



Housing Authority of the City of Pittsburgh

Moving to Work Demonstration Year 14 (FY 2014) Annual Report

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Housing Authority of the City of Pittsburgh Moving To Work Annual Report 2014

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Section 1. Introduction

B. Overview of HACP Moving To Work Goals and Objectives

HACP's overarching Moving To Work Goals are as follows:

1. To reposition HACP's housing stock. These efforts are designed to result in housing that it is competitive in the local housing market, is cost-effective to operate, provides a positive environment for residents, and provides both higher quality and broader options for low-income families; and,
2. To promote independence for residents via programs and policies that promote work and self-sufficiency for those able, and promote independent living for the elderly and disabled.

In pursuit of these goals, HACP has continued Moving To Work Activities initiated in prior years. These initiatives, including information regarding accomplishment of short and long term goals, are summarized below, with details available in Section IV.

Ongoing/Implemented Activities Summary

1. Modified Rent Policy for the Section 8 Housing Choice Voucher Program

Building on the modified rent policy developed for the Low Income Public Housing Program and approved in 2008, HACP received approval in 2011 to require that any non-elderly, able-bodied head of household who is not working to either a) participate in a self-sufficiency program, including but not limited to the HACP Family Self-Sufficiency program (FSS), other Local Self-Sufficiency program (LSS), welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. This policy provides additional incentives for families to work or prepare for work and increases overall accountability.

HACP's objectives for this program include increased participation by voucher holders in self-sufficiency, welfare to work and other training and education programs; increased levels of employment and earned income by participants; and potentially reduced Housing Assistance Payment costs to the Authority.

In 2014, HACP saw improvements from this initiative, with increases in employment rates both overall and among FSS participants. Participation in the FSS program declined slightly as more households graduated from the program and criteria for training participation was tightened, and outside resources for training became less available. Other measures remained fairly stable. It's critical to note the increase in disabled and elderly populations in 2014 resulted in increased exemptions from the policy. There was also a substantial population in both programs exempt due to reported TANF (welfare to work) compliance. Thus, the decrease in FSS participation is attributed primarily to a decrease in applicable populations rather than lack of desire or incentive to participate in the program. Continued improvement in monitoring of compliance with FSS participant individual development plans may also have impacted FSS participation rates. Increases in average HAP payments are believed to be a result of a tightening rental market and increases in rents generally, not as a result of any change in

income among program participants. Additional time is needed to affirm these findings and HACP remains committed to, and optimistic about, the long term impact of this policy. An ongoing report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.

2. Modified Rent Policy for the Low Income Public Housing Program.

As approved in 2008, HACP requires that any non-elderly, able-bodied head of household who is not working to either a) participate in the Family Self-Sufficiency (FSS) other Local Self-Sufficiency program (LSS), welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum rent of \$150.00 per month. Hardship exemptions are permitted. This policy provides additional incentives for families to work or prepare for work. HACP's objectives for this program includes increased participation in the Family Self-Sufficiency Program, increase rent collections, and increased level of families working.

In 2014 HACP continued to see progress as a result of this initiative. Household income overall and in FSS increased as did the total and percentage of families working, both overall and among participants in the FSS program. Average rents saw no change but, participation in the FSS program declined, largely as a result of increased elderly and disabled populations and welfare to work compliance and improved monitoring and enforcement of participant compliance with Individual Development Plans. Similar to the HCV program, participation and graduation totals remain strong but tightened pre-qualification criteria and reduced availability of training programs contributed to declines in training participation. HACP remains committed to this policy and anticipates that the gradually increasing impact will continue. An ongoing report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.

3. Revised recertification requirements policy.

As approved in 2009 and 2010, HACP may operate both the Low Income Public Housing Program and the Housing Choice Voucher Program with a recertification requirement modified to at least once every two years. Changes in income still must be reported, and standard income disregards continue to apply. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency. HACP's objectives for this initiative are reduced staff time and thus reduced costs, and improved compliance with recertification requirements by tenants and the HACP.

In 2014, HACP saw unanticipated benefits of this policy, especially in the HCV as the burden of travel for disabled and elderly populations particularly during winter months diminished. Both the HCV and LIPH programs saw positive outcomes as the total certifications in each program experienced significant decline and resulting cost savings. In 2015, further refinement of the measurement metrics to take into account changes in program size and possible other factors impacting the results will be made to improve the effectiveness of analysis of this initiative.

4. Homeownership Program Policies

- a. Operation of a combined Low Income Public Housing (LIPH) and Housing Choice Voucher (HCV) Homeownership Program;
- b. Homeownership Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only;
- c. Expansion of Homeownership Program eligibility to persons on the LIPH and HCV program waiting list, and to persons otherwise eligible for housing assistance;
- d. Establishing a Homeownership Soft-second mortgage waiting list.

As approved in 2007, HACP operates a single Homeownership Program open to both Low Income Public Housing and Housing Choice Voucher Program households. This approach reduces administrative costs, and expands housing choices for participating households. HACP also believes this program provides incentives for families to pursue employment and self-sufficiency through the various benefits offered; however, as HUD's new standard metrics do not effectively apply to this aspect of the initiative, in 2014 it was removed as a formal goal.

As approved in 2010, HACP's homeownership program includes the availability of soft-second mortgage assistance, which increases affordability and thus housing choice for eligible families while decreasing costs to the HACP. As the number of soft-second mortgages may be limited based upon budgeted spending authority, it was necessary to establish a waiting list for soft-second mortgages to ensure fair award of available funds. However, to date the authorized funds limit has not been reached and therefore the soft-second waiting list has not been established.

Also approved in 2010 was expansion of Homeownership Program eligibility and assistance to persons on the HACP waiting lists for Public Housing and the Housing Choice Voucher program. In 2014, HACP modified this provision to include as eligible for the Homeownership Program persons otherwise eligible for the public housing or Housing Choice Voucher Programs but who are not current participants or currently on an HACP waiting list.

HACP's objectives for this program are to maintain or increase the level of participation in homeownership program activities and the number of families achieving homeownership.

HACP experienced moderate success with this program, with 4 families becoming homeowners in 2014. . Approximately 100 families attended Homeownership programs, 80 of which completed the program, becoming prepared for future purchases. With a substantial population of potential home buyers HACP anticipates an increase in closings entering 2015.

5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.

Originally approved in 2002, HACP's operation of the Housing Choice Voucher Program allows flexibility in the permitted rent burden for new tenancies, or affordability. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. HACP continues to counsel families on the dangers of

becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods. HACP's objective for this initiative is to increase housing choices for participating families.

In 2014, few families took advantage of this option. Those that did continued to benefit from the ability to move to a residence of their choice.

6. Modified Payment Standard Approval.

Originally approved in 2004, HACP is permitted to establish Exception Payment Standards up to 120% of Fair Market Rent (FMR) without prior HUD approval. HACP has utilized this authority to establish Area Exception Payment Standards and to allow Exception Payment Standard as a Reasonable Accommodation for a person with disabilities. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD approval is required) while expanding housing choices for participating families.

HACP does not currently have any Area Exception Payment Standards, but may do so in future years. HACP will continue to allow an Exception Payment Standard of up to 120% of FMR as a reasonable accommodation for persons with disabilities.

In 2013 HACP received approval of a modification to this activity allowing HACP to establish an Exception Payment Standard of up to 120% of FMR for new construction or rehabilitation that creates fully accessible units meeting the requirements of the Uniform Federal Accessibility Standard (UFAS) in order to promote and support the creation of additional accessible units available to low-income families.

HACP's objective for this initiative is to expand housing choices for eligible families.

In 2014, only a limited number of families took advantage of this initiative, but those disabled families that did so had more choices in their search for an affordable home including 6 UFAS units in Addison Redevelopment Phase I. Also HACP has authorized project based vouchers to projects expected to be completed in 2015 for additional, new, accessible units.

7. Use of Block Grant Funding Authority to support Development and Redevelopment Activities through the Step Up To Market Financing Program.

Originally approved in 2012, HACP is permitted the Use of Single Fund Flexibility to support development and redevelopment via the *Step Up To Market Financing Program*. HACP will expand its use of the Block grant authority authorized in the Moving To Work Agreement to leverage debt to fund public housing redevelopment and modernization in order to address additional distressed properties in HACP's housing stock. Specifically, HACP will identify properties for participation in the Step Up To Market Program and will utilize one or more strategies, subject to any required HUD approvals, as authorized under this initiative. Details are included in Section IV.

In 2013, HACP submitted a full development proposal to HUD for Phase I of the Addison Terrace redevelopment, as per standard protocols, utilizing several elements authorized by this initiative. Late in 2013 this was approved, utilizing several aspects of the Financing Program. Construction was completed on 118 new units in 2014 with an additional 50 units to be completed in early 2015. In addition, HACP was the recipient of a Choice Neighborhoods Implementation Grant in 2014 for the Larimer/East Liberty Vision to Action Plan, and Phase I of

the Larimer Redevelopment, which will include elements of the *Step Up To Market Financing Program*, is expected to begin in 2015.

On-Hold Activities

HACP activities that could be considered as ‘on hold’ are actually subsets of implemented activities. They are as follows:

- i. Exception Payment Standard Areas. HACP suspended its Exception Payment Standard Area in order to reduce costs and streamline administration. Depending on future funding, and changes to the local market, HACP may develop new exception payment standard areas to increase housing choice for voucher families.

Closed Out Activities

Since entering the Moving To Work Program in 2000, HACP has also instituted a number of Moving To Work initiatives that in 2014 no longer require specific Moving To Work Authority. Some of those initiatives are:

1. Establishment of Site Based Waiting Lists.
2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units.
3. Modified Rent Reasonableness Process.
4. Transition to Site Based Management and Asset Management, including Site Based Budgeting and Accounting.

Other Activities

Several activities that utilized Moving To Work Authority, but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

- Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.
 - Originally approved with the initial Moving To Work Program and expanded to include homeownership and resident service programs in subsequent years, HACP continues to use Moving To Work block grant funding to support its Moving To Work Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan.
- Energy Performance Contracting
 - Under HACP’s Moving To Work Agreement, HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. HACP will continue its current EPC, executed in 2008, to reduce costs and improve efficient use of federal funds.
 - HACP’s current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in 2010, with final payments made in 2011. Monitoring and Verification work began in 2011, with the first full Monitoring and Verification report completed for the 2012 year.

- Establishment of a Local Asset Management Program.
 - In 2004, prior to HUD's adoption of a site based asset management approach to public housing operation and management, HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. Specific elements of HACP's Local Asset Management Program were approved in 2010. HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

Long Term Goals and Vision

HACP's vision for its Moving To Work Program through 2018, and potentially beyond, builds upon the vision of HACP's 2001-2014 Moving To Work Plans. This vision is built around two major themes that together will achieve the three statutory objectives of the Moving To Work Demonstration Program.

Theme one is to reposition HACP's housing stock to compete in the local market, improve operational efficiencies, and expand housing choices for low-income families.

Theme two is to promote self-sufficiency and independent living through a variety of enhanced services and policy adjustments. These programs and policies are designed to provide incentives to work for adult, able bodied, non-elderly heads of households and family members, and to promote social and academic achievement for children and youth. In addition to increasing economic self-sufficiency among assisted families, these programs and policies are expected to result in increased revenue for the Housing Authority (increasing the cost effectiveness of federal expenditures) while increasing housing choices for families (with increased work and income they will have additional housing choices both within the HACP portfolio and in the larger housing market).

While the mechanisms to effectively measure all of these expected outcomes continue to be developed (especially those that are cumulative and long-term) shorter-term measures are in place for each specific MTW initiative. In reviewing this report, please note that HUD's Standard Metrics were not yet in place when the 2013 MTW Annual Plan was submitted and approved, and therefore not all Standard Metrics had specific 2013 benchmarks established or corresponding outcomes. See Section IV for more detailed information on the specific initiatives.

Repositioning of HACP's Housing Stock

Since the initial HACP Moving To Work Annual Plan in 2001, a major component of HACP's Moving To Work strategy has been to reposition HACP's housing stock through a) preservation of successful developments and b) revitalization of distressed developments through strategic investments that re-link public housing properties to their surrounding neighborhoods and act as a driver of other public and private investments to revitalize entire neighborhoods.

Initiated prior to Moving To Work through three HOPE VI redevelopment projects and continued through the Moving To Work Program, HACP has achieved great success. Allequippa Terrace, Manchester Apartments, Bedford Additions and Garfield Heights are replaced by Oak Hill, multiple properties across Manchester virtually indistinguishable from their neighbors, the Bedford Hills apartments, and Garfield Commons, respectively. The new senior buildings Silver Lake, the Fairmont, the Commons at North Aiken and the Legacy are new positive anchors in their neighborhoods, replacing the distressed, and neighborhood distressing, East Hills, Garfield, Auburn Towers and Addison High Rises. Redevelopment of Addison Terrace is also partially complete.

A by-product of these redevelopment efforts, which feature reduced densities, mixed income, and modern conveniences, is a reduced number of traditional public housing units. This is not inappropriate in Pittsburgh, which has seen city population decline substantially over the last 40 years. More important is that this is balanced by the addition of new affordable units supported by tax credits, and new units rented at market rates. In Pittsburgh, many of the new market rate units are affordable to families of modest income. Section 8 Housing Choice vouchers also support low income families, provide them choices in the housing market, and support occupancy of units available in the private market. These combinations of approaches have enabled HACP to continue serving substantially the same number of families as would have been served absent the demonstration.

In 2014, as in prior years, and in light of continued erosion of funding available for affordable housing development and redevelopment, HACP engaged in extensive collaborative work with HUD and other partners to develop new mechanisms for financing redevelopment of distressed properties. The Step Up To Market Financing Program is designed to be a key component of HACP repositioning activities, and has been essential in the financing of the redevelopment of Addison Terrace, now underway.

HACP has also invested in its successful housing in recent years, including modernization activities at Northview Heights, Murray Towers, Morse Gardens, Bedford, and many other improvements at various locations. Additional modernization work at many sites continues, with highlights noted in other sections of this report. HACP continues to create additional UFAS units each year and make improvements to the fully accessible units available at all of its properties. HACP also continues to benefit from an implemented Energy Performance Contract for improvements that include the installation of energy efficient and cost saving geothermal heating (and cooling) systems at several developments.

HACP is committed to continuing these preservation and revitalization efforts, to the greatest extent feasible with the funding available, throughout the Moving To Work demonstration.

The charts at the end of this section show projected sources of funds that can be used for capital projects, and projected uses of those funds over the next ten years. All of these numbers reflect projected obligations (not expenditure) of funds, and are projections only and are subject to change based upon funding levels and opportunities, financial and real estate market conditions, new or changing regulations or requirements, and other unforeseen developments.

The highlights of this plan are as follows:

- Revitalize Addison Terrace. Addison Terrace is only two blocks from the key Centre Avenue corridor in the Hill district which includes the following new facilities: the Legacy Apartments, the Hill Public Library, and a branch of the YMCA. HACP worked closely with the larger Hill District Master Planning Process to plan redevelopment of the 1940's era Addison Terrace. Because of projected high costs for this redevelopment effort, including substantial infrastructure costs, and the scarcity of HOPE VI and other major grant programs, HACP worked with HUD and other partners to develop innovative financing strategies through Moving To Work to support this effort, resulting in the Step Up To Market Financing Program. Lease up of Phase I is currently underway, and the Phase II area has been vacated in preparation for demolition and new construction. HACP and its partners are working diligently to develop financing and other plans for one or two additional phases for 400 total units.
- Plan for new development in the East End, including Hamilton-Larimer. In parts of the East Liberty neighborhood of Pittsburgh, a significant market and development rebound has occurred. In the adjoining Larimer neighborhood, a long term and ongoing grassroots community planning process led to the completion of the Larimer Vision Plan. The Vision Plan, which focuses on the Larimer Avenue corridor spanning parts of both East Liberty and Larimer, is the basis for a growing consensus around neighborhood revitalization strategies in these neighborhoods. Working with a variety of partners in Larimer and East Liberty, HACP continues pursuing new development opportunities in these neighborhoods, including the Hamilton-Larimer and former Auburn Towers site on the border of East Liberty and Larimer. HACP continues to work closely with other City agencies and neighborhood organizations to identify the opportunities with the potential for the greatest impact, and has invested in the planning process resulting in the Larimer Vision To Action Plan, which aims to identify specific activities to implement the Larimer Vision Plan. The Vision To Action Plan is the basis for a Choice Neighborhoods Initiative Implementation grant that was awarded in June, 2014. The grant agreement between HUD, The City of Pittsburgh and HACP was signed in December of 2014 ushering in the next step in the development process. The plan includes redevelopment of the nearby East Liberty Gardens project based voucher property in the East Liberty portion of the Vision area in addition to redevelopment of Hamilton-Larimer and the former Auburn Towers site. Low Income Housing Tax Credits were secured for a first phase of construction on the former Auburn site and other adjacent parcels in February of 2014 and construction is slated to begin in 2015.
- Build on investments in Northview Heights. After completing conversion of 63 units into 26 new UFAS units and 26 new non-UFAS units, and the ESCO funded geothermal heating and cooling system, HACP continues to build on these investments to solidify Northview Heights' rebound. In 2010 Force Account staff renovated an additional 30 units in the buildings that received UFAS units. In 2010 and 2011, work to replace the roofs on buildings that had not had roof replacements, and the siding on all of the family buildings, was completed. Continued investment in modernization of additional units, completing replacement of roofs, upgrading electrical systems and other improvements continued in 2012 and 2013. In 2014, remaining roofs and significant site work was completed. In 2015, additional site work will be done, and additional updates of kitchens and bathrooms in family units will begin. It is worth noting that as a result of past HACP activities at this site, demand for this property has increased.

- Modernize other successful but aging properties. HACP recognizes that existing properties cannot be neglected. In addition to regular funding for safety and REAC items at all properties, HACP continues to pursue larger modernization efforts at other properties, including window replacement and façade/EFIS repairs at several senior/disabled high rises and continued investment in its successful scattered sites portfolio.
- Pursuit of Rental Assistance Demonstration Conversions. In order to secure the long-term viability of its existing housing stock, HACP continues to evaluate and pursue conversion of some public housing units to HUD contracts for multi-family housing rental assistance through the Rental Assistance Demonstration (RAD) Program. In 2013 HACP submitted RAD applications for the following properties, and is anticipating formal approval:
 - Glen Hazel and Glen Hazel High Rise
 - Murray Towers
 - Oak Hill
 - HACP is evaluating the prospect of future RAD applications

Below are two charts showing project funding obligations over the next ten years.

Not included in the charts are funding and financing strategies, including those that use MTW funding flexibility and support and leverage MTW funds to support redevelopment of these properties. As funding opportunities and financing mechanisms change, and creative approaches are devised, HACP will adapt and adopt the approaches that are most advantageous to the agency. These approaches include, but are not limited to, the following:

- Low Income Housing Tax Credits
- Federal, State and Local Housing Trust Funds dollars as available.
- Other Federal, State and Local funds such as CDBG, HOME, PA Department of Community and Economic Development Programs, and others as can be secured.
- HUD's new and evolving financing and transformation initiatives, if authorized, or other similar approaches.
- Project basing up to 500 Housing Choice Vouchers.
- HACP's Moving To Work Step Up To Market Financing Program.
- Any and all other opportunities and mechanism that are available or can be identified that will assist HACP in furthering its goals under MTW and under the Low Income Public Housing and Housing Choice Voucher programs.

Other sections of the Annual Report include specifics on the funding strategies utilized in specific development phases closed in 2014, and future Plans and Reports will include additional details for future phases.

HOUSING AUTHORITY OF THE CITY OF PITTSBURGH
2014 - 2023 CAPITAL BUDGET OBLIGATION SUMMARY

5th Draft as of 5/19/1

SOURCES	PROJECTED SOURCES	2014	2015	2016	2017	2018	5-Year SubTotals	2019	2020	2021	2022	2023	5-Year SubTotals	10-Year Totals
	MtW Funding	14,394,353	14,964,560	7,000,000	7,000,000	7,000,000	50,358,913	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	35,000,000	85,358,913
	CFP Projected Future Funding	13,387,351	9,582,679	7,000,000	7,000,000	7,000,000	43,970,030	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	35,000,000	78,970,030
	RHF Projected Future Funding	5,006,459	3,000,000	5,685,089	4,843,363	4,337,687	22,872,598	2,520,655	2,520,655	2,520,655	671,742	572,220	8,805,927	31,678,525
	Choice Neighborhood Grant	0	25,500,000	4,500,000	0	0	30,000,000	0	0	0	0	0	0	30,000,000
	Cove Place - Conventional Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0
	MtW Reserves	40,634,327	2,251,685	0	0	0	42,886,012	0	0	0	0	0	0	42,886,012
	TOTALS ALL PROJECTED SOURCES	73,422,490	55,298,924	24,185,089	18,843,363	18,337,687	190,087,553	16,520,655	16,520,655	16,520,655	14,671,742	14,572,220	78,805,927	268,893,480

USES	PROPOSED USES	2014	2015	2016	2017	2018	5-Year SubTotals	2019	2020	2021	2022	2023	5-Year SubTotals	10-Year Totals
	Administrative	1,453,591	1,488,528	1,900,000	1,900,000	1,500,000	8,242,119	1,500,000	1,500,000	1,500,000	1,500,000	1,900,000	7,900,000	16,142,119
	Security	4,000,000	4,000,000	3,800,000	3,800,000	3,800,000	19,400,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	19,000,000	38,400,000
	504/UFAS misc	100,000	150,000	100,000	100,000	0	450,000	0	0	0	0	0	0	450,000
	Equipment (Range/Refrig, Vehicles, Other Misc)	0	64,527	0	0	530,000	594,527	300,000	300,000	309,000	318,270	327,818	1,555,088	2,149,615
	LBP Abatement - Other Misc Hazmat	100,000	300,000	100,000	100,000	100,000	700,000	100,000	100,000	100,000	100,000	100,000	500,000	1,200,000
	Concrete	100,000	0	100,000	100,000	100,000	400,000	100,000	100,000	100,000	100,000	100,000	500,000	900,000
	Green Physical Needs	0	300,000	0	0	0	300,000	0	0	0	0	0	0	300,000
	Demolition	100,000	100,000	100,000	100,000	0	400,000	0	0	0	0	0	0	400,000
	A/E Technical Services	800,000	700,000	400,000	400,000	200,000	2,500,000	0	0	0	0	0	0	2,500,000
	Resident Services	1,809,162	1,984,591	1,800,000	1,800,000	1,800,000	9,193,753	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	9,000,000	18,193,753
	Mis. Mod & FS Contingencies	950,000	800,000	950,000	950,000	950,000	4,600,000	600,000	600,000	600,000	600,000	600,000	3,000,000	7,600,000
	SUBTOTAL HACP-WIDE USES	9,412,753	9,887,646	9,250,000	9,250,000	8,980,000	46,780,399	8,200,000	8,200,000	8,209,000	8,218,270	8,627,818	41,455,088	88,235,487
	SUBTOTAL DEVELOPMENT	54,638,237	23,325,000	6,350,000	15,550,000	14,550,000	114,413,237	550,000	550,000	550,000	550,000	550,000	2,750,000	117,163,237
	SUBTOTAL MODERNIZATION	9,371,500	22,066,276	3,949,276	4,993,276	2,633,276	43,233,612	2,683,276	5,683,276	2,983,276	2,883,276	4,553,276	18,786,388	62,020,000
	TOTALS ALL PROPOSED USES	73,422,490	55,298,924	19,549,276	29,793,276	26,363,276	204,427,248	11,433,276	14,433,276	11,742,276	11,651,548	13,731,094	62,991,476	267,418,724

**HOUSING AUTHORITY OF THE CITY OF PITTSBURGH
2014 - 2023 DEVELOPMENT AND MODERNIZATION SUMMARY**

As of 8/1/21

DEVELOPMENT	Proposed Development	2014	2015	2016	2017	2018	5-Year Subtotals	2019	2020	2021	2022	2023	5-Year Subtotals	10-Year Totals	Comments
	Addison	43,038,237	0	0	0	0	43,038,237	0	0	0	0	0	0	43,038,237	Look to complete financing for Addison Phase I, Planning for and financing for Addison Phase II
	Hamilton-Larimer	0	20,825,000	4,500,000	15,000,000	0	39,825,000	0	0	0	0	0	0	39,825,000	Planning in 2014 and funding for redevelopment starting in 2015 including Choice Neighborhood funding. Cap financing for scattered site development in the Hill District as part of Addison Redevelopment strategy
	Scattered Sites	1,100,000	2,000,000	1,850,000	550,000	550,000	6,050,000	550,000	550,000	550,000	550,000	550,000	2,750,000	8,800,000	
	Arlington	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	HACP/ARMDC Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Allegheny Dwellings	10,500,000	0	0	0	0	10,500,000	0	0	0	0	0	0	10,500,000	HACP headquarters scheduled to be vacated, new office needed in 5 years. Start planning in 2014. Redesign community with 30 new ADU units as part of transformation development
	Horseshoe North	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Northview	0	1,000,000	0	0	14,000,000	15,000,000	0	0	0	0	0	0	15,000,000	ARMDC will develop market rental units and this project is in last position
	Cove Place	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL DEVELOPMENT	54,638,237	23,325,000	6,350,000	15,550,000	14,550,000	114,413,237	550,000	550,000	550,000	550,000	550,000	2,750,000	117,163,237	
MODERNIZATION	Proposed Modernization	2014	2015	2016	2017	2018	5-Year Subtotals	2019	2020	2021	2022	2023	5-Year Subtotals	10-Year Totals	Comments
	911 Addison - Bentley Dr.	300,000	0	0	0	0	300,000	0	0	0	0	0	0	300,000	Safe/REAC upgrades until demolition of Bentley Drive units.
	912 Bedford Dwellings	500,000	1,400,000	0	100,000	0	2,000,000	100,000	0	0	100,000	0	200,000	2,200,000	REAC & Safety Items
	915 PA Bidwell	50,000	50,000	300,000	50,000	50,000	500,000	50,000	50,000	1,000,000	0	0	1,100,000	1,400,000	Includes REAC and Safety Repairs and rehab work in 2021
	917 Presbury	50,000	636,000	50,000	50,000	50,000	836,000	50,000	0	0	0	0	50,000	886,000	Includes REAC and Safety Repairs
	919 Allegheny Dwellings	800,000	700,000	100,000	50,000	0	1,450,000	0	0	0	0	0	0	1,450,000	Modernize Repair until rehab starts in 2019 (see above)
	919 Northview Heights	2,200,000	2,068,278	2,383,278	1,483,278	1,483,278	10,208,112	1,383,278	1,383,278	1,383,278	1,383,278	1,383,278	7,216,388	17,424,500	Concrete work in courtyard. Bathroom/Plumbing rehab and painting in 400 units
	920 Horseshoe North	50,000	852,000	50,000	50,000	50,000	1,052,000	0	3,500,000	0	0	0	3,500,000	4,552,000	REAC & Safety Items until rehab start in 2022 (see above)
	924 Arlington Heights	50,000	350,000	50,000	500,000	500,000	1,450,000	0	0	0	0	0	0	1,450,000	Partial Mod work until rehab start in 2019 (see above)
	931 Murray Towers	0	3,500,000	0	0	0	3,500,000	0	0	0	0	0	0	3,500,000	Windows Replacement in 2017 & Core Modernization in 2015
	932 Glen Hazel Family (incl. Rental)	2,500,000	550,000	50,000	100,000	100,000	3,300,000	0	200,000	200,000	1,000,000	0	1,400,000	4,700,000	Stairs/Glazing, New Central Heating & New Safety Items & Partial Core Mod in 2020
	933 Glen Hazel Highrise	300,000	0	0	100,000	0	400,000	100,000	0	0	0	0	100,000	500,000	Technical Rehabilitation & Safety Repairs
	940 Mezza Pavilion	0	0	0	0	0	0	0	0	0	0	50,000	50,000	50,000	REAC & Safety Repairs
	941 Gateway Plaza	2,124,500	1,500,000	416,000	50,000	100,000	4,180,500	100,000	100,000	0	0	0	200,000	4,380,500	Windows/REAC Repairs, Partial Core Mod & Safety Repairs
	944 Finello Pavilion	50,000	100,000	0	100,000	0	250,000	100,000	0	0	0	0	100,000	350,000	Includes REAC and Safety Repairs
	946 Morse Gardens	50,000	0	50,000	100,000	0	200,000	100,000	0	0	0	1,400,000	1,500,000	1,700,000	Partial Core Mod in 2022 & REAC/Safety Items
	948 Carrick Regency	50,000	240,000	100,000	0	100,000	510,000	0	0	0	0	1,320,000	1,320,000	1,432,000	Partial Core Mod in 2022 & REAC/Safety Items
	947 Quailan Manor	50,000	75,000	0	1,800,000	0	1,925,000	0	50,000	0	0	0	50,000	2,025,000	Partial Core Mod in 2017 & REAC/Safety Items
	922 & 923 Scattered Sites / Hamilton Larimer	450,000	9,400,000	400,000	400,000	400,000	11,100,000	400,000	400,000	400,000	400,000	400,000	2,000,000	13,100,000	Partial Core Mod of 10 units per year for 10 years, 100 units and furnishing/30 renovations in 10 years
	923 Other Areas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL MODERNIZATION	9,371,500	22,086,278	3,949,278	4,993,278	2,833,278	43,233,612	2,683,278	5,683,278	2,983,278	2,883,278	4,553,276	18,766,388	62,020,000	

Promoting Self-Sufficiency And Independent Living Through A Variety Of Enhanced Services And Policy Adjustments.

HACP is committed to continuing pursuit of programs and policies that promote self-sufficiency and independent living. This is pursued through programs and policy modifications.

HACP's Family Self-Sufficiency (FSS) Program, called Realizing Economic Attainment For Life or REAL, includes the Resident Employment Program (REP). REAL and REP provide a variety of supports, programs, and referrals to residents to assist them in preparing for, seeking, finding, and retaining employment. The program and the Authority also work constantly to link with other programs, leverage additional services, and create positive environments for families, adults, seniors, and children. REAL and REP are complemented by the programs provided by

HACP and its partners that focus on youth of various ages, including the BJWL after school and summer programs, Youthplaces, the Clean Slate Drug Free Lifestyles and Youth Leadership Development Program, and the Creative Arts Corner state of the art audio/video studios at Northview Heights and the Bedford Hope Center. HACP's investments in resident services have leveraged over \$4,000,000 per year in additional programs and services in recent years.

HACP policy modifications are also designed to promote self-sufficiency, and the modified rent policy, as described in Sections II and IV, is designed to encourage families to participate in the FSS program.

The goal of these initiatives is to create an environment where work is the norm and personal responsibility is expected. Gradually, HACP is seeing positive results of this effort.

It is HACP's vision to create vibrant, sustainable communities where family members of all ages can thrive and where life choices and opportunities are not limited. HACP will pursue this goal through the interconnected strategies of re-positioning the housing stock through preservation and revitalization, and promoting self-sufficiency through support programs and policy modifications.

Annual MTW Report

II.4.Report.HousingStock

A. MTW Report: Housing Stock Information

New Housing Choice Vouchers that were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Actual Number of New Vouchers that were Project-Based	Description of Project
2700 Centre Avenue	36	36	AHAP executed on 6/11/2013. Construction completed in 2014 and lease-up projected for 2015.
East Liberty Place II	6	0	AHAP executed on 6/6/2013. Construction completion and lease-up projected for 2015.
Larimer PBV Phase 1	40	0	AHAP on this tax-credit awarded project executed in 2014, with construction completion and lease-up expected in 2015.
Larimer Mixed Finance Phase 1	28	0	AHAP on this tax-credit awarded, mixed finance project with 85 total units executed in 2014, with construction completion and lease-up expected in 2016.
Addison Phase I	186	118	Commitment provided and closing completed in late 2013. AHAP executed 12/23/2013. Construction completion and lease up began in 2014. Total units is 186, 168 to be PBV, with remaining units to be market rate.

		Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year *	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year *
Anticipated Total Number of New Vouchers to be Project- Based *	Actual Total Number of New Vouchers that were Project- Based	401	215
296	159	Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project- Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
		411	126
* .			

Other Changes to the Housing Stock that Occurred During the Fiscal Year

Planned removal of one unit at Pressley Street High Rise to create an additional UFAS unit were not completed. Changing needs of the population no longer require the addition of an additional unit at Pressley street, and plans for the conversion have been suspended.

Planned changes to PA-39 Scattered Sites North Hamilton-Larimer (formerly PA-11) were delayed as plans for redevelopment via Choice Neighborhoods and Tax Credits progressed. Submission of demolition application will occur in 2015.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

General Description of Actual Capital Fund Expenditures During the Plan Year

Northview Heights: expenditures on, roof replacements, and elevator upgrades; Bedford Dwellings: completed roof repairs and substantial completion of window replacement. Gultiari Manor: completed window replacement.; Hamilton-Larimer: Pre-development expenses and commitments for Choice Neighborhoods plan and grant application and Phase 1 Tax Credit and Project Based Voucher development with 85 total units; Murray Towers: Window replacement and EFIS repairs; Morse Gardens: Historic window replacement and other improvements; Scattered Sites: substantial commitments to comprehensive modernization at select locations.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End

Housing Program *	Total Units	Overview of the Program
Housing Program 1 *	0	Overview of the program
Housing Program 2 *	0	Overview of the program
Housing Program 3 *	0	Overview of the program
Total Other Housing Owned and/or Managed	0	

* **Select Housing Program from:** Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.

If Other, please describe:

Description of "other" Housing Program

II.5.Report.Leasing

B. MTW Report: Leasing Information

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

Housing Program:	Number of Households Served*	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs **	635	635
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs **	114	125
Port-In Vouchers (not absorbed)	N/A	X
Total Projected and Actual Households Served	743	746

* Calculated by dividing the planned/actual number of unit months occupied/leased by 12.

** In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

Housing Program:	Unit Months Occupied/Leased****	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ***	7620	7620
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ***	1368	1500
Port-In Vouchers (not absorbed)	N/A	X
Total Projected and Annual Unit Months Occupied/Leased	8916	8952

HACP successfully supported additional families to complete a home purchase in 2014.

*** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of households served.

**** Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to unit category during the year.

	Average Number of Household s Served Per Month	Total Number of Household s Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income

HUD will verify compliance with the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	644	720	746	750	x	X	X	X

Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	N/A	X	X	X	X	X
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	N/A	N/A	N/a	X	X	X	X	X

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the PHA will provide information in the following formats:

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	1714	994	0	2708	29.61%
2 Person	1721	1536	0	3257	35.62%
3 Person	1427	1134	0	2561	28.00%
4 Person	300	208	0	508	5.55%
5 Person	84	27	0	111	1.21%
6+ Person			0	0	0.00%
Totals	5246	3899	0	9145	100.00%

Explanation for
Baseline Adjustments
to the Distribution of
Household Sizes
Utilized

At this time, HACP has not requested any adjustments to the baseline for mix of families served. It should be noted that HACP's total baseline of families to be served has increased by 418 to a total of 9563, but these additional authorized units do not have a family size and therefore are not reflected in these charts. Also, HACP has collected data only to 5+, and thus does not have a separate entry for 6+.

Mix of Family Sizes Served

	1 Person	2 Person	3 Person	4 Person	5 Person+	6 Person+	Totals
Baseline Percentages of Household Sizes to be Maintained **	29.61%	35.62%	28.00%	5.55%	1.21%	0.00%	100.00%
Number of Households Served by Family Size this Fiscal Year ***	3252	2795	2220	450	82	0	8799
Percentages of Households Served by Household Size this Fiscal Year ****	37%	31.8	25.2%	5.1%	.9%	0	100.00%
Percentage Change	24.95	-10.71	-10.01	-8.19	-25.85	0	0
Alternate Calculation of Percent Change	7.39	-3.82	-2.8	-.45	-.31	0	0

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages

The formulas included are not appropriate for this measure, and result in exaggerated percentages that are not appropriate for evaluation of this requirement. For example, on entering MTW, 5.55% of the families served by HACP were 4 person families. In 2014, that percentage had declined to 5.1%. HACP believes this is a change of -.45 percent. By this measure, the only increase greater than 5% is in single person households, which HACP attributes to aging in place of families and increased number of single, elderly households, not to any decisions made by the HACP, and not to any impacts of its MTW initiatives. Further analysis will be conducted to confirm this analysis and determine if other factors also impacted this change.

* “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the PHA. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the PHA includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

** The numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

*** The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when PHA entered MTW” and “Utilized number of Section 8 Vouchers by family size when PHA entered MTW” in the table immediately above.

**** The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program	Description of Leasing Issues and Solutions
Low Income Public Housing	No issues were experienced in leasing public housing units.
Housing Choice Voucher Program	Challenges related to leasing Housing Choice Vouchers include aging housing stock leading to high rate of failed initial inspections; a tightening housing market created more competition for available units from non voucher households; and the continued reluctance of many landlords to accept families utilizing voucher assistance. HACP has convened a Landlord Advisory Committee, has a revamped outreach campaign to identify additional units and landlords for participation in the program, and proposed a preferred landlord program for 2015 in the 2015 MTW Annual Plan.
Non-Traditional Programs	No issues were experienced in leasing non-traditional housing units.

Number of Households Transitioned To Self-Sufficiency by Fiscal Year End

#1 Modified Rent Policy HCV	n/a	Free of Cash Assistance
#2 Modified Rent Policy LIPH	n/a	Free of Cash Assistance
#5 Homeownership	4	Completed Home Purchase

Households Duplicated Across Activities/Definitions

0

ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY

73

* The number provided here should match the outcome reported where metric SS #8 is used.

II.6.Report.Leasing

C. MTW Report: Wait List Information

Wait List Information at Fiscal Year End				
Housing Program(s) *	Wait List Type **	Number of Households on Wait List	Wait List Open, Partially Open or Closed ***	Was the Wait List Opened During the Fiscal Year
Federal MTW Public Housing	Site-Based	1,199	Open:	Yes
Federal MTW Housing Choice Voucher Program	Community Wide	2,304	Partial	yes
Combined Local Non-Traditional Programs (no wait list for homeownership ; combined wait lists at mixed finance, mixed income sites.	Site-Based	n/a	Open,	Yes, List are open to all populations

More can be added if needed.

* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

**** Select Wait List Types:** Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

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

MTW Public Housing: Wait lists are open in communities and bedroom sizes where the wait list is reasonable, and projected wait times are less than one year. Generally we have open wait lists for elderly/disabled, and for families requiring 2, 3, and 4 bedroom units.

MTW Housing Choice Voucher Program: Waiting list reopened in 2014 to all populations for a limited time, with position assigned by lottery to 5000 applicants.

Non-traditional programs: No wait list at this time for homeownership. Privately managed tax-credit and affordable market rate properties operate site-based waiting lists.

If Local, Non-Traditional Program, please describe:

Non-Traditional Program - Homeownership: Currently no waiting list, program participation is open to otherwise eligible families. If demand for soft-second mortgage approaches annual budget authority a wait list for participants with mortgage pre-approval letters will be established.

Non-traditional Program - tax credit units in mixed finance, mixed income developments have wait lists operated by private management.

If Other Wait List Type, please describe:

HACP LIPH Site Based Waiting List - HACP's Site Based Site Preference System allows applicants to choose up to three communities of preference, or the first available from all properties. The number listed above is of unduplicated applicants on the waiting list, although each applicant may be on more than one individual site list. Public housing units in mixed finance/mixed income privately managed properties are not included, as each location operates a separate waiting list.

PBV wait lists operated by HACP open and close based on demand

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

In 2014, HACP removed provisions to its ACOP to allow for transition to a fully site-based system. HACP maintains a centralized application process however pre-applications can now be submitted on-site. Also in 2014 HACP initiated an online application and lottery processes for the reopening of the HCV waitlist.

Section III. Proposed Moving To Work Activities: HUD Approval Requested

All proposed activities that have been approved by HUD are reported on in Section IV as “Approved Activities.”

Section IV. Approved MTW Activities: HUD approval previously granted.

APPROVED MTW ACTIVITIES – HUD APPROVAL PREVIOUSLY GRANTED

Activity	Plan Year Approved	Plan Year Implemented	Current Status
1. Modified Rent Policy - Work or FSS Requirement or increased minimum tenant payment for non-exempt HCV households	2011 Annual Plan	2011	Implemented
2. Modified Rent Policy - Work or FSS Requirement or increased minimum rent for non-exempt LIPH households	2008 Annual Plan	2008-2009	Implemented
3. Revised Recertification Policy – at least once every other year – for Section 8/HCV	2008 Annual Plan	2008	Implemented
3. Revised Recertification Policy – at least once every other year – LIPH	2009 Annual Plan	2009	Implemented
4. Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only; establish a soft-second mortgage waiting list; expand eligibility to persons on the LIPH and HCV program waiting lists; expand eligibility to persons eligible for LIPH or HCV	Combined Program approved in 2007; other elements approved in 2010; expansion of eligibility to person eligible for LIPH or HCV in 2014.	2007; 2010; 2014.	Implemented
5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.	2001 Annual Plan	2001	Implemented
6. Modified Payment Standard Approval - establish Exception Payment Standards up to 120% of FMR without prior HUD approval.	2004 Annual Plan; additional features in 2013.	2004; 2013.	Implemented. Ongoing for persons with disabilities; On Hold for exception areas.
7. Step Up To Market Financing Program	2012 Annual Plan	2013	Implemented

A. IMPLEMENTED ACTIVITIES - ONGOING

1. Modified Rent Policy for the Section 8 Housing Choice Voucher Program

As approved in 2011, HACP requires that any non-elderly, non-disabled head of household who is not working at least 15 hours a week to either a) participate in a local self-sufficiency, welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. Voucher holders can claim an exemption from the work or \$150 minimum tenant payment requirements as a result of participation in a self-sufficiency program for a maximum of five years. This policy provides additional incentives for families to work or prepare for work and will increase overall accountability. HACP's objectives for this program include increased employment and income by participants, increased participation in local self-sufficiency, welfare to work, and other employment preparedness/training/educational programs, and possibly decreased HAP expenditures.

Because of limited capacity in HACP's REAL Family Self-Sufficiency Program, voucher holders whose rent calculation results in a rent of less than \$150 per month are permitted to certify via independent third party to their participation in an eligible local self-sufficiency, welfare to work, or other training or education program. HACP continues to pursue expanded partnerships to maximize the program options available for voucher holders.

HACP initially identified programs that would qualify affected families for an exemption from the \$150.00 minimum tenant payment, including the Pennsylvania Department of Public Welfare's Welfare to Work program that is associated with TANF assistance. HACP is working with the Allegheny County Department of Human Services and the Pennsylvania Department of Public Welfare and has identified additional programs and conducted outreach to identified programs to notify agencies of the new requirements and what constitutes acceptable verification.

The provisions of the modified policy are expected to increase the percentage of families reporting earned income and increase the number of families pursuing training and preparation for work through local self-sufficiency, welfare to work, or other employment preparation/training/education programs.

Baselines, Benchmarks, and metrics – benchmarks established as of August 2010 remain and are indicated in the bullets below. Subsequent numbers are included in the charts.

- HACP's August 2010 HCV Program population included 1976 non-elderly, non-disabled families whose tenant payment calculation was less than \$150 per month.
- Of those families, 1454 did not report any wage income. This is the group that this policy was expected to impact.
- Participation among all HCV program participants in HACP's REAL FSS program was 371.
- 769 program participants showed TANF income, and thus were assumed to be compliant with state welfare to work requirements. 98 of these families were enrolled in HACP's REAL FSS program.

- HACP also calculated average HAP overall, average HAP for non-elderly/non-disabled households, and average HAP for households whose rent calculation is less than \$150 per month prior to application of utility allowances. See charts for results.

Please see the chart below for December baseline information and Benchmark targets for each measure.

Housing Choice Voucher Program

Measure	Baseline	Benchmark	Actual
	12/2010	12/2014	12/2014
Number of families enrolled in HACP's FSS program	439	692	287
Average overall HAP	\$486	\$439	\$466
Average HAP for non-elderly, non-disabled	\$538	\$438	\$512

FSS program Stats subdivided by LIPH/HCV	LIPH or HCV	2013	2013 Totals	2014	2014 totals
FSS Participants	LIPH	707	1016	503	790
	HCV	309		287	
Number of families working (of FSS Participants)	LIPH	286	559	285	470
	HCV	273		185	
Percentage of families working (of FSS participants)	LIPH	41%	55%	56%	60%
	HCV	88%		65%	
Number of	LIPH	10	25	34	73

participants graduating from FSS	HCV	15		39	
Number of participants from Escrow accounts	LIPH	183	369	176	341
	HCV	186		165	

This activity is Authorized by Section D. 2. a. of Attachment C and Section D. 1. of Attachment D of the Moving To Work Agreement.

Information for Rent Reform Activities

Narrative will be updated to reflect current FSS data

- A review of the data above and below indicates the policy is having the anticipated impact, although HACP FSS enrollments, and declines in average HAP payments for non-elderly, non-disabled families paying less than \$150 per month rent are behind projections. Mechanisms to confirm participation in non-HACP Local Self-Sufficiency programs (LSS) are continuing to be reviewed to ensure accuracy of collected data, and the benchmark for FSS enrollments may be unnaturally inflated as families choose LSS programs. As capacity becomes available, families are encouraged to enroll in HACP's FSS program.
- In 2014, HACP saw positive results from this initiative, with increases in employment rates both overall and among FSS participants. Participation in training declined, as criteria for training participation was tightened, and outside resources for training became less available. Other measures remained fairly stable, as expected, as real impact is expected to occur over an extended period. Increases in average HAP payments are believed to be a result of a tightening rental market and increases in rents generally, not as a result of any change in income among program participants. HACP remains committed to, and optimistic about, the long term impact of this policy. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report.
- Additional Data and HUD Standard Metrics are included below.
- Hardship Requests: HACP approved one (1) hardship requests in 2014.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available. The Outcome Achieved column is left as TBD as no benchmarks for these specific measures were established for 2013. .

Standard HUD Metrics – Self-Sufficiency – modified based on HACP capability				
Unit of Measure	Baseline	Benchmark (2014 Goal)	Outcome 2013	Outcome 2014
SS#1. Increase in Household Income: Average earned income of households affected by this policy* in dollars (increase)	\$7,650	\$8,000	n/a	\$8,089
SS#1: Increase on Household Income: Average Gross Income of all households	\$11,802	\$12,000	\$11,676	\$11,704
SS#2: Increase in Household Savings: Average amount of savings/escrow of households affected by this policy in dollars (increase)	\$3,789.66**	\$4,000.00	4,143.44	\$3,086.81
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed full or part time - Number	1475	1500	1537	1582
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed full or part time – percentage (of all families)	28.61%	30%	29%	30%
SS#3, Increase in Positive Outcomes in Employment Status: Other (3 + 4): Enrolled in Education or training program <i>number</i> (of FSS participants)	101	140	78	46
SS#3, Increase in Positive Outcomes in Employment Status: Other (3 + 4): Enrolled in Education or training program <i>percentage</i> (of FSS participants)	22.54%	40%	25.24%	15%
SS#4: Households Removed from Temporary Assistance for Needy Families (TANF): Number of households receiving TANF assistance (of all households) (decrease)	774	750	718	724
SS#5: Households Assisted by Services that Increase Self-Sufficiency: Number of households receiving services aimed to increase Self-sufficiency (FSS enrollment)	353	350	309	287

SS#6: Reducing Per Unit Subsidy Costs for Participating Households: Average amount of Section 8 Subsidy per household affected by this policy in dollars (HAP) (all households) (decrease)	\$466.24	\$439.00	482.51	\$548
SS#8: Households Transitioned to Self-sufficiency: Number of households transitioned to self-sufficiency (graduation)	12	10	15	39

* All households, elderly and disabled excluded.

** 2013 average. Ongoing corrections to system calculation error have led to establishment of new baseline.

HACP Metrics - HCV FSS

	2010	2011	2012	2013	2014
FSS Participants	448	353	304	309	287
Families working (of FSS participants)	248	242	256	273	185
% of families working (FSS participants)	55%	69%	84%	88%	65%
# graduating	12	15	7	15	39
# with FSS accounts	191	193	185	186	165

2. Modified Rent Policy for the Low Income Public Housing Program.

As approved in 2008, HACP requires that any non-elderly, non-disabled head of household who is not working to either participate in the Family Self-Sufficiency Program or pay a minimum rent of \$150.00 per month. Specifically, the HACP lease and ACOP requires that any non-elderly, non-disabled head of household who is not working and is paying less than \$150.00 per month in rent will be required to participate in a Family Self-Sufficiency Program. For administrative purposes, this has been presented as a minimum rent of \$150 per month with the following exceptions:

- Tenant actively participating in HACP, Department of Public Welfare, or other approved self-sufficiency program.
- Tenant is age 62 or older.
- Tenant is blind or otherwise disabled and unable to work.
- Tenant is engaged in at least 15 hours of work per week.
- Tenant has applied for a hardship exemption.

All other elements of rent calculation remain unchanged, and those in one of the categories listed above may have rents of less than \$150.00 per month but not less than \$25.00 per month.

HACP may grant a hardship exemption from the rent, including the \$25.00 per month minimum required of those exempted from the \$150.00 minimum rent, under the following circumstances:

- When the family is awaiting an eligibility determination for a government assistance program;
- When the income of the family has decreased because of loss of employment;
- When a death has occurred in the family; and
- When other such circumstances occur that would place the family in dire financial straits such that they are in danger of losing housing. Such other circumstances will be considered and a determination made by the HACP.

HACP's modified rent policy was expected to have a number of positive impacts on the HACP and HACP residents, including, but not limited to, increased rent collections by the HACP, a changed environment where work by adults is the norm, an increased level of active participation in the HACP self-sufficiency program and, of course, added incentive for residents to become self-sufficient.

HACP established baseline measures in mid-2008 and mid-2009 as the full implementation of the policy was completed, and detailed information on the impact of the activity as compared against the benchmarks and outcome metrics are included below.

In addition to the baseline measures established in mid-2008 and mid-2009 as the full implementation of the policy was completed, HACP has some data dating to 2005 when the LIPH enhanced FSS program was established. LIPH data through 2014 from the Tracking at a Glance Software, Emphasys Elite, and internal reports are included in the tables below.

FSS Program Stats	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
FSS Participants	658	835	347	599	685	630	598	646	707	503
Number of families working (of FSS participants)	181	222	254	167	290	204	237	257	286	285
Percentage of families working (of FSS participants)	27.51%	26.59%	73.20%	27.88%	42.34%	32.38%	49.63%	39.78%	41%	56%
# graduating from FSS	n/a	n/a	n/a	n/a	32	14	5	8	10	34
# of FSS participants with escrow accounts	29	42	50	111	188	191	194	197	183	176

Item	Baseline July 2008	Jul-09	Jul-2010	Jul-2011	Dec 2011	Dec 2012	Dec 2013	Dec 2014
HACP Rent Roll Amounts (\$)	\$685,682.44	\$677,954.06	\$629,457.98	\$623,062.79	\$598,036.	\$602,363	\$621,088	603,917.17
HACP Rent collection amounts (\$)	\$612,027.55	\$684,948.74	\$603,267.44	\$553,277.10	\$560,161.	\$626,041	\$594,569	637,900.97
	Aug-08							
Average Rent All Communities	\$198.88	n/a	\$199.81	\$205.68	\$205.76	\$207.88	\$214.00	214
Number of families working (reporting wage income)	713	n/a	693	752	697	620	624	599
Percentage of families working	22%	n/a	22%	25%	25%	22%	22%	23%

Data is collected via Emphasys Elite software, with periodic reports based on the tenant database.

HACP anticipated that this policy would result in increased rent roll and collections, increased participation in the FSS program, and increased number and percentage of families working.

The first three indicators were expected to increase immediately, however, due to recent economic conditions and the time needed for families to prepare for work, the number and percentage of families working was not expected to increase until the second or third year of policy implementation.

At this point of implementation, expected results are modest but are generally in line with expected outcomes. In 2014, HACP continued to see progress as a result of this initiative. Number and percentage of families working, both overall and among participants in the FSS program, increased and 39 participants graduated from the program. Average rents experienced no change from the increase in 2013. FSS participation did decrease due to increase in elderly disabled households, increased FSS graduation totals and tightened pre-qualification criteria and reduced availability of training programs. HACP remains committed to this policy and anticipates that the gradually increasing impact will continue. A preliminary report by the University of Pittsburgh, Graduate School of Public and International Affairs (GSPIA), Center for Metropolitan Studies, supports this outlook and is attached as an Appendix to this report

In order to more fully understand the impacts of this policy, HACP has also gathered the following data:

LIPH Rent Policy Impact Data	2010	2011	2012	2013	2014
Item	Number	Number	Number	Number	Number
Total non-disabled non-elderly families	1394	1309	1296	1261	1110
Number of families working (reporting wage income)	595	556	507	624	599
Percentage of non-disabled, non-elderly families working	43%	43%	39%	49.5%	43 %
Number of families impacted (non-elderly non-disabled and rent less than \$150)	828	797	789		598
Number exempt due to disability (disabled, rent <\$150)	206	210	130		141
Number exempt due to elderly (age 62+, rent <\$150)	72	69	46		62
Number enrolling in FSS	353	397	634	703	503

Standard HUD Metrics – LIPH FSS				
Unit of Measure	Baseline	Benchmark (2014 Goal)	Outcome 2013	Outcome 2014
SS#1: Increase in Household Income: Average earned income of households affected by this policy in dollars (increase)	\$6,458.	\$6,500.	TBD	\$7,699
SS#1, additional: Increase in Household Income: Average Gross Income of all households	\$11,268	\$11,500	\$11,452	\$11,704
SS#2: Increase in Household Savings: Average amount of savings/escrow of households affected by this policy in dollars (increase).	1,771.96	\$2,000	\$2,143.44	\$2,134.36
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed Number (all households)	620	650	624	599
SS#3: Increase in Positive Outcomes in Employment Status: Other: Employed percentage (all households)	21.72%	25%	22%	23%
SS#3 Increase in Positive Outcomes in Employment Status: Other: (3+4): Enrolled in Education or Training program number (of FSS participants)	88	200	50	22
SS#3 Increase in Positive Outcomes in Employment Status: Other: (3+4): Enrolled in Education or Training program percentage (of FSS participants)	14%	30%	7%	4%
SS#4: Households Removed from	637	600	513	376

Temporary Assistance for Needy Families (TANF): Number receiving TANF (all)				
SS#5: Households Assisted by Services that Increase Self-Sufficiency: Number of households receiving Self-sufficiency services (FSS enrollment)	634	650	707	503
SS#7: Increase in Agency Rental Revenue: PHA Rental Revenue in dollars (increase)	\$626,041	\$650,000	\$594,569	\$637,900.97
SS#8: Households Transitioned to Self-Sufficiency: Number of households transitioned to self-sufficiency (graduation)	7	10	10	34

This policy is authorized by section C. 11. of Attachment C, and Section C. 3 of Attachment D of the Moving To Work Agreement.

3. Revised recertification requirements policy.

Approved in 2008 for the Housing Choice Voucher Program and in 2009 for the Low Income Public Housing Program, recertification requirements are modified to require recertification at least once every two years rather than annually. Changes in income still must be reported, standard income disregards continue to apply, and HACP continues to utilize the EIV system in completing recertifications. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency.

HACP has calculated the average time to process a recertification, the number of recerts completed annually, and the resulting costs, and has compared this to the same total calculations subsequent to the change in policy to measure the impact.

Re-certification Policy for HCV	2009	2010	2011	2012	2013	2014
Number of Annual Recerts		2698	2455	3239	3131	2749
Number of interim Recerts		1889	1933	3113	2746	2318
Total Recerts (2009 Estimated)	5500	4596	4380	6352	5877	5067
Average cost per recert	\$53.63	\$53.63	\$53.63	\$53.63	\$53.63	53.63
Total estimated costs	\$294,965.00	\$246,483.48	\$234,899.40	\$340,657.76	\$315,183.51	\$271,743.21

Re-certification Policy for LIPH	2009	2010	2011	2012	2013	2014
Number of Annual Recerts	2826	2587	2383	1648	1216	1357
Number of interim Recerts	1070	1052	947	1760	1540	1138
Total Recerts	3896	3639	3330	3408	2756	2495

Average cost per recert	\$53.63	\$53.63	\$53.63	\$53.63	\$53.63	\$53.63
Total estimated costs	\$208,942.48	\$195,159.57	\$178,587.90	\$182,771.04	\$147,804.28	\$133,806.85

In 2014, HACP saw continuing benefits of this policy, especially in the low income public housing program, as total certifications and the time spent on this task declined in 2014. The HCV program experienced a significant decline in certifications and costs as well. In 2015, further refinement of the measurement metrics to take into account changes in program size and possible other factors impacting the results will be made to improve the effectiveness analysis of this initiative.

This initiative did provide positive outcomes in accommodating HACP's dominate population of elderly and disabled persons in both programs, whom often have homogeneous incomes from year to year. This policy alleviates some burden from the impediment of transportation and harsh climate in the City of Pittsburgh, particularly during the winter months when the elderly and disabled face additional burden when traveling.

HCV - HUD STANDARD METRICS – Cost Effectiveness- Estimates

Unit of measure	Baseline	2014 Benchmark	2013 Outcome	2014 outcome
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease)	\$294,965.00	\$246,698.00	\$315,183.51	\$271,743.21
CE#2: Staff Time Savings: Total Time To Complete the Task in staff hours (decrease)	11,000 hours	9,200 hours	11,754 hours	10,134 hours

Note: provided numbers do not account for fluctuations in program size.

LIPH - HUD STANDARD METRICS – Cost Effectiveness - Estimates

Unit of measure	Baseline	2014 Benchmark	2013 Outcome	2014 Outcome?
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease)	\$208,942.48	\$187,705	\$147,804.28	\$133,806.85
CE#2: Staff Time Savings: Total Time To Complete the Task in staff hours (decrease)	7,792 hours	7,000 hours	5,512 hours	4990 hours

Note: provided numbers do not account for fluctuations in program size.

Authorized by Section C. 4. of Attachment C (for public housing) and Section D.1. c. of Attachment C (for Housing Choice Voucher Program).

4. A. Operation of a combined Public Housing and Housing Choice Voucher Homeownership Program.

Initially approved in 2007, with additional components approved in 2010 and 2013. HACP operates a single Homeownership Program open to both Low Income Public Housing and Housing Choice Voucher Program households. This approach reduces administrative costs, expands housing choices for participating households, and provides incentives for families to pursue employment and self-sufficiency through the various benefits offered. By combining the programs, increased benefits are available to some families.

HACP data in 2009 indicated that there were over 800 families receiving Housing Choice Voucher assistance who had income high enough to be considered for homeownership. HACP tracks the number, and success rate, of Homeownership Program participants from the LIPH and HCV program. Further analysis of potentially eligible participants in the LIPH and HCV programs is conducted periodically, followed by appropriate outreach to potentially eligible families. The total number of homeownership sales and the number of participants in the program are also tracked to measure the impact of this initiative.

The tables below show Homeownership Program Statistics relevant to this Section IV. 4., and also to Section IV. 5. below.

Homeownership Program Statistics:

	LIPH or HCV	2012	Total 2012	2013	Total 2013
Closings / Purchase	LIPH	0	5	4	10
	HCV	5		4	
Sales Agreements	LIPH	3	11	5	8
	HCV	8		3	
Pre-Approval Letters	LIPH	3	7	4	9
	HCV	4		5	
Number of applicants	LIPH	12	99	35	138
	HCV	87		103	
Homeownership Education completed	LIPH	12	99	10	40
	HCV	87		30	
HACP funds for closing (total)	LIPH	\$0	\$6,720	\$15,124	\$38,209
	HCV	\$6,720		\$23,085	
Average HACP 2nd mortgage amount*	LIPH	0	\$7,000.00	12,400	\$69,400.00
	HCV	\$7,000.00		\$57,000.00	
Average Purchase price	LIPH	\$0	\$53,800	\$92,000	\$97,950
	HCV	\$53,800		\$101,917	
Amount of non-HACP assistance**	LIPH	\$0	\$14,741	\$94,800	\$256,760
	HCV	\$14,741		\$161,960	
Foreclosures	LIPH	0	0	0	0
	HCV	0		0	

Homeownership Statistics	2014 Total	LIPH 2014	HCV 2014
Closings / Purchase	4	3	1
Sales Agreements	5	3	2
Pre-Approval Letters	11	5	6
Number of applicants	80	27	53
Homeownership Education completed	100	70	30
HACP funds for closing (total)	\$14,909	\$8,000	\$4,740
Average HACP 2nd mortgage amount*	0	0	0
Average Purchase price	\$57,266	\$79000	\$70999.66
Amount of non-HACP assistance**	0	0	0
Foreclosures	0	0	0

Assistance from other sources was as follows:

	2010	2011	2012	2013
<u>Housing Choice Voucher Program Buyers:</u>				
Seller's assist	\$7,856.57	0	\$6,724.18	\$2,700.00
State	\$3,000.00	\$4,808.00	\$0.00	\$0.00
Dollar Bank 3-2-1	\$2,750.00	0	\$2,705.00	\$4,900.00
URA Soft-Second Mortgage	\$103,000.00	\$58,000.00	\$0.00	\$145,360.00
American Dream Grant	0	\$3,000.00	\$3,000.00	\$9,000.00
Bartko Foundation	0	\$4,095	\$0.00	\$0.00
Parkvale Savings Banks	0	\$20,000.00	\$0.00	\$0.00
East Liberty Development, Inc.	0	\$4,855.00	\$0.00	\$0.00
ACB Grant			\$2,312.00	\$0.00
Total	\$116,606.57	\$94,758.00	\$14,741.18	\$161,960.00
<u>Low Income Public Housing Buyers:</u>				
URA Soft-secont Mortgage	\$1,039.62	0	0	92,000.00
State	\$3,000.00	0	0	0
Dollar Bank 3-2-1	\$3,300.00	0	0	0
Habitat for Humanity	\$0	\$1,350.00	0	0
Total	\$10,339.62	\$1,350.00	0	92,000.00
Grant Total Other Assistance:	\$126,946.19	\$96,108.00	\$14,741.18	\$253,960.00

	2014
<u>Housing Choice Voucher Program Buyers:</u>	
Seller's assist	\$4,740.00
State	0
Dollar Bank 3-2-1	0
URA Soft-Second Mortgage	0
American Dream Grant	0
Bartko Foundation	0
Parkvale Savings Banks	0
East Liberty Development, Inc.	0
ACB Grant	0
Total	\$4,740.00
	0
<u>Low Income Public Housing Buyers:</u>	
URA Soft-secont Mortgage	0

State	0
Dollar Bank 3-2-1	0
Habitat for Humanity	0
Total	0
Grant Total Other Assistance:	0

Foreclosure Prevention: One family was foreclosed upon in 2011, the first in our program's history, with well over 120 families supported to become homeowners in the last 10 years. The family refused multiple offers of assistance and the resources of the foreclosure prevention component of HACP's homeownership program. No other foreclosures have occurred

Homeownership Soft-Second Mortgage Waiting List: This has not been established, as at no point have pre-approvals and closings combined approached our budgeted level.

HACP continued to see success with this program, with 4 families becoming homeowners in 2014. In addition, 80 new families continued to enroll in and complete the program, becoming prepared for future purchases

HACP experienced a decrease in home purchases in 2014 in line with overall mark trends. In recent years, Pittsburgh has experienced steady growth and demand for housing resulting in increased rental and purchase costs. Though many applicants were eager to enter home ownership, applicants were also wary of incurring substantial debt and opting not to buy in 2014.

HUD Standard Metrics - Cost Effectiveness - Homeownership			
Unit of Measurement	Baseline	2014 Benchmark	2014 Outcome
Number of recerts (reduced)	10/year	0	4
CE#1: Agency Cost Savings: Total cost of task in dollars (decrease) (recerts)	\$5,330.	0	\$6,650.12
CE#2: Staff Time Savings: Total time to complete the task in staff hours (decrease) recerts)	20	0	2,480
CE#4: Increase in Resources Leveraged: Amount of funds leveraged in dollars (increase)	0	\$35,000	\$4,740

HUD Standard Metrics - Housing Choice			
Unit of Measurement	Baseline	2014 Benchmark	2014 Outcome
HC#5: Number of households able to move to a better unit and/or neighborhood of opportunity	0	10	4
HC#6: Increase in Homeownership Opportunities: Number of households that purchased a home	0	10	4
HC#7: Households Assisted by Services that Increase Housing Choice: Number of households receiving services aimed at increasing housing choice	0	100	100

This activity is Authorized by Section B. 1. and D. 8 of Attachment C and Section B. 4. of Attachment D of the Moving To Work Agreement.

4. B. Homeownership Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention only; expand eligibility to persons on the LIPH and HCV program waiting list; establish a Homeownership Soft-second mortgage waiting list.

Initially approved in 2010, the following provisions of the HACP homeownership program are unchanged for 2014:

- i. Provide soft-second mortgage financing for home purchases to eligible participants, calculated as follows: eligible monthly rental assistance x 12 months x 10 years, but in no case shall exceed \$32,000. The second mortgage is forgiven on a pro-rated basis over a ten year period.
- ii. Expand Homeownership Program eligibility to include persons on HACP's LIPH and Section 8 HCV waiting lists who have received a letter of eligibility for those programs from the HACP.
- iii. Establish a Homeownership Waiting List to assist in determining the order of eligibility for second mortgage Homeownership benefits.

This program continues successfully, reducing costs for the HACP, providing incentives for families to become self-sufficient homeowners, and expanding housing choices for eligible families. Program enrollment is steady, and as in prior years, only 2 foreclosures have taken place. Please see the program statistics under Section 4. A., above, for statistics, HUD Standard Metrics, and additional information on the results of this initiative.

This activity is Authorized by Section B. 1. and D. 8 of Attachment C and Section B. 4. of Attachment D of the Moving To Work Agreement.

5. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.

Originally approved in 2001, HACP's operation of the Housing Choice Voucher Program allows flexibility in the permitted rent burden (affordability) for new tenancies. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. HACP continues to counsel families on the dangers of becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods.

While this is a long-standing HACP policy, HACP is continuing to pursue data sources in order to identify the percentage of families renting in non-impacted census tracts prior to the policy change to establish a baseline, and to compare this to the percentage of new leases approved in non-impacted census tracts. HACP will also assess the percentage of new leases utilizing the affordability exception. Initial data and calculation assessments determined additional work was needed to ensure accuracy, and this work is ongoing.

In 2014, 34 families took advantage of this option furthering their ability to move to a residence of their choice HACP expects more families to exercise this option in coming years as redevelopment continues throughout the City of Pittsburgh and market costs continue to steadily increase.

This activity is authorized in Section D. 2. C. of Attachment C and Section D. 1. b. of Attachment D of the Moving To Work agreement.

NOTE: Standard HUD Metrics were not utilized in the 2013 MTW Annual Plan. Therefore, the 2014 Benchmark is presented, and the 2013 outcome, where available.

HUD Standard Metrics – Housing Choice

Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	2014 Outcome
HC#1: Additional units made available: Number of new units made available to households at or below 80%AMI*	0	50	13	34
HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	50	13	34

* Note: Assumes the unit rented by a family at more than 40% of adjusted monthly income would not be affordable, and thus not available, to low income families.

6. Modified Payment Standard Approval.

Originally approved in 2004, HACP is authorized to establish Exception Payment Standards up to 120% of FMR without prior HUD approval. HACP has utilized this authority to establish Area Exception Payment Standards and to allow Exception Payment Standards as a Reasonable Accommodation for a person with disabilities. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD submission and approval is required) while expanding housing choices for participating families.

HACP does not currently have any Area Exception Payment Standards, having eliminated them in prior years due to budgetary constraints, but may re-establish such areas in future years.

HACP continues to allow an Exception Payment Standard of up to 120% of FMR as a reasonable accommodation for persons with disabilities and to increase housing choices for persons with disabilities.

In 2013, HACP received approval to establish an Exception Payment Standard for new or substantially renovated fully Accessible Units meeting the Requirements of the Uniform Federal Accessibility Standard (UFAS), up to 120% of FMR. This exception payment standard can be used by HACP in the Project Based Voucher Program or other rehabilitation or new construction initiatives to support the creation of additional UFAS accessible units.

This initiative will increase housing choices for low-income families who require the features of an accessible unit. Implementation of this initiative will increase the availability of affordable accessible units in desirable locations and environments, decreasing wait times and increasing the number of families who can reside in a unit that meets all of their accessibility needs. Most specifically, it will increase the number of fully accessible units (and families) supported by the Housing Choice Voucher (HCV) Program, and will increase the choices for low-income disabled families receiving assistance through the HCV program.

This authorization streamlines the process for approval of the exception payment standard to promote the creation of accessible units in the City of Pittsburgh. Based on the factors of Pittsburgh's topography and older housing stock, few fully accessible units exist outside of senior citizen high rise buildings. These factors also make conversion of existing units more difficult and costly, and make meeting the UFAS standards challenging even in new construction. Therefore, this exception payment standard provides an incentive for engagements of new construction and building renovations to include accessible units, and to cover the added costs associated with meeting those exacting standards.

In 2014, only a limited number of families took advantage of this initiative, but those disabled families that did so had more choices in their search for an affordable home. HACP constructed 17 UFAS units in Addison Redevelopment Phase I under this payment standard. Additional project based vouchers to projects expected to be completed in 2015 and 2016 are pending for Larimer Redevelopment and Phase II of Addison Redevelopment.

Modified Payment Standard - HUD Standard Metrics – Housing Choice

Measure	Baseline	2014 Benchmark	2014 Outcome
HC#1: Additional Units made available: Number of new units made available for households at or below 80% of AMI	0	4	6
HC#2: Units of Housing Preserved: Number of housing units preserved for households at or below 80% of AMI	0	0	0
HC#4: Displacement Prevention: Number of households at or below 80% AMI that would lose assistance or need to move	0	0	0
HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	5	6

HACP Measure:

Measure	A. Baseline	B. Benchmarks	Outcome
New Housing Units Available	0	2014 – 4 2015 – 8 2016 – 13 Total: 25	6

This activity is authorized under Section D. 2. a. of Attachment C of the Moving To Work Agreement.

7. Use of Block Grant Funding Authority via the *Step Up To Market Financing Program* for Development, Redevelopment, and Modernization

In 2012, HACP proposed and HUD approved the Use of Single Fund Flexibility to support development and redevelopment via the *Step Up To Market Financing Program*.

Throughout its Moving To Work Program, HACP has utilized the block grant funding flexibility of the Moving To Work Program to generate funds to leverage development and redevelopment activities. These development and redevelopment activities are a key strategy in pursuit of the goal of repositioning HACP's housing stock. This strategy increases effectiveness of federal expenditures by leveraging other funding sources and increases housing choices for low-income families by providing a wider range of types and quality of housing.

For example, in 2010 HACP utilized \$7,672,994 generated from Housing Choice Voucher Subsidies and Low Income Public Housing Subsidies to support redevelopment of Garfield Heights, specifically Garfield Heights Phase III. This helped produce 23 LIPH units, 9 Tax Credit affordable units, and spurred additional investments that created 9 affordable market rate units. This leveraged \$7,291,363 in Low Income Housing Tax Credit Equity and \$200,000 in additional investments in the LIPH and Tax Credit units. Closing for Garfield Phase III occurred in 2010, and construction and lease up was completed in 2011.

These investments increase housing choice by creating brand new public housing and low income tax credit units, and are the catalyst for the creation of affordable market rate units available to low-income families. These new units provide a style and quality of housing for low-income families that are not widely available in the Pittsburgh housing market.

This activity is authorized by Section B. of Attachment C of the Moving To Work Agreement, with additional specific authorizations in Attachment C, Section B (1) and D. (7) and Attachment D, Section B (1) and Section D(1).

Closing on Addison Phase I, including elements of the Step Up To Market financing program, occurred in late December, 2013. Section A below describes the overall authorities approved, Section B. below describes the specific authorities utilized in 2013 .

A. Description:

- HACP will expand its use of the Block grant authority authorized in the Moving To Work Agreement to leverage debt to fund public housing redevelopment and modernization. The goal is to address additional distressed properties in HACP's housing stock prior to the end of the current Moving To Work agreement. Specifically, HACP will identify properties for participation in the Step Up To Market Program and will utilize one or more strategies, subject to any required HUD approvals, including but not limited to, the following:
 - i. Project basing HACP units without competitive process
 - ii. Determining a percentage of units that may be project-based at a development up to 100% of units
 - iii. Project basing units at levels not to exceed 150% of the FMR as needed to ensure viability of identified redevelopment projects. Actual subsidy levels will be determined on a property-by-property basis, and will be subject to a rent reasonableness evaluation for the selected site, and a subsidy layering review by HUD. When units are HACP-owned, the rent reasonableness evaluation will be conducted by an independent third party.
 - iv. Extending Eligibility for project based units to families with incomes up to 80% of AML.
 - v. Establishing criteria for expending funds for physical improvements on PBV units that differ from the requirements currently mandated in the 1937 Act and implementing regulations. Any such alternate criteria will be included in

an MTW Plan or Amendment submission for approval prior to implementation.

- vi. Establishing income targeting goals for the project based voucher program, and/or for specific project based voucher developments, that have a goal of promoting a broad range of incomes in project based developments.
- vii. Other actions as determined to be necessary to fund development and/or modernization subject to any required HUD approvals. HACP will follow HUD protocol and submit mixed-finance development proposals to HUD's Office of Public Housing Investments for review and approval.

In 2014, HACP utilized elements of the Step Up To Market strategy for financing Phase I of redevelopment of Addison Terrace, and continued to pursue utilizing these elements for Hamilton-Larimer redevelopment activities. HACP and its partners have identified the following strategies that will leverage Low Income Housing Tax Credits and capital contributions by the HACP in order to complete the financing necessary for Addison Redevelopment Phase Two and Larimer Redevelopment Phase 1:

1. Project basing HACP units without competitive process (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. a., authorizing the HACP "to project-base Section 8 assistance at properties owned directly or indirectly by the agency that are not public housing, subject to HUD's requirement regarding subsidy layering.").
2. Determining a percentage of units that may be project based at a development, up to 100% of units. (As authorized under Attachment C. Section B. Part 1. b. vi. (authorizing the provision of HCV assistance or project-based assistance alone or in conjunction with other provide or public sources of assistance) and vii. (authorizing the use of MTW funds for the development of new units for people of low income); and Part 1. c. (authorizing these activities to be carried out by the Agency, of by an entity, agent, instrumentality of the agency or a partnership, grantee, contractor or other appropriate party or entity); Attachment C. Section D. 7. c. (authorizing the agency to adopt a reasonable policy for project basing Section 8 assistance) and Attachment D Section D. 1. c. (authorizing HACP to determine Property eligibility criteria)).
3. Extending Eligibility for project based units to families with incomes up to 80% of AMI. (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. (authorizing the agency to establish a project based voucher program) and Attachment D Section D. 1. a. (authorizing the agency to determine reasonable contract rents).
4. Acquiring units without prior HUD approval item needs to be added, with appropriate language, from MTW Plan amendment.

HACP submitted a full development proposal, including Rental Term Sheet, Pro Formas, Sources and Uses, schedules, and other detailed project information to HUD's Office of Public

Housing Investments or other HUD office as directed for approval as part of the mixed finance approval process as per HUD's protocol, and will ensure completion of a subsidy layering review. This process was completed and approved for Addison Phase I late in 2013. Pre-proposals were submitted for Larimer/East Liberty Phase I in 2014.

B. Relationship to Statutory Objectives

- This policy will expand housing choices for low and moderate income families by fostering the redevelopment of obsolete housing and replacing it with quality affordable housing including low income public housing units, and low income housing tax credit units; it will also provide expanded unit style options offering townhouses, as well as apartments where currently only walk-up apartments are available.
- This policy has the potential to improve the efficiency of federal expenditures by stabilizing the long term costs of operating and maintaining low-income housing properties, and leveraging other capital resources (low-income housing tax credits and private market debt, foundation grants, local government matching funds, etc.)

C. Anticipated Impacts

- This policy is expected to allow the redevelopment of obsolete properties to continue at a reasonable pace, resulting in improved living conditions and quality of life for residents, reduced costs for the HACP, increases in leveraged resources, improvement and investment in surrounding neighborhoods, reduced crime at redeveloped properties, increased housing choices for assisted families.

In 2013, HACP submitted a full development proposal to HUD for Phase I of the Addison Terrace redevelopment, as per standard protocols, utilizing several elements authorized by this initiative. Late in 2013 this was approved, utilizing several aspects of the Financing Program. Construction was completed on 118 of 168 units in 2014, and initial lease ups began.

In 2014 low-income housing tax credit applications were submitted for Addison Phase II and III. HACP completed requests for proposals for PBV units for both phases of Addison Redevelopment and Phase I of Larimer/East Liberty through noncompetitive saving over \$9,000. Also in 2014, HACP engaged a developer to begin Master Planning services for the redevelopment of Allegheny Dwellings, which is expected to utilize elements of the Step Up To Market Financing Program.

HUD Standard Metrics – Cost Effectiveness

Unit of Measurement	Baseline	2014 Benchmark	2014 Outcome
CE#1: Agency Cost Savings: Total Cost of Task in dollars	\$3,118 per RFP	0	\$9,354
CE#2: Staff Time Savings: Total time to complete task in staff hours	91.5 Hours	0	274.5 Hours
CE#4: Increase in Resources Leveraged: Amount of funds leveraged in dollars	0	\$9,000,000	0

*Addison Phase I closed in 2013 accounting for \$19,000,000 in leveraged funds. Tax credit equity of 9,000,000 leveraged from Addison Phase II in 2014 will be awarded in 2015.

HUD Standard Metrics - Housing Choice

Unit of Measurement	Baseline	2014 Benchmark	2013 Outcome	2014 Outcome
HC#1: Additional Units of Housing Made Available: Number of new units made available to households at or below 80% AMI	0	164	0	118
HC#5: Increase in Resident Mobility: Number of households able to move to a better unit and/or neighborhood of opportunity	0	164	0	118
HC#6: Increase in Homeownership Opportunities: Number of households that purchased a home	0	0	0	4

NOTE #1: Benchmarks listed above are for Addison Phase 1. Baselines and benchmarks are not yet established for Larimer Redevelopment, pending additional pre-development work and identification of additional funding sources.

NOTE #2: Achievement of these benchmarks for Addison Phase 1 is not anticipated until 2015, as closing took place late in 2013 and the construction period is projected at more than 12 months.

This activity is authorized by the Moving To Work Agreement, Attachment C. Section B. 1 and Section D. 7., and Attachment D. Section B. 1. and Section D. 1. ;

B. Not Yet Implemented Activities

HACP does not currently have any approved but not yet implemented activities.

C. On-Hold Activities

HACP activities that could be considered as ‘on hold’ are actually subsets of implemented activities. They are as follows:

1. Exception Payment Standard Areas. Originally approved in 2004 as part of a larger approval on Exception payment standards, HACP suspended its Exception Payment Standard Area in 2007 in order to reduce costs and streamline administration. Depending on future funding, and changes to the local market, HACP may develop new exception payment standard areas to increase housing choices for voucher families. HACP does not currently have a plan or timeline for re-implementation due to uncertainties in near and long-term future funding.

D. Closed Out Activities

Since entering the Moving To Work Program in 2000, HACP has also instituted a number of Moving To Work initiatives that in 2014 no longer require specific Moving To Work Authority. Some of those initiatives are:

1. Establishment of Site Based Waiting Lists. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
3. Modified Rent Reasonableness Process. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
4. Transition to Site Based Management and Asset Management, including Site Based Budgeting and Accounting. Closed out prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.

Other Activities

Several activities that utilized Moving To Work Authority, but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

- Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.
 - Originally approved with the initial Moving To Work Program and expanded to include homeownership and resident service programs in subsequent years, HACP continues to use Moving To Work block grant funding to support its Moving To Work Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan, particularly Section V. on Sources and Uses of funds.

- Energy Performance Contracting
 - Under HACP's Moving To Work Agreement, HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. HACP will continue its current EPC, executed in 2008, to reduce costs and improve efficient use of federal funds.
 - HACP's current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in 2010, with final payments made in 2011. Monitoring and Verification work began in 2011, with the first full Monitoring and Verification report completed for the 2012 year. HACP's objectives include realizing substantial energy cost savings. HACP reports on the EPC in the MTW Annual Report.
- Establishment of a Local Asset Management Program.
 - In 2004, prior to HUD's adoption of a site based asset management approach to public housing operation and management, HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. During HACP's implementation, HUD adopted similar policies and requirements for all Housing Authorities. Specific elements of HACP's Local Asset Management Program were approved in 2010, as described in the Appendix, Local Asset Management Program. HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

Annual MTW Report											
V.3.Report.Sources and Uses of MTW Funds											
A. MTW Report: Sources and Uses of MTW Funds											
Actual Sources and Uses of MTW Funding for the Fiscal Year											
PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System - PHA (FASPHA), or its successor system											
Describe the Activities that Used Only MTW Single Fund Flexibility											
<p>HACP had budgeted to utilize its single fund flexibility to direct funding from the HCVP and Low Income Public Housing programs to support the authority's Moving to Work initiatives and other activities. This included budgeting \$54,038,237 towards development, \$4,000,000 for security and protective services and \$2,307,611 for resident services. During 2014 the Authority used \$13,342,000 from MtW Section 8 and \$34,466,740 from Public Housing to fund development deals at Addison and Allegheny Dwellings. Furthermore, \$956,524 of Public Housing money was used to fund various moderization projects. Lastly, \$3,129,063 was spent on security and protective services and \$1,843,981 on resident services.</p>											

V.4.Report.Local Asset Management Plan

B. MTW Report: Local Asset Management Plan

Has the PHA allocated costs within statute during the plan year?

Yes

☐

Has the PHA implemented a local asset management plan (LAMP)?

Yes

or

☐

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

Has the PHA provided a LAMP in the appendix?

Yes

or

☐

V.5.Report.Unspent MTW Funds

C. MTW Report: Commitment of Unspent Funds

In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.

Account	Planned Expenditure	Obligated Funds	Committed Funds
1499	Addison Phase II Development	\$3,946,046	\$3,946,046
1460	Northview Renovations	\$1,346,176	\$3,004,454
1450	Northview Concrete	\$0	\$957,750
1460	Caliguri Plaza Window Replacements	\$0	\$3,621,500
1460	Glen Hazel Family Renovations	\$1,900,000	\$2,453,000
1460	Bedford Rehabilitation	\$0	\$1,400,000
1460	Pressley Fire Alarm Renovations	\$0	\$636,000
1460	Allegheny Dwellings Renovations	\$0	\$540,260
1460	Homewood Window Replacements	\$0	\$852,000
1460	Gualtieri Manor Renovations	\$0	\$75,000
1460	Scattered Sites Comprehensive Modernization	\$0	\$400,000
1460	Murray Towers Comprehensive Modernization	\$0	\$3,500,000
1460	Various Equipment	\$0	\$64,527
Total Obligated or Committed Funds:		\$3,246,176	\$17,504,491

Note: Written notice of a definition of MTW reserves will be forthcoming. Until HUD issues a methodology for defining reserves, including a definition of obligations and commitments, MTW agencies are not required to complete this section.

Section VI. Administrative

A. Description of any HUD reviews, audits, or physical inspection issues that require action to address the issue.

- HACP takes appropriate action on any REAC identified Physical Condition issues.
- HACP incurred one (1) Office of Inspector General audit finding in 2014 requiring action by HACP. Final requirements of the audit will be completed in April of 2015.
- HACP has one (1) ongoing Office of Inspector General audit from 2014 pending final decision.

B. Results of PHA-directed evaluations of the demonstration.

- Please see Appendices IV for HACP directed third-party evaluations of HACP MTW Modified Rent Policy.

C. Certification that HACP has met the statutory requirements of the MTW Demonstration.

HACP hereby certifies that it has met the Statutory Requirements of 1) assuring that at least 75% of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served absent the demonstration; and 3) maintaining a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.

Appendix I

Section VII. Sources and Uses of Funding

A. B. C. Planned Sources and Uses of Funds (MTW, Non-MTW, State and Local)

Please see the charts at the end of this Chapter, which show sources and uses of MTW and non-MTW funds.

D. Deviations in Cost Allocation and Fee For Service Approach - Approach to Asset Management

In implementing its Moving To Work Initiatives, HACP's Local Asset Management Approach includes some deviations in cost allocation and fee for service approaches, as well as other variations to HUD asset management regulations. Because these all relate to accounting and sources and uses of funds, the information on HACP's Local Asset Management Program and Site Based Budgeting and Accounting is included in this section.

Approach to Asset Management

HACP followed HUD's guidelines and asset management requirements including AMP-based financial statements. HACP retained the HUD chart of accounts and the HUD crosswalk to the FDS. Under the local asset management program, HACP retained full authority to move its MTW funds and project cash flow among projects without limitation. The MTW single fund flexibility, after payment of all program expenses, was utilized to direct funds to the HACP development program, wherein HACP is worked to redevelop its aging housing stock.

HACP's plan is consistent with HUD's ongoing implementation of project based budgeting and financial management, and project-based management. Operations of HACP sites were coordinated and overseen by Property Managers on a daily basis, who oversaw the following management and maintenance tasks: maintenance work order completion, rent collection, leasing, community and resident relations, security, unit turnover, capital improvements planning, and other activities to efficiently operate the site. HACP Property Managers received support in conducting these activities from the Central Office departments, including operations, human resources, modernization, Resident Self-Sufficiency, Finance, and others.

HACP Property Managers developed and monitored property budgets with support from the HACP Finance staff. Budget training was held to support the budget development process. HACP continues to develop and utilize project-based budgets for all of its asset management projects (AMPs). Property managers have the ability to produce monthly income and expense statements and use these as tools to efficiently manage their properties. All direct costs were directly charged to the maximum extent possible to the AMPs.

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HACP utilized a fee for Service and frontline methodology as outlined in 24 CFR 990 and in the HACP Operating Fund Rule binder, which describes the methodology used for allocating its expenses.

New Initiatives and Deviations from General Part 990 Requirements

During FY2014 the authority undertook the following initiatives to improve the effectiveness and efficiency of the Authority:

- ❖ HACP maintained the spirit of the HUD site based asset management model. It retained the COCC and site based income and expenses in accordance with HUD guidelines, but eliminated inefficient accounting and/or reporting aspects that yielded little or no value from the staff time spent or the information produced.
- ❖ HACP established and maintained an MTW cost center that held all excess MTW funds not allocated to the sites or to the voucher program. This cost center and all activity therein was reported under the newly created Catalog of Federal Domestic Assistance number for the MTW cost center. This cost center also held some of the large balance sheet accounts of the authority as a whole. Most notably most of the banking and investment accounts were maintained within the MTW cost center.
- ❖ The MTW cost center essentially represented a mini HUD. All subsidy dollars were initially received and resided in the MTW cost center. Funding was allocated annually to sites based upon their budgetary needs as represented and approved in their annual budget request. Sites were monitored both as to their performance against the budgets and the corresponding budget matrix. They were also monitored based upon the required PUM subsidy required to operate the property. HACP maintained a budgeting and accounting system that gave each property sufficient funds to support annual operations, including all COCC fee and frontline charges. Actual revenues included those provided by HUD and allocated by HACP based on annual property-based budgets. As envisioned, all block grants were deposited into a single general ledger fund.
- ❖ Site balance sheet accounts were limited to site specific activity, such as fixed assets, tenant receivables, tenant security deposits, unrestricted net asset equity, which were generated by operating surpluses, and any resulting due to/due from balances. Some balance sheet items still reside in the MTW fund accounts, and include such things as workers compensation accrual, investments, A/P accruals, payroll accruals, payroll tax accruals, employee benefit accruals, Family Self-sufficiency escrow balances, etc. The goal of this approach was to minimize extraneous accounting, and reduce unnecessary administrative burden of performing monthly allocation entries for each, while maintaining fiscal integrity.
- ❖ All cash and investments remain in the MTW cost center during the year. Sites had a due to/due from relationship with the MTW cost center that represented cash until the authority performed its year-end accounting entries and allocated to each site a share of the cash and investments. This is a one-time entry each year for Financial Data Schedule presentation purposes and is immediately reversed on the first day of the next calendar year. This saves

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the authority the time and effort of breaking out the cash and investments monthly on the General Ledger.

- ❖ All frontline charges and fees to the central office cost center were reflected on the property reports, as required. The MTW ledger did not pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments, were transferred from the MTW ledger or the projects to the COCC.
- ❖ The Energy Performance Contract accounting was broken out to the sites. This included all assets, liabilities, debt service costs, and cost savings.
- ❖ No inventory exists on the books at the sites. A just in time system has been implemented. This new inventory system has been operational and more efficient, both in time and expense.
- ❖ Central Operations staff, many of whom performed direct frontline services such as home ownership, self-sufficiency, and/or relocation, were frontlined appropriately to the low income public housing and/or Section 8 Housing Choice Voucher programs, as these costs are 100 percent low rent and/or Section 8.
- ❖ Actual Section 8 amounts needed for housing assistance payments and administrative costs were allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings were not commingled with Section 8 operations, enhancing the budget transparency. Section 8 program managers have become more responsible for their budgets in the same manner as public housing site managers.
- ❖ Information Technology costs were directly charged to the programs benefiting from them, e.g. the LIPH module cost was directly charged to AMPs; all indirect MIS costs were charged to all cost centers based on a "per workstation" charge rather than a Fee for Service basis. This allowed for equitable allocation of the expense while saving time and effort on allocating out each invoice at the time of payment.
- ❖ MTW initiative funded work, such as contributions to the HACP development program, also funded a 10 percent administration budget. This is done in order to adequately and commensurately fund the administrative work to support the MTW initiatives. The authority used MTW initiative flexibility to fund various modernization projects during FY 2014. For each modernization invoice a 10 percent fee was paid to the COCC.

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Flexible use of Phase in of Management Fees –

As a component of its local asset management plan, the Housing Authority of the City of Pittsburgh elected to make use of phase-in management fees for 2010 and beyond. The HUD prescribed management fees for the HACP are \$57.17 PUM. HACP proposed and received approval on the following phase-in schedule and approach:

Schedule of Phased-in Management Fees for HACP –

2008 (Initial Year of Project Based Accounting)	\$91.94
2009 (Year 2)	\$84.99
2010 (Year 3)	\$78.03
2011 (Year 4 and beyond)	\$78.03

The above numbers reflect 2011 dollars.

HACP has diligently worked to reduce its staffing and expenditure levels and reduce unnecessary COCC costs; it continues to do so, in an effort to cut costs further, in order to comply with the COCC cost provisions of the operating fund rule. It is also working to increase its management fee revenues in the COCC, through aggressive, and we believe, achievable, development and lease up efforts in both the public housing and leased housing programs. The 2014 budget shows a COCC surplus; this is benefiting from \$127,998 in allowed phase in management fees. As such, HACP is continuing to lock in at current levels the phase in fees as approved in the 2014 Annual Plan. HACP, as indicated above, has made dramatic cuts to its COCC staffing, in virtually every department. It has reduced staff, reduced contractors, cut administration, and made substantial budget cuts to move toward compliance with the fee revenue requirements. Nevertheless, we are not yet able to meet the PUM fee revenue target until we grow our portfolio size. Fortunately, a major component of the HACP strategic plan is to grow its public housing occupancy, both through mixed finance development and management, as well as in house management, so as to better serve our low income community and to recapture some of the fees lost to demolition. This requires central office staff, talent and expense. To make this plan work, i.e. to assist in the redevelopment of the public housing portfolio, we will need the continued benefit of the locked in level of phase in management fees.

As further support for this fee lock, we should note that HACP has historically had above normal central office costs driven by an exceedingly high degree of unionization. HACP has over a half dozen different collective bargaining units; this has driven up costs in all COCC departments, especially in Human Resources and Legal. In addition, HACP is governed by City laws that require City residency for all its employees. This has driven up the cost to attract and retain qualified people throughout the agency. This is especially the case in the high cost COCC areas, where HACP has had to pay more to attract the necessary talent to perform these critical functions.

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The phase in fee flexibility, coupled with HACP's planned growth in public housing occupancy and increases in voucher utilization, will enable HACP's COCC to become sustainable in the long term and fully compliant with the operating fund rule. It should also be noted that this fee flexibility will come from HACP's MTW funds, and will require no additional HUD funding. This flexibility is the essence of the MTW program, and will go a long way towards enabling HACP to successfully undertake and complete its aggressive portfolio restructuring efforts.

E. Use of Single Fund Flexibility

The Authority had budgeted to utilize its single fund flexibility to direct funding from the HCVP and Low Income Public Housing Programs to support the its Moving To Work Initiatives and other activities. This included budgeting of \$54,038,237 towards development program, \$4,000,000 towards HACP security and protective services and \$2,307,611 towards resident services. During 2014 the Authority used \$13,342,000 from MtW Section 8 and \$34,466,740 from Public Housing to fund development deals at Addison and Allegheny Dwellings. Furthermore, \$956,524 of Public Housing money was used to fund various modernization projects. Lastly, \$3,129,063 was spent on security and protective services and \$1,843,981 on resident services.

Table A-1 – Unit Sizes of Households Served, Jan. 1, 2001 - Jan. 1 2015**Public Housing**

	Eff/1 Bedroom			2 Bedroom			3 Bedroom			4 Bedroom			5+ Bedrooms			Total		
	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15
Family	803	818	778	967	964	831	838	856	796	184	190	190	31	31	28	2823	2859	2623
Elderly	842	838	829	243	249	229	82	92	92	15	16	15	0	2	2	1182	1197	1167
Total	1645	1656	1607	1210	1213	1060	920	948	888	199	206	205	31	33	30	4005	4056	3790

HCV (Section 8)

	Eff/1 Bedroom			2 Bedroom			3 Bedroom			4 Bedroom			5+ Bedrooms			Total		
	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15
Family	1306	1181	1117	1643	1583	1572	1199	1284	1288	236	248	239	47	49	51	4431	4345	4267
Elderly	494	510	528	165	158	163	45	41	44	6	5	6	1	1	1	711	715	742
Total	1800	1691	1645	1808	1741	1735	1244	1325	1332	242	253	245	48	50	52	5142	5060	5009**

Total Public Housing and HCV (Section 8)

	Eff/1 Bedroom			2 Bedroom			3 Bedroom			4 Bedroom			5+ Bedrooms			Total		
	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15	1/13	1/14	1/15
Family	2109	1999	1895	2610	2547	2403	2037	2140	2084	420	438	429	78	80	79	7254	7204	6890
Elderly	1336	1348	1357	408	407	392	127	133	136	21	21	21	1	3	3	1893	1912	1909
Total	3445	3347	3252	3018	2954	2795	2164	2273	2220	441	459	450	79	83	82	9147	9116	8799**

HACP - LIPH and Section 8 Occupancy 01/01/01 to 01/01/14

	1/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006	1/1/2007	1/1/2008	1/1/2009	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015
LIPH Family	3813	3489	3612	3573	3437	3280	3135	3017	2919	2879	2934	2766	2823	2859	2623
LIPH Elderly	1433	1355	1313	1248	1219	1218	1269	1211	1195	1132	1100	1205	1182	1197	1167
HCV Family	3440	3891	3973	4496	4786	6076	5649	4954	4651	4463	4538	4739	4431	4345	4267
HCV Elderly	459	472	555	581	560	592	588	609	596	600	672	691	711	715	742
Totals	9145	9207	9453	9898	10002	11166	10641	9791	9361	9092	9244	9401	9147	9116*	8799**

Source: HACP MIS archived rent roll profile of 1/1/01, 1/1/02, 1/1/03, 1/1/04, 1/1/05, 1/1/06, 1/1/07, 1/1/08, 1/1/09, 1/1/10, 1/1/11, 1/1/12, 1/1/13, 1/1/14, 1/1/15

* 187 HCV Port - Outs Are Not Included Within These Totals Due to Unavailable Bedroom Sizes

** 289 HCV Port - Outs Are Not Included Within These Totals Due to Unavailable Bedroom Sizes.

Table A -2 – Income of Households Served, Jan. 1, 2001 - Jan. 1, 2013 - Jan. 1, 2014 - Jan. 1, 2015

Public Housing

	Under 30% AMI			30% to 50% AMI			51% to 80% AMI			81% or Greater			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	3016	3022	2858	670	701	621	228	257	239	91	76	72	4005	4056	3790
Percent	75%	75%	75%	17%	17%	16%	6%	6%	6%	2%	2%	2%	100%	100%	100%

HCV (Section 8)

	Under 30% AMI			30% to 50% AMI			51% to 80% AMI			81% or Greater			Totals		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	3942	3895	4344	1052	986	813	138	173	139	10	6	2	5142	5060	5298
Percent	77%	77%	82%	20%	19%	15%	3%	3%	3%	0%	0%	0%	100%	100%	100%

Total Public Housing and HCV (Section 8)

	Under 30% AMI			30% to 50% AMI			51% to 80% AMI			81% or Greater			Totals		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	6958	6917	7202	1722	1687	1434	366	430	378	101	82	74	9147	9116	9088
Percent	76%	76%	79%	19%	19%	16%	4%	5%	4%	1%	0%	0%	100%	100%	100%

Source: HACP MIS archived rent roll profile of 1/1/01, 1/1/13, 1/1/14, 1/1/15

Table A-3 – Pittsburgh Area (Allegheny County) Median Family Income Levels by Family Size - 2015

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30% of Median	\$14,600	\$16,700	\$20,090	\$24,250	\$28,410	\$32,570
50% of Median	\$24,350	\$27,800	\$31,300	\$34,750	\$37,550	\$40,350
80% of Median	\$38,950	\$44,500	\$50,050	\$55,600	\$60,050	\$64,500
HUD Metro FMR Area: Median Income \$69,700						

Table A-4– Race / Ethnicity of Households Served, Jan. 1, 2001 - Jan. 1, 2012 - Jan. 1, 2013 - Jan. 1, 2014**Public Housing**

	Black			White			Hispanic			Asian			Other			Total	
	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14
Family	3636	2609	2394	165	234	190	2	32	30	2	7	5	8	7	4	3813	2889
Elderly	1008	974	990	399	172	159	22	17	15	1	3	2	3	1	1	1433	1167
Total	4644	3583	3384	564	406	349	24	49	45	3	10	7	11	8	5	5246	4056

HCV (Section 8)

	Black			White			Hispanic			Asian			Other			Total	
	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14
Family	2336	3545	3706	800	734	771	7	38	40	3	14	14	294	14	12	3440	4345
Elderly	183	462	502	265	239	236	2	5	7	1	7	6	8	2	4	459	715
Total	2519	4007	4208	1065	973	1007	9	43	47	4	21	20	302	16	16	3899	5060

Total Public Housing and HCV (Section 8)

	Black			White			Hispanic			Asian			Other			Total	
	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14	1/1/15	1/1/01	1/1/14
Family	5972	6154	6100	965	968	961	9	70	70	5	21	19	302	21	16	7253	7234
Elderly	1191	1436	1492	664	411	395	24	22	22	2	10	8	11	3	5	1892	1882
Total	7163	7590	7592	1629	1379	1356	33	92	92	7	31	27	313	24	21	9145	9116

Source: HACP MIS archived rent roll profile of 1/1/01, 1/1/14, 1/1/15

1/1/15
2623
1167
3790

1/1/15
4543
755
5298

1/1/15
7166
1922
9088

Table A-5 – Unit Sizes Of Households Containing Disabled Residents – January 1, 2013 - January 1, 2014 - January 1, 2015**Public Housing**

	Eff / 1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			5+ Bedrooms			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Family	570	603	588	250	249	223	206	221	215	44	47	51	10	6	6	1080	1126	1083
Elderly	507	635	515	166	94	158	52	18	59	8	6	9	0	0	1	733	753	742
Total	1077	1238	1103	416	343	381	258	239	274	52	53	60	10	6	7	1813	1879	1825

HCV (Section 8)

	Eff / 1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			5+ Bedrooms			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Family	836	813	773	454	477	462	251	248	247	61	59	56	12	6	6	1614	1603	1544
Elderly	378	398	414	139	135	138	36	34	33	6	3	5	1	1	1	560	571	591
Total	1214	1211	1187	593	612	600	287	282	280	67	62	61	13	7	7	2174	2174	2135*

Total Public Housing and HCV (Section 8)

	Eff / 1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			5+ Bedrooms			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Family	1406	1416	1361	704	726	685	457	469	462	105	106	107	22	12	12	2694	2729	2627
Elderly	885	1033	929	305	229	296	88	52	92	14	9	14	1	1	2	1293	1324	1333
Total	2291	2449	2290	1009	955	981	545	521	554	119	115	121	23	13	14	3987	4053	3960

Source: HACP MIS rent roll profile of 01/1/12, 01/01/14, 01/01/15

The HACP uses the definitions of disabilities used by the Social Security Administration. All households counted in Table A-5 are public housing or HCV (Section 8) households in which the leaseholder has a verified SSI disability lowering rent payments. Members of the family with disabilities who are not the designated head of household are not included.

* Port-Outs Do Not Contain Bedroom Size

Table A-6– Race / Ethnicity of Disabled Households Served - Jan. 1, 2013, Jan. 1, 2014, Jan. 1, 2015**Public Housing Disabled Households**

	Black			White			Hispanic			Asian			Other			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Elderly	614	633	625	105	101	101	10	14	13	3	3	2	1	2	1	733	753	742
Family	906	938	925	159	170	143	13	15	12	0	1	2	2	2	1	1080	1126	1083
Total	1520	1571	1550	264	271	244	23	29	25	3	4	4	3	4	2	1813	1879	1825

HCV (Section 8) Disabled Households

	Black			White			Hispanic			Asian			Other			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Elderly	356	367	397	198	193	192	4	4	5	2	5	3	2	2	4	562	571	601
Family	1135	1148	1166	441	422	431	14	11	11	8	7	6	14	15	7	1612	1603	1621
Total	1491	1515	1563	639	615	623	18	15	16	10	12	9	16	17	11	2174	2174	2222

Total Race / Ethnicity of Disabled Households Served - Jan. 1, 2006

	Black			White			Hispanic			Asian			Other			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Elderly	970	1000	1022	303	294	293	14	18	18	5	8	5	3	4	5	1295	1324	1343
Family	2041	2086	2091	600	592	574	27	26	23	8	8	8	16	17	8	2692	2729	2704
Total	3011	3086	3113	903	886	867	41	44	41	13	16	13	19	21	13	3987	4053	4047

Source: HACP MIS archived rent roll profile of 1/1/13, 1/1/14, 1/1/15

Note: A Disabled Household is a public housing or HCV (Section 8) household in which the leaseholder has a verified SSI disability lowering rent payments.
 Disabled members of the family who are not the designated head of household are not included.

Table A-7– Income of Disabled Households Served – Jan. 1, 2013 - Jan. 1, 2014 - Jan. 1, 2015**Public Housing Disabled Households**

	Under 30% AMI			30% to 50% AMI			51% to 80%			81% or Greater			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	1485	1510	1512	253	283	240	62	75	69	13	11	4	1813	1879	1825
Percent	82%	80%	83%	14%	15%	13%	3%	4%	4%	1%	1%	0%	100%	100%	100%

HCV (Section 8) Disabled Households

	Under 30% AMI			30% to 50% AMI			51% to 80%			81% or Greater			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	1814	1801	1926	339	340	268	20	29	18	1	4	10	2174	2174	2222
Percent	83%	83%	87%	16%	16%	12%	1%	1%	1%	0%	0%	0%	100%	100%	100%

Total Income (Public Housing and Section 8) of Disabled Households Served - Jan. 1, 2013 - Jan. 1, 2014 - Jan. 1, 2015

	Under 30% AMI			30% to 50% AMI			51% to 80%			81% or Greater			Total		
	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15	1/1/13	1/1/14	1/1/15
Number	3299	3311	3438	592	623	508	82	104	87	14	15	14	3987	4053	4047
Percent	83%	82%	85%	15%	15%	13%	2%	3%	2%	0%	0%	0%	100%	100%	100%

Note: A Disabled Household is a public housing or HCV (Section 8) household in which the leaseholder has a verified SSI disability lowering rent payments. Disabled members of the family who are not the designated head of household are not included.

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Focus group sessions were held among Housing Authority of the City of Pittsburgh (HACP) residents in order to get a clearer, more in-depth understanding of residents' knowledge of and experience with the Family Self-Sufficiency (FSS) program. Four focus groups (LIPH FSS participants, Section 8 FSS participants, LIPH Non-Participants, Section 8 Non-Participants) were held with a total of 36 residents responding to semi-structured interview questions. Key lines of questioning concerned their knowledge of the FSS program, incentives for and barriers that limit using the program, the effectiveness of the Modified Rent policy, and their perceptions and understanding of homeownership. Recordings of the focus groups were then transcribed and coded independently by three researchers.

Qualitative Methods

The information presented below was collected using focus groups. Focus groups are a qualitative data collection method that allows researchers to develop an in-depth understanding of programs and policies grounded in participants' understandings and experiences. Data is generated by recording focus group discussions via note taking and transcription of recorded conversations. Transcribed data is then divided into thought segments related to each question, coded independently, and differences in coding negotiated to consensus to assure consistency of coding. The resulting data is not meant to be generalizable to other FSS programs and is presented in a narrative form using direct quotes and the number of times a theme was encountered as supporting evidence.

Family Self-Sufficiency in Focus: Analysis and Recommendations from HACP Resident Focus Groups

Four focus group sessions were conducted in June of 2014: June 11 (Non-FSS LIPH – 4 participants), June 12 (FSS LIPH – 6 participants), June 17 (Non-FSS Section 8 – 6 participants), and June 18 (FSS Section 8 – 20 participants split into two groups of 10). Each focus group participant was given \$25 at the conclusion of the hour long discussions. Facilitated discussion questions were asked of each group to garner information about their knowledge of the FSS program and the Modified Rent policy, their understanding of escrow programs, and to gain information on related concerns (See Appendix 1 – Focus Group Questionnaire). A lead facilitator presented the questions, kept track of comments on a flip board, and organized the discussion while two assistant facilitators took notes and added follow-up questions to further explore group member comments. Recordings of the focus groups were transcribed by the University of Pittsburgh’s University Center for Social and Urban Research. Those transcriptions were then separated into 387 separate thought segments and coded by three independent researchers with differences negotiated to consensus. The resulting narrative is presented below.

Knowledge of the FSS Program

Basic knowledge of the FSS program, how it works, and what it offers is crucial for the program to be successful. Residents need to be recruited for participation and subsequently understand the program enough to take advantage of its offerings. For this reason, focus groups were asked how they heard about the FSS program, why they chose to participate or not, what aspects of the program are most valuable to them, and to explain their understanding of the modified rent policy.

FSS Participants

A total of 21 useable thought segments from the two focus groups of FSS participants were related to how they found out about the program (See Figure 1). Those who were aware of the program learned of it through HACP staff, advertisements (flyers or mailings), or were referred through other social service providers. Five FSS participants were not aware of the program’s existence or unclear about their

enrollment in it. Two group members noted complaints or concerns with the information they received, with one noting that staff did not follow-up with enrollment information and another saying she was incorrectly told she was not eligible for the FSS program.

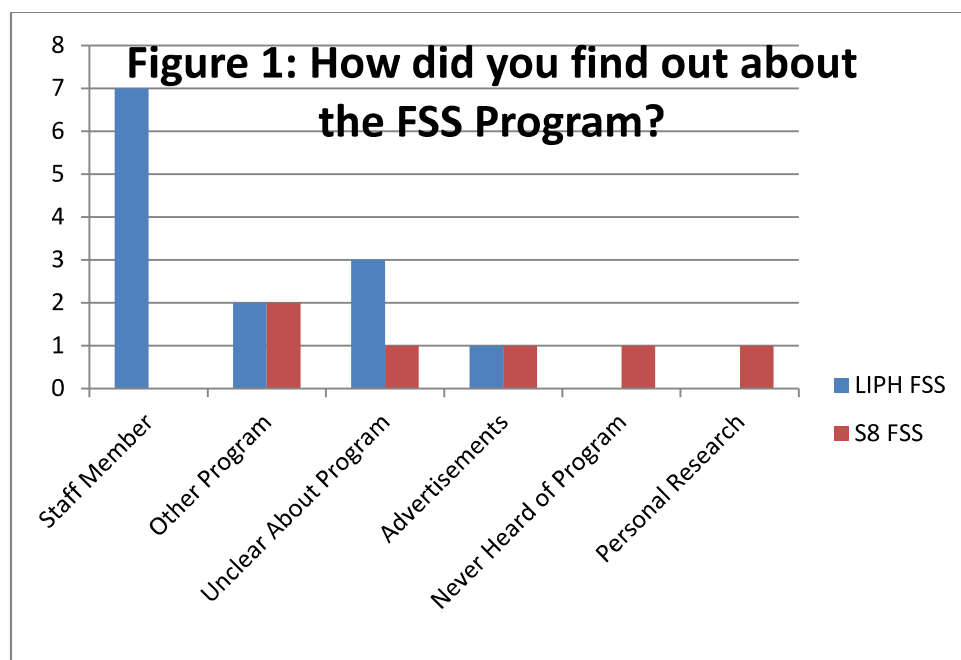


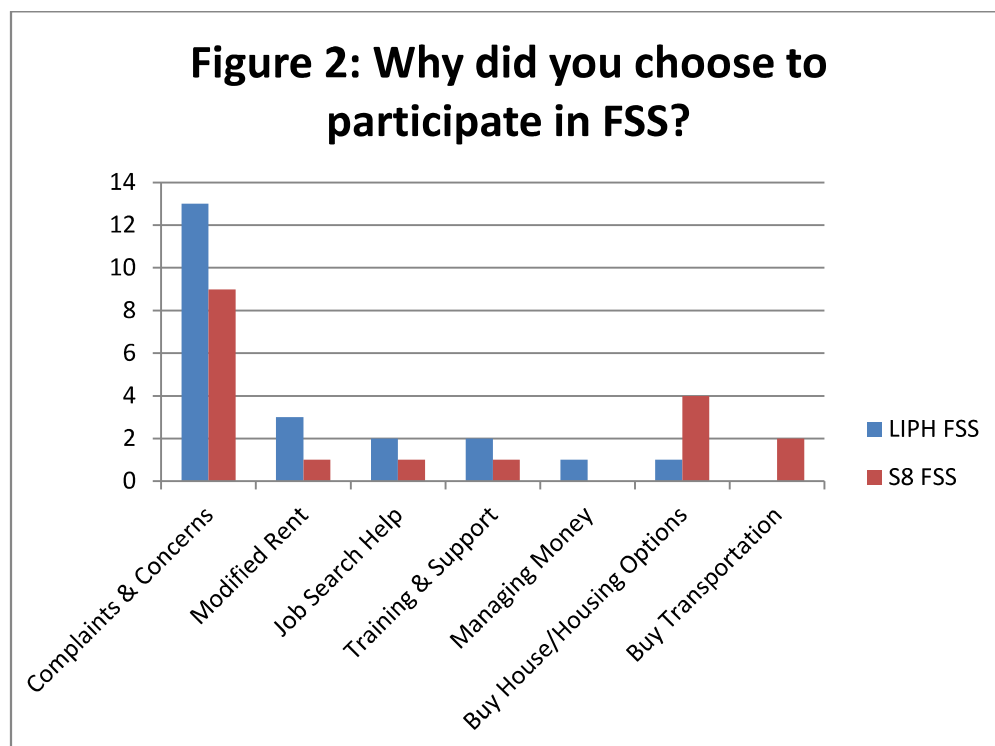
Figure 2 shows the most common answers for why they enrolled in FSS included the Modified Rent policy (aka “cheaper rent”), assistance with finding a job, and transportation assistance and/or the desire to own a car. Only one FSS participant mentioned home ownership as a goal without prompting, while others mentioned the desire to explore other housing options. A few noted the FSS program gave them hope of a better future and confidence in seeking jobs or managing money. One focus group member noted she joined the program “Cause it offers a lot of helpful tips on how to live a little bit more better, managing money a little bit better.”

Figure 2 also shows that this question evoked a number of complaints and concerns among FSS focus group members. The most common concern was the limited nature of staff assistance in helping participants find job and training opportunities. As one LIPH FSS focus group member stated:

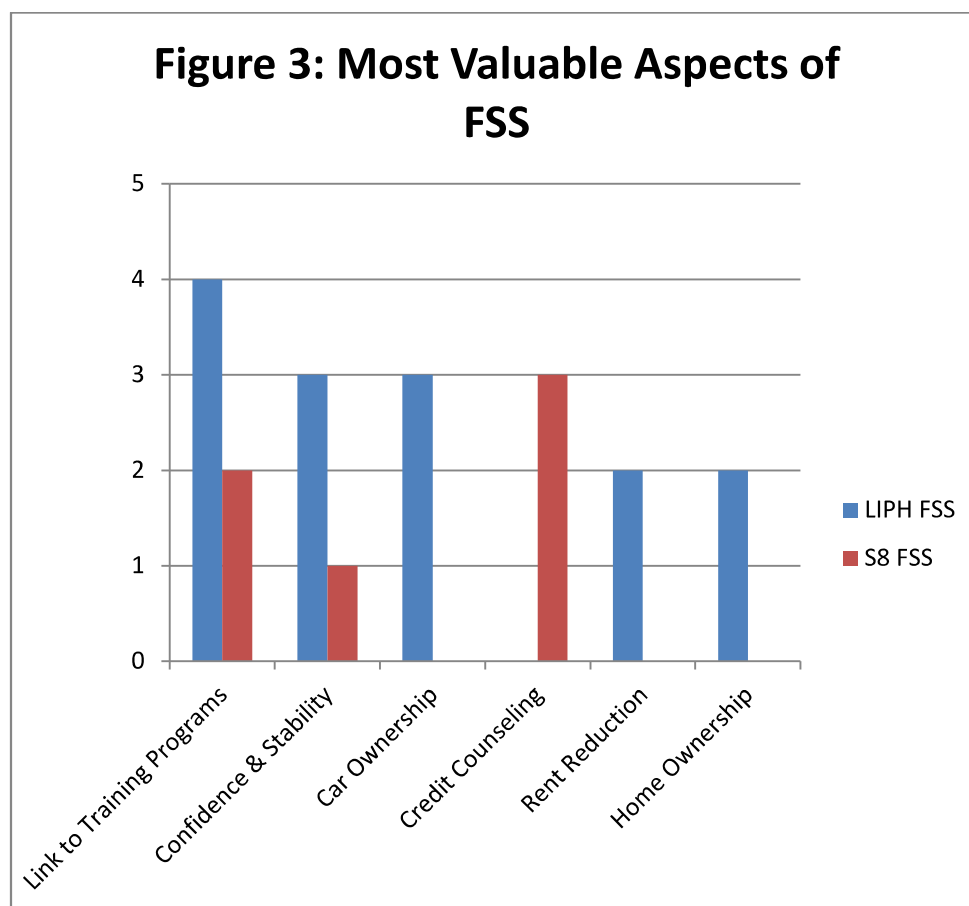
“They didn’t do anything for me. They just said “do this.” They didn’t follow up on anything, give me any appointments for anything. I had my own networking going on for myself.”

In a similar fashion, one man noted “They just give you numbers and it makes them look like they’re doing their job.”

Quality and timing of communications were other widely expressed concerns. At least seven of the coded statements were complaints about lack of staff follow-up, calls being transferred from one staff person to another. One focus group member stated this clearly, saying, “You get transferred to multiple people who will say, “Try this program, call that program, call them.” And it’s like nobody wants to help.” Trouble with communication was the most consistent complaint expressed in all the focus groups.



Focus group members were also asked to identify the most valuable aspects of the FSS program, resulting in a wide range of answers shown in Figure 3. Among LIPH FSS participants, links to other training programs was most likely to be identified as a valuable aspect of FSS. While two Section 8 members mentioned links to training programs as valuable, three noted access to credit counseling as particularly valuable. Four FSS focus group members noted participation in FSS gives them confidence and stability. When one woman exclaimed, “I think it just gives you hope” - another participant agreed, saying, “Yeah. To keep going, to keep trying.” The goal of car ownership was mentioned by three LIPH FSS members, while two members mentioned rent reduction and potential home ownership as valuable.



The FSS group participants also expressed a number of concerns and identified barriers to taking full advantage of the program (See Figure 4). LIPH FSS group members expressed a number of concerns with how escrow accounts can be used. Many were confused by whether escrow money is available to pay back rent if they get behind. They argued that it should be, since it is their money and not matched by the Housing Authority suggesting a short-term focus that runs counter to the purpose of escrow savings accounts.

Another common concern was communication with program staff. Participants would like more consistent communication with staff, notification of staff turnover, a better explanation of how the program works, and regular reports on progress and escrow account balances. Relatedly, many expressed concerns about job listings being too few or out of date when residents receive listings from staff. One focus group suggested, “Yeah, so like for jobs and stuff. If they can e-mail us weekly e-mails, jobs, or like what they hear about or updated status.” to improve timeliness.

Complaints and concerns included scheduling meetings or services during their work hours and inconsistent availability of transportation assistance to get to meetings, seminars, and job interviews.

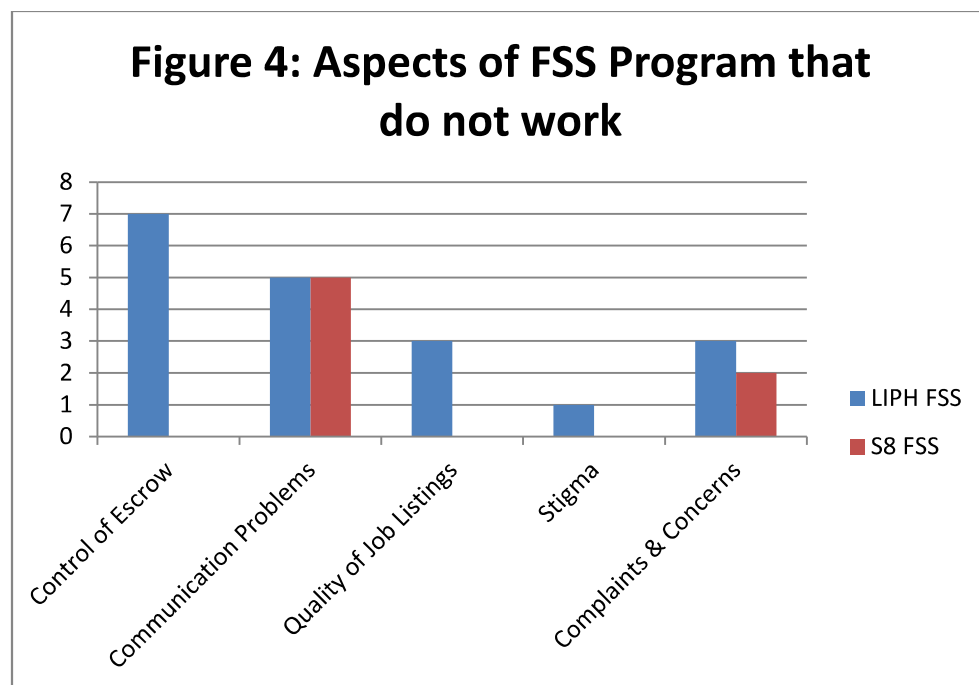
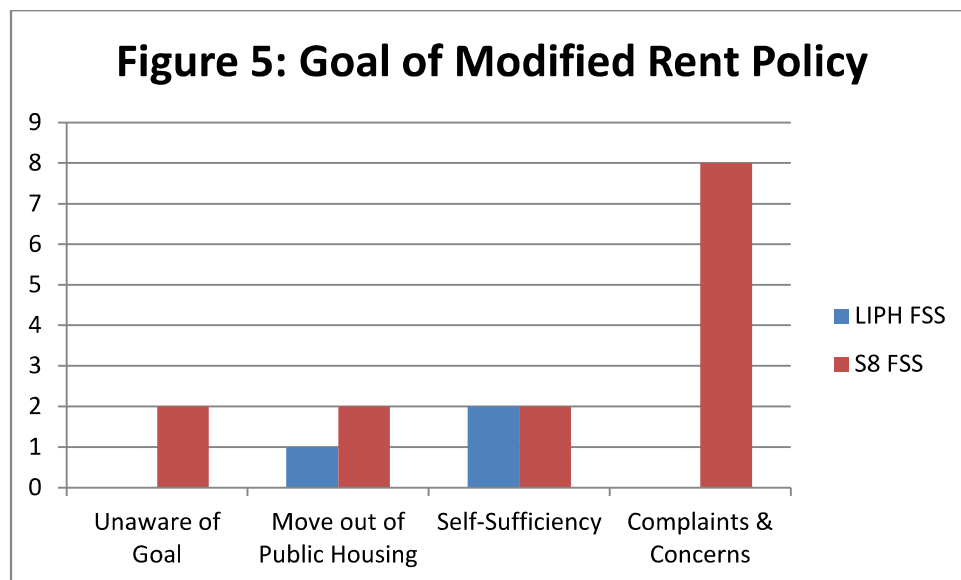
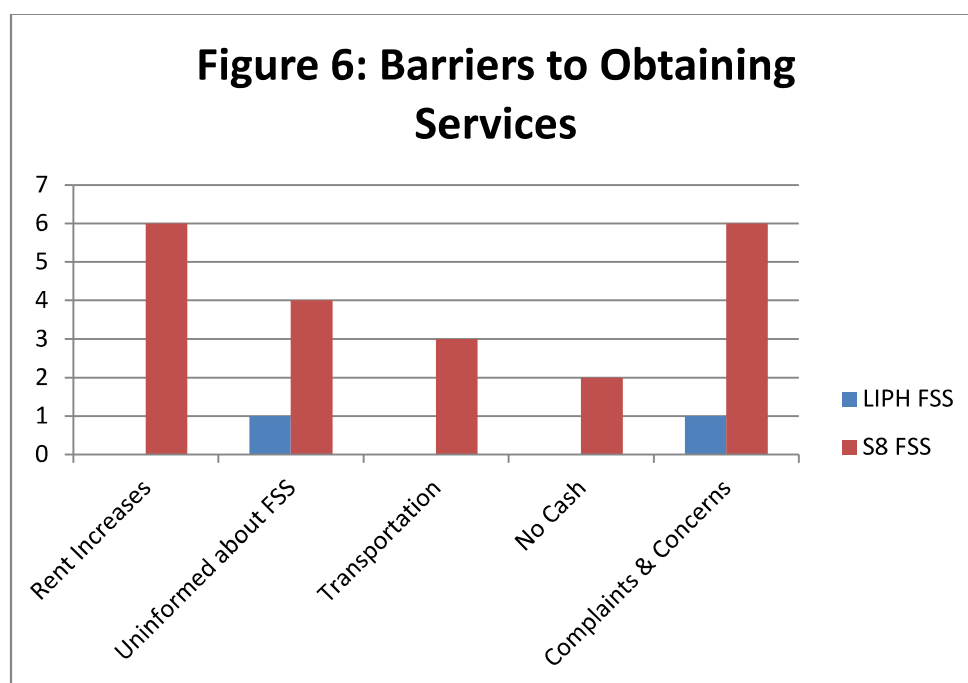


Figure 5 shows that most participants understood that FSS and the Modified Rent policy are intended to move residents to self-sufficiency and move out of public housing assistance. Only two focus group members enrolled in FSS were unaware of the Modified Rent policy goals. Complaints and concerns among Section 8 FSS participants centered around loss of utility assistance and lack of understanding about how the Modified Rent policy works.

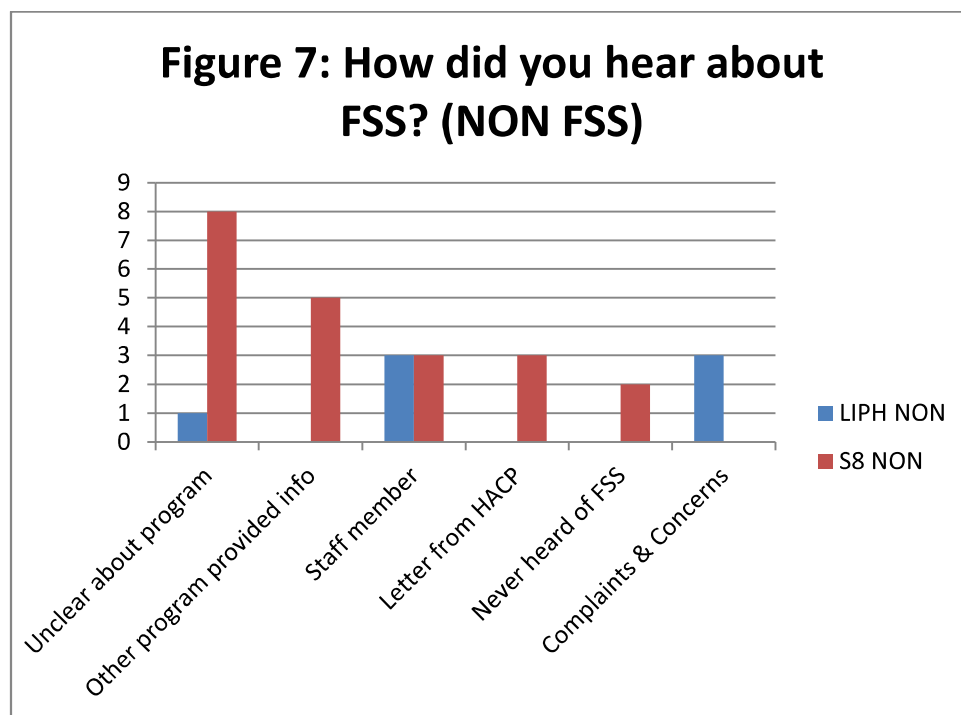


As Figure 6 shows, many Section 8 FSS participants argued rent increases occurred too quickly as their incomes increased. Some complained that HACP was quick to increase rents when residents get a better paying job, but slow to decrease rents when unemployed. Many expressed that the combination of increased rents and decreased utility assistance resulted in the loss of their safety net before they truly felt self-sufficient, resulting in a disincentive for progressing in the FSS program. One focus group member stated the consequences as, “So then we quit our jobs. It’s like damned if you do, damned if you don’t.” Other barriers to obtaining services included lack of information about the services FSS offers and limited transportation to receive services.



FSS Non-Participants

Non-participants had very little knowledge of the FSS program or were unclear about its purpose or services (See Figure 7). Most were unclear about the FSS program, with one participant explaining, “I’ve heard of it before but I’m no – I’m not sure if I’m enrolled in it or not.” The few who had heard of the program got information from HACP staff or service providers, such as the Neighborhood Living Project and Bedford Hope. Three Section 8 NON FSS focus group members remembered getting a letter from HACP, but did not follow-up. All three complaints and concerns focused on participants who had been in the FSS program, but were terminated.



Despite knowing little about the program, Figure 8 shows Non-FSS members were able to identify valuable aspects of the program. Non-FSS focus group members who had some knowledge of the program suggested the FSS program is valuable due to the help it provides in finding a job and through access to training programs. One focus group participant who left the FSS program noted “ If you were lacking in some components in your life. Maybe it could have been skill set, maybe job preparedness. So they would interview you... with me they did, they interviewed me.” Rent reductions through the Modified Rent policy and the potential to increase available housing options or lead to home ownership were also noted as valuable.

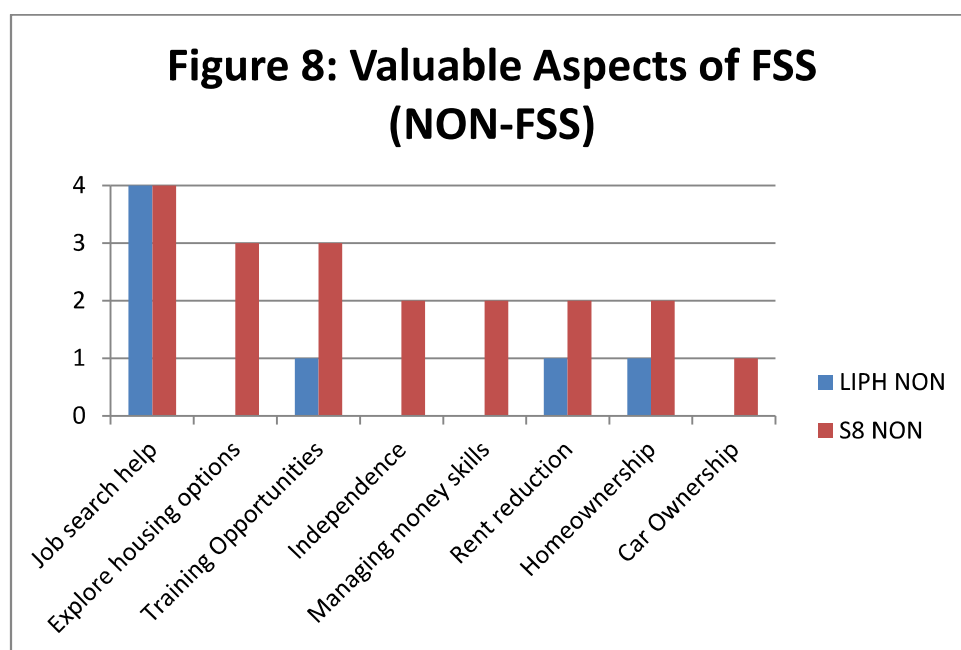
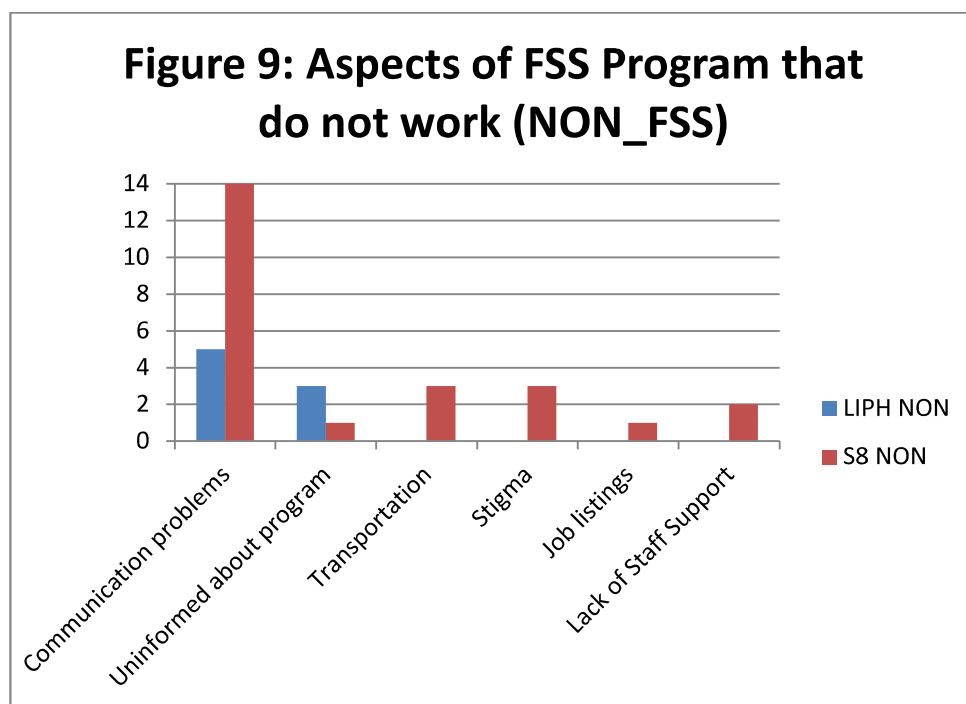
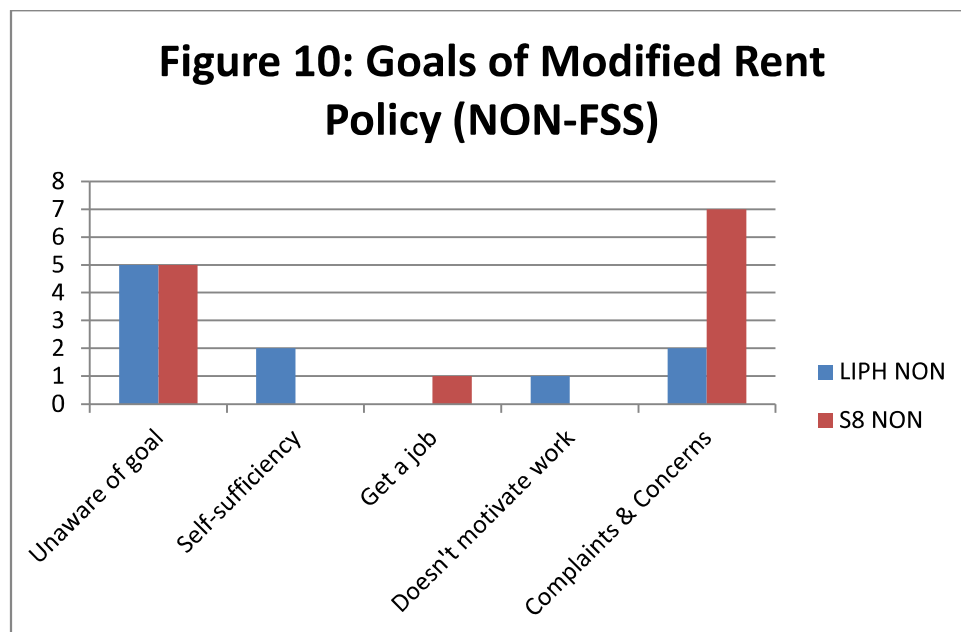


Figure 9 shows those not enrolled in the program expressed a number of concerns with FSS and the Housing Authority in general. The most common concern was lack of or inconsistent communication regarding programs and rules. Many felt they often “get the run around” or are passed from one staff member to another without an explanation of rules or processes. While a few noted particular staff

members that were extremely helpful, many more noted high staff turnover and staff unresponsiveness (unanswered/unreturned phone calls, staff unavailable) as a detriment to receiving support services or understanding programs. Old and outdated job postings and limited transportation assistance were also frequently mentioned as barriers to achieving self-sufficiency.



Many Non-FSS participants were unaware of or confused by the Modified Rent policy, but those who were aware of it noted its purpose was to move residents toward self-improvement and self-sufficiency (See Figure 10). Almost all complaints and concerns centered on HACP being slow to reduce rent when residents lose jobs. One focus group member suggested the Modified Rent policy did not provide enough motivation to work or increase earnings.

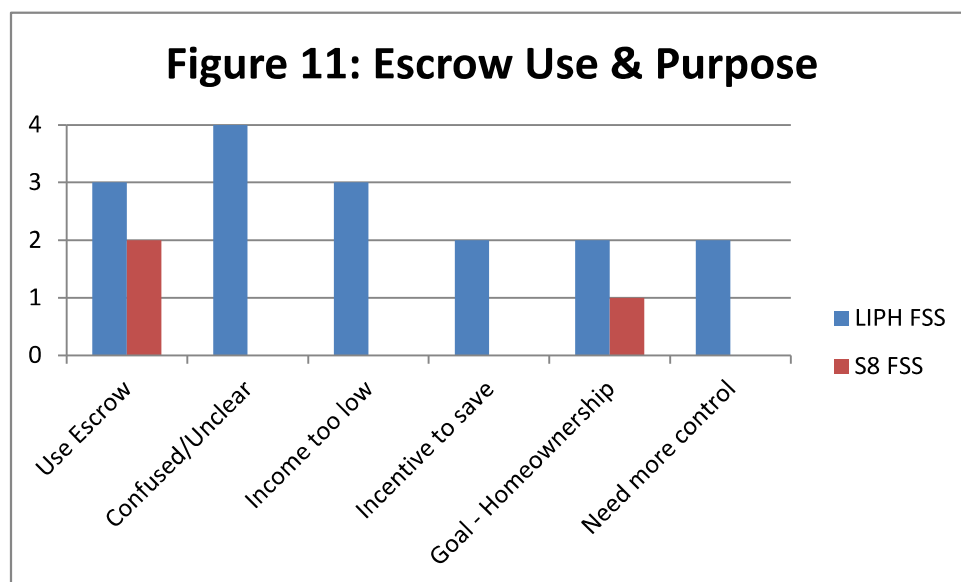


Escrow Accounts and Homeownership

FSS Participants

Focus group discussions regarding whether participants used escrow accounts and their purpose were also facilitated. Figure 11 shows that three LIPH and two Section 8 focus group members have an escrow account. A handful of participants identified its purpose as helping to save money for the purchase of a house. Two focus group members noted it provides an incentive to save and build a “cushion”.

However, many more expressed confusion about how the escrow accounts work, whether they are actually putting money aside, and how to keep track of it. Three focus group members suggested they would like to participate in the escrow accounts, but they do not earn enough to qualify. A few FSS participants who had escrow accounts and were knowledgeable about the program expressed a desire for more control over the accounts and how they could use the money saved.



When asked if homeownership was a personal goal, seven individuals indicated it was a dream of theirs, but they had always viewed it as unattainable (See Figure 12). Some participants expressed interest in saving to start a business. Three Section 8 focus group members stated homeownership is not a goal of theirs. Focus group members were wary of the responsibilities of homeownership, particularly their ability to deal with maintenance concerns, or to build a large enough emergency fund for repairs such as leaky roofs or old hot water heaters. Letting a landlord or the HACP take care of maintenance is very attractive for many residents. Four comments indicated fear of foreclosure as a disincentive to homeownership.

Many of the complaints and concerns focused on the difficulty of homeownership. One focus group member noted, “I think it’s just not that easy just to buy a home. It’s just not as easy as they make it

seem.” Discussion then turned to concerns with high interest rates, predatory lending practices, and racism in the lending process. Other concerns included the inability to buy a house in a nice neighborhood and that monthly payments will be much higher than those required under Section 8.

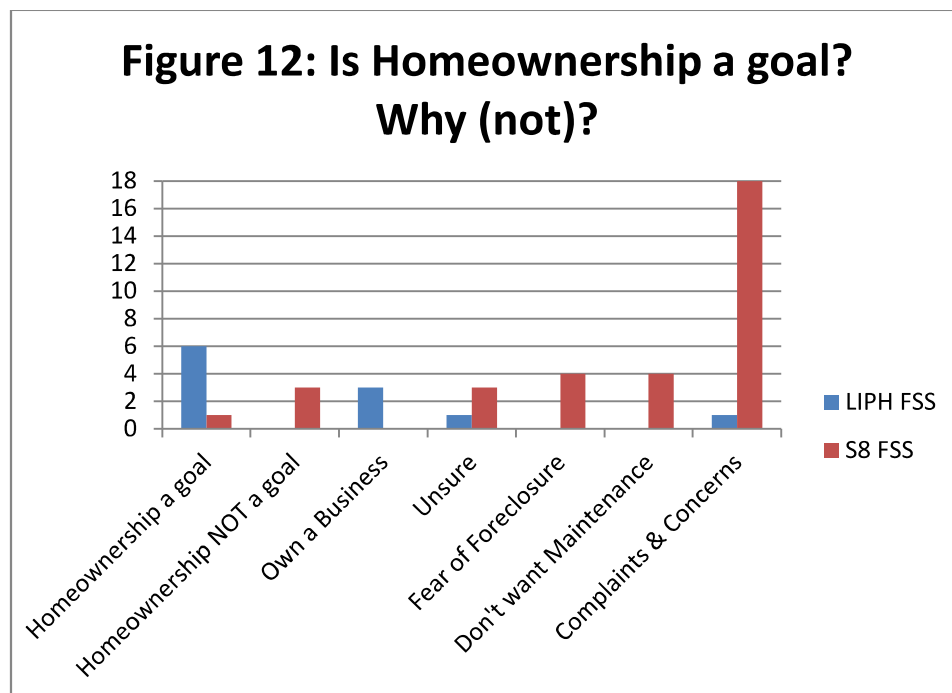
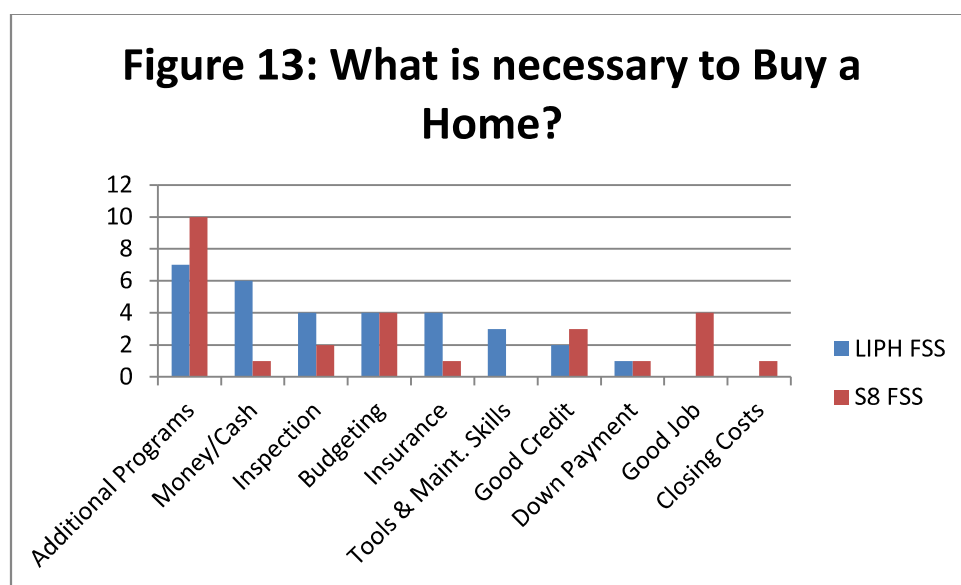
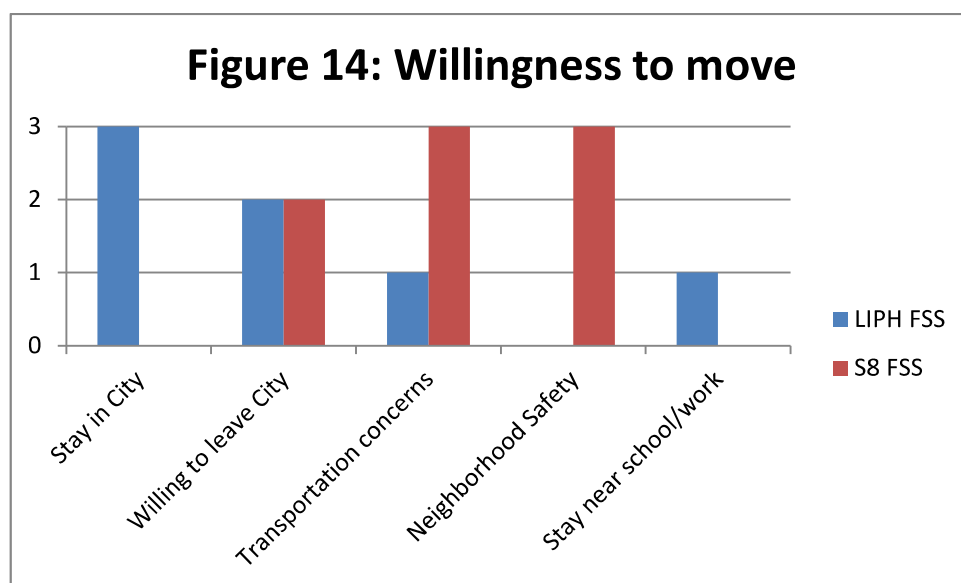


Figure 13 shows that residents generally understand the home buying process. When asked, most could identify the importance of a steady job and income, the need for adequate credit ratings, the loan process, the need for a home inspection, and having large enough savings to cover a down payment, taxes, and mortgage fees.

From there the discussion turned to additional programs that might be helpful. FSS participants were largely aware of programs to assist in buying a home. The Dollar Bank program, Mortgages for Mothers, and the URA First Time Buyer program were named during focus group sessions. Many suggested additional guidance would be helpful including maintenance assistance (checklists and qualified contractors), support with finding a good house, and regular follow-up for five years.

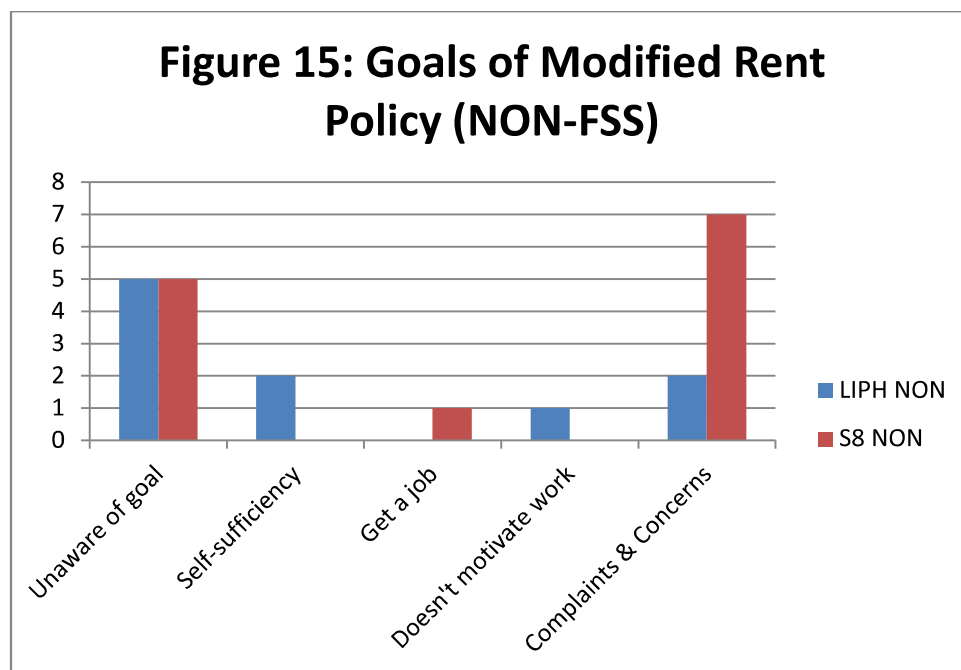


Many focus group members were willing to move out of their current neighborhood to purchase a home, however three LIPH focus group members would like to stay in the City of Pittsburgh (See Figure 14). Access to transportation is a key concern as one participant noted “It’s kind of like a bus situation, you know, some buses don’t run, like when they stopped. A lot of buses on the weekends and that’s not even in – it’s all over, Monroeville, every place.” Neighborhood safety, and proximity to quality schools/jobs were also extremely important factors in choosing a new neighborhood.



Non-FSS Participants

Focus group members that are not in the FSS program were also asked about the goals of the Modified Rent policy, their understanding of escrow accounts, and their thoughts on homeownership. The most common comment among Non-FSS focus group members was that they were unaware of the Modified Rent policy's goal (See Figure 15). Two participants identified resident self-sufficiency as the goal of the policy. While one person identified getting a job as the goal, another suggested that the Modified Rent policy does not motivate work because of all "the conditions" attached to the policy.



As expected, few of the Non-FSS focus group participants were knowledgeable of the escrow account aspects of the program (See Figure 16). There was confusion about where funds would come from to establish and grow the accounts and concerns that they do not earn enough to participate. Some focus group participants indicated they have escrow accounts, but even in these cases they were often not sure. Five focus group participants indicated interest in starting an escrow account if they qualify. Homeownership and car ownership were both identified as purposes for establishing escrow accounts. Two members noted the escrow accounts would be attractive to save for their children's education, but were unsure if that is allowed.

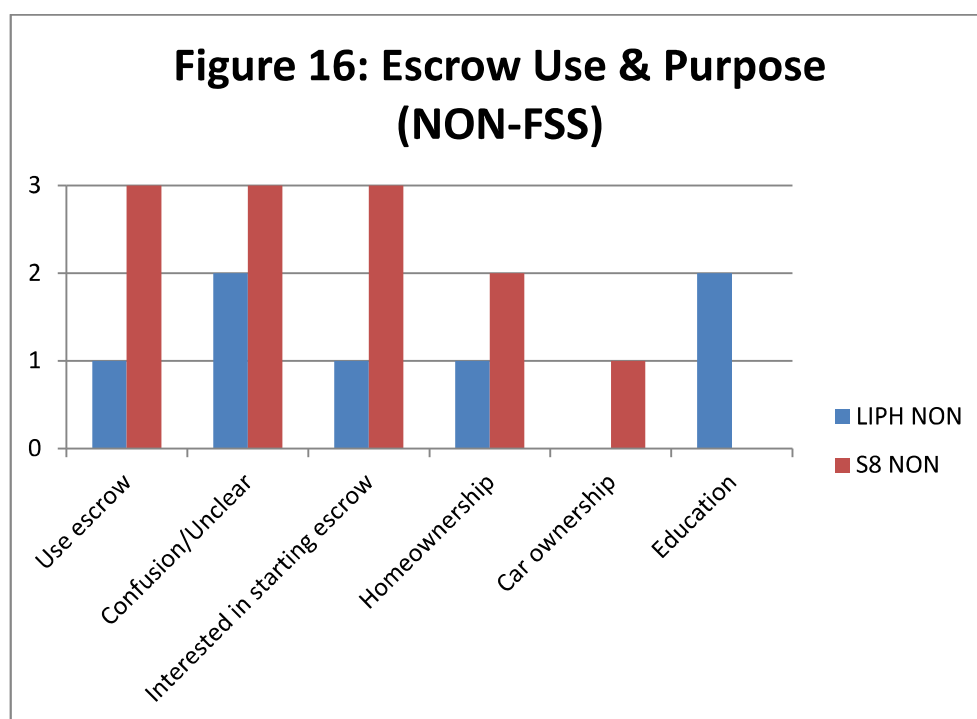
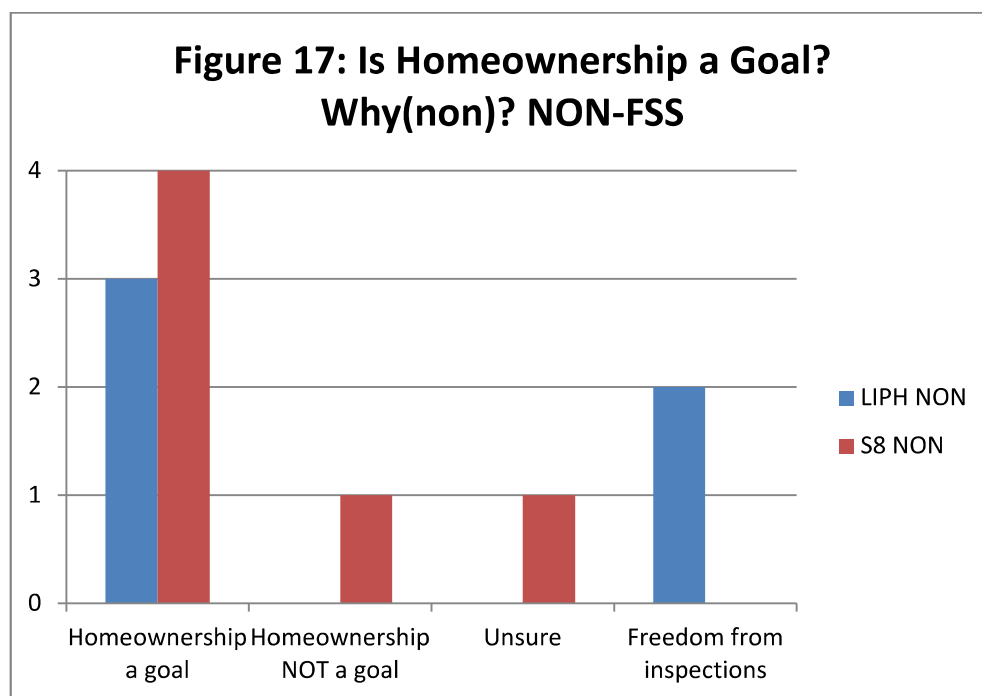
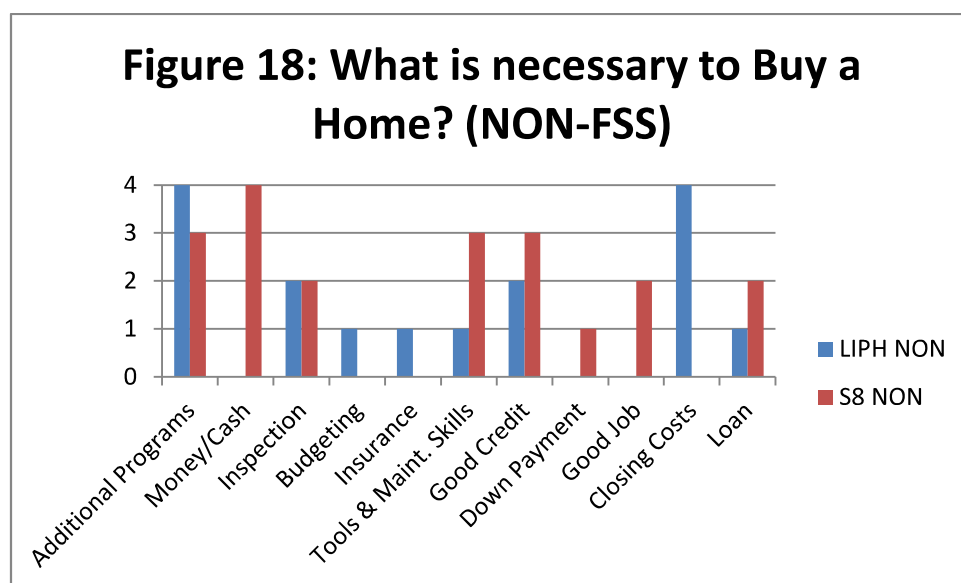


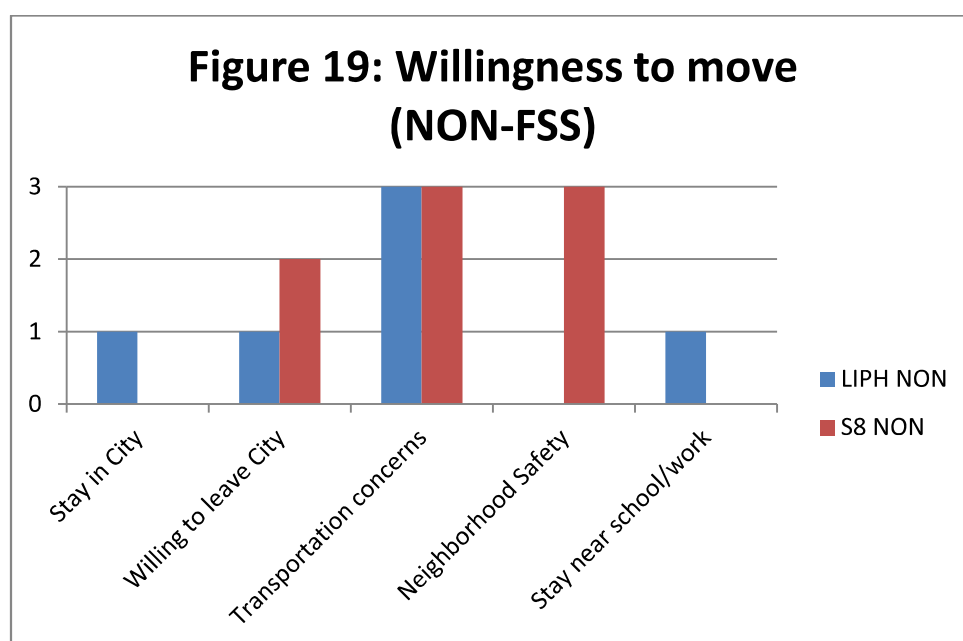
Figure 17 shows a handful of Non-FSS focus group participants identified homeownership as a goal, with one saying homeownership is not a goal and another unsure. Two participants tied their homeownership goal to avoiding HACP inspections that were deemed an unnecessary imposition on their lives.



Like their FSS counterparts, Figure 18 shows the Non-FSS group has a good understanding of the home buying process. Most could identify the importance of a steady job and income, the need for adequate credit ratings, the loan process, the need for a home inspection, and having a large enough savings to cover a down payment and closing costs. Additional programs suggested by participants included case management to walk individuals through the loan process, helping find good neighborhoods, and identifying maintenance problems before the purchase is completed.



Many Non-FSS focus group participants expressed a willingness to move out of their current neighborhood, but one limited their housing options to the City of Pittsburgh. Again, access to public transportation, neighborhood safety, and staying near school or work were major concerns. One woman who expressed a willingness to move stated the importance of transportation noting, “the thing that gets you, though, is your transportation.”



Other Comments and Concerns

All four focus groups were given the opportunity to make additional comments and express concerns not included in the structured questions. At least one Section 8 resident from the FSS and Non-FSS groups expressed thankfulness for the Section 8 program, indicating that they would be homeless or remain in “the projects” without the voucher program. One FSS Section 8 focus group member saw Section 8 as a stepping stone on the path to homeownership.

Members of both Non-FSS focus groups reiterated the need for more and better explanations of the FSS program and how escrow accounts work. Without this information, it is difficult for them to understand the value of the program and consider enrolling.

Summary

The Housing Authority of the City of Pittsburgh recognizes the importance of resident perceptions in the success of the programs it offers. For this reason, the University of Pittsburgh's Center for Metropolitan Studies facilitated four focus groups with both FSS participants and residents not enrolled in the program. The purpose of asking focus groups about the Family Self-Sufficiency program and Modified Rent policy was to gather information grounded in participants' experiences and understanding. The data generated from the focus groups is limited in its generalizability to other FSS programs, but should be considered to improve HACP's ongoing efforts to improve their residents' lives.

Communication issues were the most widely expressed concerns across all the focus groups. While HACP staff members were the most common source of information about the Family Self-Sufficiency program, some FSS and Non-FSS focus group participants were unclear about the program and a few had never heard of FSS. The most common communication problem identified was lack of staff responsiveness through unreturned phone calls, transferring residents from one staff member to another, or not informing residents of staff turnover. Focus group participants recommended more regular communication between program staff and residents, especially as it concerns available jobs.

Focus group participants identified a number of valuable aspects of the FSS program. Links to training programs and help with job searches were seen as particularly valuable across the focus groups.

Furthermore, rent reductions through the Modified Rent policy were helpful to many participants. Some participants are making use of escrow accounts, but some wish to use their savings for purposes other

than the intended goals of homeownership, car ownership or continuing their education. Many expressed concern that they do not earn sufficient income to participate in escrow accounts in a meaningful way.

Support for the Modified Rent policy was tempered by focus group participants' concerns. While the Modified Rent policy provides an incentive for enrolling in FSS, some argued that rent increases occur too quickly as incomes rise and provide a disincentive to increase earnings when combined with reductions in utility assistance. The result is a perception that residents lose their safety net before they feel self-sufficient.

Questions about homeownership revealed a number of themes. Focus group members were able to describe the home purchasing process in detail, suggesting they have the basic knowledge necessary to purchase a home. Homeownership is a goal for a number of participants, but others were unsure whether they wanted to purchase a home or did not see homeownership as a goal. Most expressed a willingness to move from their current neighborhood to buy a home, but neighborhood safety, transportation and proximity to work and school were identified as limitations.

The results of the focus group presented here provide a basis for the Housing Authority of the City of Pittsburgh to consider changes to the Family Self-Sufficiency program. While no effort was made to verify whether focus group participants' comments are an accurate portrayal of HACP efforts, their comments are grounded in participants' experiences and perceptions and suggest a few possible actions. First, HACP should consider how it presents and explains the FSS program to residents to maximize active participation and overcome barriers and frustrations identified in this report.

Communication that highlights valuable aspects of FSS, quick response to resident phone calls, timely information about job listings, and notification of staff changes may prove beneficial. Second, HACP should analyze the rate of rent increases and utility assistance reductions as resident income increases.

Family Self-Sufficiency in Focus: Analysis and Recommendations from HACP Resident Focus Groups

This would provide a better understanding of the level where residents feel they can afford higher payments and avoid providing a disincentive to earn higher earnings .Finally, to overcome common fears and concerns identified in this report, HACP should build on resident's knowledge of the home buying process to promote homeownership as a goal and better communicate how participation in FSS and its support programs can make homeownership possible.

Research Team

The Center for Metropolitan Studies at the University of Pittsburgh's Graduate School of Public and International Affairs assembled a team of researchers to plan, facilitate, and analyze the results of the focus groups. The team included:

George W. Dougherty, Jr., PhD – Principal Investigator and Lead Facilitator

Laura Berry, MID – Assistant Facilitator

Richard J. Joyce, J.D., MPPM – Assistant Facilitator

Kayla Branch, MPA – Research Assistant

Lindsay Bingaman, MPIA – Research Assistant