improvements and training.

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:

Federal MTW Public Housing Units to be Leased
Federal MTW Voucher (HCV) Units to be Utilized
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs

Planned Number of Households to be Served	Planned Number of Unit Months Occupied/Leased
7,260	87,120
*16,090	193,080
**66	792
23,416	280,992

Total Households Projected to be Served

*Includes 213 MTW Bailey and HABC Long-Term Affordable Project-Based Voucher units.
**These are units for which HABC provides subsidy only to house homeless families under The Journey Home (30 Units), and The Front Door (36 units) programs.

Reporting Compliance with Statutory MTW Requirements

HABC is in compliance with all statutory MTW requirements.

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
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Public Housing	HABC anticipates that its adjusted occupancy rate will remain the same from last year at 97% primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations. In addition, HABC anticipates the number of units in HABC's inventory to decrease due to RAD, and increased move-outs due to the opening of the housing choice voucher waitlist in FY 2015. HABC is also planning for a higher number of transfers to accommodate commitments under the Bailey Consent Decree.
Local Non-Traditional	In FY 2014 HABC partnered with the Mayor's Office of Human Services/Homeless Services Program, Sarah's Hope (a shelter for the homeless); and St. Vincent De Paul to provide MTW Block Grant funds to the Front Door and Journey Home Programs that will rapidly house 66 homeless families for nine months in FY2016.
The Housing Choice Voucher Program	<p>"Under its ACC, HABC has contract authority to issue 18,864 MTW vouchers (excluding Thompson), and a total of 1,331 non-MTW vouchers.</p> <p>However, the uncertainty concerning the level of HAP funding to be provided to HABC through CY2016, is a contributing factor in determining projected utilization. The number of ACC authorized vouchers reflects the maximum number of families which may be assisted, if adequate funds are provided by HUD. Current available HUD funding does not support this level of leasing for MTW vouchers. HABC anticipates maintaining increased utilization, unless there is a drastic reduction in funding allocations."</p>

C. Waiting List Information

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. As of December 31, 2014, there are a total of 39,782 applicants for HABC's programs including: 32,836 public housing-only applicants; 6,946 HCV-only applicants; and, 2,202 applicants on both the public housing and HCV waiting lists. Demographics on current waiting list households are included in Appendix H.

The Housing Choice Voucher Waiting List

The HCV tenant-based and Project Based waiting lists are closed. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

The Public Housing Waiting List

The Public Housing waiting list remains open. By the end of FY 2015, HABC will have completed a purge of the Public Housing waiting list. It is expected that a significant number of households may not respond to HABC's correspondence, thus potentially reducing the overall number of waiting list applicants. In FY 2016 HABC's Public Housing waiting list will convert to a Location Preference Waiting List which will allow applicants to identify three sites where they would not accept an offer.

The Thompson Waiting List

Pursuant to the *Thompson* Settlement Agreement, the waiting list for *Thompson* Vouchers is maintained separately from any other waiting list for housing assistance, including HABC's waiting list. Application for, receipt of, or termination of a *Thompson* Voucher will not affect a family's standing on any other waiting list. A copy of the waiting list procedures for the *Thompson*-related programs is described in the Special Administrative Plan as Appendix II in the HABC HCV

Administrative Plan. As of December 31, 2014, there were 6,926 families on the waiting list for the counseling program, and 758 families were enrolled in that program.

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s)	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Housing Choice Voucher Units: Tenant-Based	Community Wide	21	Closed	No
Federal MTW Housing Choice Voucher Units: Project-Based	Site-Based	6,925 (Project-Based, Moderate Rehab & PB Senior)	Closed	No. There are not plans to open this waiting list in FY 2016.
Federal MTW Public Housing Units	Community Wide	32,836	Open	N/A
Federal MTW Public Housing & HCVP Units	Merged	2,202	The Public Housing waiting list is open but the HCVP waiting list is closed.	No. There are no plans to open the HCVP waiting list in FY 2016.
Thompson Voucher Units	Program Specific	6,926	Open	N/A

For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open:

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If Local, Non-Traditional Housing Program, please describe:

The Housing Choice Voucher local non-traditional programs (The Front Door and The Journey Homes) where HABC only provides subsidy, do not have waiting lists. Families are chosen from those living at the shelter that successfully completes an employment readiness program.

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If Other Wait List Type, please describe:

--

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

In FY 2016 HABC's Public Housing waiting list will convert to a Location Preference Waiting List which will allow applicants to identify three sites where they would not accept an offer.

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D. Housing Stock Information

In Fiscal Year 2016, HABC will implement a wide range of capital investments at existing public housing sites and continue its program of citywide housing development activities. HABC projects it will expend a total of approximately \$43.9 million on capital activities in the coming year.

HABC has provided an update to the Asset Management Table in Appendix C which describes the current status of each public housing site, outlines certain risk factors that will be monitored over the life of the MTW Demonstration, and describes possible outcomes of these risks. It is designed to serve as the conceptual basis for current and future years' planning. As a result of our preliminary findings in HABC's portfolio wide asset review, we have updated the Asset Management table to identify sites where redevelopment, conversion, homeownership, management improvements and other activities may take place in the future; however, it is subject to periodic change based on priorities and available resources. It is important to note, that HABC will be participating in the Rental Demonstration Program (RAD). The properties approved for RAD, Phase I and Phase II are identified in the Asset Management Table. The removal of these properties from HABC inventory will result in a decrease in HABC's Capital Subsidy of approximately \$3.2 million over a two year period.

HABC notes that Housing Choice Voucher funds have been made available for capital activities to renovate long-term vacant units, to modify units for handicap accessibility and to improve physical conditions to ensure long term viability of existing inventory. Prior year allocations of Housing Choice Voucher funds are being utilized to complete planned activities in FY 16. Additional funds may also be made available in FY 16 for work items included in HABC's Long Term Capital Plan that contribute to the long term viability of our existing portfolio.

Additionally, other properties in HABC's portfolio which are not currently listed may, in the future, require MTW capital expenditures. HABC may elect to undertake these capital projects in FY 2016. It should be noted that some expenditures may take place in FY 2016 as a result of projects planned for and begun in FY 2014 and FY 2015, but completed and paid for in 2016.

HABC has let a number of contracts that were started in FY 2013 but will not be fully expended until FY 2016. These commitments are required in order to ensure that HABC meets its Consent Decree and MTW obligations and benchmarks.

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

Spending Plan				FY'16
Year of Funding Award	AMP No.	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 -- June 30, 2016
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Vacancy Renovation, Cathodic Protection of Gas Mains; Kitchen and Bathroom Modernization, Elevator Repairs, Site Work, Steam Repairs, Contingency, etc.	5,361,196
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Environmental and Energy Related Testing, Improvements and Training	263,750
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Management Improvements; IT Software and Hardware	134,553
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Resident Anti-Drug Program and Energy Related Activities	14,000
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Technical Salaries and Benefits	1,606,163
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	A & E Fees	45,000
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Non-Technical Salaries and Benefits	2,784,218
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Consultant Fees (Planning, Utility, Maintenance of Software, etc.)	790,000
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Operating, Sundry, Audit and Overhead Expenses	746,861

Spending Plan				FY'16
Year of Funding Award	AMP No.	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 -- June 30, 2016
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Submetering Maintenance and Service	30,000
FFY 13, 14, and 15	Auth-Wide	Auth-Wide	Debt service (CFFP and EPC)	7,335,300
FFY 13, 14, and 15	799	AHI	Affordable Home Ownership	4,203,600
FFY 13, 14, and 15	124	Bailey -New Construction UFAS Units	New Construction UFAS Units and Associated Costs	985,950
FFY 13, 14, and 15	21	Brooklyn Homes	Install New Roof and Concrete Repairs	1,175,218
FFY 13, 14, and 16	11	Cherry Hill	Steam Heating Extraordinary Maintenance	226,000
FFY 13, 14, and 15	5	Douglas Homes	Upgrade Electrical Distribution System; Replace Concrete Wheel Stop;, and Caulk Windows, Doors and Repaint Lintels at Maintenance Shop	3,074,761
FFY 13, 14, and 15	6	Gilmor Homes	Replace Windows and Caulk and Point, Replace Exposed Rebar, Repair Heating System/Convectors, Repair/Replace Sidewalks, Steam Heating Maintenance Extraordinary Maintenance	1,915,000
FFY 13, 14, and	45	Hollander Ridge	Development of Replacement Housing - 110 Units	5,125,877

Spending Plan				FY'16
Year of Funding Award	AMP No.	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 -- June 30, 2016
15			and Associated Costs	
FFY 13, 14, and 15	1	Latrobe Homes	Repair Roof on Non-Dwelling Structures; Repair Elevator in Management Office; Replace Expansion Joints, Caulk and Repaint Parapet Wall, Erosion Control and Relocate Maintenance Shop, Steam Heating Extraordinary Maintenance	969,514
FFY 13, 14, and 15	2	McCulloh Homes	Replace Electric Closet Doors and Site Work	408,000
FFY 13, 14, and 15	9	O'Donnell Heights	Phase 1 B - 68 Rental Units - O'Donnell Heights Redevelopment (Replacement Housing)	3,558,277
FFY 13, 14, and 15	4	Poe Homes	Install Isolation Valves and Condensate Pumps	522,000
FFY 13, 14, and 15	31	Rosemont	Gas Pipe Replacement	1,200,000
FFY 13, 14, and 15	31	Rosemont/Dukeland	Erosion Control, Sidewalks, Paving and Fencing	110,000
FFY 13, 14, and 15	200,201, 202, 203	Scattered Sites	Roof Replacement	500,000
FFY 13, 14, and	200,201, 202, 203	Scattered Sites	Window Replacement	168,275

Spending Plan				FY'16
Year of Funding Award	AMP No.	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 -- June 30, 2016
15				
FFY 13, 14, and 15	202	Spencer Gardens	Window Replacement	50,000
FFY 13, 14, and 15	202	Spencer Gardens	Erosion Control	15,000
FFY 13, 14, and 15	22	Westport Homes/Mt. Winans	Erosion Control; Paving (Driveways and Walkways) and Gas Piping and Mapping	220,000
FFY 13, 14, and 15	N/A	TBD	Enhanced Leasing Program	360,000
FFY 13, 14, and 15	N/A	TBD	Development of Non-Elderly Disabled Units	65,650
TOTAL				43,964,162

504 Accessibility Improvements

In FY 2016, HABC will continue to: (i) modify existing units and sites to meet UFAS regulations; (ii) modify units to meet reasonable accommodation and immediate need requests; and (iii) modify common areas to meet UFAS regulations for providing public housing choices for low-income persons with disabilities.

HABC will also continue to work with the Department’s Baltimore Office of Fair Housing and Equal Opportunity and the Baltimore Regional Working Group to determine the impact of the RAD conversions on HABC’s compliance with Section 504 in multifamily projects (Public Housing and PBRA).”

To date 693 of 756 UFAS units have been created and certified under the Bailey Consent Decree. To meet HABC’s obligations of 756 UFAS units under the Bailey Consent Decree, an additional 63 UFAS units must be created:

- 10 UFAS units are under construction in mixed-income developments and are expected to be certified in CY 2015;
- 19 UFAS units will be created by building on vacant lots that are owned by the City or HABC.
- 29 UFAS units to be created by LIHTC and HOME projects
- 5 Remaining UFAS units to be constructed

Infrastructure and Extraordinary Maintenance

Major work scheduled for FY 2016 includes: the replacement of roofs systems at Brooklyn and various scattered sites; the upgrade of the electrical distribution system at Douglas Homes; The replacement of windows and/re caulking at Douglas, Gilmor and scattered sites; the replacement of sidewalks and erosion control at Latrobe, Cherry Hill, McCulloh, Douglas, Westport, Dukeland, Rosemont, Brooklyn, Spencer Gardens and Gilmor; and the renovation of long term vacant scattered sites. Other work scheduled for FY 2016 would be the relocation of the management and maintenance offices , at Latrobe, into newer space; the installation of an elevator at the Rehab management building on Eager Street; the continued upgrade of the heating system at Gilmor; Gas piping projects and mapping at Westport, Rosemont and Latrobe.

HABC continues: work on the investigation and repair of drainage and erosion problems at various sites; and the continuation of HABC’s environmental program that includes the continued testing for lead based paint and abatement of asbestos as required and removal of underground fuel oil tanks when required.

In FY 2016, HABC may: (i) continue to develop master plans which note physical areas of concern and a course of action to rectify them (landscaping, egress, hazards, etc.); and (ii) perform major renovations at various developments and a portion of the scattered site inventory to further reduce vacancies;

Energy Performance Contracting

HABC will continue Monitoring, Measurement and Verification efforts for the Phase I Energy Performance Contract (EPC) properties. (Latrobe, Cherry Hill, Gilmor, Westport and Brooklyn). An additional EPC Program is currently under review for the installation of conservation measures (lighting, water conservation fixtures, utility metering and system upgrades) at selected properties. If the feasibility studies warrant an EPC, its installation should commence in 3rd quarter of FY 2016.

Partnerships

HABC has partnered with the Department of Housing and Community Development’s Weatherization Assistance Program (“WEP”) and the Parks & People Foundation (“P&P”) through a Memorandum of Understanding which allows both WEP and P&P to perform energy and storm water management projects on HABC sites at no cost to HABC. In FY 2016, P&P is expected to receive several grants for storm water management projects at Perkins, Latrobe and Gilmor.

E. Neighborhood Development Activities and Expenditures

HABC’s housing development accommodates four distinct strategies, which include MTW funds and proposed public and private leveraged funds. Each of the four strategies (Neighborhood

Reinvestment, New Housing Production, Thompson Partial Consent Decree Production, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in the development or pre-development stages, the final unit numbers and development approach may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2016 goals and activities in this strategy area:

Barclay - HABC procured Telesis as its development partner in the redevelopment of the Barclay neighborhood. Telesis completed a redevelopment plan calling for the new construction and rehabilitation of approximately 322 mixed-income housing units. The first two rental phases of 141 affordable units have been completed. The first affordable homeownership phase consisting of 35 rehabilitated units was completed in FY 2014 and sold to families making 120% of AMI.

The construction of Homeownership Phase 2 is projected to commence in 2015 and will also include the construction of a small park surrounded by 30 homeownership units on the 300 block of E. 20th Street. Additionally, Rental Phase 3 has been awarded Low Income Tax Credits for the creation of 60 rental units, which will include 9 units reserved for Chronically Homeless Persons.

Johnston Square - Johnston Square is a part of a larger transformation that is taking place over a broad swath of the Central City beginning in EBDI and continuing to Barclay. The development strategy for Johnston Square is built from a strong base of assets including: existing concentrations of homeownership, prominent green and open spaces, St. Frances Academy, and nearby redevelopment activities such as Barclay, Oliver/Preston Place, and City Arts.

Mi Casa, Inc. has developed 30 units of affordable homeownership in the 700-800 blocks of E. Preston Street using Neighborhood Stabilization Program 2 funds. To date 30 homeownership units have been sold to homebuyers of whom 28 have settled.

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2013, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city.

Uplands – The City of Baltimore acquired the 52-acre Uplands Apartments site from HUD in January 2004 through a foreclosure auction with the intent of developing a new mixed income neighborhood. Baltimore City's Housing and Community Development agency (HCD) completed a Master Plan that calls for the development of 1,146 new units, of which 611 mixed income units will be located on the 52-acre site. An additional 150 market rate units will be located on the Westside Skills Center parking lot and the "Triangle" parcels that were acquired and incorporated in the development parcel. .

The first homeownership phase is under construction and consists of approximately 178 units, of which 46 units have been constructed and 36 units sold. Additionally, there are ten (10) units under construction and are projected to be completed and sold in FY15. In FY 16 it is projected that approximately 31 homeownership units will begin construction an absorption rate of about 2 units per month.

Orchard Ridge (formerly Claremont/Freedom) –Habitat for Humanity of the Chesapeake will complete the construction of the 30 remaining affordable homeownership units in Phase I. Habitat has completed 19 of the 30 units in August 2013 with the remaining 11 units to be completed in FY2016.

O'Donnell Heights – O'Donnell Heights was constructed in 1942 and included 900 public housing units. Of these, 596 have been demolished and 304 remain on-line. The plan for the 62-acre site is for the demolition of the remaining housing units and the creation of a 925-unit mixed income residential community to include the replacement of public housing units on site. The redevelopment of O'Donnell Heights is to be completed in multiple phases. Through a competitive Request for Qualifications, the team of Michaels Development Company and AHC Greater Baltimore was selected by HABC as the developer for the O'Donnell Heights redevelopment.

Phase I of the redevelopment includes 144 rental and 6 homeownership units to be completed in two sub-phases, Phase I-A and I-B. In a letter dated August 16, 2012, HUD approved the disposition of approximately 9.1 acres, encompassing the 144-unit rental portion of the Phase I site area. Phase IA was completed in FY2014

Phase 1-B, consisting of 68 rental and 6 for-sale units is in the planning stage with closing expected to be finalized during the 2nd quarter of FY2016. Phase I-B will be part of a LIHTC application to be submitted to the Maryland Department of Housing and Community Development. HABC also plans to leverage banked Replacement Housing Factor Funds to help cover the cost of construction. HABC is providing 34 project based vouchers for returning residents, NEDS and UFAS units. The remaining 36 rental units are affordable to households earning less than 60% of the AMI.

Of the thirty-four “Long Term Affordable Project Based Units” or “LTA-PB Units” being created, 23 will be made available to eligible current and former O'Donnell Heights residents (“Returning Residents”), four (4) of which are UFAS units being offered to residents on the Reasonable Accommodation Transfer Waiting List who need the features of a UFAS unit. In order to allow Returning Residents to get priority for the four (4) UFAS units HABC created a preference on the Reasonable Accommodations Transfer Waiting List for the Returning Residents.

The LTA-PB Units shall be managed and operated primarily in accordance with HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years.

During FY2016, HABC plans to submit a disposition application to HUD for the 0.3 acres included in Phase I-B for the six homeownership units.

Thompson Partial Consent Decree Production

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

Project-Based Development Program- Additionally, under the *Thompson* Settlement Agreement, BRHP is continuing the project based development program that was started under the *Thompson* partial consent decree. As a subcontractor to BRHP, MBQ is implementing a project based development program to create project based units in non-impacted areas. Subject to funding availability, MBQ is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership Demonstration Program (MD-06-URD-002-I294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. Under this initiative, BRHP's goal is to create 60 new project-based units in communities of Opportunity in HABC's 2016 Fiscal Year.

Bailey Consent Decree Housing Production

The Housing Authority of Baltimore City has identified a number of projects that would create units that would exceed the housing production requirements of Bailey Consent Decree and therefore will no longer offer developers incentives to produce the units.

New Construction Scattered Site Units – HABC has completed 16 of the approximate 60 UFAS compliant homes for persons with mobility impairments in order to meet the requirements of the Bailey Consent Decree. The units will be located throughout various neighborhoods within Baltimore City. To date HABC has awarded contracts to residential builders in two phases. Phase II development consist of 13 UFAS units and construction is expected to be completed in February 2015. Phase III consists of 6 units and construction is expected to be completed in March 2015. HABC is currently in the planning stage for Phase IV which may consist of a small apartment building of up to 10 UFAS units.

Other Development Activities

HABC is considering development of a number of other sites. Activities on these sites in FY 2014 could include master planning, the issuance of RFPs or RFQs, the execution of Land Disposition or Master Development Agreements, the provision of MTW funds to developers, demolition, site clearance, and remediation, and other pre-development and development work. :

Choice Neighborhoods Initiative – HABC is considering applying for a Choice Neighborhoods Initiative (CNI) planning grant in FY 2015. Potential community sites include, but are not necessarily limited to, Perkins and Douglas Homes. The planning grant would be used to refine existing plans for physical redevelopment, coordinate with service providers, government agencies and others to create a network of partners to meet the grant requirements, and to lay the groundwork for an implementation grant request. In FY 2016 the CNI Task Force will hold workshops to share the results of a needs assessment, hold a charette to discuss strategies and design concepts and the Transformation Plan.

Rental Assistance Demonstration – HABC has applied to HUD under the Rental Assistance Demonstration (RAD) for the rehabilitation and conversion of twenty-four (24) public housing projects. The RAD program allows housing authorities to convert public housing funding

associated with a development to housing choice voucher (HCV) funding and, at the same time, dispose of the property from the public housing inventory in order to use the funding for debt service payments. Staff will be working with third-party developers on development plans, financing applications and in bringing 11 projects to successful closing by the end of FY 2015. The projects in process are: Bel Park Tower, Lakeview Tower, The Allendale, Bernard E Mason Sr., Apts, Hillside Park, Hollins House, Primrose Place, McCulloh Ext, Pleasant View Gardens, , Pleasant View Gardens and Wyman House. The balance of HABCs RAD inventory will close in FY 2016.

HABC has a backlog of up to \$800 million of capital needs and an inadequate amount of capital funding. By converting a development to HCV funding and leveraging private debt and low income housing tax credits, it is possible to rehabilitate the building for the long term without displacing any of the existing residents. The HCV subsidy would replace the ACC contract subsidy. Tenants' rights would be largely the same and tenants would have the benefit of receiving a tenant-based housing choice voucher after two year of occupancy in good standing at the tenant's option.

Somerset Homes – HABC has worked with the City of Baltimore's Planning Department, community organizations, as well as, resident stakeholders to develop a Master Plan for the redevelopment of the Orleans to Fayette Street corridor (the "Old Town Mall" area). The redevelopment area is approximately 16 acres and includes the distressed Somerset Homes site along with an 8.3 acre parcel of City-owned land called the Oldtown Mall area that sits adjacent to the Somerset Homes site. A final master plan was completed in FY 2010 and HABC commenced planning efforts for the redevelopment of the Somerset site and the adjacent property in FY 2011. In FY 2014, HABC intends to offer a Joint Request For Proposals with the Baltimore Development Corporation (BDC), the entity in control of the adjacent 7.5 acres of City-owned property. BDC is the City's economic development arm. HABC expects that the combination of the two parcels would allow for a more attractive development opportunity with synergies for a mixed income, mixed use development. The selection of a developer is projected to occur in FY 2015 while HABC plans to submit a Disposition Application to HUD to dispose of the Somerset Homes site to the selected developer in FY 2016.

The Old Town Mall Master Plan generally calls for mixed-use and mixed-income housing development and HABC expects to replace the former Somerset units with a mix of low income, affordable and market rate housing. It is the goal of this mixed-finance development to provide one-third of the units as public housing units in the residential mix along with some commercial and retail development over the total development site (Somerset Homes and Oldtown Mall).

In FY 2014, HABC offered a Joint Request For Proposals with the Baltimore Development Corporation (BDC), the entity in control of the adjacent 7.5 acres of City-owned property. BDC is the City of Baltimore's economic development arm. HABC expects that the combination of the two parcels would allow for a more attractive development opportunity with synergies for a mixed income, mixed use development. Responses were received and the selection of a developer is projected to be completed in FY 2015. HABC plans to submit a Disposition Application to HUD to dispose of the Somerset Homes site to the selected developer in FY 2016.

Cherry Hill 17 - On November 17, 2014, the Housing Authority of Baltimore City (HABC) issued an RFP for qualified real estate market analysts to conduct a market and feasibility study. The

purpose of this study is to determine the viability of providing mixed-income and/or mixed-use housing on an HABC owned site, located in the Cherry Hill Community of Baltimore City.

Formerly referred to by HABC as Cherry Hill 17, this site once consisted of 193 public housing units on 6.340 acres of land. In 1999 a parcel of the Cherry Hill 17 site was developed into a senior living facility named Cherry Hill Senior Manor, located at 901 Cherry Hill Road. Directly across the street from Cherry Hill Senior Manor is the subject site known to the community as “Fisher’s Cove”, which is the remainder of the original Cherry Hill 17 site.

The proposal submission deadline for this RFP is January 9, 2015. HABC anticipates making final selection of the real estate market analysts, by February 2015.

Hollander Ridge HOPE VI Funding – Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available. HABC intends to use these funds to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O’Donnell Heights residents. The properties will be scattered-site units in areas of Baltimore City identified in the Thompson Settlement Agreement.

In satisfaction of the Thompson Settlement Agreement, HABC will also make available the equivalent of \$7,140,000 (“Replacement Funds”). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge (“HOPE VI Funds”) to develop one or more scattered site projects totaling approximately 110 units. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

HABC has had discussions with HUD to seek guidance on adding this project to the Rental Assistance Demonstration (RAD) Program. The plan would include acquiring the units as public housing and then converting to Section 8. HABC is currently drafting a plan for HUD to review using the RAD model.

Homeownership Programs

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

MTW Homeownership Program – Using its MTW flexibility, HABC submitted a revised MTW Homeownership Plan, which was approved by HUD in 2009. While stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home, HABC will continue its efforts to assist new homeowners. Under the Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents.

Housing Choice Voucher Homeownership Program – As of December 31, 2014, 79 homes have been purchased by participants in the Housing Choice Voucher Homeownership Program (HCVHP)

with 66 participants still in the program. HABC's goal in FY 2016 is to assist an additional eight (8) families so that the projected total number of homes purchased under the HCVHP will be 87 by June 30, 2016. Continuing uncertainty regarding the housing market and availability of mortgages for low-income families could significantly impact this goal.

F. Leasing Information – Planned

Public Housing Projected Leasing

HABC's projected adjusted occupancy rate for MTW public housing inventory and leasing as of June 30, 2016 is 97.0%. The total number of MTW public housing units to be leased as of June 30, 2016 is 7,260 due to the RAD conversion of eleven (11) mixed-population sites. HABC anticipates that its adjusted occupancy rate will remain the same as last year (97%) primarily because of the uncertainty in allocations of funding to the housing operations division, and future appropriations. In addition, HABC anticipates the number of leased units to decline due to the RAD conversion of eleven (11) mixed-population sites.

Section 8/Housing Choice Voucher Program Projected Leasing

Table 3 provides a summary of HABC's Tenant-based and Project-based MTW Housing Choice Voucher programs including current leasing rates and projected leasing through June 30, 2016. Also included are non-MTW units under the VASH, Moderate Rehab, Substantial Rehab and New Construction programs, and HUD Opt-Outs for:

- Memorial Apartments (221)
- Madison Park Apartments (204)
- Greenwillow Manor (89)
- Monumental Gardens (32)
- Target City (49)

**Table 3:
Housing Choice Voucher Program FY 2015 Projected Leasing**

	Projected Leased as of 6/30/15	Projected Leased as of 6/30/16
MTW Tenant Based Vouchers (Non Consent Decree)	10,295	10,672
MTW Project Based Vouchers (Non Consent Decree)	1,100	1,200
MTW Tenant Based Vouchers – Bailey	922	875
MTW Project Based Vouchers – Bailey	345	415
<i>Family Unification Program (FUP)</i>	98	98
<i>Non-Elderly & Disabled, Category II (NEDs Cat II)</i>	40	40
<i>Sub-Total</i>	<i>12,800</i>	<i>13,300</i>
MTW Tenant Based Vouchers – Thompson	1,753	1,753
MTW Project Based Vouchers – Thompson	911	911
<i>Sub-Total</i>	<i>2,664</i>	<i>2,664</i>
TOTAL MTW VOUCHERS	15,464	15,964
Non-MTW Section 8 Moderate Rehab	290	300
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	330	355
<i>Sub-Total</i>	<i>1,216</i>	<i>1,251</i>
TOTAL ALL	16,680	17,215

Under its ACC, HABC’s expects to provide assistance for approximately 12,800 by the end of FY 2016. The requirement for additional project-based units under the Bailey Consent Decree may require a decrease in tenant-based voucher holders or an increase in funding or both.

Uncertainty concerning the level of available HAP funding to be provided to HABC for CY 2015 and 2016 is an additional contributing factor in determining projected utilization.

III. Proposed MTW Activities

This section of the MTW Annual Plan provides information on new MTW activities proposed for FY 2016.

There are no new MTW activities planned for FY 2016.

IV. Ongoing MTW Activities

A. Implemented Activities

Public Housing

1. *Public Housing Multi-Year Recertifications*

Description/Update of MTW Activity: Multi-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. Under the original HUD approved activity, HABC indicated that it will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months.

Proposed Changes: In FY 2016, HABC plans to transition all public housing households to either a two-year or three-year recertification schedule. The three-year recertification schedule will be implemented only for households with incomes solely from a fixed income source. The two-year recertification will be implemented for all other public housing households. No additional MTW waivers are required for the three-year recertification schedule modification. Households may request an interim recertification if needed pursuant to HABC's current policy.

Impact Analysis - There is no negative impact for any tenant placed on a two year cycle for rent calculation. Our current policy allows residents to request an interim change at any point during the recertification cycle for loss of income and HABC has no plans to change the policy. Therefore, there will be no negative impact on residents who are required to recertify every two years.

Hardship Policy - Our current policy allows residents to request an interim change at any point during the recertification cycle for loss of income and HABC has no plans to change the policy.

Transition Plan - HABC is implementing changes to the frequency of reexaminations. A letter will be mailed to all households informing them of the changes including:

- The family's new reexam frequency;
- Date of the last and next regular reexam; and
- A Regular and Interim Reexam Fact Sheet.

Approval and Implementation: Approved in 2006 and implemented in 2011. Placed on hold FY 2014; reactivated in FY 2015.

Changes to metrics, baselines, and benchmarks: None.

2. *Homeownership Plan*

Description/Update of MTW Activity: HABC modified its existing Section 32 Homeownership Plan. It incorporates features that differ from the standard Section 32 homeownership requirements as follows:

- The elimination of a firm cap on the percentage of adjusted income that is considered “affordable” for homeownership purposes;
- Extension of the recapture period for net sales appreciation to a total of 10 years using a declining scale; and
- Open timetable and the number of scattered site units to be covered under the Plan, i.e. potentially over time, all scattered site units could be eligible for homeownership for qualified households.

Proposed Changes: None

Approval and Implementation: 2009

Changes to metrics, baselines, and benchmarks: None.

3. Asset Self-Certification

Description/Update of MTW Activity: To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.

Proposed Changes: None

Approval and Implementation: 2011

Changes to metrics, baselines, and benchmarks: None.

Leased Housing

4. Risk Based Inspections

Description/Update of MTW Activity: HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC’s discretion.

HABC conducted a pilot program in CY 2013 on Project-Based sites and anticipates implementing this initiative for the entire inventory in CY 2014. HABC reserves the right to set and modify the inspection schedule for each unit.

HABC will begin a campaign in FY 2015 informing landlords program-wide about the benefits of biennial inspections for units that consistently meet annual inspection standards.

Proposed Changes: HABC will also allow owners to self-certify units in good standing for minor non-health and safety related violations remedied and documented within a restricted timeframe.

Approval and Implementation: 2006 - Implementation activities began in FY 2014

Changes to metrics, baselines, and benchmarks: None.

5. HCV Multi-Year Recertifications

Description/Update of MTW Activity: Two-Year Recertifications (2006): HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will conduct a reexamination of household income and composition for all households one time every twenty-four (24) months. The 24-month reexamination policy does not apply to:

- Residents living in Mod Rehab and Mod Rehab SRO units
- Residents with other vouchers that do not qualify based on HUD funding restrictions.
- Residents with Homeownership vouchers
- Residents with HUD Awarded Special vouchers (Veterans Affairs Supportive Housing (VASH)).

Three-Year Recertifications (2013): HABC transitioned elderly and/or disabled families on fixed incomes to a three year recertification schedule. All other families remain on a two-year cycle except for the Non-MTW voucher families noted above.

Proposed Changes: None

Approval and Implementation: 2006 – Two year recertifications were implemented in 2007 and three year recertifications were implemented in 2013

Changes to metrics, baselines, and benchmarks: None.

6. Limits on Project Based Vouchers and Increased Project Based Units in a Project or Building

Description/Update of MTW Activity: HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers. The HCV Administrative Plan was also modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.

Units subsidized with project-based vouchers under this MTW initiative are placed under a HAP contract upon turnover.

Currently, due to limitations in funding, HABC allocates 14% of its Tenant Based HCV funds to Project Based Vouchers, but anticipates increasing this allocation by waiving the per-building and per-project cap on future projects.

Proposed Changes: None

Approval and Implementation: The right to allocate up to 30% of HABC's HCV funds to Project Based Vouchers was approved in FY 2006. The per-building and per-project cap waiver was approved in FY 2010.

Changes to metrics, baselines, and benchmarks: None.

7. Project-Based, or Transitional Housing

Description/Update of MTW Activity: As provided under the MTW Agreement, HABC is authorized to waive certain provisions of 24 CFR 983.53 in order to pay Project Based Voucher assistance for units in a transitional housing facility. Such authorization increases housing choices for low-income families.

Proposed Changes: None

Approval and Implementation: 2007-2008 and implemented in FY 2011.

Changes to metrics, baselines, and benchmarks: None.

8. Unit Sizes

Description/Update of MTW Activity: The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size.

At recertification, HABC will review with current participants the household composition and may require the family to move to the correct unit size. If the family chooses not to move, the payment standard will be adjusted to reflect the appropriate unit size.

There may be a potential delay of outcomes, due to the simultaneous implementation of the three-year recertification cycle with this MTW activity.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None.

9. The Bailey Long –Term Affordable Project-Based Voucher Contract

Description/Update of MTW Activity: As part of its Moving To Work (“MTW”) program, the Housing Authority of Baltimore City (“HABC”) established an initiative in 2010, referred to as the Long Term Affordable Project Based (“LTA”) Program, to create long term affordable units for persons with disabilities in compliance with the Bailey Consent Decree.

The LTA program combines features of the Project Based Voucher program – such as the ability of owners to obtain long-term financing from banks and other private equity sources – with the resident protections and long-term affordability features of the Public Housing program.

LTA units are subsidized through LTA Project Based contracts with minimum forty (40) year terms entered into between HABC and eligible property owners. LTA property owners are required to adopt the LTA Admissions & Continued Occupancy Criteria (“LTA Criteria”). Residents of LTA units will have rights and protections as set forth in the LTA Criteria and will enter into a lease with the project owner that is developed by HABC for the LTA units (the “LTA Lease”), which incorporates the regulatory requirements for a public housing lease and grievance procedures. LTA Project Based units are occupied by families on the public housing waiting list.

HABC will create a Housing Assistance Payment (HAP) contract to: increase the term of the contract to 40 years, consistent with the long term affordability period; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None.

10. The HABC Long –Term Affordable Project-Based Voucher Contract

Description/Update of MTW Activity: In FY 2014, HABC established the Long Term Affordable Project Based Program (“LTA-PB Program”). Under this Program, HABC created long term affordable project based units (“Long Term Affordable Project Based Units” or “LTA-PB Units”) in addition to the long term affordable units created for persons with disabilities pursuant to the Bailey Consent Decree which HUD previously approved under HABC’s MTW Agreement.

The LTA-PB Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (e.g., 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain

affordable for a minimum of forty (40) years. The LTA-PB Program will provide to applicants for, and residents of, the LTA-PB Units most of the rights, privileges, and benefits that are provided under the public housing regulations. LTA Project Based units are occupied by families on the public housing waiting list.

LTA-PB property owners will be required to adopt the criteria for leasing and continued occupancy of the LTA-PB Units (“LTA Criteria”). HABC will require developers/owners of certain redeveloped public housing sites and/or certain project-based voucher sites to comply with the LTA Criteria.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None.

11. Energy Conservation Utility Allowance

Description of MTW Activity: HABC provides utility allowances for households responsible for payment of utilities for water, electricity, gas, other heating, cooking fuels and sewage services. In an effort to reinforce energy conservation activities and reduce the cost of water/sewage utility allowances, HABC will encourage the completion of a water audit and use of low-flow toilets by HCV tenants and landlords/owners. HABC will conduct outreach to HCV landlords and tenants, where the household is responsible for payment of the water/sewer utility, to notify them of a locally funded opportunity to have a water audit conducted in their unit. Water audits will be conducted by the Department of Housing and Community Development, flow restrictors will be installed in the sink, the shower and water hook-up valves. Tenants will be provided with water conservation measures free of charge. Landlords/owners are required to repair any leaks identified during the water audit before the conservation efforts will be implemented.

Using its MTW authority, those HCV households that have participated in the water audit and had the flow restrictive devices installed will be eligible to have low-flow toilets purchased and installed, free of charge, by HABC. HABC will establish a conservation water/sewer utility allowance (UA) for households who take part in and complete the water audit. HABC will apply the conservation water/sewer UA to the household at their first regular recertification after the conservation activities have been completed. Participation in the audit is not mandatory, however owners and tenants are incentivized to complete the audit to receive new toilets and reduce their water/sewer bills. Cost savings for this MTW initiative will be fully realized upon full reimbursement of the capital expenditure and upon adjustment of applicable UAs.

Baltimore City Tariff uses the latest approved tariff, including the Bay Restoration Fee to calculate the dollar amount of the unit price for water and sewer costs per unit size and corresponding average number of tenants for each unit. HABC contracted TA Engineering, Inc. that based the utility/water consumption on the findings of the American Water Works Association (AWWA) Research Foundation: “Residential End Uses of Water.” These resources determined the average consumption per household

and multiplied it by the City's tariff rate to get the dollar amount per 100 cubic feet (CCF). The average allowance for Baltimore City in 2013 was \$9.40/CCF. This increased by \$1.21 over 2012, when it was \$8.19/CCF. According to TA Engineering, Inc. there will be a probable reduction of 25-40% to the Utility Allowance (UA) through these water conservation efforts. A new contract will be established to revise UA tables based on HUD Form 52667 that will be prepared in FY2015, and will include a separate line item specifically for the energy conservation allowances.

Proposed Changes: None

Approval and Implementation: Pending approval of FY 2016 Annual Plan

Changes to metrics, baselines, and benchmarks: None.

12. Limit on Interim Recertifications

Description of MTW Activity: Currently HABC conducts regular recertifications on a biennial basis for all households with some exceptions, i.e. households with homeownership vouchers. HABC conducts regular recertifications every three (3) years for elderly and/or disabled households on fixed incomes. HABC existing policy on interim reexamination is such that households may report decreases in income/increases in unreimbursed expenses at any time (voluntary interim recertification) and HABC will, upon verification of the change, process an interim rent reduction. Conversely, households are required to report certain changes in household composition and increases in income (required interim recertifications). For example, households are required to report when gross household income increases by \$5,200 annually. In such cases, HABC will process an interim rent increase three months from the date of the change or on the effective date of the recertification, whichever comes earlier. On an annual basis, HABC processes more than two (2) interim reexams for approximately 743 households.

MTW authority is necessary to waive certain sections of the 1937 Housing Act in order to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the Housing Act of 1937 and its implementing regulations (see citation below). Using its MTW authority, HABC will implement a limit on voluntary interim recertifications. Households will be limited to two (2) voluntary interim recertifications between each biennial recertification cycle. Elderly and disabled households are exempt from the limit on voluntary recertifications. It is anticipated that this activity will result in administrative efficiencies and will simplify procedures for staff. HABC anticipates completing 743 less interim reexams on an annual basis. Current HABC experience is that only 5% of households request more than two (2) interim recertifications between regular recertifications. This limit should not pose a hardship on the vast majority of participating households. Required interim reporting will not count toward the limit on voluntary recertifications.

HABC will establish hardship criteria for households who have already reached their limit on interim recertifications and who experience an additional decrease in income or increase in applicable unreimbursed expenses. Such criteria may include the death of a

household member who is a majority contributor to household income, or a household that is experiencing a rent burden of over 50% due to the latest change in income/expenses.

Proposed Changes: None

Approval and Implementation: Pending approval of FY 2016 Annual Plan

Changes to metrics, baselines, and benchmarks: None.

13. The Front Door Program

Description of MTW Activity: HABC will partner with the Mayor's Office of Human Services/Homeless Services Program, Sarah's Hope (a shelter for the homeless); and St. Vincent De Paul and will provide MTW Block Grant funds to the Front Door Program that will rapidly house 36 homeless families for up to one year using two distinct strategies. HABC will monitor each family's continuous occupancy for two-years after lease up.

Proposed Changes: None

Approval and Implementation: Pending approval of FY 2016 Annual Plan

Changes to metrics, baselines, and benchmarks: None.

Thompson Leased Housing Program

14. Exception Payment Standards

Description/Update of MTW Activity: Payment Standards for the Thompson mobility program will be set between 90 and 130 percent of the HUD published Fair Market Rent. The payment standard will be set using a consistent methodology that compares the ration of area median rent to the actual rent of the census tract. Implementation of exception payment standards is subject to funding availability.

Proposed Changes: None.

Approval and Implementation: 2007

Changes to metrics, baselines, and benchmarks: None.

15. Biennial Recertifications

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, families participating in the Baltimore Housing Mobility Program must have their household composition and income re-determined at least once every 25 months.

Proposed Changes: None

Approval and Implementation: Approved in FY 2006 Plan and Implemented in 2007

Changes to metrics, baselines, and benchmarks: None.

Metrics:

16. Risk Based Inspections

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, units in the Baltimore Housing Mobility Program will have their units re-inspected at least once every 25 months. Owners and families are allowed to self-certify that non-emergency items identified as "fail" during an HQS inspection have been repaired. Only units located in the allowable (non-impacted) areas are eligible for this option. The fail items must be minor and determined to be non-emergency to be eligible for self-certification. The self-certification process will require the owner and tenant family to certify that the repairs have been made. A random sample of units that have been approved under the self-certification option will receive a quality control inspection.

Proposed Changes: None

Approval and Implementation: 2010

Changes to metrics, baselines, and benchmarks: None.

17. HAP Contract Modifications – Floating Units

Description/Update of MTW Activity: The Special Administrative Plan was modified to reflect previously approved activities that have not yet been implemented related to the Project Based Voucher program. This initiative allows floating units instead of identifying specific units in the HAP contract in the Project Based Voucher program.

Proposed Changes: None

Approval and Implementation: Approved in 2009 and implemented in 2010.

Changes to metrics, baselines, and benchmarks: None.

18. Asset Income

Description/Update of MTW Activity: HABC excludes all income from assets when the cash value of the asset is less than \$50,000. This initiative will reduce the time it takes to verify income. This rent simplification measure will increase efficiency without having any negative impact on increasing residents' rent.

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None.

19. Adjusted Income

Description/Update of MTW Activity: Pursuant to HABC's MTW authority, the gross annual income of participants in the Baltimore Housing Mobility Program shall be reduced using a standard deduction. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$3,200 for households with wages
- \$1,200 for households without wages
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

Proposed Changes: None

Approval and Implementation: 2012

Changes to metrics, baselines, and benchmarks: None.

20. Exclude Income from Full-Time Students and Adopted Household Members

Description/Update of MTW Activity: The goal of this activity is to exclude all income from full time students and adoptive income sources because the program has adopted flat deductions, and most of the income from these sources is statutorily excluded, upon full implementation, zero (0) families will have any income, for the purposes of calculating the tenant rent, attributable to full time students and/or adoptive income.

As of January 15, 2015, there were 0 clients with adoptive income and 37 clients with full time student status that also had wages. The wages for seventeen (17) of the full time students was fully excluded. The remaining 20 clients will have the un-excluded portion (\$480) of their wages excluded at the time of their next biennial reexamination.

Proposed Changes: None

Approval and Implementation: 2014

Changes to metrics, baselines, and benchmarks: None.

21. Encouraging Leasing in Higher Opportunity Neighborhoods

Description of MTW Activity: HUD regulations provide that HCV participants may lease units that are larger than their authorized voucher size. In these instances, the Baltimore Housing Mobility Program follows regulatory requirements and applies the payment standard for the smaller of the actual unit size or voucher size. In this way participants,

as applicable, pay an additional share of rent for leasing units larger than their authorized voucher sizes. In some instances, participants, wishing to lease larger units than their authorized voucher size, locate and lease units in lower cost, less desirable and high poverty concentration neighborhoods. In other instances, participants locate and lease larger units than authorized by their voucher size and subsequently lease the extra bedrooms to generate income. Households who do not comply with program requirements may be terminated. It is the goal of the Baltimore Housing Mobility Program to encourage families to locate and lease units in higher opportunity neighborhoods with lower poverty concentrations. Using its MTW authority, the Baltimore Housing Mobility Program will require families to select units that are consistent with and not larger than the dwelling unit size listed on their voucher. This policy will apply to new admissions as well as to participating households who request program moves. HABC, on a case by case basis, will make exceptions to this policy as a reasonable accommodation.

Proposed Changes: None

Approval and Implementation: Pending approval of FY 2016 Annual Plan

Changes to metrics, baselines, and benchmarks: None.

B. Not Yet Implemented

Public Housing

1N. Rent Policy

Description of MTW Activity: HABC received HUD approval in FY 2012 to implement agency-wide the rent policy adopted for Gilmor Homes; however, due to lack of funding and the on-going revisions of the Gilmor Homes rent policies, this activity has been placed on hold in FY 2014.

Update on Implementation: Once the Gilmor Homes Self Sufficiency policies have been finalized HABC will determine when this initiative will be implemented agency-wide.

Leased Housing

2N. Project Based Voucher Amendments to the HAP Contract

Description of MTW Activity: HUD regulations at 24 CFR 983.206 (b) provide that “a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same building. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. “

Using its MTW authority, HABC plans to waive this three-year restriction, which will allow HABC to amend the HAP contract at any time during the initial fifteen year term of the HAP contract and during any renewal term of the HAP contract. Under this

proposal, HABC may exercise this option for all PBV units, including, but not limited to the Bailey LTA and PBV units and the non-Bailey LTA PB units.

At HABC's discretion and subject to all PBV regulatory requirements on the number of dwelling units that may receive PBV assistance per project and on the overall size of HABC's PBV program, a HAP contract may be amended during the initial term and during any renewal term of the HAP contract to add additional PBV units in the same project.

Update on Implementation: HABC may reactivate this activity if it needs to add units to an existing HAP contract.

C. Activities on Hold

Public Housing

1H. *Family Self Sufficiency*

Description of MTW Activity: HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements varied from the existing regulatory framework in the following ways:

- 1) Elimination of mandated thresholds for number of participants in the HCVP program and expansion of the program to include public housing residents;
- 2) Enhanced program design to target the populations in need;
- 3) A focused on outcomes that included homeownership and unsubsidized economic independence;
- 4) Modification of the maximum contract period from five (5) to four (4) years; and
- 5) Revised procedures/regulations regarding the release of the escrow funds.

Approval and Implementation: 2006

Status Update: The FSS program that required MTW authority was placed on hold in FY 2014. HABC has reverted back to the traditional FSS program and does not need MTW authority to implement. HABC may choose to reactivate this activity in the future, but at this time has no plans definitive for reactivation.

2H. *Gilmor Self Sufficiency Initiative*

Description MTW Activity: This activity simplified the rent policy for staff and residents; and encouraged employment, job retention, and wage progression. It also increased choices for HABC's clients by providing residents with an additional rent policy option; and applicants with a demonstration site with enhanced self-sufficiency services and a rent policy versus other available public housing sites.

Approval and Implementation: 2010

Status Update: This activity was placed on hold in FY 2014 as HABC works to revise the program policies. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

Leased Housing

3H. Section 811 Supportive Housing

Description of MTW Activity: HABC proposed combining MTW funds with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC intends to make these funds available through a competitive process and will require developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

Status Update: This activity was placed on hold in FY 2014. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

4H. Project-Based Voucher Award Process

Description/Update of MTW Activity: HABC will establish a rolling selection process based on threshold criteria established by HABC

Approval and Implementation: 2014

Status Update: This MTW activity was intended to facilitate the increase of units in HABC's project-based voucher inventory in order to comply with the Authority's obligations under the Bailey Consent Decree ("the Decree"). Since HABC was able to acquire most of the units it needs under the Decree, this activity has been placed on hold but HABC may restart the rolling selection process if it decides to create a new stream of project based voucher units, particularly for people with disabilities, the homeless or very low-income veterans.

5H. Rent Increase Determinations

Description/Update of MTW Activity: This activity will increase cost effectiveness in Federal expenditures by keeping program spending within budgetary limits. Suspending rent increase adjustments will keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.

Proposed Changes: None

Approval and Implementation: 2011

Status Update: This MTW activity is intended to keep spending within budgetary limits. As such it has been placed on hold until such time as funding shortages dictate its use.

6H. Journey Home

Description/Update of MTW Activity: HABC will exercise its MTW fund flexibility in order to use MTW Block Grant Funds as housing subsidy for participants in the Journey Home Program.

Associated Catholic Charities (ACC) provides job readiness and placement services to families from the Weinberg Housing Resource Center (a housing shelter). The families participate in the ACC's Work4Success (W4S) program, a five-day job readiness training program.

Upon completion of the W4S, participants meet with a Placement Manager who assess the participant's employability for temporary or permanent employment and assist the participant in finding such employment. Participants, that are currently unemployed, must attend all five (5) classes, meet all class standards, and attend all group and individual placement sessions.

ACC leases units with landlords in Baltimore City, places eligible families into these sites and provides rental subsidy on a sliding scale for nine (9) months. Approximately eight (8) weeks after becoming employed, the family will be able to move into a subsidized unit. The goal is for all families to transition in place and take over the lease from ACC.

In addition to a Placement Manager each family will also be assisted by a Case Manager from the Housing Resource Center, a Job Retention/Follow-up Case Manager and a Housing Specialist. Retention case managers will closely monitor participants. In the event the participant loses his or her employment, he or she will be referred to one of the Emergency 52 Solutions Grant Program's eviction prevention providers to receive counseling, case management, and eviction prevention assistance or other support services.

Approval and Implementation: FY 2013

Status Update: The Journey Home Program has been put on hold effective June 2014 due to recruitment and retention issues. The program was shut down in May, and HABC has suspended activity for new participants but will continue to subsidize those already housed prior to May, 2014. After a reevaluation of this program, HABC will modify terms and conditions and possibly the funding or will terminate the program. If the latter is the selected option, HABC will more than likely develop a new program for the targeted population with appropriate guidelines for participant selection, type of services and duration, with better Quality Control.

Thompson Leased Housing Program

7H. *Direct Homeownership Program*

Description MTW Activity: The direct purchase second mortgage program is for applicants with incomes of no less than \$18,000 per year. Participants in this initiative do not receive a Section 8 homeownership voucher. A soft second mortgage of HOME VI funds is available through this program.

Status Update: This activity was placed on hold in FY 2014 as HABC works to revise the program policies. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

D. Closed Out Activities

Fiscal Operations

1C. *Adoption of New Investment Policies for HABC*

In FY 2013, HABC proposed adopting new investment policies thereby increasing investment revenue and decreasing the federal expenditures necessary to carry out the federal program. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability. HABC decided not to implement this activity due to the terms of a General Depository Agreement with the State.

Leased Housing

2C. *Payment Standards at the 50th Percentile*

This activity was approved in FY 2009. HUD has adjusted the area Fair Market Rent (FMR) to the 50th percentile for HABC; therefore MTW authority is no longer required and this activity was closed out in FY 2011.

3C *Utility Allowances for Families Living in Larger Units than Voucher Size*

This MTW activity was implemented in FY2012. Under the 2014 Appropriations Act the rule on utility allowances changed to require that PHAs match the utility allowance payment to the actual unit size and not the voucher size. Based upon the 2014 Appropriations Act language HABC no longer needs to designate this activity as MTW.

Public Housing

4C. *TDC Limits*

In FY 2009 HABC established a local Total Development Cost policy to acquire the 58 scattered site units under the Thompson Consent Decree. This activity was approved by HUD via a letter dated March 12, 2009. In January 2012 the last the scattered site unit was acquired and this activity has been closed out.

Thompson Leased Housing Program

5C. *Utility Allowances for Families Living in Larger Units than Voucher Size*

This MTW activity was approved in the FY 2014 Annual Plan, but was incorporated into the MTW activity entitled Unit Size FY 2015 unit size proposal.

V. MTW Sources and Uses of Funding

This section of the Annual Plan describes HABC's planned sources and uses of MTW Block Grant. Planned sources and uses for other HUD, other federal, State and Local funds and other Non-MTW funds are described in a separate attachment. This financial plan is compiled based on current information and HUD's anticipated funding level as of February 2015. It is subject to revision as conditions and/or assumptions change.

A. Planned Sources and Uses of MTW Funds

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

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

This section of the Annual Plan describes HABC's planned sources and uses of MTW Block Grant. Planned sources and uses for other HUD, other federal, State and Local funds and other Non-MTW funds are described in a separate attachment. This financial plan is compiled based on current information and HUD's anticipated funding level as of February 2015. It is subject to revision as conditions and/or assumptions change.

On December 24, 2013, HABC received HUD approval of a Portfolio Award under the Resident Assistance Demonstration (RAD) program covering 22 public housing sites for a total of 4,063 units. This Portfolio Award is HUD's commitment to reserve conversion authority for the identified units in the portfolio. The purpose of the award is to begin the conversion of public housing to a form of project-based assistance under Section 8 of the Housing Act of 1937. The FY 2016 MTW Plan as described below includes the assumption to convert the RAD portfolio or 22 public housing sites for a total of 4,026 units in January 2016.

(V) Sources and Uses of Funds

MTW PLAN

V.1.Plan.Sources and Uses of MTW Funds

A. MTW Plan: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

Sources

FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 23,060,357
70600	HUD PHA Operating Grants	\$ 256,315,606
70610	Capital Grants	\$ 16,015,220
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 0
71100+72000	Interest Income	\$ 136,180
71600	Gain or Loss on Sale of Capital Assets	\$ 0
71200+71300+71310+71400+71500	Other Income	\$ 5,991,052
70000	Total Revenue	\$ 301,518,416

Notes to Sources:

1. Tenant Revenue is planned at a 97% occupancy rate. This revenue is planned for a reduction in January 2016 to include conversion of 22 RAD sites. Total Tenant

Revenue also includes estimated income billable from various tenant transactions such as warrant, court and maintenance costs anticipated during FY 2016.

2. HABC's Total Operating Grants of \$256,315,214 from HUD include the following funding estimates:
 - Section 8 HCV Housing Assistance Payments (HAP) subsidies in the amount of \$133,885,635 for Regular HABC Vouchers. The Thompson Partial Consent Decree and Remedial Vouchers totaling \$49,175,076 was provided by Baltimore Regional Housing Partnership (BRHP) based on the estimated leasing level.
 - Ongoing Administrative Fee Earned in the amount of \$11,069,612 (\$9,039,816 for Regular HABC Vouchers, \$2,029,796 for Partial Consent Decree and Remedial Vouchers) is calculated based on an estimated .3 % increase from CY 2015 and an estimated proration at 76%.
 - Public Housing Subsidies of \$58,693,946 are budgeted based on an estimated 85.01% funding proration for the fiscal year ending June 30, 2016.
 - Capital Fund soft costs in the amount of \$1,290,945 are estimated for administering the planned capital improvement and operating activities.
3. Capital Grants Hard Costs funding of \$16,015,610 is based on planned capital improvement and construction activities as described in the Capital Improvement Plan.
4. HABC does not report Fee Revenue as HABC has adopted a Local Asset Management Plan since FY 2010.
5. Interest Income is based on HUD approved investments that yield an estimated interest rate of .2% as of December 2014.
6. Until RAD transactions are completed, HABC does not anticipate a gain or loss estimated for disposal of capital assets. Although HABC plans to convert 22 public housing sites (4,026 units) to RAD in January 2016, a Notes Receivable will be established for the RAD transaction.
7. Other Income is related to vending machines, roof top antenna income, and lease income from the public housing program. It also includes Fraud Recovery for the recovery of funds from the Section 8 HCV program.

Estimated Uses of MTW Funding for the Coming Fiscal Year

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 33,627,093
91300+91310+92000	Management Fee Expense	\$ 2,413,378
91810	Allocated Overhead	\$ (1,209,420)
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 2,483,709
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 19,109,789
93500+93700	Labor	\$ 0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 29,200,560
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 761,890
96100 (96110+96120+96130+96140)	Total insurance Premiums	\$ 2,173,931
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 9,478,554
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ 3,462,128
97100+97200	Total Extraordinary Maintenance	\$ 1,010,000
97300+97350	Housing Assistance Payments + HAP Portability-In	\$183,060,711
97400	Depreciation Expense	\$ 25,000,000
97500+97600+97700+97800	All Other Expenses	\$ 0
90000	Total Expenses	\$310,572,322

HABC's projected total MTW Uses of Funds are as follows:

Total Expenses	\$	310,572,323
Less: Depreciation Expense	\$	(25,000,000)
Capital Hard Cost	\$	22,888,814
MTW Uses of Funds	\$	308,461,137

Uses of Fund exceed Sources of Fund by \$6,942,721, which will be supplemented by prior years HAP and MTW reserves for capital improvement activities and UFAS units as discussed in detail under the capital improvement plan. Capital Hard Costs in FY 2016 include 504 UFAS and ADA Compliance, marketability and viability of existing portfolio, improvement of major systems, infrastructure, extraordinary maintenance, and creation of economically diverse stable neighborhoods using the mixed finance development approach by leveraging the MTW Block Grant. Also, major construction projects and estimated expenses for FY 2016 include window replacement at Gilmore Homes, roof replacement at McCulloch Homes and electrical distribution at Douglas Homes.

Notes to Expense:

1. Administrative expenses include salaries and benefits for administrative and CFP/RHFF programs staff. Also included are salaries and benefits for Housing Management staff at the Asset Management Project (AMP) levels as well as program staffs for the Section 8 HCV program. In addition, this category also includes operating expenses such as office rent, telephone, computer materials and contracts, postage and supplies for all programs.
2. Management Fees Expense includes fees for Privately Managed Sites.
3. Allocated Overhead is calculated based on HUD's approved Local Asset Management Program since FY 2010. The proposed updated cost allocation calculations for FY 2016 are included in Appendix C.
4. Tenant Services includes salaries, benefits, materials and supplies used to support tenant councils and the Resident Advisory Board, and to provide direct services to residents of public housing.
5. Utilities include expenses for water, electricity, gas, steam and fuel consumed by the Housing Authority AMPs. HABC continues to exercise prudent procurement actions to achieve favorable utility rates. Utility consumptions are adjusted based on addition or demolition activities planned for the fiscal year. In addition, applicable utility savings as a result of the Energy Performance Contract (EPC) has also been factored into the projected utility costs.
6. Ordinary Maintenance includes salaries and benefits of maintenance workers and crews assigned to public housing units. It also includes maintenance materials and maintenance contracts used for ordinary maintenance operations. This category also includes outside contract costs to privatized firms, which manage some of HABC's public housing and affordable housing units.
7. Protective Services includes salaries, benefits and other related costs of building monitors and lease enforcement personnel assigned to public housing developments.
8. Insurance Premiums are budgeted for properties, general liability, worker's compensation, automobiles, commercial crime, EDP data and media, boiler and machinery for the MTW activities.

9. Other General Expenses include compensated absences, collection losses for uncollected rent, and Debt Service Repayment from the Capital Fund Program to repay the State Capital Anticipation Loan Proceeds.
10. Interest Expense is budgeted for interest associated with the EPC Debt Service.
11. Extraordinary Maintenance is planned for unforeseen break down of heating systems, boilers, chillers, etc. This line also includes Casualty Loss which are estimated for unforeseen repairs and losses at public housing units that are not covered by insurance carriers.
12. Housing Assistance Payments (HAPs) include rent subsidies paid to landlords and utility assistance paid to tenants under the Section 8 HCV program. Section 8 HCV HAP expenditures are budgeted in the amount of \$183,060,711 (\$133,885,635 for Regular HABC Vouchers, \$28,240,537 for Partial Consent Decree Vouchers and 20,934,539 for Remedial Vouchers). The Plaintiffs of the Thompson Consent Decree have created a non-profit corporation, Baltimore Regional Housing Partnership (BRHP) to serve as Administrator and therefore, the HAP amount for Thompson consent decree and remedial vouchers in FY 2016 is reported as a pass-through to BRHP.
13. Depreciation Expense is estimated for the costs of tangible fixed assets allocated over their useful lives. Depreciation expense is based on the Authority's fixed asset records and depreciation methods.

B. Single Fund Flexibility

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

The following activities will take place in FY 2016 using single fund flexibility concept:

- Due to inadequate funding for capital activities, HABC plans to use the prior year's HCV HAP Fund to supplement various capital improvements as detailed in the FY 2016 Capital Spending Plan using single fund flexibility concept.
- HABC continues to use the prior year's MTW Fund for renovation and development of UFAS units to meet the 504 accessibility requirements using single fund flexibility concept.
- In July 2014, CDA submitted a separate request for approval of the refinancing of the Loan through the issuance of a new set of bonds that will refund the Series 2003 Bonds. HABC anticipates that the effect of prepayment and entering into the refinancing arrangement will reduce annual loan debt service requirements from about \$6.5 million in 2014 to approximately \$3.8 million in future years. In addition, to the extent HABC participates in the Rental Assistance Demonstration (RAD), HABC is required to reduce the annual debt service payments for a Capital Fund Financing loan in order to sustain an adequate loan security ratio.

V.2.Plan.Local Asset Management Plan

B. MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

	or	No
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Is the PHA implementing a local asset management plan (LAMP)?

Yes	or	
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If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes	or	
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HUD approved HABC's Local Asset Management Program as part of the Annual Plan submission in FY 2010. Proposed updated cost allocation calculations for FY 2016 are included in Appendix C. The indirect cost rate for 2016 will be 12.42% for MTW and 12.18% for non-MTW. These rates are very much in line with the FY15 results, which were 12.03 for MTW and 11.86% for non-MTW.

VII. Administrative

Pursuant to Attachment B Section VI of HABC's MTW Agreement with the Department of Housing and Urban Development (HUD) the Fiscal Year 2015 MTW Annual Plan was made available for public review and comment for thirty (30) days beginning February 28, 2014, and ending on March 29, 2014. Copies of the FY 2015 Annual Plan were available at HABC's main offices, the Enoch Pratt Free Library and on the website at www.baltimorehousing.org. A public hearing was held on March 24, 2014 at 201 N. Aisquith Street, Baltimore MD 21202. Seventy-four (74) people attended the public meeting, and HABC reviewed and considered all comments that were received no later than March 31, 2014. Signed copies of the Board Resolution signifying approval of the FY 2015 Annual Plan and the Certification of Compliance with Regulations signifying the adoption of same are included as Appendix A.

HABC will continue to monitor and evaluate MTW activities during FY 2015. At this point, HABC does not intend to use external evaluators for new or ongoing MTW initiatives. Internal reports will be generated on a periodic basis to assess performance against proposed targets. Quarterly internal reviews are conducted with program staff and management to review and evaluate results and, if necessary, to modify proposed strategies to improve results. Annual evaluation results will be reported as appropriate by HABC in the MTW Annual Report.

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

Appendix A: Board Resolution and Certification of Compliance

Appendix B: Asset Management Table

Appendix C: FY 2016 Proposed Cost Allocation Methodology & Local Asset Management Plan

Appendix D: Certifications : TO BE INSERTED

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

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

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

Appendix G: Waiting List Demographics

Appendix H: The Annual Statement/Performance and Evaluation Report

Appendix I: Private Management Portfolio

Appendix J: General Housing Information and MTW Sources & Uses

Appendix K: Office of Resident Services

Appendix L: Information Technology

Appendix M: Non-MTW Information

Appendix N: Amendments to the Annual Plan

Appendix O: Review of Comments Received and Subsequent Changes

Appendix P: Matrix of ACOP, Lease and Grievance Changes

Appendix Q: FY2016 Annual Plan Public Meeting