Opening Doors to Self-Sufficiency

Lexington-Fayette Urban County Housing Authority

Moving to Work Demonstration

FY 2012 Interim Evaluation Report

September 30, 2012

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I. Introduction

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

LHA presently manages 1,303 public housing units and 2,405 Housing Choice Voucher (HCV) properties within the Moving to Work (MTW) Demonstration. In total, LHA can serve 3,708 MTW households throughout the Lexington community.

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

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

HUD approved the Housing Authority's FY 2012 MTW Annual Plan on December 29, 2011. As this date was already six months into LHA's FY 2012, LHA sought and received approval to extend the Plan's effective date through FY 2013 (June 30, 2013).

Although LHA is not required to submit its first formal MTW Annual Report until September 30, 2013, the Housing Authority agreed to produce this interim evaluation report to apprise HUD of the status of and any initial impacts from the agency's eleven approved MTW activities as of June 30, 2012.

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

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

1) To reduce costs and achieve greater cost effectiveness in federal expenditures;
2) To give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3) To increase housing choices for low-income families.

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

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

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

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

To further both the federal and local MTW objectives listed above, the LHA's FY 2012 - FY 2013 MTW Annual Plan details eleven activities the Housing Authority plans to implement before June 30, 2013. An MTW activity is defined as any initiative that LHA would not be able to implement without the statutory and regulatory flexibility in public housing and HCV program rules provided by the MTW program.

Section III of this interim evaluation report, entitled "HUD-Approved MTW Activities," summarizes the status of and initial impacts from these activities through June 30, 2012.

The following table summarizes LHA's FY 2012 – FY 2013 MTW activities and their relation to the MTW program's statutory objectives.

FY 2012 – FY 2013 MTW Activities

Activity #	Activity Description	Statutory Objective Furthered
1	Rent Reform Controlled Study: Increase Minimum Rent at Pimlico to $150	(2) Promote self-sufficiency
2	Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents	(1) Reduce costs; (2) Promote self-sufficiency
3	Rent Reform Controlled Study: Triennial Recertification of Griffith Tower Households	(1) Reduce costs
4	Housing Choice Voucher Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy	(1) Reduce costs; (2) Promote self-sufficiency
5	Streamlined HQS Inspection Policy for HCV Units	(1) Reduce costs
6	Biennial Housekeeping Inspections for Public Housing Residents	(1) Reduce costs
7	Public Housing Acquisition Without Prior HUD Approval	(3) Increase housing choices
8	Conversion of Pimlico and Appian Hills Public Housing Units to Project-Based Vouchers	(3) Increase housing choices
9	Development of Project-Based Voucher Units at 800 Edmond Street	(3) Increase housing choices
10	HCV Special Partner Programs	(3) Increase housing choices
11	Local, Non-Traditional Use of MTW Funds to Improve Connie Griffith-Ballard Towers	(3) Increase housing choices

III. Evaluation Methodology

On November 23, 2010, Kentucky State University (KSU) confirmed its commitment to work with the LHA as program evaluator for LHA's Moving to Work (MTW) demonstration program (See Appendix A for KSU Evaluation Commitment Letter).

Beginning August 28, 2011 Amanda Sokan, MHA, PhD, Assistant Professor in the College of Professional Studies at KSU, began collaborating with the MTW team - Andrea Wilson (LHA MTW Coordinator), Sarah Howard (The Schiff Group Consultant), and LHA management.

The timing was beneficial to all parties as it allowed joint review and determination of baselines, metrics to be tracked, and benchmarks for MTW initiatives. This is a critical step toward creating a data collection and management structure that supports outcome and impact measurement and analysis downstream, bearing in mind the objectives (federal/HUD and local/LHA) of the MTW Demonstration program (See Section I, "Introduction," for a list of these objectives).

This evaluation project is expected to encompass all MTW activities slated for implementation by LHA, beginning with the eleven activities approved through the agency's FY 2012 – FY 2013 MTW Annual Plan (See Section I, "Introduction," for a list of these activities).

In conducting the evaluation, outcome/impact measurement and analysis will be driven by and focus on the following parameters:

The extent to which the initiative (as appropriate to its stated goals) –

- Promotes self-sufficiency;
- Increases the number of families moving toward self-sufficiency;
- Increases housing choices (quantity, quality, affordability);
- Reduces costs and achieves greater cost effectiveness in federal expenditures;
- Reduces administrative costs and burdens for LHA staff and residents;
- Increases resident satisfaction;
- Increases employee/staff satisfaction; and
- Potentially (unintentionally) creates disparate impacts on protected classes of residents on the basis of sex, race, ethnicity, age, and/or disability (Especially rent reform based initiatives from which disabled households and those over the age of 62 are typically exempt).

Implementation schedule and duration of proposed MTW initiatives/activities are determined by LHA. KSU's program evaluation function in the LHA's MTW demonstration project is designed to be ongoing and dynamic, with the goal of promoting flexibility to respond to project needs and challenges as they arise.

Phase One

- *Familiarization, knowledge gathering, establishment of metrics, baselines and benchmarks*

This initial period involved the fine-tuning of program initiatives, identification, assessment, and development of metrics and data sources necessary to establish baseline and projected measures, and to facilitate future program evaluation initiatives. During this period, the evaluator met with LHA Executive Director Mr. Austin Simms and the MTW team, received a briefing on the MTW project, and reviewed the MTW application. Meetings and interviews were arranged with senior management, department/section heads, and LHA staff in affected areas (Public Housing, Housing Choice Voucher (HCV) Program, HR/Personnel, IT, Accounting, Administration) to discuss specific initiatives affecting their area of jurisdiction; to determine, clarify, or obtain status updates regarding relevant metrics, data availability, and retrieval/data collection methods; to determine a schedule of deliverables; to discuss management challenges; etc.

The MTW Team also met with LHA Software Vendor representatives, including the Tenmast (WinTen2) CEO, to discuss MTW data needs and identify a list of metrics for which data will be needed as the project unfolds. The ultimate goal is a master data file tailored to support MTW project needs.

- ***Production and pre-submission review of draft Annual Plan***

Upon receiving notification of acceptance into the MTW Demonstration Program, the LHA began drafting revisions to the initial draft of its MTW Annual Plan, which had been included in its MTW application. Among other goals, LHA used this revision process as an opportunity to further develop its MTW evaluation plan.

In conjunction with this revision process, MTW team members and LHA staff held a meeting via teleconference with Mr. Rod Solomon, a Washington-based attorney and consultant with Hawkins, Delafield & Wood, LLC. His review of LHA's planned MTW Annual Plan revisions facilitated information verification, clarification of processes, as well as proposals for research/study design. Feedback thus obtained was incorporated into the draft prior to submission.

- ***Plan completion and submission***

Phase one ended with the completion and submission of the FY 2012 MTW Annual Plan (Version 2) to HUD in August 2011, following completion of the following:

- ✓ Program initiative goals identified and delineated;
- ✓ Metrics developed, evaluated, and amended as appropriate;
- ✓ Random assignment processes identified for MTW initiatives involving proposed rent reform activities to be conducted as controlled studies in compliance with HUD directives;
- ✓ Initial impact analyses/projections for rent reform based activities;
- ✓ Determination of tentative project timeline; and
- ✓ Document review and approval administration/management.

Although this initial phase is complete, the ongoing nature of the project may require revisiting and updating the initial evaluation plan to ensure fidelity with LHA MTW goals and processes.

Phase Two

- ***Monitoring and tracking***

HUD approval and verification of start date (implementation) on December 29, 2011 was the trigger point for transition to phase two. This (current) phase involves monitoring MTW activities as they are rolled out and implemented, data tracking, collection and management, as well as some preliminary analysis of outcomes.

- Status report: interim actions

	ACTION	STATUS
1	Develop final metrics list	Completed
2	Communicate required metrics to staff/managers in affected areas	Completed
3	Determine/finalize data sources to support metrics (both currently available and to be collected going forward)	Ongoing – Resolve software issues
4	Develop blueprint for all studies proposed in Plan	Ongoing
5	Develop program evaluation guide (logic model/analysis)	TBD
6	Develop templates to track metrics/data collection	Completed
7	Develop preliminary (pre-initiative implementation) residents' satisfaction survey (Activity#1 only)	Completed
8	Develop templates to track resident complaints (Rent reform activities only)	Completed

- Status report: Resource/program needs - general

Program/resource	Needs
Time/process studies	a) Public Housing recertification process b) Section 8 (HCV) intake process c) Senior Housing (Connie- Griffith) recertification process d) Rent reduction request process e) Inspection protocols - redundancy study (Section 8 and Public Housing)
Personnel	Statistician/Evaluation team Study/field workers (e.g. data collection/analysis, administer surveys, assist with focus groups, conduct time/process study) Transcriptionist

Phase Three

- ***Data analysis, interpretation, presentation and report of findings***

Work in this phase will proceed as sufficient data is collected to support evaluation activity, and will be an iterative process.

Note: Although these phases are distinct, they are not mutually exclusive and some overlap may be expected as the project unfolds and matures.

Evaluation Report – By Activity

Section III ("HUD-Approved MTW Activities") of this interim provides rational and detailed descriptions for each of the eleven MTW activities proposed in LHA's approved FY 2012 – FY 2013 MTW Annual Plan, including metrics and baseline information as appropriate.

Section III also provides a brief update on evaluation activities conducted to date. **Impact Analysis** may be premature this early in program implementation, making a consideration of "outcomes" probably a more useful approach. At this stage, the evaluation process is focused on monitoring and tracking (metrics, issues, and outcomes). These functions are performed with a view to help define outcomes and issues that will ultimately inform analysis downstream.

In addition, an initial evaluation plan for each of the rent reform activities (Activities 1, 2, 3, & 4) can be found in Appendix D. These plans provide information on the structure of the controlled studies as well as the results of impact analysis projections where conducted.

Next Steps

- Continue to monitor, track and review metrics, baselines, and benchmarks.
- Initiate research activities as appropriate, data management protocols and outcomes/ impact analyses at end of year one, or when data sufficiency occurs – whichever is earlier.
- Finalize consulting document
- Finalize evaluation team and budget

Conclusions

LHA MTW team and staff have gone to considerable lengths to kick-off program initiatives in fidelity to the master plan. At this time attention must be focused on standardization of practices across initiatives that share common processes or metrics, especially in terms of definitions of key measures and concepts, and data collection and management processes. The proper evaluation of MTW activities will be dependent on the quality of data generated and presented to inform analyses. Thus, the importance of maintaining rigorous, consistent, and accessible data collection and retrieval tools cannot be overstated.

III. HUD-Approved MTW Activities

Activity 1) Rent Reform Controlled Study: Increase Minimum Rent at Pimlico to $150

The HOPE VI revitalizations of Charlotte Court and Bluegrass-Aspendale leave Pimlico as LHA's largest, aging family public housing development. While residents of the HOPE VI sites have benefitted from targeted self-sufficiency and case management initiatives, funding has not been available to provide the same level of services for Pimlico families. The Authority is exploring various financing mechanisms to rehabilitate these 206 units, including conversion to project-based vouchers coupled with low-income housing tax credits, but feasibility, timing, and the depth of services that could be funded are all uncertain.

This reality has left LHA looking for alternative ways to increase resident services and maintain the quality of the units while residents wait for complete rehabilitation. Raising the minimum rent from $50 to $150 is a first step in this process. This initiative is designed to promote self-sufficiency by encouraging heads-of-household to work, while raising much-needed revenue. This revenue can then be put directly back into the development – allowing LHA to complete long-deferred maintenance projects.

To ensure this initiative targets heads-of-household who are able to work, elderly and disabled families are exempt. Of the 185 units occupied at baseline (June 30, 2011), 33 were occupied by elderly or disabled families who are exempt from this initiative. Of the 152 non-disabled / non-elderly households residing at the site, 121 (80%) paid less than $150 in rent. Seventy-three families paid the $50 minimum rent, while 48 paid between $50 and $150.

Implementation
On February 1, 2012, households paying less than $150 per month were given ninety days notice that their family's rent would increase as of May 1, 2012. The notification included instructions for requesting a hardship exemption per LHA's MTW Rent Reform Hardship Policy (See Appendix C). Only one hardship request was received by the March 1, 2012 deadline; it was denied.

As required by HUD, this rent reform initiative has been implemented as a controlled study. The residents directly affected by this activity (households living at the Pimlico public housing development) make up the treatment group while the residents of the Appian development (whose minimum rent continues to be $50) serve as the control group.

A detailed timeline of completed implementation steps follows.

Dec 29, 2011
Activity Approved by HUD

- **Feb 1, 2012 -** Minimum rent increase notifications mailed to residents. Elderly and disabled households notified their rent would not increase.
- **Feb 5 -** Letter mailed to public housing residents at all LHA developments to encourage them to enroll in Housing Authority's new Public Housing Family Self-Sufficiency (PH FSS) Program.
- **Mar 1** - Deadline for affected residents to request a hardship exemption. One formal request was made; it was denied.

May 1, 2012
Minimum Rent Increase Effective

- **May 8** - Late rent notices mailed to residents missing May 1 payment date.
- **May 31** - 2nd notice of late rent mailed to residents who still owe May rent.
- **Early Jun -** Management staff visit homes of residents who still owe May rent to schedule appointments to discuss possible next steps, including setting up an installment payment plan.
- **Jun 15 -** Eviction notices mailed to 6 households who experienced a rent increase due to MTW activity for non-payment of May's rent. One additional affected household had already moved out of their unit before eviction notices were mailed.
- **Jun 21** – In response to resident questions, LHA holds resident meeting to address questions related to May rent statements; about 50 residents attend. LHA staff propose Pimlico resident meetings be held more frequently (monthly instead of quarterly) to improve communication between residents and staff and to make residents more aware of supportive service resources available to them. LHA staff set up 10 follow-up appointments to further discuss back charges with individual households.
- **Jun 25 -** 2nd letter mailed to encourage Pimlico residents to enroll in PH FSS Program.

Jun 30, 2012
FY 2012 Ends

- **Jul 15 -** Having received 2 late rent notices, a home visit, and the opportunity to enter into an installment payment plan, 6 residents affected by the minimum rent increase are mailed an eviction notice for non-payment of June rent. One additional resident has since been evicted for non-payment of July rent.
- **Jul 18 –** PH FSS Program Coordinator attends 1st monthly Pimlico resident meeting to explain benefits of new program to residents.
- **Jul 25 –** Community & Supportive Services Resource Guide developed during Bluegrass HOPE VI Revitalization (which had previously been available at Management Office) is mailed to Pimlico households to increase awareness of locally available supportive services.
- **Aug 23 -** Scheduled monthly Pimlico resident meeting.
- **Late Aug –** LHA's quarterly MTW Newsletter for residents distributed. Included article again clarifying calculation of new minimum rent.

Metrics

Study Population				
	Control Group Appian		*Treatment Group* Pimlico	
	FY 2011	FY 2012	FY 2011	FY 2012
Units	44	44	206	186[1]
Occupied Units	40	40	185	170
Elderly / Disabled Households	4	2	33	29
Non-Elderly / Non-Disabled Households	**36**	**38**	**152**	**141**

[1]Twenty Pimlico units were removed from PIC during FY 2012 due to significant distress, including cracking of exterior brick and settlement of portions of the floor slabs. LHA estimates a minimum of 4 additional units will be removed from PIC during FY 2013.

Impact 1: Encouraging Non-Disabled / Non-Elderly Adult Household Members to Work					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number (Percent) of families paying at least $150 per month in rent	Control:	17 (43%)	12 (32%)	17 (43%)	WinTen2
	Treatment:	31 (20%)	134 (95%)	147 (97%)	
Average (Median) amount of earned income reported by families per month	Control:	*$454 ($0)	*$397 ($0)	$454	WinTen2
	Treatment:	*$181 ($0)	*$236 ($0)	$272	
Average (Median) total income reported by families per month	Control:	$1,358 ($1,172)	$1,356 ($1,191)	$1,358	WinTen2
	Treatment:	$694 ($592)	$832 ($658)	$785	
Average (Median) monthly rent payment of families	Control:	$200 ($94)	$167 ($120)	$200	WinTen2
	Treatment:	$105 ($55)	$169 ($150)	$150	
Number (Percent) of families requesting hardship exemptions	Control:	N/A	N/A	N/A	MTW Coordinator Log
	Treatment:	N/A	1 (1%)	15 (10%)	
Number (Percent) of families granted hardship exemptions	Control:	N/A	N/A	N/A	MTW Coordinator Log
	Treatment:	N/A	0 (0%)	4 (3%)	
Number (Percent) of residents requesting transfer	Control:	3 (8%)	0 (0%)	3 (8%)	Property Manager Log
	Treatment:	2 (1%)	3 (2%)	5 (3%)	
Number (Percent) of residents who: a) transfer, b) move out of LHA housing, c) are evicted	Control:	A = 0 (0%) B = 10 (25%) C = 2 (5%)	A = 0 (0%) B = 10 (26%) C = 2 (5%)	A = 0 (0%) B = 10 (25%) C = 2 (5%)	Property Manager Log and WinTen2
	Treatment:	A = 0 (0%) B = 35 (19%) C = 8 (4%)	A = 3 (2%) B = 37 (26%) C = 10 (7%)	A = 2 (1%) B = 37 (20%) C = 8 (4%)	

*The majority of the households at Pimlico and Appian, both general housing sites, do not have earned income.

Impact 2: Assessing the Costs of This Activity for LHA					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Total monthly rent revenue (Rent less utility subsidy) from non-elderly / non-disabled households	Control:	$6,896 ($401)	$4,816 (-$590)	$6,896 ($401)	WinTen2
	Treatment:	$15,958 (-$4,449)	$23,898 ($8,925)	$29,790 ($18,281)	
Number of initiative-related complaints reported to Management Team staff	Control:	N/A	N/A	N/A	Property Manager Log
	Treatment:	N/A	1	16	
Staff time spent handling complaints	Control:	N/A	N/A	N/A	Property Manager Log
	Treatment:	N/A	3 hours	5.5 hours	

Impact 3: Assessing the Impact of This Activity on Residents					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Resident satisfaction (Likert scale: 5=Low; 10=Medium; 15=High)	Control:	Medium[1]	N/A	Medium	Survey / Focus Group Results
	Treatment:		Low to Medium[2]	Low	

[1]A single, pre-implementation resident survey was conducted across both sites. Results are not separable by site. See next section, "Activity 1 Evaluation Report" for a summary of resident survey findings.
[2]Resident focus group conducted at end of FY 2012. See **Appendix E** for a summary of focus group findings.

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section C.11 of the MTW Amendment between LHA and HUD. This "Rent Policies and Term Limits" authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 966 Subpart A.

Among other flexibilities, this authorization permits the LHA to determine "the minimum rent."

While traditional PHAs are not permitted to raise their minimum rents above $50, the LHA has used this authorization to raise the minimum rent at Pimlico to $150.

Activity 1 ***Evaluator (KSU) Report***

Evaluation Timeline:
September/October 2011: Pre-implementation of initiative

- Residents' survey at Pimlico (treatment site) and Appian (control site)
    - Goal: Obtain baseline measure for residents' satisfaction
    - Results:
        - Total number of respondents was 41 (Appian = 4; Pimlico = 10; Not stated = 27)
        - Response rate: 41/250 = 16.4%
        - Average length of residence was 10.3, with a range from 4 to 32 years.
        - Measures of satisfaction:
            - 63% rated their living conditions good to excellent
            - 54% would recommend Pimlico to others, while 32% probably or definitely would not.
            - 71% were satisfied or very satisfied with the amount of rent they paid.
            - 51% were satisfied or very satisfied with management's handling of complaints, while 29% were dissatisfied or very dissatisfied.

July 18 – Attendance, Pimlico residents' meeting

- Goal: Observation – post initiative implementation response; Meeting with Property Manager
- Results: Information about Family Self Sufficiency Program.
    - Consider: Participatory/democratic structure – e.g. agenda for residents' meeting with time allotted to hear resident issues
- Response rate: 5 attendees (4 residents, one minor)

September 6th – Focus group, randomly selected residents

- Goal: Obtain residents response/reaction to initiative
- Results: See focus group feedback report in Appendix E.

Implementation Outcomes
As this activity is so recently implemented, focus is placed on outcomes as opposed to "impact analyses" at this time. As stated in Section II of this report, impact analysis may be premature this early in program implementation.

- 121 families experienced a rent increase on May 1.
- 33 elderly/disabled families were exempt from the rent increase.
- 31 families paying at least $150 per month in rent saw no change.
- One hardship exemption request made during the quarter was denied.
  Stated rationale: Manager denied request. Status: Tenant still at Pimlico, tenant continued to pay rent and is up to date in payments.
  Concerns: Ability to ensure effectively processed? How decision was made, what is criteria? Transparency?
- No exit survey documents used/reported? Manager logs?

- One transfer request documented – resident moved to self-sufficiency site (New HopeVI) within LHA
- Evictions
    - Twelve (12) total since initiative implemented
    - Three (3) unaffected by rent increase
    - Seven (7) with writs since initiative
    - One eviction in control group in same period
    - Non-compliant tenants offered payment installment option
        - 2 accepted payment plan option

  Concerns: Compare to previous annual total of eight (Pimlico) evictions in 2011. Confounding effect of change in utility allowance, and issue of maintenance charges/uncollected rent, and increased financial burden on residents?
  Management opportunity: Process improvements for outstanding payment collections? E.g. Review rent statements (no collections notice) for revenue loss?

*Pimlico: Characteristics of Households Evicted Post Minimum Rent Increase**

		Head of Household	Average earned income per month	Average increased rent burden	Average increased utility allowance burden	Average increased total burden
Gender						
	Male	1	0	78	22	**100**
	Female	8	0	92	29.5	**121.5**
Race						
	White	4	0	89	26.5	**115.5**
	Black	5	0	91.4	30.4	**121.8**
	American Indian/ Native Alaskan	0	-	-	-	-
	Asian/Pacific Islander	0	-	-	-	-
	Native Hawaiian/ Other Pacific Islander	0	-	-	-	-
	Other	0	-	-	-	-
Ethnicity						
	Hispanic	0	-			
	Non-Hispanic	9	0	90.3	28.6	**118.9**
Age						
	18 - 31	?	?	?	?	?
	32 - 46	?	?	?	?	?
	47 - 61	?	?	?	?	?
	≥62	0	-	No change		
Disabled		0	-	No change		

**Evicted tenants affected by rent increase only. Includes tenants evicted after July 1, 2012, and thus not included in the "FY 2012 Actuals" column of the metrics tables on the preceding pages.*

Satisfaction Outcomes

- One initiative-related complaint documented as reported by staff.
  Concerns: 50-person attendance at resident meeting? How to reconcile?
- Resident satisfaction – TBD
    - Focus group rescheduled then postponed for insufficient participation.
- Employee/Staff satisfaction. Manager pleased with result of implementation so far. Brought focus on tenants in default.
  Concerns: How much extra revenue? How far does it go to alleviate negative financial situation? Can some of revenue stream be channeled back into Pimlico in light of current concerns regarding structural viability?

Evaluation Summary

Initiative roll out achieved. Compared to Appian (control), Pimlico has seen an increase in evictions, rent collected, as well as resident complaints. Due to other events (utility allowance change, collection of previously ignored maintenance fees), it is difficult to quantify the relationship of the initiative to increased eviction rates, but it is a contributory factor. As stated, it is premature to consider impact, and a year's worth of data will yield better information.

Evaluator (KSU) Recommendations

- Map out a logic model for the activities. What is ultimate goal, how will you get there? What will it look like?

  Example: Education initiative – great idea, but HOW does it support Activity 1? Decide/clarify what constitutes LHA's definition of self-sufficiency?
  Consider: Appropriateness of current terminology? Rebranding? Value statement? Mission/vision? Can be used as a strategic guiding document for LHA future operations?

- Avoid confounding events, or prepare for them, consider and ameliorate unintended consequences.

  Example: Creating excessive financial burdens? Where will evicted residents go, ultimately?

- Consider process review, and standardize practices across managerial sites

  Example: Reminders for late payments, processing/decision-making for hardship requests?

- Education – Manager/staff awareness and sensitivity
- Data collection and management – timely, consistent, and verifiable is critical.
  Concern: Is current software supportive of function and mission? Long-term design and scope of project.
- Identify and implement other self-sufficiency initiative supporting programs

  Example: Public Housing Family Self-Sufficiency program (PH-FSS) – This grant funded program is currently offered by LHA to all public housing residents. Unfortunately this program is severely limited in scale because it can only support a total of 50 participants. So far, twenty-seven residents have signed contracts to enroll in PH-FSS, with approximately 19% (five participants) residents from Pimlico.

To increase the potential of this activity to achieve its stated goals, it is strongly recommended that LHA consider expanding or modifying Activity # 1 to include similar programs which show a clear link to supporting and improving residents' self-sufficiency.

Public Housing Family Self-Sufficiency Program – Pimlico Participants

Name	Age	Race	Gender	Education Level	Employment	Household Size	Income
XXXX	52	Black	F	Diploma/1.5 college	Yes/PT time	2 – Self & spouse	$16,179
XXXX	52	Black	F	Diploma/6 mo. Of Business C.	No	2 – Self & grandchild	$0
XXXX	35	Bi-racial	F	College grad(2)year	No	4 -Self & 3 children	$0
XXXX	29	Black	M	GED/attended college(2)yrs.	Yes/PT	1 - Self	$5,655
XXXX	34	White	F	10th Grade	Yes	2 –Self & child	$8,298

Source: Vivian Lacey, Public Housing FSS Coordinator, 8/2012

Disparate Impact Analysis

Once a full year's worth of data is available, KSU/LHA will begin to conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

The following table shows preliminary outcomes related to disparate impacts as of June 30, 2012. However, given the short period of time that has passed since the implementation of this activity, KSU/LHA do not yet consider the data sufficient to draw conclusions regarding potential disparate impacts.

PRELIMINARY Pimlico Disparate Impact Analysis

Pimlico Population	Heads of Household			Average Earned Income per Month			Average Total Income per Month			Average Gross Rent			Average Increased Rent Burden		
	FY 2011	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*	*FY 2012 Benchmark*	*FY 2012 Actual*	*Variance*
All Non-Elderly/Non-Disabled Households	152	141	-7%	$181	$238	32%	$694	$830	20%	$105	$172	64%	$91	$67	-27%
Gender of Head of Household															
Female	133	124	-7%	$196	$250	28%	$712	$859	21%	$104	$172	66%	$92	$68	-26%
Male	19	17	-11%	$75	$147	95%	$571	$621	9%	$115	$175	52%	$85	$60	-29%
Race of Head of Household															
Black	98	91	-7%	$156	$268	72%	$650	$829	28%	$100	$175	75%	$93	$75	-19%
White	50	44	-12%	$240	$207	-14%	$797	$911	14%	$120	$167	39%	$89	$47	-47%
Other / Not Disclosed	3	4	33%	$67	$0	-100%	$489	$462	-5%	$50	$152	204%	$100	$102	2%
American Indian / Native Alaskan	1	1	0%	$0	$0	-	$499	$494	-1%	$50	$150	200%	$100	$100	0%
Asian/Pacific Islander	0	1	-	-	$824	-	-	$1,350	-	-	$223	-	-	-	-
Native Hawaiian / Other Pacific Islander	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethnicity of Head of Household															
Non-Hispanic	151	139	-8%	$182	$241	33%	$696	$836	20%	$105	$172	64%	$91	$67	-27%
Hispanic	1	2	100%	$0	$0	-	$379	$474	25%	$50	$150	200%	$100	$100	0%
Age of Head of Household															
18 - 31	90	76	-16%	$154	$202	31%	$680	$818	20%	$91	$163	80%	$92	$73	-21%
32 - 46	40	41	3%	$262	$357	37%	$763	$953	25%	$126	$178	41%	$88	$52	-40%
47 - 61	22	24	9%	$174	$226	30%	$655	$787	20%	$126	$190	51%	$98	$64	-34%
All Elderly / Disabled Households	33	29	-12%	$0	$9	-	$928	$904	-3%	$225	$250	11%	$0	$25	-

Activity 2) Rent Reform Controlled Study: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents

The 292 apartments affected by this activity were created as part of LHA's Bluegrass HOPE VI Revitalization; they are the Authority's newest – and perhaps most desirable – public housing. In order to live in one of these units, a family must make a commitment to become more self-sufficient. The head-of-household or spouse must work at least 20 hours a week, or - if there is a single head-of-household - this person may be enrolled as a full-time student in an accredited college, university, or vocational school (provided they meet the additional tax credit eligibility criteria required of single heads-of-household who are also full-time students).

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

Thus these units are not boosting self-sufficiency to the degree LHA originally hoped they would. At baseline (June 30, 2011), 23 of the 194 non-elderly/non-disabled households (12%) residing in these units did not meet the work/education requirement.

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

Elderly and disabled households (92 at baseline) are exempt from this rent reform initiative, and remain eligible to request a rent reduction according to LHA's current policies.

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

Implementation
This activity was implemented on May 1, 2012. Fifteen new families have since moved into the site, and are subject to the new rent reduction request restrictions. One family has requested and been granted a hardship exemption.

As required by HUD, this rent reform initiative has been implemented as a controlled study. Households moving into public housing units at Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, and Twin Oaks form the treatment group. Residents of LHA's Self-Sufficiency Level II public housing units in the Russell Cave and Sugar Mill developments serve as the control group. Control group households are governed by LHA's traditional policy regarding the

Activity 2 Implementation Timeline

- **Dec 29, 2011-** Activity approved by HUD.
- **Jan 19, 2012 –** Housing Managers and Evaluation Team meet with representative from Lexington Fair Housing Council to ensure organization has no fair housing concerns related to rent reform activity implementation.
- **Feb 5 –** LHA begins to recruit residents for its new Public Housing Family Self-Sufficiency (PH FSS) Program.
- **Feb 10** –Quarterly Management Team resident meeting. MTW Activity 2 implementation and the potential benefits t of participating in the PH FSS Program are discussed with residents.
- **Mar 21 –** MTW Stakeholders Meeting
- **May 1 –** Activity Implemented
- **Jun 30 –** FY 2012 Ends. One hardship request was received and granted between May 1 and Jun 30.
- **Late Aug –** LHA's quarterly MTW Newsletter for residents distributed. Includes article explaining MTW Activity 2 implementation.

request of rent reductions, while treatment group households are prohibited from requesting a rent reduction for six months after their initial move-in date.

Metrics

Study Population				
	Control Group Russell Cave + Sugar Mill		*Treatment Group* Bluegrass HOPE VI Public Housing	
	FY 2011	FY 2012	FY 2011	FY 2012
Units	87	87	292	292
Occupied Units	71	68	286	279
Elderly / Disabled Households	19	20	92	92
Non-Elderly / Non-Disabled Households	**52**	**48**	**194**	**187**

Impact 1: Encouraging Non-Elderly / Non-Disabled Adult Household Members to Work					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number (Percent) of families meeting the self-sufficiency work / education requirement	Control:	47 (90%)	46 (96%)	47 (90%)	Management Team Records
	Treatment:	171 (88%)	131 (70%)	184 (95%)	
Average (Median) amount of earned income reported by families per year	Control:	$7,566 ($6,022)	$9,808 ($9,807)	$7,566	WinTen2
	Treatment:	$11,381 ($11,222)	$11,661 ($11,775)	$11,950	
Number (Percent) of families reporting $0 earned income per year	Control:	20 (38%)	14 (29%)	20 (38%)	WinTen2
	Treatment:	49 (25%)	33 (18%)	25 (13%)	WinTen2
Average (Median) amount reported by families who report any earned income per year	Control:	$12,691 ($10,730)	$13,847 ($11,938)	$12,691	WinTen2
	Treatment:	$15,226 ($14,040)	$14,160 ($13,898)	$15,987	WinTen2
Average (Median) total income reported by families per year	Control:	$11,241 ($10,324)	$14,928 ($12,936)	$11,241	WinTen2
	Treatment:	$15,263 ($14,868)	$16,321 ($15,184)	$15,832	
Average (Median) monthly rent payment of families	Control:	$210 ($197)	$229 ($189)	$210	WinTen2
	Treatment:	$300 ($286)	$316 ($298)	$315	
Number (Percent) of families requesting rent reductions (control group) or hardship exemptions (treatment group) within 6 months of move in	Control:	2 (67%)	0 (0%)	2 (67%)	Property Manager and MTW Coordinator Logs
	Treatment:	47 (44%)	1 (6%)	15 (15%)	
Number (Percent) of families granted rent reductions (control	Control:	2 (67%)	0 (0%)	2 (67%)	WinTen2 and MTW

Impact 1: Encouraging Non-Elderly / Non-Disabled Adult Household Members to Work					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
group) or hardship exemptions (treatment group) within 6 months of move in	Treatment:	47 (44%)	1 (6%)	10 (10%)	Coordinator Log
Total monthly rent revenue from non-elderly / non-disabled households	Control:	$10,918	$11,222	$10,918	WinTen2
	Treatment:	$58,131	$49,566	$61,038	

Impact 2: Assessing the Cost of This Activity for the Housing Authority					
Metric	**Study Group**	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Dollar value of staff time spent processing rent reduction requests (control group) or hardship exemptions (treatment group) within 6 months of move in	Control:	$45	$23[1]	$45	Payroll System, Staff Interviews
	Treatment:	$1,050	$11[1]	$535	

[1]Only includes rent reductions / hardship exemptions granted after activity implementation (May 1).

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section C.4 of the MTW Amendment between LHA and HUD. This "Initial, Annual and Interim Income Review Process" authorization waives certain provisions of Sections 3 (a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257.

Among other flexibilities, this authorization permits the LHA to "restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided."

While traditional PHAs are required to permit interim recertifications (and thus rent reductions) whenever a client experiences a decrease in income or increase in expenses, this MTW authorization has allowed the LHA to eliminate interim re-examinations resulting from either of these two causes during the first six months of a household's tenancy.

Activity 2 ***Evaluator (KSU) Report***

Implementation Outcomes
Treatment Group - Fifteen (15) new households have moved-in under the new rules/restriction. New policy/restrictions were explained during the move in orientation. Manager received one (1) hardship request due to place of employment closing, which was granted.

Control Group -No interim requests for reduction in rent or recertification. One correction to an annual recertification resulted in a decrease in rent per usual operating policy.

Satisfaction Outcomes
Manager reports no complaints to date.

Evaluation Summary
Initiative implementation off to a good start, but there is at this time insufficient data to support analysis.

Recommendations
None at this time.

Disparate Impact Analysis
Once a full year's worth of data is available, KSU/LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

The following table shows preliminary outcomes related to disparate impacts as of June 30, 2012. However, given the short period of time that has passed since the implementation of this activity, KSU/LHA do not yet consider the data sufficient to draw conclusions regarding potential disparate impacts.

Bluegrass HOPE VI Public Housing Disparate Impact Analysis

Bluegrass Population	Heads of Household			Average Earned Income per Month			Average Total Income per Month			Average Gross Rent		
	FY 2011	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*	*FY 2011*	*FY 2012*	*% Change*
All Non-Elderly/Non-Disabled Households	194	187	-4%	$948	$972	3%	$1,272	$1,360	7%	$300	$318	6%
Gender												
Female	168	163	-3%	$890	$915	3%	$1,244	$1,348	8%	$287	$308	7%
Male	26	24	-8%	$1,329	$1,168	-12%	$1,454	$1,444	-1%	$379	$388	2%
Race												
Black	166	163	-2%	$947	$971	3%	$1,296	$1,335	3%	$303	$323	7%
White	24	21	-13%	$852	$972	14%	$1,002	$1,357	35%	$255	$280	10%
Other	3	3	0%	$1,011	$1,006	-1%	$1,429	$1,412	-1%	$378	$316	-16%
Native Hawaiian / Other Pacific Islander	1	0	-100%	$3,213	-	-	$3,238	-	-	$621	-	-
American Indian / Native Alaskan	-	-	-	-	-	-	-	-	-	-	-	-
Asian/Pacific Islander	-	-	-	-	-	-	-	-	-	-	-	-
Ethnicity												
Non-Hispanic	193	186	-4%	$950	$964	1%	$1,273	$1,352	6%	$300	$316	5%
Hispanic	1	1	0%	$605	$2,481	310%	$972	$2,848	193%	$268	$740	176%
All Elderly / Disabled Households	92	92	0%	$694	$697	0%	$1,089	$904	-17%	$272	$273	0%

Activity 3) Rent Reform: Triennial Recertification of Griffith Tower Households

Griffith Tower, a 183-unit high-rise building, is LHA's only public housing development dedicated solely to the needs of near-elderly and elderly residents (ages 55 and over).

As the vast majority of these households rely on fixed-income sources, there is little variation in household income on an annual basis. At baseline (June 30, 2011), 60% (110 households) received Social Security benefits, 42% (77 households) received SSI, and 20% (39 households) relied on fixed pensions.

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

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

Implementation
Since January 1, 2012, residents moving into Connie Griffith have had their next recertification scheduled three years out.

For existing households, LHA plans to phase in triennial recertifications over three years, recertifying one third of eligible families each year. As of April 30, 2012 (recertification effective date), LHA had recertified one third of its existing population, and ceased scheduling annual recertifications for existing residents. Recertifications for the second implementation

Activity 3 Implementation Timeline

- **Dec 29, 2011-** Activity approved by HUD.
- **Jan 1, 2012 –** Activity implemented. Staff begin scheduling follow-up re-examinations for new residents 3 years after move-in date.
- **Mar 19** –Quarterly Management Team resident meeting. MTW Activity 3 implementation discussed with residents.
- **Mar 21 –** MTW Stakeholders Meeting
- **Apr 30 –** Final effective date for regularly scheduled annual inspections during CY 2012.
- **Jun 30 –** FY 2012 ends.
- **Late Aug –** LHA's quarterly MTW Newsletter for residents distributed. Includes article explaining MTW Activity 3 implementation.

phase will be scheduled with effective dates on or after January 1, 2013.

Metrics

Affected Population		
Connie Griffith Tower	**FY 2011**	**FY 2012**
Units	183	183
Occupied Units	**181**	**178**

Impact 1: Reducing Costs and Achieving Greater Cost Efficiency in Federal Expenditures				
Metric	**FY 2011 Baseline**	**FY 2012 Actual[1]**	**FY 2013 Benchmark**	**Data Source**
Total number of annual recertifications per year	181	47	61	WinTen2
Number (Percent) of families requesting interim recertifications	14 (8%)	14 (8%)	18 (10%)	WinTen2
Average total staff time per unit spent processing annual recertification	2 hours	2 hours	2 hours	Management Specialist Interview
Estimated staff hourly rate (wage +fringe)	$22.35	$22.35	$22.35	Payroll System
Dollar value of staff time spent processing annual + interim recertifications	$8,717	$2,727	$3,531	Management Specialist Interview / Payroll System

[1]Only includes recertifications completed on or after activity implementation date (Jan 1, 2012).

Impact 2: Assessing the Costs / Benefits of This Activity for Residents				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Average (Median) gross annual earned income reported by families	$1,490 ($0)	$1,536 ($0)	$1,490	WinTen2
Average (Median) gross annual non-earned income reported by families	$9,847 ($9,144)	$9,060 ($8,413)	$9,847	WinTen2
Average (Median) total income reported by families	$11,337 ($9,480)	$10,596 ($8,860)	$11,337	WinTen2
Resident satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Medium to High	Medium (10)	Focus Group
Average (Median) monthly rent payment of families	$223 ($198)	$224 ($215)	$223	WinTen2

Impact 3: Assessing the Costs / Benefits of This Activity for the Housing Authority				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Total monthly rent revenue	$40,416	$39,824	$40,416	WinTen2
Estimated costs savings from fewer recertifications	N/A	$5,990	$5,364	Management Specialist Interview / Payroll System
Employee satisfaction with change (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	Moderate	Medium to High (10-15)	Focus Group

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section C.4 of the MTW Amendment between LHA and HUD. This "Initial, Annual and Interim Income Review Process" authorization waives certain provisions of Sections 3 (a)(1) and 3(a)(2) of the 1937 Act and 24 C.F.R. 966.4 and 960.257.

Among other flexibilities, this authorization permits the LHA to "restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided."

While traditional PHAs are required to conduct an annual re-examination of family income and composition in the case of families paying an income-based rent, this authorization has allowed the LHA to increase the amount of time between interim re-examinations from one year to three years for households residing at Connie Griffith Tower.

Activity 3 ***Evaluator (KSU) Report***

Evaluation Timeline
April 2012 – Pretest

Goal: Residents' perception of living environment.
Conducted by a 3–person team of students from KSU, as part of a Gerontology course assignment on Living Environments for Elders/Older Adults.

Result: Residents' report overall positive perception of environment

Implementation Outcomes
1/3 of residents underwent recertification process in 2012 reducing staff time/administrative processes relating to recertifications by 2/3rds.

Satisfaction Outcomes
Manager reports residents are satisfied with change.

Manager reports staff are satisfied with the change, subject to concerns about required documentation for recertification, which still needs to be completed annually.

Evaluation Summary
Initiative implementation off to a good start, but there is at this time insufficient data to support analysis.

Recommendations
None at this time.

Disparate Impact Analysis
As Griffith Tower households continue to be able to request an interim recertification if they experience a significant loss of income, an increase in allowable medical expenses, or a change in household composition, LHA does not anticipate that this rent reform initiative will increase the rent burden of households or have a disparate impact on protected classes of households. Nonetheless, once a full year's worth of data is available, KSU/LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

The following table shows preliminary outcomes related to disparate impacts as of June 30, 2012. However, given the short period of time that has passed since the implementation of this activity, KSU/LHA do not yet consider the data sufficient to draw conclusions regarding potential disparate impacts.

Griffith Tower Disparate Impact Analysis

Griffith Tower Population	Heads of Household			Average Earned Income per Month			Average Total Income per Month			Average Gross Rent		
	FY 2011	FY 2012	% Change	FY 2011	FY 2012	% Change	FY 2011	FY 2012	% Change	FY 2011	FY 2012	% Change
All Households	181	178	-2%	$124	$128	3%	$945	$883	-7%	$223	$224	0%
Gender												
Male	93	95	2%	$130	$176	36%	$994	$908	-9%	$231	$227	-2%
Female	88	83	-6%	$118	$74	-37%	$892	$854	-4%	$215	$220	2%
Race												
Black	120	115	-4%	$136	$149	10%	$943	$877	-7%	$221	$219	-1%
White	59	62	5%	$104	$92	-12%	$954	$895	-6%	$229	$233	2%
Native Hawaiian / Other Pacific Islander	2	1	-50%	$0	$0	-	$736	$776	6%	$185	$194	5%
American Indian / Native Alaskan	-	-	-	-	-	-	-	-	-	-	-	-
Asian/Pacific Islander	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Ethnicity												
Non-Hispanic	179	177	-1%	$126	$129	3%	$945	$884	-6%	$223	$224	0%
Hispanic	2	1	-50%	$0	$0	-	$922	$737	-20%	$256	$221	-14%

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

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

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

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

Implementation
As required by HUD, this rent reform initiative has been implemented as a controlled study. Beginning May 1, 2012, LHA began randomly assigning households moving into an HCV unit to either a treatment or control group using a procedure developed by LHA's evaluation partner, KSU. A description of this procedure can be found in the "Activity 4 Evaluation Study" portion of this activity description.

Control group households are governed by LHA's traditional policy regarding the request of rent reductions, while treatment group households are prohibited from requesting a rent reduction for six months after their initial move-in date.

Since implementation, 38 treatment group households and 29 control group households have moved into HCV units. No treatment group households have requested a hardship exemption.

Activity 4 Implementation Timeline

- **Dec 29, 2011-** Activity approved by HUD.
- **Jan 19, 2012 –** Housing Managers and Evaluation Team meet with representative from Lexington Fair Housing Council to ensure organization has no fair housing concerns related to rent reform activity implementation.
- **Mar 21 –** MTW Stakeholders Meeting
- **May 1–** Activity implemented.
- **Jun 30 –** FY 2012 ends.
- **Late Aug –** LHA's quarterly MTW Newsletter for residents distributed. Includes article explaining MTW Activity 4 implementation.

Metrics

FY 2012 Study Population		
Total HCV Households	**Control Group Households**	**Treatment Group Households**
2,535	29	38

Impact 1: Encouraging Non-Disabled / Non-Elderly Adult Household Members to Work						
Metric	**FY 2011 Baseline**	**FY 2012 Actual by Study Group**		**FY 2013 Benchmark by Study Group**		**Data Source**
Average amount of earned income reported by families at initial occupancy	TBD[1]	Control:	$6,991	Control:	$6,750[2]	WinTen2
		Treatment:	$2,769	Treatment:	$2,769[2]	
Average monthly rent payment at initial occupancy (Rent net utility allowance)	TBD[1]	Control:	$179	Control:	$173[2]	WinTen2
		Treatment:	$49	Treatment:	$49[2]	
Average amount of earned income reported by families	$4,645	Control:	$5,481	Control:	$4,645	WinTen2
		Treatment:	$6,520	Treatment:	$4,877	
Average total income reported by families	$12,602	Control:	$12,159	Control:	$12,602	WinTen2
		Treatment:	$14,695	Treatment:	$13,232	
Average monthly rent payment of families	$141	Control:	$116	Control:	$141	WinTen2
		Treatment:	$160	Treatment:	$148	
Number (Percent) of families requesting within 6 months of move in: a) rent reduction (control) OR b) hardship exemption (treatment)	81 (10%)	Control:	0 (Q4 only)	Control:	40 (10%)	Management Team Log and MTW Coordinator Log
		Treatment:	0 (Q4 only)	Treatment:	8 (2%)	

[1]Historical data at time of initial occupancy is not currently available via LHA's computerized reporting system. LHA plans to have customized reports developed that will allow staff to track these indicators.
[2]2013 Benchmark forecast using 2012 Actual as study baseline.

<table>
<tr><th colspan="7">Impact 2: Assessing the Costs / Benefits of This Activity for LHA</th></tr>
<tr><th>Metric</th><th>FY 2011 Baseline</th><th colspan="2">FY 2012 Actual by Study Group</th><th colspan="2">FY 2013 Benchmark by Study Group</th><th>Data Source</th></tr>
<tr><td rowspan="3">Total monthly Housing Assistance Payments (HAP) from non-elderly / non-disabled households</td><td rowspan="3">$1,320,599</td><td>Control:</td><td>$1,376,033</td><td>Control:</td><td>$660,300</td><td rowspan="3">WinTen2</td></tr>
<tr><td>Treatment:</td><td>$50,966</td><td rowspan="2">Treatment:</td><td rowspan="2">$660,300</td></tr>
<tr><td>Total:</td><td>$1,426,999</td></tr>
<tr><td rowspan="2">Dollar value of staff time spent processing within 6 months of move in:
a) rent reduction requests (control group)
OR
b) hardship exemptions (treatment group)</td><td rowspan="2">$1,358</td><td>Control:</td><td>$0
(Q4 only)</td><td>Control:</td><td>$670</td><td rowspan="2">Management Specialist Interviews and Payroll System</td></tr>
<tr><td>Treatment:</td><td>$0
(Q4 only)</td><td>Treatment:</td><td>$134</td></tr>
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<table>
<tr><th colspan="6">Impact 3: Assessing Resident and Staff Response to Activity</th></tr>
<tr><th>Metric</th><th>FY 2011 Baseline</th><th>FY 2012 Actual</th><th colspan="2">FY 2013 Benchmark by Study Group</th><th>Data Source</th></tr>
<tr><td rowspan="2">Resident satisfaction with change (Likert scale: 5=Low; 10=Medium; 15=High)</td><td rowspan="2">N/A</td><td rowspan="2">No study participants received annual recertifications during FY 2012.</td><td>Control:</td><td>Medium (10)</td><td rowspan="2">Annual Recertification Questionnaire</td></tr>
<tr><td>Treatment:</td><td>Low (5)</td></tr>
<tr><td>Employee satisfaction with change (Likert scale: 5=Low; 10=Medium; 15=High)</td><td>N/A</td><td>Medium (10)</td><td colspan="2">Medium (10)</td><td>Focus Group Results</td></tr>
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Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section D.1.c of the MTW Amendment between LHA and HUD, which authorizes agencies to define, adopt, and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. This authorization waives certain provisions of Sections 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516.

While traditional PHAs are required to permit interim recertifications (and thus rent reductions) whenever a client experiences a decrease in income or increase in expenses, this MTW authorization has allowed the LHA to eliminate interim re-examinations resulting from either of these two causes during the first six months of a household's tenancy.

Activity 4 *Evaluator (KSU) Report*

Randomization procedure – Treatment versus control households
Households were randomized into treatment vs. control groups by first estimating the number of moves expected to occur over the upcoming year (600), and then entering the range of 1 to 600 into a random number generator at http://www.random.org/integer/. The first 300 numbers is the resulting random list was identified as defining the treatment group. Finally, households are assigned to a group based upon the order of issuance of vouchers, i.e. numbers one, three, and six were identified as part of the treatment group, so the first, third and sixth households to be issued vouchers beginning May 1 were assigned to the treatment group, while the second, fourth and fifth households were assigned to the control group.

Implementation Outcomes
Total Housing Assistance Payments (HAP) - $94,4262
-Treatment Group HAP – $50,996
- Control Group HAP - $43,466

To date no hardship or rent reduction requests has been received from treatment or control groups.

Satisfaction Outcomes
Resident satisfaction: Rated “medium” by manager. Manager reports absence of any significant complaints so far, but some lack of/difficulty understanding the implications of the initiative. As such, the manager suspects that as a result, an increase in actual complaints may occur as the study period progresses.

Staff satisfaction: Rated “medium” by manager. Manager reports staff satisfaction regarding roll out, but ambivalence to appropriateness of the initiative.

Evaluation Summary
Initiative implementation off to a good start, but there is at this time insufficient data to support analysis.

Recommendations
None at this time.

Disparate Impact Analysis
Once a full year of data is available, KSU/LHA will conduct an impact analysis annually to ensure that this rent reform initiative does not unintentionally increase the rent burden of treatment group households. In addition, this analysis will verify that there is no disparate impact on the rent burden faced by protected classes of households by race, color, national origin, disability, age, or gender.

Because the treatment group is so small at this time (38 households), KSU/LHA have elected not to prepare interim disparate impact analysis data for this activity.

By the end of FY 2013, a full year's worth of data will be available separately for both control and treatment groups. FY 2011 baseline data aggregated all 2,500 HCV households, meaning any analysis completed at this point would rely solely on the comparison of the current 38 treatment group households to the initial 2,500+ HCV households.

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

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

Initial Proposal:
Over the course of the MTW demonstration, LHA will develop a risk-based inspection process that evaluates owners on multiple factors including:

- Past inspection scores;
- Age of units, age of mechanical systems and/or date of last major renovation;
- Severity of past HQS violations; and
- Past complaints reported by voucher holders and their general satisfaction with their housing unit.

Points will be assigned to each of these factors and tallied to result in a *Star Rating* from one ✯ through four ✯ ✯ ✯ ✯ stars, which will be used to determine the quantity and frequency of future inspections.

During Year 1 of its participation in the MTW Demonstration, LHA will begin overhauling its existing inspection process into a streamlined, cost-effective approach that aggressively enforces HQS at the most at-risk/problematic properties, while reducing inspection frequency at high-quality properties.

Initial steps planned for FY 2012 – FY 2013 for all privately owned and partner-based HCV units include:

- A randomly selected inspection of 25% of units for units owned by service provider partners or owners with an excellent inspection track record who have 10 or more HCV units. If the 25% random sample passes inspection on the first attempt, the owner will be given the opportunity to self-certify that the remaining units also meet HQS standards and no further inspections will be performed in that year unless a complaint inspection is requested by the family, landlord, or other third parties (Any certification form created by LHA will be submitted to HUD for approval before this portion of the activity is implemented.). Although some units may not be inspected every year, every unit must meet HQS at all times while under contract;
- A written self-certification process for the correction of minor fail items for owners with excellent HQS performance (Any certification form created by LHA will be submitted to HUD for approval before this portion of the activity is implemented.). The following HQS violations are some of the items that may be classified as minor fail items:
    - Presence of a cracked switch plate/outlet cover;

  - Chipped/peeling/cracked paint when no child under 6 resides in the unit or the unit was built after 1978;
  - Stove burners that do not work and/or knobs that are missing or broken;
  - Fail items for which the owner provides a receipt verifying the repair item is on order or has been installed;
  - A yard area surrounding the building that is overgrown with weeds; and
  - A smoke detector that needs a replacement battery;
- An inspection schedule based on geographic clustering of units within specified locations in Lexington, instead of the current method of automatically scheduling annual inspections on the move-in anniversary date for each individual unit.

These strategies will result in considerable cost- and time- savings, while improving the City's air quality by reducing the number of miles driven.

Metrics

Impact 1: Reducing Costs and Achieving Greater Cost Effectiveness in Federal Expenditures			
Metric	**FY 2011 Baseline**	**FY 2013 Benchmark**	**Data Source**
Number of Landlords with 10 or more units	51	51	WinTen2
Number of annual HQS inspections completed	5,515	4,457	WinTen2
Number of HQS inspections completed on units eligible to have a 25% random sample of their units inspected	1,435	377	WinTen2
Dollar value of staff time spent conducting HQS inspections	$18.68 per hour	$18.68 per hour	Staff Interviews / Payroll System
Total dollar value of staff time spent conducting annual HQS inspections (salary + fringe)	$103,020	$83,257	Staff Interviews / Payroll System

Impact 2: Assessing the Costs / Benefits of This Activity for Residents			
Metric	**FY 2011 Baseline**	**FY 2013 Benchmark**	**Data Source**
Number (%) of units receiving complaint inspections	127 (8.8%)	127 (8.8%)	WinTen2
Number (%) of units receiving: a) Pass b) Fail c) Other inspection designations	A = 3,425 (62%) B = 1,024 (19%) C = 1,066 (19%)	A = 2,768 (62%) B = 828 (19%) C = 861 (19%)	WinTen2

Impact 3: Assessing the Costs / Benefits of This Activity for Staff			
Metric	**FY 2011 Baseline**	**FY 2013 Benchmark**	**Data Source**
Total amount of hours total (Average per unit) spent on HQS inspections	5,515 (1)	4,457 (1)	Staff Interviews

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section D.5 of the MTW Amendment between LHA and HUD. This "Ability to Certify Housing Quality Standards" authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I.

This authorization permits the LHA to "certify that housing assisted under MTW will meet housing quality standards as established or approved by HUD."

While traditional PHAs are required to conduct annual HQS inspections, this authorization will allow the LHA to vary inspection frequency based upon the past performance of landlords. Landlords who have an excellent inspection track record will have their units inspected less frequently than those with a less favorable track record. Inspection frequency will vary between six months and three years. For landlords whose units will receive inspections at intervals longer than annually, the landlord will self-certify annually that 100% of their units continue to meet HQS standards.

Status Report

In contrast to the phased implementation approach outlined above, HCV inspectors are currently evaluating several approaches that would allow the Housing Authority to implement its comprehensive risk-based inspection protocol in a single phase during FY 2014. During the fall of 2012 LHA inspectors began collecting data to establish a baseline. LHA hopes to include an updated inspection proposal in its FY 2014 MTW Annual Plan.

This proposal will likely contain a self-certification procedure similar to that listed above, perhaps expanded to include one or more of the following:

- Ability for HQS-certified landlords/owners to self-certify units at move-in
- Ability for landlords/owners to self-certify that the heating system of a unit inspected during the summer is functional and that the air conditioning systems of a unit inspected during the winter is functional

The current draft of LHA's proposed *Star Rating System* policy begins on the next page. In order to test the feasibility of the updated proposal, beginning October 1, 2012, LHA inspectors will preliminarily assign all HCV properties to the appropriate star rating at the time of inspection. Inspectors plan to collect a full year of baseline inspection data, with activity implementation to follow in late CY 2012. Inspectors will continue to fine tune the proposal as they collect inspection data, and discuss the initiative with landlords/owners in the field.

The large number of computer system modifications required to implement a project of this scope is likely to affect any final implementation timeline. LHA will continue to work closely with its technology vendor to ensure its final proposal is technically feasible.

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

Draft Proposal as of August 8, 2012

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

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

LANDLORD RATINGS WILL BE ESTABLISHED VIA THE FOLLOWING CRITERIA:

ONE STAR RATING (★)

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

TWO STAR RATING (★★)

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

THREE STAR RATING (★★★)

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

FOUR STAR RATING (★★★★)

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

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

RATINGS ADJUSTMENTS:

Landlords/owners may increase their star rating by:
- Reducing failed inspections
- Providing documentation that all units are under contract for professional pest control
- Providing documentation that all HVAC systems are inspected annually by qualified professionals
- Equipping units with energy-saving devices

Landlords/owners may have their star rating decreased if:
- The number of failed inspections and/or abatements increases
- They receive significant tenant complaints

The mechanism by which star ratings would be adjusted has not yet been determined.

INITIAL INSPECTIONS:

- Initial inspections will not be required for four- and five-star rated landlords

QUALITY CONTROL:

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

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

MONETARY CHARGES:

In addition to the rating-based inspection fees, the following charges will be assessed:
- $75.00 for each abatement
- $75.00 for the second consecutive missed appointment
- $5.00 for each missing or inoperable smoke detector

DRIVE BY INSPECTIONS:

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

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

GEOGRAPHIC ZONES:

- Inspections will be scheduled based on ZIP codes
- Individual ZIP codes will be "blitzed" with all units in a particular area inspected over the course of several days

Activity 6) Biennial Housekeeping Inspections for Public Housing Residents

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

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

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

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

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

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

Status Report
LHA's computer system currently captures only the fact that a housekeeping inspection has been completed. Inspection ratings (including "Excellent") are not tracked. LHA will determine an implementation timeline for this activity once necessary system changes have been completed.

Because no historical housekeeping inspection ratings are available via the agency's computer systems, LHA plans to use the first 12 months following activity implementation to determine a ratings baseline for existing households. All public housing units will receive a housekeeping inspection during the first year; households receiving an "Excellent" rating will have their next inspection scheduled two years out.

1.

Metrics

Impact 1: Reducing Costs and Achieving Greater Cost Effectiveness in Federal Expenditures				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number of public housing units	1,303	1,303	1,303	WinTen2
Number of housekeeping inspections conducted	1,303	1,303	1,173	Staff Interviews
Dollar value of staff time spent conducting housekeeping inspections	$18.68 per hour	$18.68 per hour	$18.68 per hour	Staff Interviews / Payroll System
Total cost of staff time spent conducting housekeeping inspections	$18,255	$18,255	$16,437	Staff Interviews / Payroll System

Impact 2: Assessing the Costs / Benefits of This Activity for Residents				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number (Percent) of households receiving an excellent rating	130[1] (10%)	130[1] (10%)	195 (15%)	Staff Interviews
Number (Percent) of households requiring a second inspection to correct deficiencies	75 (6%)	75 (6%)	65 (5%)	Staff Interviews

[1]As the Housing Authority did not track this rating electronically the baseline and actual figures are based on estimates from housing managers. The LHA is working with our software provider to accurately track this rating.

Impact 3: Assessing the Costs / Benefits of This Activity for LHA				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Average amount of time spent on a housekeeping inspection	45 mins	45 min	45mins	Staff Interviews
Employee satisfaction (Likert scale – 5=Low; 10=Medium; 15=High)	N/A	N/A	Medium (10)	Staff Interviews / Focus Group

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section C.9.a of the MTW Amendment between LHA and HUD. This "Simplification of Property Management Practices" authorization waives certain provisions of Section 6(f) of the 1937 Act and 24 C.F.R. 902-Subpart B.

This authorization permits the LHA to "deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirement of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary."

This authorization will allow the LHA to conduct housekeeping inspections biennially for its least risky households (those with an excellent track record), while all other households will continue to receive a housekeeping inspection annually.

Activity 7) Public Housing Acquisition Without Prior HUD Approval

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

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

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

Status Report
LHA MTW Coordinator Andrea Wilson contacted the Louisville Metro Housing Authority to discuss the protocols they have used to implement a similar MTW activity. Louisville reports that they have reduced the length of time from the signing of the purchase agreement to the closing on property acquisition from as long as 8 weeks to an average of 4 weeks.

LHA plans to consult next with the MTW Office to ensure appropriate acquisition procedures are followed following activity implementation.

Metrics

Impact 1: Increasing Housing Choices for Low-Income Families				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number of sites purchased in non-impacted areas	1	0	2	Acquisition records
Number of additional public housing units available (or to be developed) in non-impacted areas as a result of site acquisitions	1	0	2	Acquisition records

Impact 2: Assessing the Benefits of This Activity for LHA				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Average number of days from purchase agreement signing to closing	120	N/A	60	Acquisition records

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section C.13 of the MTW Amendment between LHA and HUD. This “Site Acquisition” authorization waives certain provisions of 24 C.F.R. 941.401.

This authorization permits the LHA to “acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met.”

While traditional PHAs must receive prior HUD approval before acquiring sites whose intended use is public housing, the self-certification process permitted under this flexibility will allow the LHA to complete the acquisition process much more quickly.

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

Initial Proposal
The HOPE VI revitalizations of Charlotte Court and Bluegrass-Aspendale leave Appian Hills and Pimlico as LHA's last large and aging family public housing developments. Both sites are in need of significant rehabilitation, and the Authority is currently examining several alternative strategies to finance these efforts.

Depending on its ability to secure financing to modernize these sites, LHA will request HUD approval to remove between 44 and 250 public housing units from these developments during FY 2012 - FY 2013; request tenant protection vouchers for residents of affected units; and allocate project-based vouchers to the rehabilitated dwellings. The allocation of project-based vouchers to these units will provide long-term, stable funding that can be leveraged to finance a portion of this rehabilitation work. These efforts will affect 44 units at Appian Hills and zero to 206 units at the Pimlico development as follows:

Disposition Site	1-Bed	2-Bed	3-Bed	4-Bed	Total Units
Appian Hills	0	8	9	27	**44**
Pimlico	0-44	0-112	0-50	0	**0-206**
Total Units	**0-44**	**8-120**	**9-59**	**27**	**44-250**

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

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

Pimlico
Pimlico is the oldest large, family development left in LHA's inventory, and the renovations needed at this site are too extensive to be funded solely through the use of public housing capital funds. While the site needs multiple energy-efficiency upgrades, new roofs, and additional insulation in the exterior walls and attics, recently discovered foundation issues are currently of greatest concern. The buildings at this site are two-story, wood-framed structures with brick veneer that are constructed on a concrete slab on grade. The foundations of at least two buildings appear to have dropped 1 to 2 inches resulting in an out of plane movement of the brick veneer. The settlement issue appears to be concentrated in areas where fill was used to construct the building pad and are likely the result of the fill material consolidating over time. The areas in question also correspond to downspout locations, which are collected in an underground pipe emptying into the parking lot. Failure of the drainage system could result in water collecting at the base of the foundation system, resulting in a weak point in the soil and settlement in the building foundation.

LHA staff has met with architects, local building inspectors, structural engineers, and HUD personnel to inspect existing site conditions, and will contract with a geotechnical engineer to perform soil testing across the site. To ensure public safety, LHA has had temporary shoring installed against the exterior walls of the two affected buildings to prevent the brick veneer from falling away from the building and has vacated eight apartments in these buildings.

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

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

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

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

Status Report
In the months since the activity description above was written, additional issues with foundations and brick veneer facades have surfaced. Twenty-two units have now been vacated due to these structural issues, while an additional two units have been vacated because of unrelated flooding issues caused by excess runoff from a recently installed baseball field adjacent to the affected apartment building.

Based on engineering reports completed in January and July, it appears the brick facades on all buildings were installed without the use of brick ties or expansion joints. As a result, LHA currently believes 5-6 of the affected buildings will need to have their brick facades removed soon. Settling of concrete floor slabs is now believed to affect at least four buildings, while the foundation of a fifth building will need to be re-underpinned and leveled.

Perhaps tellingly, two buildings that formed part of the original Pimlico development, but were not purchased by LHA and thus now sit adjacent to the Pimlico property, have suffered from the same façade issues that have plagued Pimlico. The property owner remediated the issue by bolting the brick veneer facades to the buildings at the attic level.

In October of 2012 the LHA applied for Rental Assistance Demonstration (RAD) to address the needs at the Pimlico Apartments. This application was subsequently approved in December of 2012. The LHA anticipates submitting a tax-exempt bond application within 60 to 90 days of award. Kentucky Housing Corporation's (KHC) process of review will take approximately 3 months. LHA would expect to have KHC's approval of bond volume cap and 4% credits by the time that LHA submits its RAD Financing Plan (within 180 days of award).

Over the past year, in addition to the RAD application, LHA has examined several options to redevelop the Appian and Pimlico sites:

- After reviewing the most recent Choice Neighborhoods Notice of Funding Availability (NOFA), LHA determined that neither site would be a strong candidate for these funds.
- LHA held a half-day “summit” to discuss possible redevelopment options with local stakeholders including the Louisville HUD Field Office, the Kentucky Housing Corporation (KHC), and representatives from several departments of Lexington government. Several key pieces of information were learned through this meeting:
    - No 9% tax credits will be available through KHC until at least 2014. It would likely be 2016 before LHA could get a tax credit set-aside.
    - No land is currently available in the city’s Landbank should LHA wish to pursue a strategy that includes building public housing units off-site.
    - All local CDBG funds are committed through June 30, 2013.

- Executive Director Austin Simms met with Greg Byrne (the HUD staff person overseeing RAD implementation) on September 17. Based on this conversation, LHA continues to evaluate the possibility of participating in the pilot round of RAD implementation.

Metrics

Appian Hills:

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Actual	FY 2013 Benchmark[1]	Data Source
Increasing housing choices for low-income families	Number of units revitalized	0	0	0	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	$0	$0	$1.6 million	Duvernay + Brooks, LLC

[1]LHA has not yet established a time line for the rehabilitation / revitalization of these units..

Pimlico:

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Actual	FY 2013 Benchmark[1]	Data Source
Increasing housing choices for low-income families	Number of units revitalized	0	0	0	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	$0	$0	$5.5 million	Duvernay + Brooks, LLC

[1]Rehabilitation / revitalization of these units is expected to be underway as of June 30, 2013.

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section D.7.a of the MTW Amendment between LHA and HUD. This “Establishment of an Agency MTW Section 8 Project-based Program” authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102, and 24 C.F.R. Part 983.

This authorization permits the LHA to “project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD’s requirements regarding subsidy layering…Project-based assistance for such owned units does not need to be competively bid…”

The LHA recently received approval of its RAD application for Pimlico. Because conversion of Authority-owned public housing units to Project-Based Vouchers is permitted through the RAD demonstration program, it is unlikely that the agency will need to the use the flexibility listed above at this site. However, as described in the “Conversion Process” section above, the Authority may still request authority through the MTW Program to make rent or occupancy policy adjustments that allow the Authority to treat future project-based voucher households in a manner more consistent with the way they were treated as public housing residents than project-based voucher rules would otherwise permit. The LHA recognizes that such changes would require additional MTW authorizations; would need to be vetted through a public process; and would need to be thoroughly described in an MTW Annual Plan activity.

While the authorization listed above may not be necessary at Pimlico, the LHA is still considering the possibility of using this flexibility to project-base Section 8 assistance at Appian (following the disposition of the property to an affiliated entity) and to do so without the use of a competitive bid process.

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

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

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

Although unit construction is set to begin during FY 2012, LHA does not expect construction to be complete until FY 2013. At that time, LHA plans to project-base 100% of the site's units through a non-competitive process, as is allowable using MTW flexibilities in instances where the housing authority is project-basing units at a property owned by the authority or an affiliate entity.

Status Report
LHA is currently directing all development/redevelopment resources toward addressing critical needs at Pimlico. This activity has been put on hold indefinitely.

Metrics

Impact to Measure	Metric	FY 2011 Baseline	FY 2012 Actual	FY 2013 Benchmark	Data Source
Increasing housing choices for low-income families	Number of units built	0	0	5-8	IMS/PIC
Assessing the benefits / costs of this activity for LHA	Leveraged funding	$0	$0	$133,500	Duvernay + Brooks, LLC

Authorizations

This activity would not be possible without use of the MTW authorization found in Attachment C, Section D.7.a of the MTW Amendment between LHA and HUD. This "Establishment of an Agency MTW Section 8 Project-based Program" authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102, and 24 C.F.R. Part 983.

This authorization permits the LHA to "project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering…Project-based assistance for such owned units does not need to be competively bid…"

Thanks to the MTW authorization listed above, the LHA will be able to project-base Section 8 assistance at the site (as it is owned by the Agency and is not public housing) and to forego the use of a competitive bid process.

Activity 10) HCV Special Partner Programs

LHA maintains Memoranda of Understanding with 11 social service agencies in the Lexington area to provide stable housing to low-income families while they participate in programming provided by the partner agency. Participants are issued tenant-based vouchers, but they are required to reside in designated housing provided by the partner agency as long as they remain enrolled in social service programming.

Under this activity, once a participant graduates from or otherwise leaves the program offered by the special partner, they are required to relinquish their tenant-based voucher, so another family may benefit from the housing and programming offered by the special partner. While LHA hopes the majority of these families will subsequently seek unsubsidized housing in the private market, these households may apply for public housing or another HCV voucher through the Authority's normal application procedures.

Requiring families to surrender their voucher upon exiting the special partner's programming maximizes the number of families these programs can serve, ultimately increasing both the self-sufficiency of families and the number of housing choices available to them.

Implementation
This activity was implemented on January 1, 2012. No issues have been reported by special partner or LHA staff.

The LHA intends to use FY 2013 as a transition period, working individually with each special partner to craft a Memorandum of Understanding that best addresses the unique needs of their client group. Together, the Housing Authority and each special partner agency will decide whether their programming could be offered more efficiently and effectively by either:

A. Remaining within the Tenant-Based Voucher Program and using the flexibility provided by the original or MTW initiative, or

B. Transitioning to the new local rental subsidy program.

Only partners transitioning to the new local rental subsidy program will then be allowed to seek LHA's permission to house up to two unrelated adults to in a single bedroom or zero-bedroom unit. In certain cases (such as the provision of addiction recovery services) having clients share a bedroom increases their likelihood of success.

The Housing Authority currently allows special partners (with LHA permission) to house program participants in HUD-defined special housing types as a reasonable accommodation when appropriate. The Housing Authority now seeks additional flexibility to allow special partners to increase occupancy standards across all housing types when appropriate.

A full description of the new rental subsidy program and a list of participating special partners will be included in the agency's FY 2014 MTW Annual Plan. The new program will comply with all parameters for local, non-traditional activities described in PIH Notice 2011-45, including the requirements that these activities exclusively serve families whose income is at or below 80% of area median income (AMI), and that at least 75% of families assisted must be very low-income families. The LHA also recognizes that it cannot commit to continue funding special partner agencies in a manner that would require MTW flexibilities after the date its MTW Agreement is set to expire.

At this time, no additional flexibilities are being requested for special partners who (together with the LHA) decide to remain within the Section 8 Tenant-Based Voucher Program. However, the Housing Authority will continue to use its initial HUD-approved flexibility to require that families assisted through these partnerships relinquish their tenant-based voucher at the time they graduate from or otherwise leave the special partner's program.

This activity will affect the HCV special partner programs listed below:

HCV Special Partner	Description of Households Served	Vouchers Allocated to Agency
Bluegrass Domestic Violence Program, Inc.	Victims of domestic violence, dating violence, sexual assault, and stalking	25
Bluegrass Regional Mental Health - Mental Retardation Board, Inc.	Persons with severe mental illness or substance abuse diagnoses who have completed treatment and are involved in recovery services	22
Canaan House	Individuals who have been diagnosed with a mental illness	17
Chrysalis House	Parents with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Hope Center	Persons who have a substance abuse problem and are in need of voluntary or court-mandated treatment	115
New Beginnings Bluegrass, Inc.	Individuals who have been diagnosed with a mental illness	26
OASIS Rental Assistance Housing Program	Families in need of financial literacy, credit management, and homeownership resources	20
One Parent Scholar House	Single parents who are full-time students in a post-secondary educational institution	80
Serenity Place	Parents with children: 1) who have recently been released from jail or are homeless and 2) who are substance abuse treatment program graduates	40
Urban League of Lexington-Fayette County	Self-sufficiency and homeownership preparation	17
Volunteers of America	Homeless individuals and families	35
Total Special Partner Vouchers		**437**

Metrics

Impact 1: Increasing Housing Choices for Low-Income Families				
Metric	**FY 2011 Baseline**	**FY 2012 Actual**	**FY 2013 Benchmark**	**Data Source**
Number of HCV Special Partners	11	11	11	MOU Documentation
Number (Percent) of HCV vouchers allocated to special partners	437 (17%)	437 (17%)	437 (17%)	WinTen2
Number (Percent) of HCV households enrolling in special partner program	197 (24%)	197 (24%)	197 (24%)	WinTen2
Number (Percent) of participants served through special partner program	552 (17%)	552 (17%)	552 (17%)	WinTen2
Number of families served through special partner program who: a) move to unsubsidized housing, b) apply for another HCV voucher, c) move to public housing, d) move to another type of subsidized housing	Not currently tracked	Not currently tracked	A = TBD[1] B = TBD[1] C = TBD[1] D = TBD[1]	Special Partner Monthly Census Survey

[1]LHA is now developing a standardized set of reporting requirements for special partner agencies. After this process has been completed, the Authority will extrapolate FY 2013 benchmarks.

Authorizations

This activity would not be possible without use of the following MTW authorization found in the MTW Amendment between LHA and HUD:

- Authorization allowing the LHA to require that households surrender their voucher assistance upon exiting the special partner's programming: Attachment C. Section D.1.b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued, which waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F.

- Authorization allowing the LHA to modify the contract rental agreement so that households can be required to surrender their voucher assistance upon exiting the special partner's programming: Attachment C. Section D.2.b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, which waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451, and 983 Subpart E.

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

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

Activity 11) Local, Non-Traditional Use of MTW Funds to Improve Connie Griffith-Ballard Towers

Initial Proposal
LHA currently manages a complex that includes Ballard Place, a 134-unit, high-rise, tax-credit property for persons 62 and older, and Connie Griffith Manor, a 183-unit, high-rise, public housing property for persons 55 and over, that are connected by a common entrance and lobby including community space. Both buildings are in immediate need of system improvements and upgrades, that include but are not limited to the replacement of failing keyless entry systems, upgrading the security camera system used in entryways/common areas, and replacing aging carpet - which has become a trip hazard for elderly residents, who may have impaired mobility - with a solid surface material.

To expand on the history of the two properties – Connie Griffith Manor, a public housing high-rise property for the elderly, was built by LHA in approximately 1968. Ballard Place, a Section 8-assisted property, was built by LHA in approximately 1978 and sold to Ballard Place, LLC, an entity related to LHA, in 1998. Ballard Place was renovated, in part, using equity raised from the syndication of low-income housing tax credits. Upon the expiration of the fifteen-year tax credit compliance period, the managing member of this LLC will be able to obtain title to the property and is expected ultimately to return the property to LHA.

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

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

- Senior nutrition lunch program – Monday through Friday
- Blood pressure screening – bi-weekly
- God's Pantry commodities distribution – monthly
- St. Vincent DePaul on-site non-perishable convenience store for residents - open twice a week
- Community Action bus for local shopping – once a week and twice a week during school season

- On-site seminars (offered by AVOL, Assisting Hands Home Care, UK Sanders Brown, Legacy Center, etc.)
- Holiday parties
- Weekly church service

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

Other than from a funding standpoint, Connie Griffith-Ballard Towers is a single complex. The buildings are managed by one team. In less than three years, LHA will have full ownership of the Ballard side of the complex. Given this reality, MTW funding sometimes (but not always) will be the most appropriate and available funding source to carry out improvements or programs assisting residents in the entire complex or any part of it.

While HUD has not required broader uses of funds activities carried out by other MTW agencies to relate to the public housing or Section 8 programs or to those programs' beneficiaries, in this case there is a strong relationship. As Ballard Place falls outside of the Section 8 (Housing Choice Voucher) and Section 9 (Public Housing) programs, LHA requires MTW flexibility to permit the use of MTW funds to complete needed physical improvements at this site. In accordance with Attachment C and D of its executed MTW Agreement and in consultation with its Board of Directors, LHA will select the funding source(s) most advantageous to the Authority. LHA further asserts that when using MTW funds at Ballard and Connie Griffith Manor for the above listed services, MTW funds will not be the only funds used to pay for these items.

LHA is pursuing several options to provide much-needed supportive services to residents of both Connie Griffith Manor and Ballard Place, including onsite case management and health services. As part of this process, the Authority will continue to examine possible avenues to utilize MTW funding flexibility to enhance the provision of these services.

Status Report
This activity was added to LHA's FY 2012 – FY 2013 MTW Annual Plan with the submission of Version 5. It was approved in June 2012.

Metrics

Impact to Measure	Metric	FY 2011 Baseline	FY 2013 Benchmark	Data Source
Increasing housing choices for low-income families	Number of units revitalized	0	134	Expense records
	MTW Funds Utilized	$0	$335,000	Financial records and LHA Mod/Dev Office
	REAC Inspection Scores	94b	97a	REAC Inspection Report
Assessing the benefits of this activity for residents	Resident satisfaction with physical condition of housing unit (Likert scale – 5=Low; 10=Medium; 15=High)	TBD[1]		Resident survey
	Resident satisfaction with physical condition of common spaces (Likert scale – 5=Low; 10=Medium; 15=High)	TBD[1]	15	Resident survey

[1]Resident survey baseline data will be collected after LHA receives HUD approval of activity.

Authorizations

This activity would not be possible without the use of authorizations detailed in a HUD-approved MTW Agreement Amendment that will permit the LHA to use MTW funds outside of the Section 8 and 9 programs to complete physical improvements at Ballard Place. Traditional PHAs are not permitted to use Section 8 and Section 9 funds outside of these two programs.

IV. Educational Achievement Incentive Program

Initial Proposal
LHA firmly believes that there is a direct connection between the quality of a child's home life and their ability to do well in school. Children need a safe, secure, and consistent place to call home and steady, affirming parental involvement. Parent involvement can come in many forms from ensuring a child is well rested and regularly attending classes, to helping with homework and volunteering at school.

In FY 2014, LHA will initiate a unique MTW program designed to strengthen this school-home connection. Parents, guardians, and other caregivers will be rewarded for creating and maintaining strong, positive commitments to their child and their child's school. Families with elementary school students will initially be targeted as the Authority believes parents who get involved with their child's education early on are more likely to stay involved as their child gets older.

The voluntary program will operate on a point system with the Authority and Fayette County Public Schools working together to encourage and verify parents' participation and children's achievement. As an elected member of the Fayette County Public Schools Board, LHA Executive Director Austin Simms has a strong existing relationship with school system leadership that will serve as a robust foundation for this partnership.

Adult members of the child's household will earn points by engaging in activities that demonstrate their dedication to their child's education. Possibilities include becoming active in the Parent Teacher Organization and volunteering at their child's school on a regular basis.

The household can also earn points when children meet achievement measures like maintaining regular school attendance; earning good grades; and displaying consistently good behavior at school.

Households can then redeem points using a menu of incentives offered at a variety of different point levels. Families may select items with a low points value that they can earn quickly like books and gift cards or save their points for more long-term goals – perhaps a bike for a child or a free month's rent.

Although LHA would eventually like to see this program expanded to all of its public housing, it will pilot the program at the Pimlico development during FY 2014. While the majority of LHA's public housing stock is now self-sufficiency housing that carries a work/education requirement for adults, Pimlico is the Authority's largest conventional family development, and it has no such requirement. Parents at this site may not be working or in school. This program will encourage them to find other ways to model success for their children.

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

The Authority has decided to hold implementation of this initiative until FY 2014 to allow adequate time to fully develop participation criteria, the planned point system, and a list of rewards; to create information-sharing protocols with the school system; and to seek additional funding from outside sources.

Status Report
LHA is considering expanding the initial proposal described above to reward other positive resident behaviors in addition to educational achievement.

LHA staff is working with consultants and our evaluator to identify needs, set benchmarks, and develop metrics for the evaluation of this initiative. Early conversations regarding this program have focused on encouraging and rewarding positive behavior modification in the areas of education, the payment of rent, resident involvement, etc.

The intent is to establish an internal definition of self-sufficiency that will go beyond HUD's definition (a family that is no longer receiving public assistance), and which will be the foundation for this initiative. We will seek input from MTW Stakeholders, LHA staff, and public housing residents as we continue planning.

Ultimately, LHA envisions this incentive program will affect:

- Collection of rent - paying on time
- Collection of rent – use of ACH/Electronic Funds Transfer to pay rent
- Attendance at Resident Meetings
- Housekeeping
- Educational Achievement
- Employment
- Community Involvement

LHA staff has contacted a marketing firm that has expertise in creating and monitoring rewards programs at both the local and national level. We plan to implement this activity during calendar year 2013.

Appendix A. Kentucky State University Evaluation Commitment Letter

KENTUCKY STATE UNIVERSITY
Hume Hall, Suite 202
400 East Main Street
Frankfort, Kentucky 40601
(502) 597-6442
Fax: (502) 597-6409
WWW.KYSU.EDU

OFFICE OF THE
PROVOST/VICE PRESIDENT
FOR ACADEMIC AFFAIRS

23 November 2010

Mr. Austin Simms
Executive Director
Lexington-Fayette Urban County Housing Authority
200 West New Circle Road
Lexington, Kentucky 40505

Dear Mr. Simms:

This letter confirms Kentucky State University's (KSU) commitment to work with the Lexington-Fayette Urban County Housing Authority (LHA) to evaluate the social, economic, and educational outcomes of the agency's Moving to Work (MTW) demonstration program. KSU strongly supports LHA's proposal to test innovative approaches in public housing and the Housing Choice Voucher program, and is happy to partner with the Authority to gauge the ability of these approaches to increase housing choices for low-income families, promote family self-sufficiency, and achieve greater cost effectiveness in federal expenditures.

Over the course of the demonstration, KSU will work jointly with LHA to determine appropriate baselines, benchmarks, and metrics for each MTW initiative, providing a solid framework for our evaluation team to successfully assess outcomes affecting residents, the housing authority, and HUD statutory objectives. We will report regularly on progress against benchmarks, recommending initiative modifications where appropriate. For each rent reform initiative proposed by LHA, we will help the Authority establish an effective methodology to implement and track a controlled study where residents are randomly assigned to treatment and control groups and perform an annual impact analysis to ensure these reforms do not have any unintended disparate impacts on protected classes of residents.

At the end of the demonstration or upon renewal, we will prepare a final report summarizing outcomes of all MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

We wish you success with your application for the MTW demonstration program, and look forward to working with you to enhance the lives of low-income families in Lexington.

Sincerely,

James P. Chapman, Ph.D.
Interim Provost, Vice President for Academic Affairs

Kentucky

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Appendix B. MTW Rent Reform Random Assignment Process

As outlined in Section V (*Proposed MTW Activities: HUD Approval Requested*), the Lexington-Fayette Urban County Housing Authority (LHA) will conduct three of its four proposed rent reform initiatives as controlled studies in FY2012 – FY2013. After receiving input from HUD that sufficient empirical evidence already exists to substantiate the assertion that triennial recertifications for elderly and disabled households effectively reduce administrative costs, LHA decided not to conduct a controlled study in conjunction with Activity 3 (Triennial Recertification of Griffith Tower Households).

For Activities 1 (Increase Minimum Rent at Pimlico to $150) and 2 (No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents), complementary groups of public housing residents residing in demographically similar developments will be used as randomized control and treatment groups.

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

Structure of Controlled Study Control and Treatment Groups

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

<u>Activity 1: Increase Minimum Rent at Pimlico to $150</u>

Control Group =	Pimlico Households
Treatment Group =	Appian Households

<u>Activity 2: No Rent Reduction Requests for 6 Months After Initial Occupancy for Bluegrass HOPE VI Public Housing Residents</u>

Control Group =	Households Moving to Russell Cave and Sugar Mill
Treatment Group =	Households Moving to Bridlewood, Grand Oaks, The Shropshire, The Shropshire East, and Twin Oaks (collectively known as Bluegrass HOPE VI Public Housing)

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

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

Appendix C. MTW Rent Reform Hardship Policy

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

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

1. Increases in Minimum Rent
2. Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy

1. Increases in Minimum Rent

In order to qualify for a hardship exemption, households must meet both criteria listed below:

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

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

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

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

2. Elimination of Rent Reduction Requests for 6 Months Following Initial Occupancy

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

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

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

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

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

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

Appendix D. Evaluation Plan for Rent Reform Activities

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

1) Activity 1: $150 Minimum Rent at Pimlico

2) Activity 2: No Rent Reduction Requests for Bluegrass HOPEVI Residents

3) Triennial Recertifications at Connie Griffith

4) No Rent Reduction Requests for HCV Households

An evaluation team from the Kentucky State University (working jointly with LHA) will have oversight of the MTW program evaluation process, with an overall mandate to assess, monitor and report on the effects of MTW initiatives, including the four proposed rent reform initiatives to be undertaken in FY2012 – FY2013. The central goal of the rent reform evaluation is to measure the overall effectiveness of the rent reform in accomplishing HUD's stated goals of: increasing the number and quality of affordable housing choices throughout the Lexington-Fayette community, increasing the number of families moving toward self-sufficiency, strengthening the number of community partnerships benefitting residents with special needs, and reducing administrative costs while limiting administrative burdens placed on staff and residents. In addition, the evaluation will consider potential disparate impacts on protected classes of residents as determined by sex, race, ethnicity, age and disability.

Plan of action

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

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

1) Activity 1: $150 Minimum Rent at Pimlico

Impact Analysis – Projection
Test group – Residents with rent payments of $50 – 149 per month

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

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

This rent reform initiative will be implemented as a controlled study (Structure: Pimlico = Treatment; Appian= Control). Eligible participants are residents at Pimlico and Appian. To increase similarity in the target population, the initial phase of the study will involve one-bedroom units in both control and treatment groups. Participants will be provided information on the initiative and available community resources. Elderly and disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Survey.

2) Activity 2: No Rent Reduction Requests for Bluegrass HOPEVI Residents

Impact Analysis – Projections
Test group – All new incoming residents

		Head of Household	Average earned income per month	Average total income per month	Average gross rent	Average target rent rate	Average increased rent burden
Gender							
	Male	26	15943.55/1328.6	1454	379		
	Female	168	10674.32/889.52	1244.	287		
Race							
	White	24	10226.36/852.20	1002	255		
	Black	166	11368.32/947	1296.25	303		
	American Indian/ Native Alaskan	0	-	-	-		
	Asian/Pacific Islander	0	-	-	-		
	Native Hawaiian/ Other Pacific Islander	1	38554.4/3213	3238	621		
	Other	3	12130/1011	1429	378		
Ethnicity							
	Hispanic	1	605	972	268		
	Non-Hispanic	193	9727.53/811	1273.45	300		
Age							
	18 - 31	122	846	117.1	272		
	32 - 46	55	1128	1507	346		
	47 - 61	17	1101	1227	347		
	$\geq$62	28	14292.74/1191.1	1277	313	NA	No change
Disabled		64	11532.52/961	1006.5	254	NA	No change

This activity will be evaluated on its overall effectiveness in accomplishing HUD's goal of promoting family self-sufficiency by encouraging heads of households to work, and achieve greater cost effectiveness in federal expenditures by reducing costs.

This rent reform initiative will be implemented as a controlled study (Structure: Bluegrass HOPE VI = Treatment; Russell Cave and Sugar Mill = Control). Participants in Stage 1 of the study will include all one-bedroom units at both treatment and control locations. Participants will be provided information on the initiative and available community resources. Elderly and disabled residents will be excluded. A participant consent protocol will require signature of informed consent forms to participate in the Resident Satisfaction Survey.

3) Triennial Recertifications at Connie Griffith

Impact Analysis – Projections
Test group: Connie Griffith

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

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

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

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

4) No Rent Reduction Requests for HCV Households

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

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

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

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

APPENDIX E. Pimlico Focus Group Summary

MTW – PIMLICO

September 6, 2012 6:00 – 7:40 pm

Focus Group Feedback

Attendance: 4 residents, all female, 1 Caucasian (two with children in attendance)

5:30 – 6:00 pm snacks/meet and greet. 6:05 session began with introduction by Dr. Sokan, and explanation for reason for meeting, thanks for taking time to participate and notice of confidentiality.

Questions asked/topics addressed:

1) How do you feel about minimum rent increase? Or its implementation?

"I really don't have a problem with it; you have to live, so you have to pay; if they increase it you have to pay, you have to pay….,otherwise you have nowhere to live"

Would have liked more "heads up" time about rent change, especially for people without income. Letter sent/heard about issue in March, started May 1st.

No information anytime about utility checks and no prior warning. Putting rent and utility change together was "kinda hard" for residents, and still is.

Letter led to different expectation than reality. E.g. One tenant who started out with a rent of $18, received a letter which informed her that rent would be less ($24) than the sum she actually had to pay when the increase came into effect May 1st ($50). She was very upset about that but paid anyway. When she called into the office to discuss the discrepancy, she was told to pay what her statement said, and the staff hung up on her. *"I did not want no problems, so I paid and being paying since the.n"*

Removal of the utility subsidy unfair, because of nature of accomodations. No/poor insulation, etc. results in heavy electric/gas bills. (One e.g. -$200)

People had fees from 5 years back, why were these fees collected now? Deposits from 7 years ago, maintenance fees from 5 years ago, were all activated at this time and resulted in many people being unable to pay, and got eviction notices.

"*Where is this even coming from? This is from like when I first moved in here and if I didn't pay it then they would have said something then, so why are they even bringing it up now from 5 years ago…?"*

"It's been a big mess right here, for the whole summer it's been, ….. a mess"

2) Response to rent increase

People heard that staff would "put you out" if you did not come up with rent. Over 50 people got kicked out.

Noted that some of the people who were evicted deserved to go, and the property had been calmer since those evictions.

Would be out on the street and homeless, so have to deal with it.

"Me and mine's would be on the street."

3) What is your understanding of the reason for the increase?

More than one resident stated that she believed it was because people were not using the utility checks for the right purpose. People were being disconnected/cut off.

Others did not know.

4) How did you come up with payment?

One resident took the extra money from her son's SSI, without it may have been put out.

Another resident whose rent went from $0 to $45 received help from her family (mom), and her son's dad. It is hard to balance. She is also looking for a job; and she needs to get a GED to get a job. She always has to borrow for the rent, or behind on one bill.

Another said she was too busy to get her GED, because balancing children, etc. May skip a bill e.g. car insurance to pay the rent. *"There's always one bill that doesn't get paid … and that's been since May, since the rent I haven't been able to pay my insurance…"*

Pregnant resident – Has a job but was behind for the first month, but did not get discouraged. It might be late, but she ensures she pays her rent each month. Has since been able to pay, but it is a struggle. Utility check + rent + gas = a lot, plus daycare.

5) Expectations following rent increase? Has (or will) any good come out of the rent increase?

Generally, participants indicated that they do not expect any good to come from the rent increase.

When pressed, they stated that it would be good if led to improvements to Pimlico properties. They were of the opinion that management is only concerned about yard work/state of the lawn, more than what's inside the property (apartments).

Good? Yes, if used for repairs. Would prefer to see a complete remodeling of the apartments. Current practice is to find repair charge on rent statements, never know how much will be charged

"If they increase the rent, they need to increase what they do for their residents"

6) About move to self-sufficiency

Feel like those who work are penalized for doing so with higher rent expectations. Suggested giving some period to adjust before implementing rent change.

"If they want us to be self-sufficient, need to be more self-sufficient themselves" Fix up the place like Falcon Crest. Pimlico has been around the longest. When will it be fixed?

Participants/ responses indicate a lack of faith in feasibility/ability to transition from Pimlico to a more favorable property. Everyone knew about people who qualified and had proven "self-sufficiency" tack records, but still lived in Pimlico - "*people been here for 10 years and still no transition."* What about those who do what they should and are not rewarded for it?

Suggest: that Pimlico residents with a record of being on time with rent, do not cause trouble or drama be moved out either to one of the nicer places, or be given a section 8 voucher. In other words reward good tenantship?

Participants questioned the wisdom or benefit in getting a job, if one cannot move up?

7) Follow up questions (in response to participant answers/discussions):

a) About notification of rent increase

Letter came with rent statement, but acknowledged that they do not read everything that comes with rent statement

b) About how much rent would be willing to pay

Consensus seemed to be $150 maximum - with preconditions as follows: Remodeling or fixing up apartments. Two participants felt the structure needed to be torn down and rebuilt. Complaints included presence of cockroaches, mold, thin walls (they can hear everything in neighboring apartments including people's sexual activities), etc.

Some participants agreed that the rent can be increased if the apartments are fixed up. Two participants were of the opinion that the apartments after remodeling, would still NOT be worth $150, because of the mold problem which might not get better. If torn down and rebuilt from scratch – yes.

General recognition that rent is fairer or better than market rate.

However, participants cautioned that further increases in rent would lead to more hardship, more late fees and more evictions for those who are unable to comply.

c) About inability/failure to come up with the rent

Worry about this because would have nowhere to go. Also worry about any more increase (or late fees etc.) because many have nowhere else to live.

d) About property management

Would like management to reside in one of apartments for a month and experience Pimlico. Want more emphasis on customer service, recognition that they "all be grown up," and be supportive of residents in more than words (stop being nasty). According to participants, staff - "*don't seem like they care, do job and go home" "Think better than others"*

Perception is that management will get rid of residents – *"put you out"* - who complain about the same issues regarding the accommodation. Especially since the rent increase.

Get charged for all repairs, and you don't know how much until it appears on your rent statement. They felt that as it was not "rent-to-own" and they were tenants, they should not have to pay for repairs.

Suggest: Award community service in lieu of $15 late fee – residents could work it off by picking up yard trash, cleaning, paperwork etc.

8) Other: Concerns/challenges/opportunities

a) About state of Pimlico:

Condition of housing: presence of mold, dry rot, too many people in breezeway, thin walls (no privacy)

Lack of washer/dryer hook ups

Bad wiring, danger to residents (Lights flicker when dryer is on, heat goes on and off when you bump up against the wall)

Place is falling down around everyone, and nothing is being done about it

Will higher rent be accompanied by improvements to property/fix ups? Residents are charged for everything that is fixed.

One participant alleged that she and family were moved into an apartment with mold, which is making them sick. Alleges that previous tenant vacated the premises because of these conditions and yet she was moved in there. Other participants asked about her location and confirmed her story about previous tenant. This resident is on doctor's orders (so does not work, collects SSI for son, and has young children in the apartment).

Participants talked about futility of moving from Pimlico. Felt that there was a reluctance to transition them to other sites (Sugar Mill, Falcon Crest, Equestrian), even though "they are building new all the time." Discussed the plight of Pimlico residents who qualified to be transitioned, but were never moved anywhere and its impact on others. Yet tenants at these preferred locations who game the system by establishing they meet self-sufficiency criteria, and then stop compliance afterwards are allowed to remain.

Give tenants with good payment records Section 8 vouchers, and get them out while Pimlico undergoes rehabilitation, or transfer to other properties.

b) Programs/interventions for Pimlico

Services/practices that may help residents:

i) Participants discussed the FSS program. Comparisons were made between the FSS and Community Action FSS (?). Appeared to be some misunderstanding or lack of clarity about how this program works, especially the "escrow account". Participants felt that they would be charged for participation, or asked to contribute some of the money they worked for into an account, which they would lose (entirely), if they did not graduate.

Although they directed me to flyer on the door about the FSS (described as another program), most had not really reviewed it.

ii) Consider (note some items are restated elsewhere):

iii) Allow residents with new jobs six months grace period to work before changes to rent, food stamps, etc.

iv) Tear down and completely renovate Pimlico. Previous renovation (circa or 2005) now outdated.

v) Do a better job of screening and background checks on potential residents, especially young girls and include the people who come with them. The consensus appears to be that these people not the renters, are the cause of the troubles with residents/police at Pimlico.

vi) Evict those who abuse or game the system (especially in preferred locations)

c) What could LHA do in Pimlico to help move people to self-sufficiency?

"First of all quit being nasty"

"Second of all, be more supportive and not more like, oh yeah, yeah, yeah, and do nothing about it"

"They all in they office and they think they better than everybody who lives up in here"

Offer option of community service in lieu of late fees

Give grace period (6 months to work) before initiating rent change because of new job – so can save.

Strictly apply self-sufficiency rules; enforce rigorously, give other people a chance.

<u>Evaluator Recommendations</u>

- Improve communication with residents, clarify/check message, and consider alternate processes
    - Especially program/intervention information
- Address health and safety issues (mold) with Pimlico
- Address residents' perception of management – apply customer service principles.
- Consider viable future of Pimlico as housing option
    - And what will happen to residents in the interim?

Need to do MORE to support self-sufficiency – remove or reduce perverse incentives; target dignity, purpose, direction = empowerment