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# Cambridge Housing Authority

MTW Deregulation Demonstration Program

## Annual Report

Fiscal Year 2007 (4/1/2006 – 3/31/2007)

*May 2007*



**Report**

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# CAMBRIDGE HOUSING AUTHORITY FISCAL YEAR 2007 MTW ANNUAL REPORT

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## ■ Executive Summary

The Cambridge Housing Authority (CHA) is proud to be one of 24 active Moving-to-Work (MTW) sites. The legislation that created the MTW program, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-34), created a demonstration program that departed in a radical way from the traditional public housing program. The program turned the HUD-PHA-local relationship upside down. Recognizing that the Housing Authority exists in a local environment and market that makes demands on the agency often ignored by top down legislation. The MTW demonstration restored balance and choice to national housing programs administered in a local market

After two years of negotiation, HUD executed MTW Agreements with the original MTW agencies selected for the program. The Agreements are unique “superceding” the terms and conditions of Annual Contributions Contracts (the subsidy contract with HUD for both public housing and the housing choice voucher program), the provisions of the 1937 Housing Act and HUD requirements. (Article I. A. of the MTW Agreement)

This sweeping authority was granted to the extent necessary to implement the Agency’s activities as described in a Statement of Authorizations attached to the MTW agreement. The Authorizations went through a detailed technical listing of all the program areas and functions where a PHA had flexibility. In addition agencies were permitted to combine into a single fund operating subsidies for the public housing and voucher programs together with its annual capital grant. The amount of flexibility provided was simply unprecedented – revolutionary.

CHA’s first MTW Annual Plan, prepared in September of 1999 and submitted to HUD for CHA’s FY 2000, clearly outlines the areas where CHA intended to use this flexibility.

The MTW program has as its starting point three broad national objectives:

- Provide PHAs with the flexibility to design and test various approaches for providing and administering housing assistance that reduce costs and achieve greater cost effectiveness in Federal expenditures;
- Give incentives to families with children whose heads of household are working, seeking work, or are participating in job training educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and
- Increase housing choices for low-income families.

To the three objectives listed, CHA’s FY 2000 Plan added the following focus areas:

- Development Choice (essentially site-based waiting lists);
- Working family preference to increase the percentage of working families in the developments;
- Rent policies to encourage work (expansion of wage exclusions and deductions to encourage work);
- Development of a local leased housing program including pursuit of increased project-based assistance using MTW flexibility;
- Acquisition of additional units for low-income families; and
- Capital improvements especially at the senior properties.

Over the years CHA has re-balanced, fine-tuned, tweaked, even jettisoned some of CHA’s original MTW initiatives and procedural changes. The revolution that came with CHA’s initial involvement was treated carefully – CHA designed its efforts, often in very select and precise ways, so the Agency has a roadmap back to the non-MTW world in the event the demonstration expired.

CHA is now on its second extension of the MTW program, CHA’s agreement is scheduled to expire in March of 2009. This report covers CHA’s FY 2007 (April 1, 2006 to March 31, 2007) and the Agency considers this an “inaugural year” for changes that, given the original legislative objectives, push the program past the envelope with new and more comprehensive reforms. CHA is working very hard to insure that MTW becomes CHA’s permanent platform for delivery of Federal and State programs in Cambridge.

In 2007 CHA proposed the following Major Initiatives:

1. Continuation of Rent Simplification
2. Reinvention of the Housing Choice Voucher Program
3. Continuation of enhanced capital programs and development projects
4. Establishment of a Resident Services Non-profit
5. Benchmarking and Cost Analysis
6. New Business Opportunities/Venture Capital
7. Continued Implementation of property-based management
8. Regulatory Review
9. Energy Plan

The Report includes the following sections and with references to the major initiatives in each of the sections:

- Public & Affiliate Housing
- Local Leased Housing Program
- Development & Redevelopment
- Resident Services & Economic Development
- Financial Management

Following is an update on the major initiatives.

***MAJOR INITIATIVE #1 – CONTINUATION OF MTW RENT SIMPLIFICATION***

All Federal Public Housing Households had an MTW simplified rent calculated by March 1, 2007.

CHA engaged a consultant to conduct a benchmarking assessment (**Major Initiative #5 in the 2007 Plan**) to begin assessing how Rent Simplification impacted transaction and processing times. Preliminary results indicate that:

- Rent Simplification had a measurable impact on staff time required to complete a tenant recertification, saving about 10 minutes per recertification.
- With some qualifications the initial results indicate that the rate of interims in the public housing program is now about 14% less than in 2005.
- Overall transactions in the public housing program declined from 2492 in 2005 to 1553 in 2006 (the start of Rent Simplification)
- Rent Simplification yielded administrative cost savings in two ways; lower transaction time and a reduced number of transactions. The study calculates a savings of 555 hours in public housing and 219 hours in the voucher program. When calculated as a percentage of a full time person, dollar savings are estimated at \$26,526/year.
- We caution that the above are preliminary findings and that we intend to follow-up on issues raised by the study to better refine CHA's information.

In addition CHA has tracked hardship applications related to MTW Rent Simplification. To date 6 families have requested hardship review of their rent: 2 have been approved, 3 declined, and 1 is pending.

While not part of Rent Simplification, in 2007 CHA adopted a new Preference Policy, a copy is provided in Appendix 7 of this report.

***MAJOR INITIATIVE #2 – REINVENTION OF THE HOUSING CHOICE VOUCHER PROGRAM***

Continued MTW initiatives – CHA continued using its authority to maintain prior year MTW changes in areas such as rent reasonableness, damage claims, vacancy payments, locally determined payment standards, local project basing program and requirements, etc.

Rent Simplification Efforts – CHA adopted a less comprehensive MTW Rent Simplification program for the voucher program. Rent simplification in the voucher program is significantly complicated by the utility allowance. CHA ran various options for more drastic changes but was uncomfortable with the results and possible impacts on voucher families. (We are looking to revisit the issue with a pilot project in 2008.)

In Plan Year 2007 CHA completed MTW Rent Simplification in the voucher program consisting of: limit on interim re-certifications, exclusion of asset income when assets held are under \$50,000, minimum rent of \$50 for all unit sizes, limit on zero rent status to 90 days, and a hardship review process.

Introduction of the Sponsored Based Voucher Program – CHA used MTW authority to introduce this new program concept, setting aside 40 vouchers to assist local non-profit service providers particularly those who deal with clients in transitional facilities. A significant number of clients on the waiting list are unable to make it through the screening process or need support or services for some interim period before they can function in a traditional tenancy. Mainstream vouchers are available for these households if they can lease-up, but often such households are not able to do so.

The sponsor-based voucher is “issued” to the service agency rather than the client of the agency. It is then up to that agency to seek and rent an appropriate apartment, enter into a lease with the owner, and enter into a Service Provider Assistance Payments (SPAP) Agreement with the Housing Authority. The service agency has a participation agreement with the client that they have pre-certified as eligible to participate in the Housing Choice Voucher Program.

In 2007, seven (7) such vouchers were in use and another fifteen (15) pending.

Rent Stabilization Program – In response to the October 2005 adjustment in Fair Market Rents, CHA established a stabilization factor (\$32 to \$70 per month depending on bedroom size) for program participants paying more than 40% of income toward rent. The intent was to allow families sufficient time to either renegotiate their rent or take advantage of the softening rental market to move to more appropriately priced housing. In 2007 177 households were assisted through this initiative. CHA used its MTW authority to develop this program option.

Local Project-Based Voucher Program – MTW authority was used to re-write the project-based voucher Request for Proposal to link vouchers to projects funded through the City’s Affordable Housing Trust. 40 vouchers are assigned to this effort.

Preservation of the State Massachusetts Rental Voucher Program – In accordance with its MTW Agreement, CHA continues to assist this under funded State program. In FY 07 CHA assisted 9 households.

***MAJOR INITIATIVE #3 – CONTINUATION OF ENHANCED CAPITAL PROGRAMS AND DEVELOPMENT PROJECTS***

Baker Wohl Architects finished the update to CHA Capital Improvement Plan for both the Federal and State Housing portfolios. The work described across both programs is substantial; CHA needs to secure close to \$200 million in capital funding to keep its State and Federal housing serviceable and in excellent condition.

In 2007 the Planning & Development Department began to staff-up in preparation for the planning associated with this long-term capital need. Initial efforts will likely focus on the State properties, since under-funding has placed some of these sites at risk for continued habitability. CHA’s MTW authority with respect to development options, regulatory flexibility, and fungibility will be essential to this significant capital program effort.

CHA expended \$4.7 million in Federal capital improvements (construction costs) and extraordinary maintenance in FY 2007.

Major activities for FY 2007 include:

- Award for emergency generators at five sites
- Award of a construction contract and start of work for modernization of selected units at Millers River (89 units)
- Award of a construction contract for an elderly services floor at Millers River
- Award of a construction contract for roof replacement at Roosevelt Towers
- Award of window replacement contract for Washington Elms
- Award of construction contract for elevator modernization at Burns and Johnson Apartments
- Award of a construction contract for modernization of selected units at Johnson Apartments
- Award of an A/E contract for selective electrical modernization projects
- Award of an A/E contract for water infiltration assessment and selective modernization

- Close out of modernization work at 226 Norfolk Street
- Close out of UDIC concrete repair and stair replacement
- Close out of Jefferson Park fence replacement

The comprehensive modernization of River Howard Homes, budgeted at \$4,030,000, continued to move forward with \$2,457,000 expended in 2007.

CHA spent approximately \$512,000 per month on capital work (excluding the Stare properties, extraordinary maintenance, and work at CHA’s affiliate properties).

In addition to the above, CHA continues to look for opportunities to leverage funds for development activity through its non-profit affiliates. In 2007, Essex Street Management, Inc. (ESMI) working with Shelter Inc. (a local non-profit that provides services for the homeless), the City and the State secured funding for the acquisition of 22 Lopez Ave. This building will house 7 formerly homeless individuals and one services coordinator. In late March of 2007, ESMI signed a term-sheet for a 99-year lease with the YWCA to develop up to 42 units of housing on a portion of the YWCA’s site in Central Square.

***MAJOR INITIATIVE #4 – ESTABLISHMENT OF A RESIDENT SERVICES NON-PROFIT***

CHA has researched this initiative for the past two years. Based on discussions with other PHAs the most successful of these models are non-profits incorporated by residents that have legal independence from the housing authority. In 2007 CHA concluded that it did not currently have a resident organization with the capacity to sponsor such an effort. To further this initiative CHA has decided to focus in 2008 on the creation of city-wide Resident Advisory Board (RAB). The RAB, once in place and operating, would be a better vehicle for creating a true resident service non-profit.

The resident services section of this report provides a complete profile of all CHA’s resident services work including the creation of the CHART program designed to provide up to \$5000 in assistance for residents enrolled in vocational training. This program is new in 2007.

***MAJOR INITIATIVE #5 – BENCHMARKING AND COST ANALYSIS RELATED TO RENT SIMPLIFICATION***

See prior discussion under summary of Major Initiative #1.

***MAJOR INITIATIVE # 6 – NEW BUSINESS OPPORTUNITIES/ VENTURE CAPITAL***

CHA maintains a central stock room at Portland Street. As part of the migration to HUD’s project-based and asset management requirement, CHA explored decommissioning the stock room and converting the space to other uses, office space rental to start-up

companies, and artist or craft space, to name two. CHA is also looking at selling the building out right. Each of the options explored have serious trade-offs. CHA will continue looking at treatment of this building in FY 2008.

***MAJOR INITIATIVE #7 – CONTINUED IMPLEMENTATION OF PROPERTY-BASED MANAGEMENT***

All of CHA’s properties are now budget-based. Asset Management Project (AMP) groupings were established for all the Federal sites and CHA began the process of insuring that PIH Information Center (PIC) information at HUD was correct.

In 2007 CHA continued the migration necessary to comply with the Operating Fund Rule with the following changes to the budget process and systems:

- Balance sheet accounts have been segregated into individual projects
- Central Office Cost Center is established
- Initial working capital was assigned to the COCC
- At the end of FY 2007 operating reserves were assigned to each AMP

CHA still has significant reservations about full compliance with the HUD guidance, especially as it pertains to what it means to be fully fungible – able to move money from one program (including from capital to operating) without restrictions as provided in the MTW agreement.

The MTW 50058 became available in 2007 and CHA initiated compliance activities and submission in accordance with 50058 requirements.

***MAJOR INITIATIVE #8 – REGULATORY REVIEW***

CHA has committed to reviewing the Code of Federal Regulations (CFR) and identifying for reference purposes those areas that have been modified by CHA as part of MTW. As of the due date of this Report this effort has not been completed. CHA has reviewed Parts 0 through 199 of the CFR and started the 800 through 900 sections. Rather than submit an incomplete work product CHA will provide this as a supplemental to the Annual Report and has set a target completion date of August 1<sup>st</sup> for this initiative.

***MAJOR INITIATIVE #9 – ENERGY PLAN***

CHA’s energy plan incorporates three main elements: implementing energy conservation programs, pursuing renewable energy sources, and maintaining competitive long-term energy contracts. In FY 2007 the Self-ESCo at Millers River continued, resulting in significant savings. CHA partnered with utility suppliers to replace inefficient appliances and light bulbs with high efficiency models at several sites to

further cut energy costs and reduce emissions. Finally CHA applied for a grant to put 10 rooftop solar arrays at Washington Elms. The grant proposal was denied, but CHA re-applied for the grant for FY 2008.

***Tracking of MTW initiatives and impact 2007 Plan approval letter –***

CHA is mindful of HUD’s request in the 2007 Plan approval letter to develop a report that will accurately track the full impact of CHA’s use of MTW. Efforts to address the impact are helped by the benchmarking study noted earlier. But in an effort to respond to HUD’s request in a fuller, more systematic fashion, CHA has engaged a consultant to help in this effort and will submit a discussion draft of the MTW impact report as part of the August 1<sup>st</sup> supplemental to this Annual Report (described above in Initiative #8). These efforts may be helpful in the larger effort to identify areas for studying and measuring MTW initiatives and outcomes.

***Changes in the waiting list –***

CHA updated its waiting list during 2007 and it is worth noting the results. While not an absolute indicator of market shifts or trends, the updated list does show significant changes in family type and bedroom size needs from prior years and will need to be factored into our leasing efforts and capital planning.

When comparing end of year waiting list data for 2006 and 2007, the following can be noted:

- Significant decline in applicants indicating an interest in an efficiency (studio) apartments
- Decline in demand for 3 and 4 bedroom units
- Increase in demand for 1 and 2 bedroom units

The charts follow on the next page.

**Waiting List Data – 2006 Annual Report (EOY 3/31/06)**

Family Type	Total Applications	Efficiency/ Studio	1 – Bd.	2 – Bd.	3 – Bd.	4+ – Bd.
Family	9715	68	4035	3471	1773	368
Elderly/Disabled	2406	1484	814	97	8	3
TOTAL	12,121	1552	4849	3568	1781	371
Percentage	--	12.8%	40.0%	29.4%	14.7%	3.1%

**Waiting List Data – 2007 (EOY 3/31/07) \***

Family Type	Total Applications	Efficiency/ Studio	1 – Bd.	2 – Bd.	3 – Bd.	4+ – Bd.
Family	4573	--	2166	1785	494	128
Elderly/Disabled	1090	169	882	39	--	--
TOTAL	5663	169	3048	1824	494	128
Percentage	--	2.98%	53.8%	32.2%	8.72%	2.26%

*\* Application data comprises all applicants including those that may still be in the screening process, thus figures may be greater than those reported elsewhere.*

**Capital Needs –**

The 2007 report year found CHA ramping up to deal with the significant capital needs described in our Physical Needs Assessment. Both the State and Federal portfolios need a great deal of improvement and redevelopment. Capital cost estimates, including a placeholder for soft costs, are approaching \$200 million dollars. CHA has deferred significant capital improvement projects in past plan years. Our 2007 report shows that at the end of the year CHA increased its block grant contribution to capital projects for 2008. There are still projects that we cannot afford and may need to defer in 2008. Capital issues are discussed more fully in the text of this report and in our 2008 Annual Plan.

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# CHA Housing Inventory

CHA has gradually increased the City’s affordable housing stock over the course of the MTW Demonstration. With a need to focus on preservation, CHA has limited plans for adding new units, but remains open to development opportunities, if financially feasible. The table below shows the distribution of units for the fiscal year, including start and year-end final counts. Table 2-4 in Appendix Two of this Report details CHA’s inventory information, by number of bedrooms and type of housing by program.

<i>FEDERAL PROGRAM</i>			
	Total Units, Start FY 07	Total Units, Planned, Close FY 07	Total Units, Actual, Close FY 07
<b>Public Housing Total</b>	<b>1,857</b>	<b>1,857</b>	<b>1,857</b>
<i>Elderly/Special Needs</i>	759	759	759
<i>Family</i>	1,095	1,095	1,095
<i>Non-Dwelling</i>	3	3	3
<b>John F. Kennedy Apts.</b>	<b>83</b>	<b>83</b>	<b>83</b>
<i>PH units</i>	44	44	44
<i>PBA units</i>	25	25	25
<i>Off-Site Condos</i>	14	14	14
<b>Other Federally-Assisted</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Homeowners'</i>	0	0	0
<b>MTW Leased Housing Total *</b>	<b>1,842</b>	<b>1,968</b>	<b>1,898</b>
<i>Tenant-Based</i>	1,435	1,507	1,435
<i>PBA **</i>	407	461	463 **
<b>Non-MTW Leased Housing Total</b>	<b>516</b>	<b>516</b>	<b>516</b>
<i>Putnam Square Apartment</i>	0	0	0
<i>Tenant-Based</i>	382	382	382
<i>Mod-Rehab/Shelter+Care</i>	134	134	134
<b>Federally-Assisted Subtotal</b>	<b>4,298</b>	<b>4,424</b>	<b>4,354</b>

<i>STATE PROGRAM</i>			
	Total Units, Start FY 07	Total Units, Planned, Close FY 07	Total Units, Actual, Close FY 07
<b>Public Housing Total</b>	<b>663</b>	<b>663</b>	<b>663</b>
<i>Elderly/Special Needs</i>	334	334	334
<i>Family</i>	325	325	325
<i>Non-Dwelling</i>	4	4	4
<b>Leased Housing Total</b>	<b>163</b>	<b>165</b>	<b>188</b>
<i>MRVP Tenant-Based</i>	25	25	25
<i>MRVP Project-Based</i>	110	110	110
<i>AHVP</i>	28	30	53
<b>Other State-Assisted</b>	<b>135</b>	<b>135</b>	<b>135</b>
<i>Roosevelt Towers Mid-Rise</i>	77	77	77
<i>Aberdeen/Hammond/Woodbridge</i>	25	25	25
<i>Putnam School</i>	33	33	33
<b>State-Assisted Subtotal</b>	<b>961</b>	<b>963</b>	<b>986</b>
<b>Total Units</b>	<b>5,259</b>	<b>5,387</b>	<b>5,340</b>

\* Several increments expired and were transferred into the MTW increment

\*\*CHA Affiliate units total 326 units at the close of FY 2007; most of these are represented in the MTW PBA count

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## ■ Public & Affiliate Housing

The existing public housing and growing affiliate-housing stock are the core components of CHA's programs. CHA places tremendous importance on its responsibility to maintain and operate this bricks and mortar legacy to the highest standard. This section of the Report describes CHA's policy and management performance outcomes for its conventional housing developments and affiliate-managed properties in FY 2007. In addition to summarizing the outcomes for CHA's more ambitious initiatives in these areas, as laid out in the FY 2007 Plan, this section provides a host of requisite rent policy; program management; occupancy; development choice; safety and security; and resident satisfaction data and analysis.

Details and summaries related to CHA's extraordinary maintenance and redevelopment projects are available in the Development & Redevelopment section of this Report.

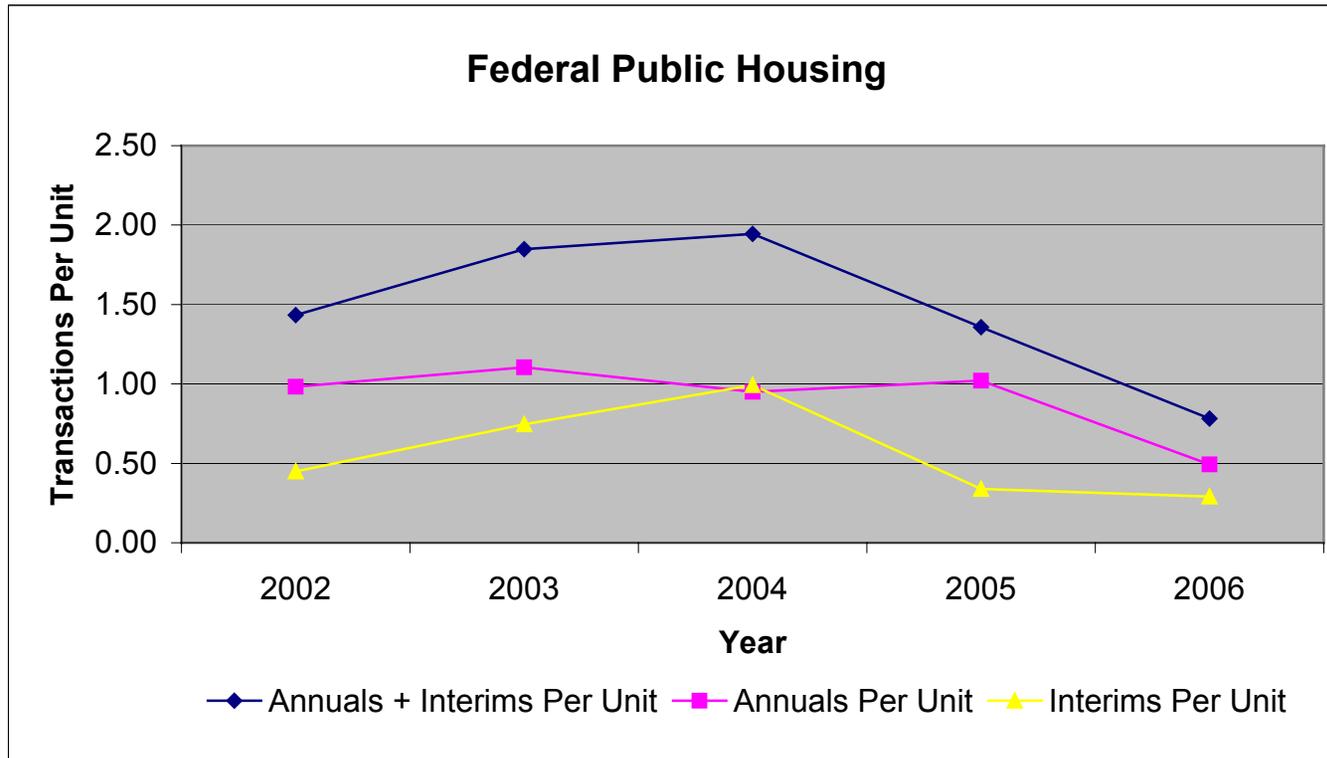
### ***MTW Public Housing Rent Policy (Major Initiative 1 from CHA's FY 2007 Plan)***

#### ***Implementation***

In late FY 2006, CHA implemented its Rent Simplification program. All public housing households' rents were simplified by March 1, 2007. Rent Simplification was implemented across CHA's federal public housing and, a less extensive version, in the MTW Leased Housing programs. In FY 2007, CHA began seeing the results of the new policy.

For site administrative staff, rent Simplification's reduction in the number of regular and interim recertifications allowed staff to spend more time managing the properties and working with residents on programmatic issues. According to the results of the Benchmarking Study (for review in Appendix Six) CHA commissioned in FY 2007 (**Major Initiative 5 from CHA's FY 2007 Plan**), the number of resident transactions is dropping precipitously (from 2492 in 2005 to 1553 in 2006), with Public Housing residents averaging 1.36 transactions with CHA per year in 2005, but only .78 per year in 2006.

Federal Public Housing Transactions 2002 - 2006



For many residents, the change from annual to biennial rent recertifications has allowed them the opportunity to improve their financial circumstances without a commensurate increase in rent (CHA hopes to explore this in a more systematic way in future Reports). It has also reduced their paperwork burden and, especially for the elderly and disabled, the stress that accompanies the process for them as they try to pull together benefit statements and medical verifications. Lastly, the rent redetermination process is now easily understood. There are no complicated calculations that in the past often left residents unable to figure out how the manager calculated their rent. The rent schedule chart gives residents the ability to determine their own rent. CHA's Rent Simplification policy, including the rent schedule chart,

is available for review in CHA’s FY 2006 Annual Report and on CHA’s website: [www.cambridge-housing.org](http://www.cambridge-housing.org).

As with the development of any new policy, oversight is necessary to make sure procedures for implementing and monitoring the effectiveness of Rent Simplification are being followed. The CHA contracted with a consulting firm to conduct a quality control of approximately 90 files under the new Rent Simplification procedures. The quality control highlighted areas where staff needed additional training, and a recertification resource guide for public housing is being developed to accompany the training sessions. CHA anticipates quality control evaluations to be instituted on a quarterly basis to ensure that administrative staff are in compliance with the verification and calculation procedures, and if not, that any deficiencies are addressed with additional training, as necessary.

***Impact on Residents***

When drafting its Rent Simplification policy, CHA was careful to craft a comprehensive Hardship Policy that protected residents from any unforeseen negative impacts caused by Rent Simplification. As implementation moved ahead in FY 2007, CHA closely monitored the incidence and outcomes of residents requesting Hardship Rents. Of the approximately 1600 households affected by Rent Simplification, only six have applied for Hardship Rents to date.

**Summary of Hardship Applications and Outcomes**

Applicant Type	Claim Type	Accepted	Declined	Pending
3 Family	Childcare expenses	1 accepted	2 declined, ineligible	NA
3 Elderly	Medical expenses	1 accepted	1 declined, ineligible	1 pending additional info.

As described in greater detail later in this section, CHA’s FY 2007 Resident Satisfaction Survey (available for review in Appendix Eight) included questions designed to solicit resident feedback regarding Rent Simplification. Survey results related to Rent Simplification indicated that residents are not sufficiently aware of Rent Simplification for CHA to accurately gauge their level of satisfaction with the program. For example, despite holding resident meetings throughout the city before implementation and sending Rent Simplification handbooks to every affected household, 63% of respondents said they were unaware of the new policy. Similarly, 65% of respondents could not say whether or not their rent had been calculated using Rent Simplification rules. It is worth noting however, that of respondents who were aware of the program, only 9% characterized the new system as more complicated.

One reason for residents’ lack of familiarity with Rent Simplification may be that 50% of affected households’ rents were automatically recalculated with Rent Simplification rules, without their coming in for a face-to-face recertification appointment. In addition, although Rent Simplification handbooks were published in multiple languages and delivered by mail to each household, there is no way of determining the percentage of residents who actually read the handbook when it was mailed to them. Regardless of the reasons, and despite the paucity of Hardship applications, it is clear that CHA must strive to do a better job of communicating Rent Simplification policy

changes with residents. Per CHA’s commitment in its FY 2008 Plan, the Agency will work with local advocates and residents in FY 2008 to improve its forms related to Rent Simplification and hold focus groups that follow households through the process to better gauge their understanding of how rents are determined and how the policy might affect their economic choices.

### **Public Housing Management**

#### ***Project-Based Budgeting (Major Initiative 7 from CHA’s FY 2007 Annual Plan)***

In FY 2007, the Operations Department continued addressing and refining its budgeting practices as required by HUD’s Operating Fund Rule. The CHA used the expertise of a consulting firm with non-profit and private property management expertise to train administrative staff in project based budgeting and review key performance indicators. Staff also took Excel training to improve their facility working with budget spreadsheets. Throughout the budget preparation period, administrative staff met regularly with CHA’s Budget Director to review budgeting practices and procedures. In addition, staff met quarterly with the Director of Operations to review budget-spending reports and account for variances. In FY 2008, the monthly manager’s development reports will require the managers to report on significant variances by line item.

#### ***Staff Communications***

In FY 2007, the Director and Deputy Director of Operations began holding monthly on-site meetings with each property manager. These meetings allowed Central Office staff to walk the properties with administrative and maintenance staff to review maintenance practices; evaluate ongoing improvements and discuss projects still in the planning process. In addition, monthly administrative staff meetings were held on a rotating basis at properties throughout the portfolio.

#### ***Maintenance and Upkeep***

In past years CHA has had varied levels of success with Real Estate Assessment Center (REAC) scores. In FY 2007, CHA aggressively addressed the physical conditions of its federal developments to improve the Agency’s REAC scores. In 2005, for example, scores ranged from a high of 90 (Garfield Street), to a low of 23 (UDIC). In particular, CHA’s elderly developments suffered the most from lower scores. CHA retained a private company to help focus staff inspection efforts with respect to REAC.

Summary Chart of REAC Scoring from CY 2005 to CY 2006

DEVELOPMENT	2005	2006	CHANGE CY 05-06	%CHANGE CY 05-06
Burns	60	91	31	52%
Corcoran	86	93	7	8%
Garfield	90	97	7	8%
Jefferson Park 321	75	87	12	16%
Jefferson Park 324	80	95	15	19%
Jefferson Park 325	89	89	0	0%
LBJ	28	73	45	161%
Millers River	47	97	50	106%
Newtowne Court	58	93	35	60%
Putnam Gardens	81	94	13	16%
River Howard	62	86	24	39%
Roosevelt Low Rise	81	96	15	19%
Scattered Sites	77	94	17	22%
Truman Apartments	88	97	9	10%
UDIC	23	96	73	317%
Washington Elms	71	91	20	28%
Weaver Apartments	56	88	32	57%
<b>TOTAL</b>	<b>1152</b>	<b>1557</b>	<b>+405</b>	<b>+35%</b>
<b>OVERALL REAC SCORE: 90</b>				

In addition to providing staff training and conducting preliminary inspections, the REAC consultants provided Operations staff with a detailed analysis of each development's deficiencies. Operations staff used the analysis to address each development's deficiencies in order of severity.

Using new organizational methods, additional overtime, and outside contractors, CHA received record high REAC scores in 2006. The 2006 scores ranged from a high of 97 to a low of 73. Based on a Physical Assessment Subsystem (PASS) score of 27 out of a possible 30, CHA achieved an overall score of 90. HUD REAC staff informed CHA that the Agency is exempt from REAC inspections in CY 2007.

*Admissions and Continued Occupancy Policy*

Throughout FY 2007 CHA Operations; Leased Housing; Legal; Executive and Administration and Policy staff met regularly to rewrite CHA's Admissions and Continued Occupancy Policy (ACOP). CHA's goal is to create an ACOP that accurately reflects the scope and breadth of the policy innovations undertaken during CHA's MTW participation. The practical and philosophical implications of this document are significant, and required a lengthy, thoughtful process. In addition, CHA also intends to write the document in language that is more approachable for residents, staff and advocates, than the current ACOP. The CHA is in the final stages of

fine-tuning the new ACOP, with plans to release a draft for public comment and review in late CY 2008.

**Program Management Indicators**

The regulatory flexibility provided by CHA’s participation in the MTW Demonstration requires CHA to evaluate all areas of its operations, performance and particularly, accountability. To that end, CHA carefully monitors standard indicators of successful property management including: vacancy rates, rent collections, work order abatement and inspection rates.

**Occupancy/Vacancy Rate**

Once again in FY 2007, CHA can report that its vacancy rates remained low throughout the reporting year. As the table below illustrates, CHA’s occupancy percentage (adjusted for modernization work) for its conventional public housing inventory is 98.9%. A more detailed analysis of vacancy rates is available in Table 5–4 in Appendix Five.

FY 2007 Budgeted			FY 2007 Actual			Difference Budgeted vs. Actual	
Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %
90.0%	99.0%	1.0%	86.4%	98.9%	1.1%	-3.6%	-0.1%

**Rent Collection**

In FY 2007, rent collections were 99.2%. Detailed information is found in Table 5–5 of Appendix Five.

**Work Orders**

CHA’s work order turnaround time was exemplary in FY 2007. CHA continued abating emergency work orders within 24 hours. Non-emergency work orders were abated on average within 9.5 days. It is worth noting that the number of requested Work Orders significantly increased for a portion of FY 2007 as CHA prepared for its REAC inspections. Work order response time by development is detailed in Table 5–3 of Appendix Five shows work order response times by development.

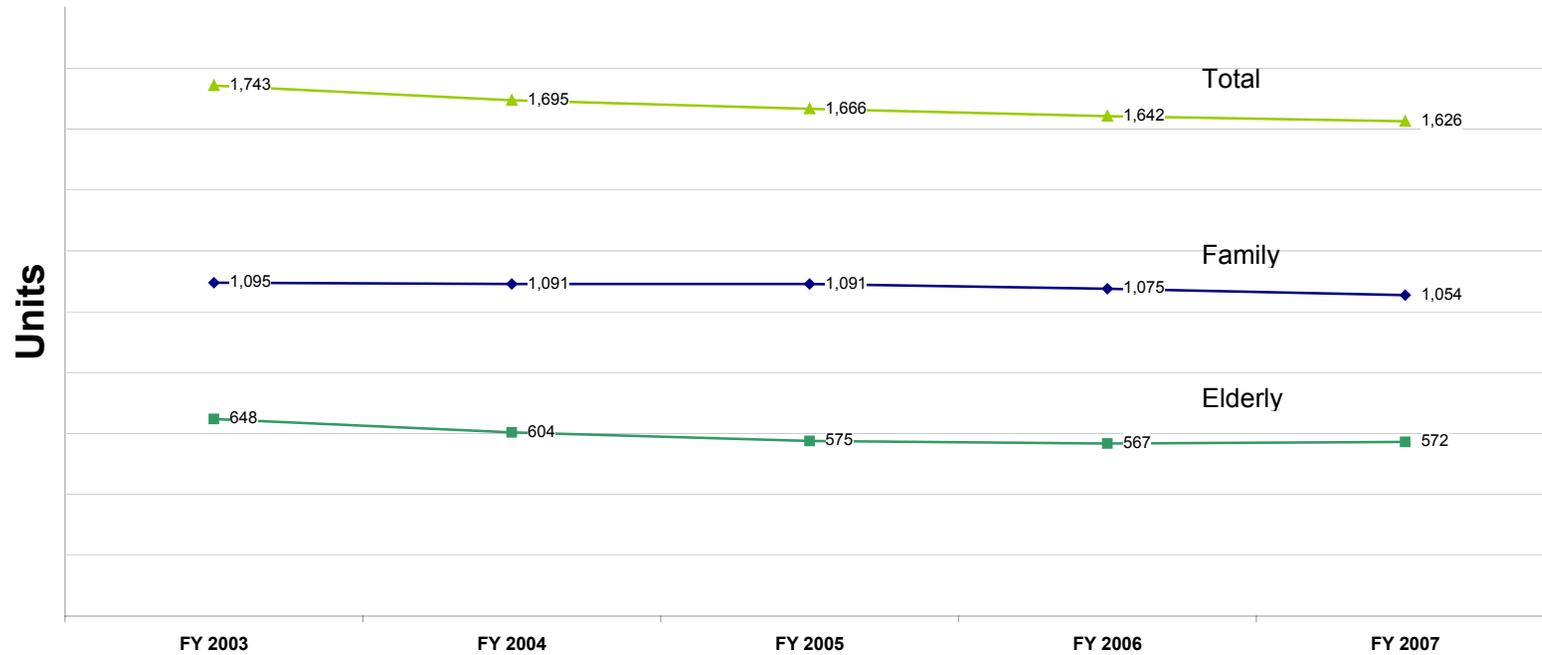
**Inspections**

Excluding units off-line for modernization, CHA inspected 100% of its conventional public housing inventory in FY 2007. Annual inspections are a key component in CHA’s ongoing assessment of capital and maintenance needs at its developments. A detailed summary of CHA’s inspections is available for review in Table 5-1 of Appendix Five.

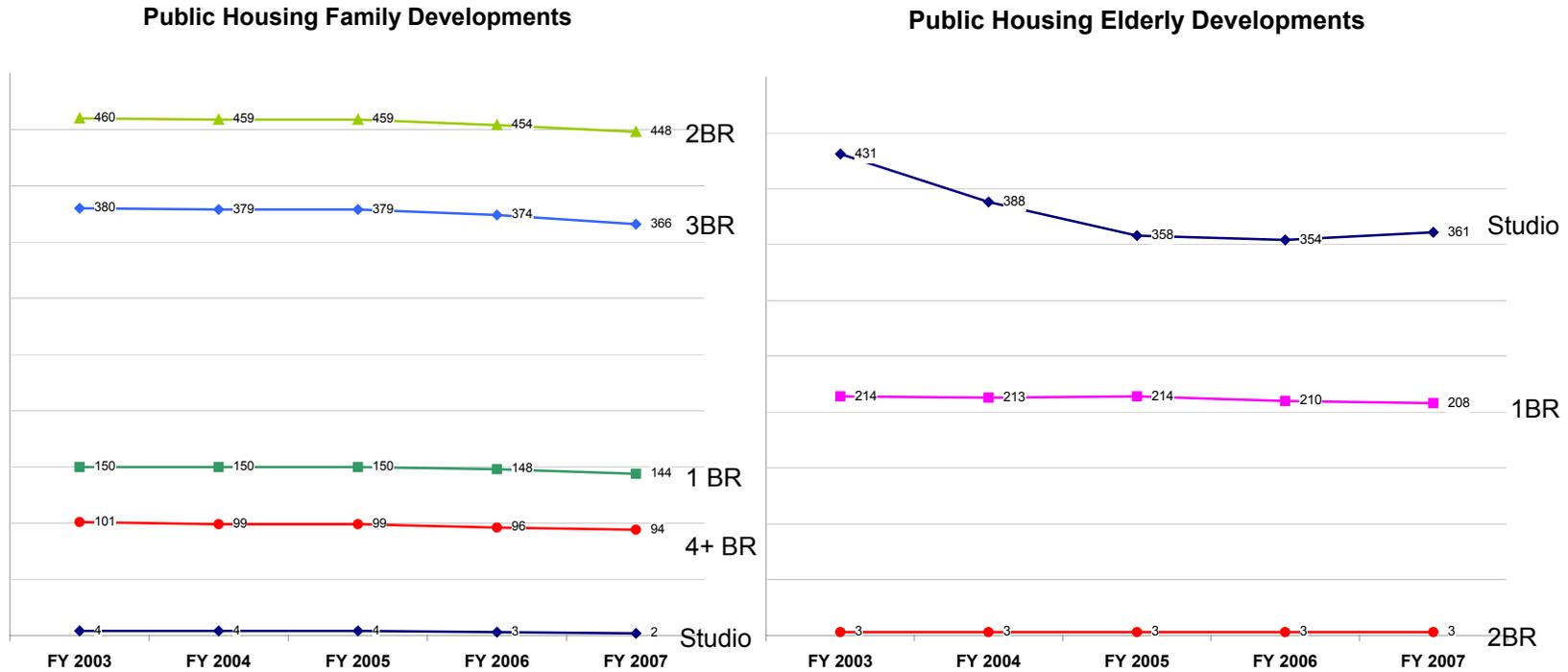
**Public Housing – Households Served**

CHA continued serving substantially the same number and type of households in FY 2007, as it would have absent its participation in the MTW demonstration program. The following text and data presents a summary of the variances in household demographics including bedroom size, income and race/ethnicity, between FY 2003 and FY 2007. More detailed data illustrating these variances can be found in Table 2-4 of Appendix Two.

**Households Served: Public Housing FY2003-FY2007**

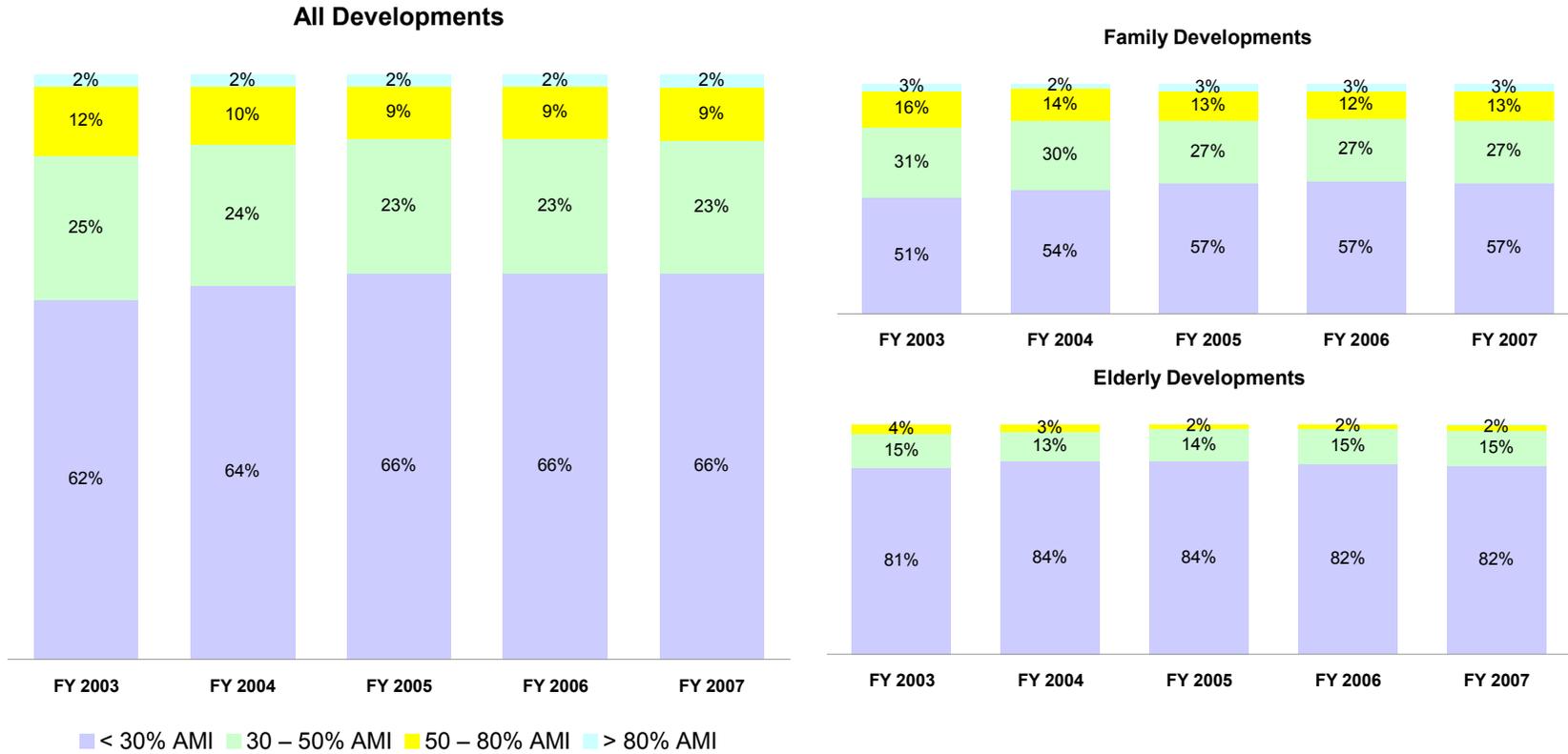


Households Served: Public Housing by Development Type



Approximately 1626 households reside in CHA’s conventional federal public housing units. As illustrated in the data above, CHA housed slightly fewer households in FY 2007 than in FY 2006. The minor dip in occupancy rates is due to modernization work at River Howard Apartments, Millers River and Lyndon B. Johnson Apartments. As outlined in CHA’s FY 2008 Annual Plan, CHA expects this number to increase in FY 2008 as vacant units at these developments are reoccupied.

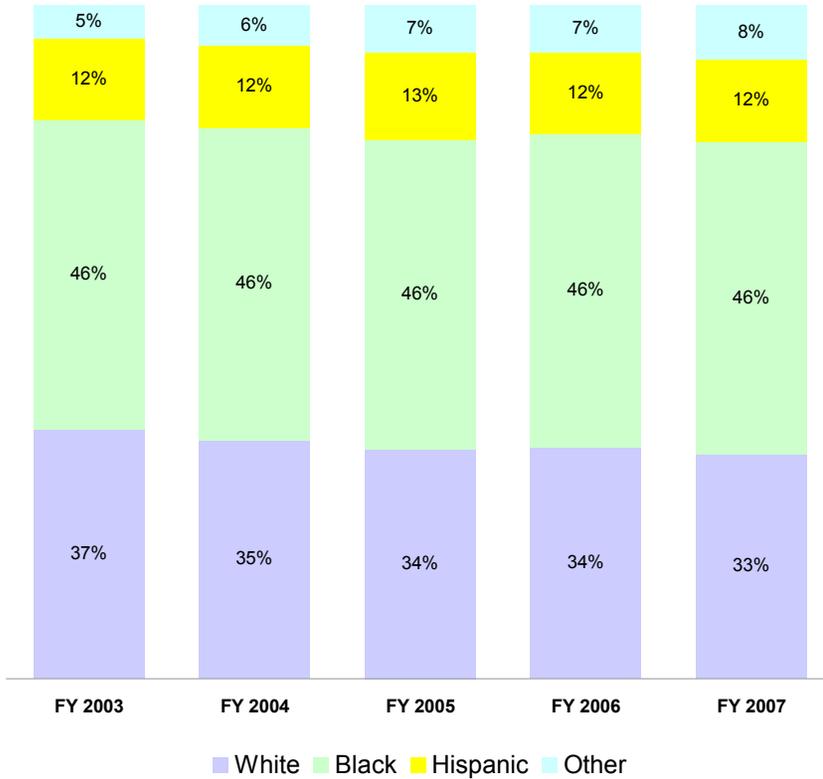
Households Served: Public Housing by Income



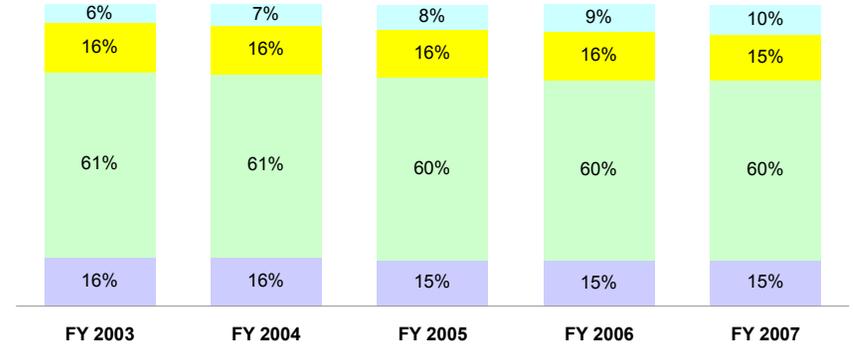
Fluctuations in households by income groups, racial backgrounds/ethnicities and household sizes were nominal in FY 2007, and correlate substantially with CHA’s base year data and current waitlist demographics. As required by its MTW Agreement, CHA continues to serve substantially the same number and mix of households (by income, race/ethnicity and income) in CHA’s conventional federal public housing developments.

Households Served: Public Housing by Race/Ethnicity

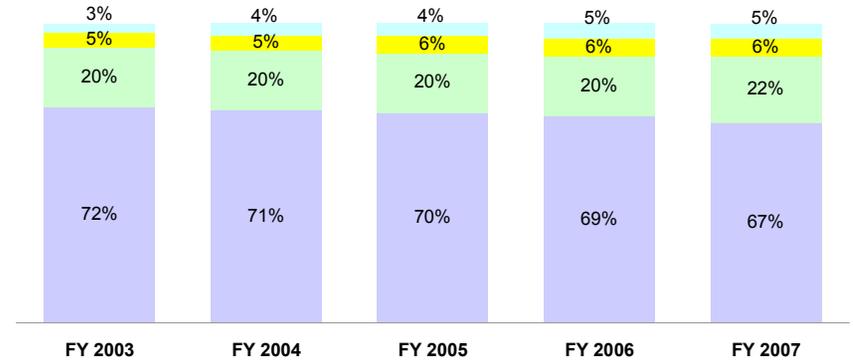
Conventional Public Housing by Race/Ethnicity



Family Developments



Elderly Developments



**Demographic Distribution by Development and Race/Ethnicity**

As illustrated below and in Tables 2-1 through 2-3 in Appendix Two, the overall racial/ethnic composition of CHA developments has remained relatively static over the past five years and the data shows no tendency for race or ethnic-based clustering at any CHA developments. Based on CHA’s low turnover rate and lack of clustering by race or ethnicity on CHA’s waitlists, it is reasonable to assume that this pattern (by race or ethnicity) of demographic distribution will not change significantly in the foreseeable future.

Development	Units	Number of Applicants					Development	Units	Number of Applicants				
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007			FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Corcoran Park</b>	<b>153</b>	<b>151</b>	<b>151</b>	<b>152</b>	<b>149</b>	<b>150</b>	<b>Washington Elms</b>	<b>175</b>	<b>171</b>	<b>171</b>	<b>175</b>	<b>173</b>	<b>173</b>
White		37 25%	36 24%	36 24%	34 23%	35 23%	White		25 15%	27 16%	27 15%	26 15%	25 14%
Minority		114 75%	115 76%	116 76%	115 77%	115 77%	Minority		146 85%	144 84%	148 85%	147 85%	148 86%
<b>Jefferson Park</b>	<b>175</b>	<b>178</b>	<b>179</b>	<b>176</b>	<b>178</b>	<b>166</b>	<b>Daniel F. Burns</b>	<b>198</b>	<b>189</b>	<b>171</b>	<b>170</b>	<b>195</b>	<b>191</b>
White		31 17%	31 17%	26 15%	25 14%	23 14%	White		144 76%	127 74%	123 72%	133 68%	125 65%
Minority		147 83%	148 83%	150 85%	153 86%	143 86%	Minority		45 24%	44 26%	47 28%	62 32%	66 35%
<b>Newtowne Court</b>	<b>268</b>	<b>267</b>	<b>266</b>	<b>268</b>	<b>267</b>	<b>264</b>	<b>H.S. Truman Apts.</b>	<b>60</b>	<b>44</b>	<b>55</b>	<b>59</b>	<b>59</b>	<b>59</b>
White		29 11%	27 10%	29 11%	31 12%	30 11%	White		32 73%	40 73%	44 75%	44 75%	42 71%
Minority		238 89%	239 90%	239 89%	236 88%	234 89%	Minority		12 27%	15 27%	15 25%	15 25%	17 29%
<b>Putnam Gardens</b>	<b>122</b>	<b>121</b>	<b>121</b>	<b>122</b>	<b>121</b>	<b>122</b>	<b>L.B. Johnson Apts.*</b>	<b>180</b>	<b>141</b>	<b>128</b>	<b>115</b>	<b>102</b>	<b>97</b>
White		25 21%	21 17%	19 16%	20 17%	22 18%	White		75 53%	67 52%	59 51%	52 51%	49 51%
Minority		96 79%	100 83%	103 84%	101 83%	100 82%	Minority		66 47%	61 48%	56 49%	50 49%	48 49%
<b>River Howard*</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>29</b>	<b>16</b>	<b>16</b>	<b>Millers River *</b>	<b>302</b>	<b>254</b>	<b>231</b>	<b>211</b>	<b>191</b>	<b>206</b>
White		8 25%	8 25%	8 28%	5 31%	4 25%	White		202 80%	183 79%	166 79%	151 79%	154 75%
Minority		24 75%	24 75%	21 72%	11 69%	12 75%	Minority		52 20%	48 21%	45 21%	40 21%	52 25%
<b>Roosevelt Towers</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>122</b>	<b>Robert S. Weaver</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>20</b>
White		13 10%	14 11%	16 13%	17 14%	16 13%	White		12 60%	11 58%	12 60%	12 60%	13 65%
Minority		111 90%	110 89%	108 87%	107 86%	106 87%	Minority		8 40%	8 42%	8 40%	8 40%	7 35%
<b>Scattered Sites **</b>	<b>47</b>	<b>46</b>	<b>43</b>	<b>44</b>	<b>47</b>	<b>45</b>	<b>Total Federal Properties</b>	<b>1856</b>	<b>1743</b>	<b>1695</b>	<b>1666</b>	<b>1642</b>	<b>1626</b>
White		8 17%	8 19%	8 18%	8 17%	6 13%	White		641 37%	600 35%	573 34%	558 34%	544 33%
Minority		38 83%	35 81%	36 82%	39 83%	39 87%	Minority		1097 63%	1091 65%	1092 66%	1084 66%	1087 67%

\*Undergoing Modernization work

\*\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street

**Designated Housing Plan**

In FY 2007, CHA maintained its HUD-approved Designated Housing Plan. CHA’s designation has remained the same since the beginning of the Demonstration, first reflected in CHA’s FY 2000 Annual Report. In FY 2007, CHA maintained the 13.5% threshold for disabled residents in existing elderly developments. The 13.5% threshold allows the federal program to synch-up with the state program. To date, CHA is using Mainstream vouchers for 234 disabled individuals with 26 disabled individuals currently searching for appropriate rental units. Disabled applicants on waiting lists are offered a voucher if they choose not to wait for unit in a designated property. CHA’s Designated Housing Plan is essential to elderly residents’ satisfaction with their housing. The Plan was renewed by HUD in FY 2007 and continues through April 2009.

Each year, CHA examines the ratio of disabled non-elderly to elderly residents at its developments to confirm adherence to the Elderly Designation Plan and to examine the policy’s impact on site demographics. As Table 2–3 in Appendix Two illustrates, young disabled tenants represent 16% of households at elderly developments and 13% of households at all developments.

Also in CY 2007, CHA is exercising its option under MTW to lower the age for elderly from 62 to 60 years old.

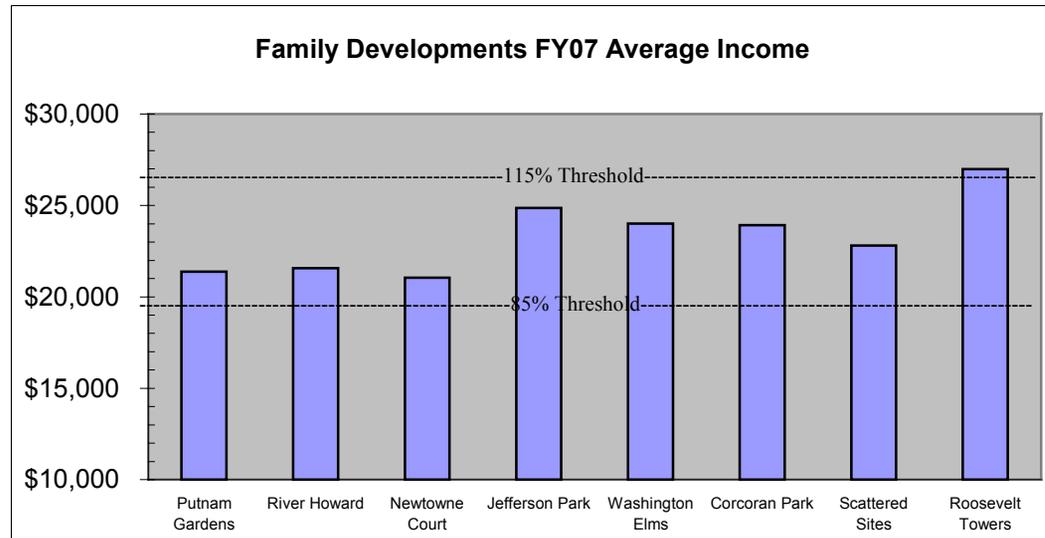
**Income Diversification and Deconcentration**

While CHA is not required to adhere to HUD’s Deconcentration Rule, CHA continued to comply with the rule in FY 2007. CHA believes that income diversification is an important element to building and maintaining strong, safe and diverse communities. CHA remains committed to increasing the percentage of working families in its developments, to add economic diversity and reduce concentrations of poverty. As evidenced by the high cost of owning or renting a (unassisted) unit in Cambridge, CHA is compelled to address in some way, the affordable housing needs of households with earnings between 50 and 80% of Area Median Income.

In previous years, CHA had targeted 75% of family units for extremely and very low-income households (below 50% of AMI), and 25% of family units for availability to low-income households (between 50 to 80 % of AMI). In FY 2007 (in response to concerns expressed by community advocates that the preference given to low-income applicants was inappropriate given the high percentage of extremely and very low income households on CHA’s waiting lists) CHA suspended the preference for 50% - 80% families. CHA will continue to monitor patterns of income diversification at its developments and may re-implement the placement preference in the future, as it deems appropriate.

It is interesting to note that, as illustrated in table 2-5 of Appendix Two there has been no statistical variance in the AMI distribution of residents in any of CHA’s federal public housing developments in the last three years (from FY 2005 to FY 2007).

As illustrated in the table below, CHA was in compliance with deconcentration in FY 2007, as only one development (Roosevelt Towers), where income diversification was first implemented, is over 115% or under 85%. Income diversification's impact on the demographics of CHA conventional housing developments is minimal as no preference placement was used in FY 2007.



### CHA Resident Satisfaction Survey

Under its MTW Agreement, CHA continued engaging an independent firm, Edgemere Consulting Corporation, to develop and administer its Resident Satisfaction Survey. Unlike REAC's standard Resident Satisfaction Survey, CHA believes that by creating its own surveys, it can more precisely identify areas where its operative and management polices are succeeding and where there is room for improvement. For example, as discussed earlier in this section, the survey for FY 2007 included questions specifically addressing residents' knowledge of, and satisfaction with Rent Simplification.

The survey was administered in April and May of 2007 by telephone. A statistically valid sample was drawn from CHA's existing resident population. Trained multi-lingual surveyors called approximately 1000 residents, with 255 surveys completed. The survey results and

relevant materials are available for review in Appendix Eight. Once again in FY 2007, resident responses were very positive, and there was an aggregate increase in satisfaction over last year's results. Some noteworthy survey results include:

- 86% of residents expressed satisfaction with the conditions of their apartments.
- 83% expressed satisfaction with the safety and security of their neighborhoods.
- 85% expressed satisfaction with the quality and conditions of the outside grounds including playgrounds, sitting areas and parking lots.
- 82% of residents surveyed had contacted CHA for maintenance or repair service within the past year. Within this group, satisfaction was very high: 89% expressed satisfaction with the quality of repair work and 97% expressed satisfaction with the amount of time it took to complete the work. This is a 15% increase over FY 2006.
- 97% of respondents were satisfied with the way CHA maintenance staff performing the repair work treated them. This is a point of great pride for CHA, as it continues to work at improving the quality of customer relations, Agency-wide.
- Residents also expressed a high level of satisfaction overall with CHA management practices. 94% of residents who visited a CHA Housing Management office within the past year expressed satisfaction with the availability of information on their rent and lease responsibilities; a 9% increase over FY 2006.
- Similarly, 94% of respondents were satisfied with the accuracy of the information they received while visiting with CHA managers. This also represents a 9% increase over FY 2006 survey results.
- Residents' sense of safety in and around their apartments continued to be extremely high in FY 2007. As in FY 2006, 96% of residents surveyed felt safe in their units. 85% of respondents reported feeling safe on the grounds around their developments.

### **Safety & Security**

In FY 2007 CHA hired a Public Safety Officer (PSO) with experience in public housing safety administration. The PSO met regularly with administrative staff, tenants and tenant councils to discuss safety concerns at the sites. Since coming to CHA the PSO has worked hard to develop stronger ties with the Cambridge Police Department. In FY 2007 the PSO began coordinating monthly meetings with the Cambridge Police Department (CPD) and site managers.

The PSO worked diligently to establish stronger direct linkages between the Police Department and residents not associated with CHA Resident Councils. Beginning in FY 2007, the PSO organized several open meetings at CHA properties with representatives of the police department, so that residents could share their concerns directly with police. Currently, with assistance from the CPD, the PSO is assessing

existing security measures at each family and elderly development with the long-term goal of developing site-specific safety plans that incorporate CPD recommendations for improvements including: security camera placement, enhanced lighting strategies and other security enhancements.

As in years past, CPD continued patrolling CHA's properties on a regular basis. In FY 2007 CPD patrols at CHA sites cost CHA approximately \$46,000. FY 2007 brought a marked improvement in the cooperative relationship between CHA and the CPD. Through the commitment and hard work of the PSO and CPD officials, ties between CHA and the CPD flourished in FY 2007, growing into a true, mutually beneficial partnership.

### ***Elder Services***

#### ***Elder Service Plan at LBJ and Millers River Apartments***

The success of the collaboration with the Cambridge Health Alliance's Elder Service Plan (ESP) at Putnam School Apartments encouraged CHA and the Cambridge Health Alliance to begin plans to expand the program to both Lyndon B. Johnson and Millers River Apartments. In FY 2007, CHA began reoccupying vacant units at both buildings and is dedicating a floor at each to CHA residents who will also be clients of the Elder Service Plan.

Once renovations are completed, there will be 23 units at LBJ and 18 at Millers River, including an office for program staff and a small community room/dining area for program participants. Similar to the program at Putnam School, around-the-clock health care and social services will be available to all residents, as well as homemaking and personal care services. CHA anticipates the program at Millers River to begin in September 2007. The program at Lyndon B. Johnson Apartments is scheduled to begin in the first quarter of 2008, after renovations are completed.

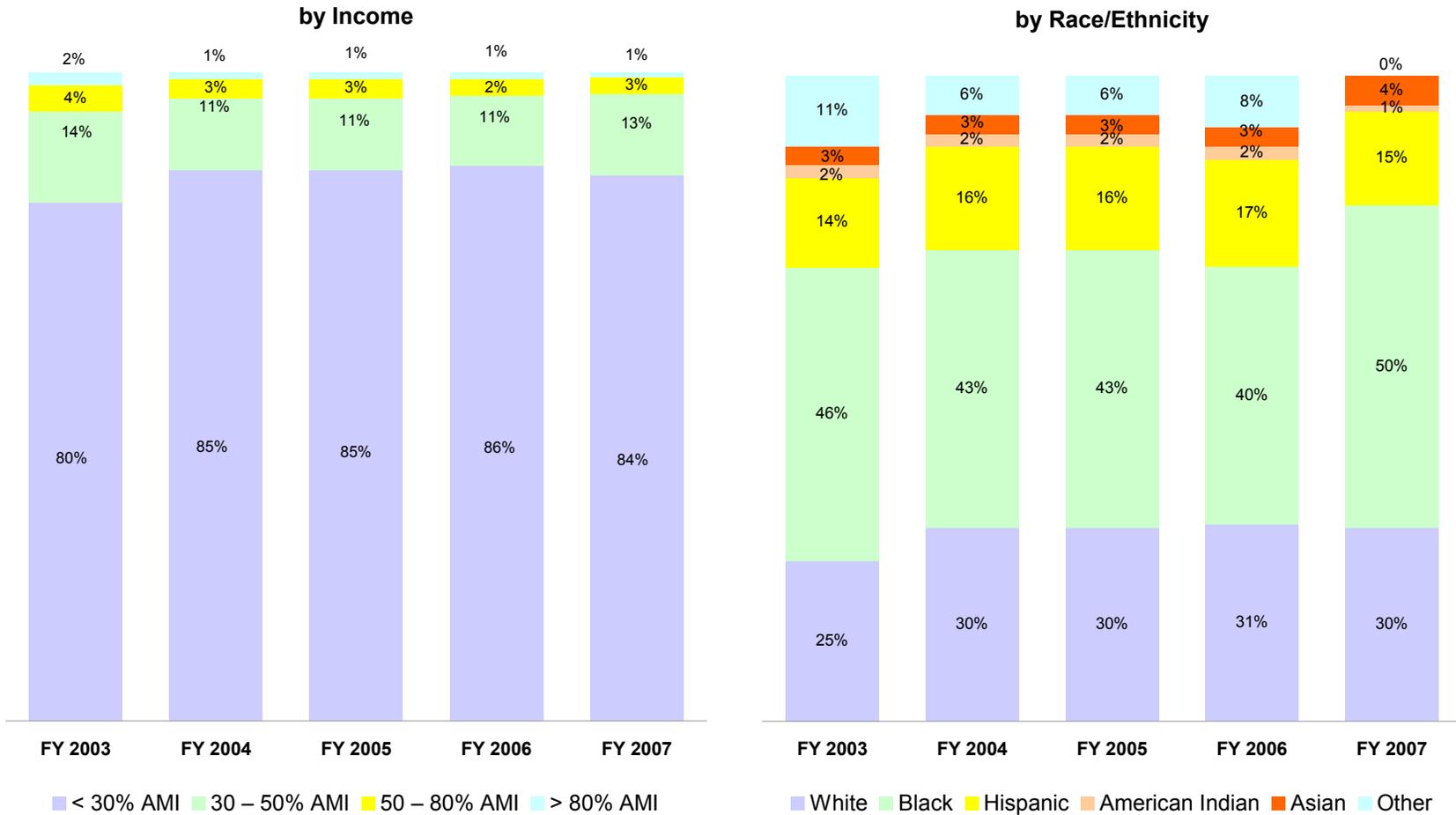
**Public Housing – Waiting Lists**

This section describes the number and characteristics of applicants on CHA’s conventional public housing waiting lists at the end of FY 2007. Comparing this data with similar data from the previous fiscal year provides an analysis of changes and trends in CHA’s applicant pool. Table 3-3 in Appendix Three contain summaries of these comparisons; Tables 3-1 through 3-2 in Appendix Three, illustrate these comparisons with further details relating to specific development-choice waiting lists, based on bedroom size, income, and race/ethnicity. The current waitlist for public housing broken out by bedroom size and program type is available below. Note that there is significant demand for studio and one-bedroom elderly units (97%) and one- and two-bedroom family units (87%). Conversely, there is very little demand for larger units in the elderly or family public housing programs.

Federal Public Housing	TOTAL	UNIT SIZE									
		Studio		1BR		2BR		3BR		4+BR	
<b>Federal Family</b>	3,323	0	0%	1,564	47%	1,320	40%	332	10%	107	3%
<b>Federal Elderly</b>	1,151	178	16%	931	81%	41	4%	0	0%	0	0%
<b>PH Total</b>	4,474	<b>178</b>	<b>4%</b>	<b>2,495</b>	<b>56%</b>	<b>1,361</b>	<b>30%</b>	<b>332</b>	<b>7%</b>	<b>107</b>	<b>2%</b>

During the latter half of CY 2006, CHA closed then updated the waiting lists for both the Public Housing and Housing Choice Voucher programs. The waitlist updates resulted in an 85% decrease in the number of applicants on the list. CHA reopened the Public Housing and Housing Choice Voucher program waiting lists in CY 2007. Table 3-4 in Appendix Three illustrates applicants’ incomes, as a percentage of AMI. Applicants earning 30% or below of AMI decreased 2% over the previous fiscal year, to 84% of all applications.

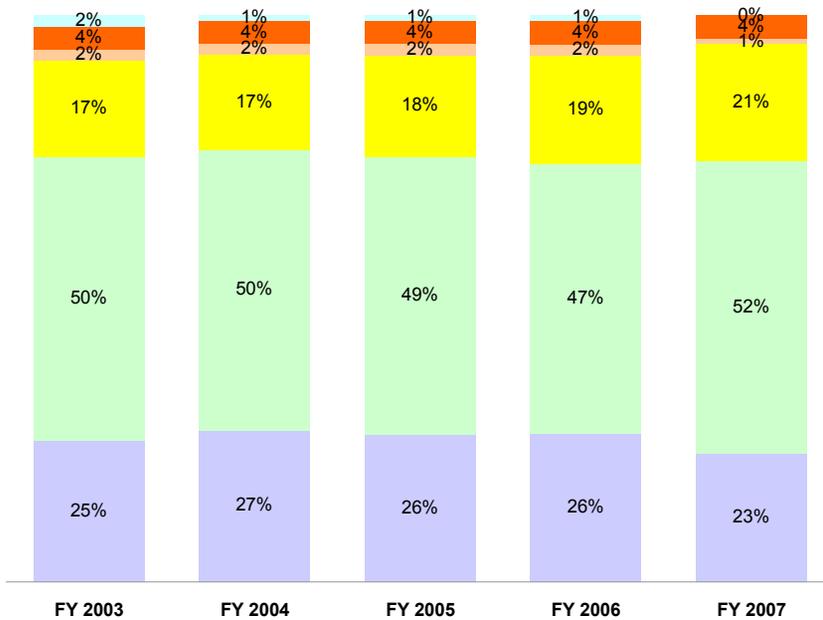
Waitlist Demographics by Income and Race/Ethnicity (Elderly and Family)



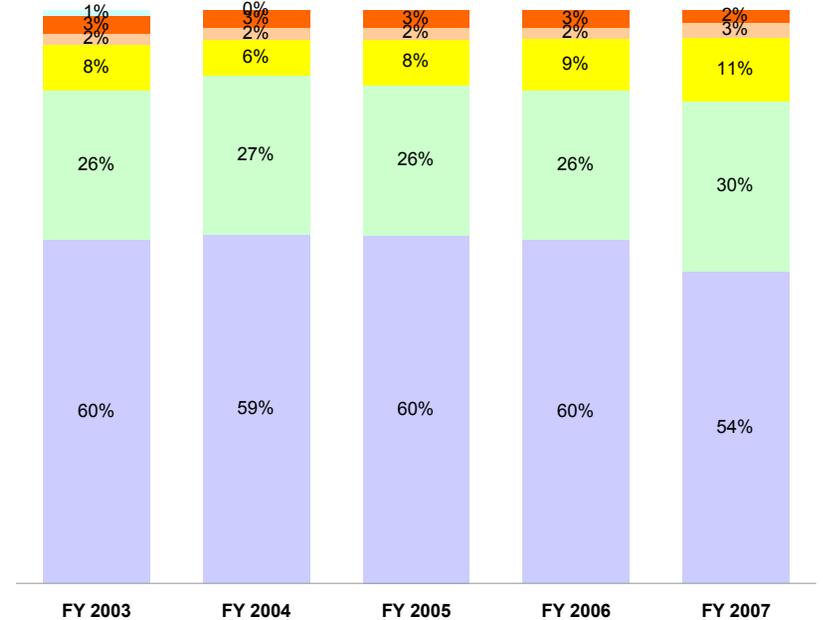
As illustrated in the graphs below (see Table 3-5 in Appendix Three for more detail), white applicants for family public housing decreased by 3% from FY 2006, while black applicants increased by 5% over the same period. Similarly, white applicants for elderly public housing decreased by 6%, while the number of black applicants increased by 4% from FY 2006 to FY 2007.

Waitlist Demographics by Race/Ethnicity (Family vs. Elderly)

Family Developments



Public Housing Elderly Developments



White Black Hispanic American Indian Asian Other

**Development Choice**

*Impact of Development Choice on Waiting Lists*

As required by CHA's MTW Agreement, CHA examines the racial/ethnic demographics of its development choice to ensure that no patterns of racial/ethnic clustering occur. CHA remains satisfied that no development-centric clustering based upon racial/ethnic backgrounds exists in CHA's family or elderly developments

A summary table by race/ethnicity within each family development waiting list is presented in Table 3-5 of Appendix Three. As these tables illustrate, approximately 77% of applicants for family public housing are minority households, and over half of these are black. The proportion of white applicants did not change significantly from the previous year.

Family Development Applicants (Development Choice Waiting Lists), by Race/Ethnicity, FY 2003 – FY 2007 \*

		Number of Applicants							Number of Applicants						
Development	Units	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Development	Units	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Corcoran Park</b>	<b>153</b>	<b>345</b>	<b>323</b>	<b>274</b>	<b>314</b>	<b>347</b>	<b>268</b>	<b>Roosevelt Towers</b>	<b>124</b>	<b>753</b>	<b>658</b>	<b>591</b>	<b>659</b>	<b>791</b>	<b>552</b>
White		72 21%	68 21%	63 23%	79 25%	93 27%	51 19%	White		166 22%	158 24%	154 26%	158 24%	212 27%	117 21%
Minority		273 79%	255 79%	211 77%	235 75%	254 73%	217 81%	Minority		587 78%	500 76%	437 74%	501 76%	579 73%	435 79%
<b>Jackson Gardens **</b>	<b>46</b>	<b>348</b>	<b>282</b>	<b>238</b>	<b>310</b>	<b>407</b>	<b>414</b>	<b>Washington Elms</b>	<b>175</b>	<b>565</b>	<b>532</b>	<b>468</b>	<b>512</b>	<b>626</b>	<b>521</b>
White		45 13%	42 15%	55 23%	74 24%	94 23%	80 19%	White		96 17%	90 17%	89 19%	92 18%	133 21%	86 17%
Minority		303 87%	240 85%	183 77%	236 76%	313 77%	334 81%	Minority		469 83%	442 83%	379 81%	420 82%	493 79%	435 83%
<b>Jefferson Park</b>	<b>175</b>	<b>440</b>	<b>409</b>	<b>362</b>	<b>418</b>	<b>520</b>	<b>417</b>	<b>Willow Street **</b>	<b>15</b>	<b>158</b>	<b>148</b>	<b>159</b>	<b>181</b>	<b>220</b>	<b>150</b>
White		70 16%	70 17%	69 19%	79 19%	112 22%	67 16%	White		51 32%	47 32%	56 35%	63 35%	82 37%	37 25%
Minority		370 84%	339 83%	293 81%	339 81%	408 78%	350 84%	Minority		107 68%	101 68%	103 65%	118 65%	138 63%	113 75%
<b>Lincoln Way **</b>	<b>60</b>	<b>138</b>	<b>98</b>	<b>89</b>	<b>104</b>	<b>135</b>	<b>133</b>	<b>Woodrow Wilson **</b>	<b>69</b>	<b>289</b>	<b>289</b>	<b>286</b>	<b>322</b>	<b>339</b>	<b>227</b>
White		23 17%	19 19%	20 22%	24 23%	31 23%	26 20%	White		8 27%	87 30%	94 33%	103 32%	121 36%	61 27%
Minority		115 83%	79 81%	69 78%	80 77%	104 77%	107 80%	Minority		211 73%	202 70%	192 67%	219 68%	218 64%	166 73%
<b>Newtowne Court</b>	<b>268</b>	<b>661</b>	<b>590</b>	<b>494</b>	<b>557</b>	<b>684</b>	<b>549</b>	<b>Scattered Sites ***</b>	<b>34</b>	<b>383</b>	<b>383</b>	<b>389</b>	<b>510</b>	<b>563</b>	<b>451</b>
White		106 16%	106 18%	109 22%	111 20%	153 22%	104 19%	White		65 17%	65 17%	82 21%	122 24%	147 26%	91 20%
Minority		555 84%	484 82%	385 78%	446 80%	531 78%	445 81%	Minority		318 83%	318 81%	307 79%	388 76%	416 74%	360 80%
<b>Putnam Gardens</b>	<b>122</b>	<b>462</b>	<b>406</b>	<b>392</b>	<b>423</b>	<b>500</b>	<b>388</b>	<b>Federal 1<sup>st</sup> Available</b>	-	<b>1,071</b>	<b>1,108</b>	<b>980</b>	<b>1,157</b>	<b>1,550</b>	<b>2,293</b>
White		92 20%	97 24%	100 25%	110 26%	123 25%	72 19%	White		236 22%	288 26%	304 31%	359 31%	475 31%	540 24%
Minority		370 79%	309 79%	292 77%	313 75%	377 75%	316 81%	Minority		835 78%	820 74%	676 69%	798 69%	1,075 69%	1,753 76%
<b>River Howard</b>	<b>32</b>	<b>297</b>	<b>288</b>	<b>275</b>	<b>294</b>	<b>285</b>	<b>219</b>	<b>Total of Choices</b>	-	<b>5,910</b>	<b>5,514</b>	<b>4,997</b>	<b>5,761</b>	<b>6,967</b>	<b>6,582</b>
White		62 21%	58 20%	61 22%	68 23%	68 24%	41 19%	White		1,182 20%	1,213 22%	1,249 25%	1,440 25%	1,844 26%	1,373 21%
Minority		235 79%	230 80%	214 78%	226 77%	217 76%	178 81%	Minority		4,728 80%	4,301 78%	3,748 75%	4,321 75%	5,123 74%	5,209 79%

\* A resident is defined as a person who currently resides or has a job in the City of Cambridge.

\*\* This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.

\*\*\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

***Independent Testers***

Per its MTW Agreement, CHA is required biennially to have independent testers report on any detectible patters of discrimination in CHA’s application process. An independent test was commissioned and reported on in CHA’s FY 2006 Report. Therefore CHA was not required to commission or report on the results of independent tests in FY 2007.

***Affiliate Management***

CHA continues developing a portfolio of scattered site units and larger, multi-family rental developments that it actively manages. The affiliate portfolio continued to grow in FY 2007 with the addition of 9 affiliate units for a total of 215 units citywide. The Senior Housing Manager of the affiliate properties has worked closely with CHA’s Fiscal Department as well as CHA’s Planning and Development department to review all asset management related functions, including compliance with the various funding an regulatory partners, and management of day to day as well as long-term fiscal requirements of the affiliate organizations.

In FY 2007 CHA continued to review these specific areas:

- Assessment of our structure and approach to management of CHA affiliate properties;
- Assessment of all current third party contracts for Property Management and Accounting services for the affiliate properties; and
- Ensuring low income housing tax credit compliance as well as furthering the education of the affiliate housing staff of the guidelines and regulations pertaining to the low-income housing tax credit program.

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## ■ Local Leased Housing Program

The CHA continues operating a Local Leased Housing Program in conformance with its MTW Agreement. Over the past year, CHA continued using the flexibility allowed in the agreement to meet local needs and continue the success of the program in Cambridge.

### *Leased Housing - Rent and Occupancy Policies*

During the past year, CHA continued using its MTW deregulation authority to tailor its tenant and project based programs to meet the affordable housing needs specific to the City of Cambridge:

- FMRs, rent reasonableness and rent adjustment factors:

As noted in CHA's FY2008 Plan, rents have begun stabilizing, and in some cases falling in Cambridge over the past couple of years. Because of this, CHA has not had the need to adjust payment standards as aggressively as in years past. At the same time, it should not be implied that Fair Market Rents (FMRs) as published in the Federal Register met the demands of the Cambridge market in FY 2007. As in past years, CHA used its MTW authority to increase payment standards above HUD's FMRs. However, payment standards in FY 2007 were much closer to the straight FMRs than they have been in many years.

For project-based units, the CHA continues to utilize the published Operating Cost Adjustment Factors (OCAF) as a more reasonable and consistent number than the Annual Adjustment Factor with respect to this type of program. Using the OCAF provides CHA added security for insuring rent reasonableness for PBA rent increases.

- Percentage of the program project-based:

In FY 2007 CHA continued to have more than 20% of its MTW vouchers utilized in Project Based units. Considering the otherwise prohibitively expensive cost of developing affordable housing in Cambridge, the PBV program remains

an essential component of any successful affordable development project. In FY 2007 approximately 24% of all MTW vouchers were Project Based.

- Vacancy and damage payments to owners:

The elimination of vacancy and damage provisions from the HAP contract had a serious impact on Cantebrigiens participating in the voucher program. First, the market itself was among the most expensive in the country and second, voucher households were some of the City’s poorest. Given these facts, it was and still is ridiculous to expect that participants would be able to pay two full months of rent before moving into a new unit.

For this reason, CHA continued providing vacancy and damage payments, when needed, to owners selecting new voucher participants upon unit turnover. Monetarily, this practice had very little impact on the program’s budget, but made a big difference on participating households’ ability to locate and successfully lease-up units in Cambridge.

- Payments to owners for the period of time a unit remains vacant during Leased Housing processing and inspection before lease-up:

Again in FY 2007 the vacancy payment policy had very little monetary impact on the program but had a real, positive impact on the ability of participants to successfully lease-up units. Essentially, owners do not want to wait for an inspection or the completion of lengthy paperwork when they have an available unit. For many owners, they are looking for the first tenant that is ready, willing and able to lease-up and begin paying rent. To address this, CHA used its MTW flexibility to help participants compete on an equal playing field with other, non-subsidized apartment seekers.

- Lease length, certificate expiration:

These items proved extremely valuable in the past but given the current market, CHA did not rely as heavily on these tools in FY 2007. In past years, CHA used its MTW authority to offer higher initial rents to owners who committed to longer than one-year leases. Basically, CHA front-loaded projected Annual Adjustment Factors (AAFs) into long-term leases. The recent drop in rents made this practice unnecessary in FY 2007. The same was true in FY 2007 with respect to voucher expirations. In recent years, when the market was extremely tight, CHA allowed voucher holders

one hundred and eighty days to locate a unit before requiring extension requests. In FY 2007, in response to the softening market, the allowable search time was reduced to one hundred and twenty days.

### ***Rent Simplification HCV (Major Initiative 1 from CHA's FY 2007 Plan)***

#### ***Implementation***

The Rent Simplification program adopted in the MTW leased housing program, was significantly less comprehensive than Rent Simplification in CHA's federal public housing program. The complete Rent Simplification policy was included in CHA's FY 2007 Plan and is also available for review at CHA's website: [www.cambridge-housing.org](http://www.cambridge-housing.org). Rent Simplification implementation began in FY 2006 and was completed in FY 2007. Revised Leased Housing policies were applied to all MTW voucher holders (households in Project Based units were not effected by Rent Simplification). Some noteworthy changes to the Leased Housing program included in Rent Simplification include:

- Asset exclusion level increased to \$50,000
- One interim recertification per year (excluding disabled and elderly households)
- Zero income rents go to \$50 per month minimum rent after 90 days
- No Utility Assistance Payments made to zero income households after 90 days
- Households paying greater than 50% of adjusted income for rent and utilities can apply for Hardship rent

#### ***Impact on Participants***

Although programmatic changes in the voucher program resulting from Rent Simplification were relatively minor, CHA established a comprehensive Hardship Review policy (available for review in CHA's FY 2007 Plan and CHA's website: [www.cambridge-housing.org](http://www.cambridge-housing.org)) when Rent Simplification implementation began. As discussed in the Public & Affiliate Housing section of this Report, CHA monitored the incidence and outcomes of all Hardship Applications through FY 2007. As of the writing of this Report, there were no requests for Hardship Rents from leased housing participants affected by Rent Simplification. CHA believes that this is further evidence that while

Rent Simplification is positively impacting the Agency’s day-to-day workloads, the reduced administrative burden is not correlated with any significant increase in participant rent burdens. A detailed analysis of Rent Simplification’s impact on Leased Housing workloads (Major Initiative 5 from CHA’s FY 2007 Plan) is available on in Appendix Four.

***Sponsor-Based Voucher & Rent Stabilization Programs (Major Initiative 2 from CHA’s FY 2007 Annual Plan)***

***Sponsor Based Voucher Program***

Utilizing MTW flexibility, CHA created a program whereby vouchers are issued to local nonprofit service providers and then utilized by their clients in conjunction with supportive services. The rationale for such a program was multi-fold. First, with respect to those individuals with disabilities seeking assistance through CHA’s Mainstream voucher program, a significant number would likely not make it through the screening process. Second, some applicants make it through the screening process, are issued a voucher and despite housing search assistance, are unable to locate an appropriate unit. In many cases, these participants have marginal housing histories and their ability to “sell themselves” by persuading owners that they are the best potential tenants from a pool of prospective renters, does not always work. Third, there are some individuals that may still have difficulty living on their own. In each case, these are the individuals that the Mainstream program was meant to assist, but in the current system are the most likely to be left behind.

By setting aside forty vouchers as sponsor-based vouchers in FY 2007, the hope was that service providers would work to cycle participants from the street, to a point where they get services and shelter and then move into a permanent housing situation. By the close of FY 2007, 7 sponsor-based vouchers were in use, with local service providers preparing to utilize an additional 15 in the coming months.

Over the coming year, the Leasing and Occupancy Department will monitor these vouchers closely for cost and utilization. Although there is little that can be done about the cost of the voucher since in most cases, the participant is on a fixed income, the true measure of this program’s success will be the number of households enjoying stable housing through the Sponsor Based Voucher program.

***Rent Stabilization Program***

During the period of October 1, 2005 and October 1, 2007, CHA created rent stabilization factors for voucher households whose rent and utility payments increased as a result of HUD’s October 1, 2005 FMR reduction for the Greater Boston Metro Area. Rent stabilization was provided to participants whose total tenant payment (TTP) exceeded 40% of their income due to the FMR reduction. The stabilization program’s goal was to provide participants sufficient time to either renegotiate their rent or take advantage of the softening rental market to find more appropriately priced housing.

Stabilization factors ranged from \$32 per month for studio apartments, up to \$70 per month for four bedroom units. In FY 2007 approximately 177 households' Total Tenant Payments were stabilized at a cost of approximately \$122,040. A total of 9% of voucher households were paying more than 40% of their income towards rent and utilities before the Stabilization program began. After the end of rent Stabilization, only 4% of participants are paying more than 40% of their income towards rent and utilities. The Rent Stabilization program expired at the end of September 2007.

***Project-Based Leased Housing***

As detailed in CHA's FY 2006 MTW Annual Report, CHA worked with the City of Cambridge in FY 2006 to develop a competitive request for proposals (RFP) for approximately 40 PBA vouchers that will be issued in conjunction with projects approved by the City's Affordable Housing Trust in FY 2008.

As planned, the RFP was released in FY 2007 and is currently open and awaiting responses. Through this RFP, CHA has allocated \$1.4 million over a three-year period to fund vouchers that will receive funding through the City's Affordable Housing Trust. The number of vouchers available is dependent upon the amount of funding received from the Trust. The idea behind the RFP was to work with the City and potential developers to reduce the size of the subsidy needed to make a project viable. Historically, the subsidy provided to project-based units has been higher than the subsidy provided to tenant based vouchers. The fact of the matter is that the creation of long-term affordable units requires either a large infusion of cash up front to capitalize the units or a significantly higher monthly cash flow through the use of vouchers. CHA's intent with the RFP was to shift the emphasis from a higher subsidy to more up front capitalization. If successful, CHA should see a marked difference in subsidy level between any units funded through this RFP and those that are already on line.

***Preservation of the Massachusetts Rental Voucher Program***

As described in CHA's FY03 and FY04 Annual Plans, CHA received state approvals to implement changes to Massachusetts Rental Voucher Program (MRVP) to stabilize the chronically underfunded state program. In FY 2007 CHA continued using federal resources to augment the state subsidy program, making MRVP payment standards equal to those in the federal Leased Housing program. In FY 2007 CHA subsidized 9 households in the MRVP program at a total cost of \$64,308, or an average monthly subsidy of \$595 per unit, per month. These affordable units would have been lost had CHA not stabilized the tenancies using MTW funds.

**Ongoing Administrative Success**

*Ensuring Rent Reasonableness*

100% of leased units are subject to MTW Rent Reasonableness determination at the time of initial lease-up and prior to granting any rent increases.

*Expanding Housing Opportunities*

As detailed in CHA’s FY 07 Annual Plan, 1968 MTW vouchers were planned to be in use by the end of FY 2007. At the end of FY 2007 a total of 1763 were actually in use. With the possibility of at least a 5% funding proration (approximately 126 vouchers) looming in Congress, and the open RFP for 40 Sponsor Based vouchers, CHA was conservative in its issuance of vouchers in FY 2007. This led to a lower utilization rate than originally anticipated. CHA has since begun issuing vouchers at an increased rate, and as detailed in CHA’s FY 2008 Plan, is targeting 1900 vouchers for use in FY 2008.

*Deconcentration*

In FY 2007, CHA’s program participants continued leasing units throughout Cambridge, and to some extent throughout the Greater Boston Metro area. As in previous years, participants leased units in all of the City’s Census tracts. CHA continued monitoring the number of apartments leased by Census tract and found no significant concentrations of leasing activity in any specific Census tracts.

*Leased Housing Inspections*

Housing Quality Standards (HQS) inspections are executed once CHA’s Leasing and Occupancy Department receives a complete Request for Lease Approval (RFLA). In addition to verifying HQS compliance, the inspection also confirms compliance with lead paint regulations and State Safety & Sanitary Codes. A CHA Leasing Officer and an inspector from the City’s Inspectional Services Department each conduct their own inspections. Units that fail either inspection are not admitted into the Leased Housing program unless the owner fully repairs any and all failed items.

Each year, CHA inspects 100% of new and existing units. Since FY98, 100% of leased units were HQS-compliant at the time of initial or annual inspection (when units fail initial HQS inspection, corrections are made and the unit is re-inspected, completing the inspection process). As demonstrated in the table below, CHA maintained this standard during FY 2007:

**Inspections, FY 2007, Planned vs. Actual - Leased Housing**

Type of Inspection	Planned FY 2007		Actual FY 2007	
	Inspected	Passing HQS	Inspected	Passing HQS
Annual HQS Inspections	100%	100%	100%	100%

***Housing Search Assistance***

Several years ago, CHA found it necessary to provide housing search services to individuals with disabilities. Once again in FY 2007, CHA found it necessary to fill the housing search position. The Housing Search Assistant is primarily responsible for assisting individuals with disabilities find appropriate housing. In the future, this may change to incorporate a broader spectrum of participants. Unlike in prior years when the search position was needed to allow individuals with disabilities access to an extremely expensive market, CHA’s hope is that this assistance is providing disabled participants the ability to compete for ever-scarcer rental units. With the change in the market, both with respect to demand as well as supply, CHA is concerned with the ability of disabled participants to compete with the large pool of unsubsidized households searching for available rental units.

***Marketing and Education Initiatives***

In addition to housing search, CHA continued its efforts to keep both participants and participating owners well informed about program and market changes. Through the use of informational newsletters and its website, CHA is able to answer questions, provide vital information and quite honestly, keep folks “in the loop” to eliminate misconceptions and short-circuit rumors.

To that end, in FY 2007 CHA continued printing a biannual, multilingual newsletter for voucher holders. For example, in FY 2007 the “Neighborhood News” provided participants with information about Rent Simplification; and changes in water metering and carbon monoxide detector laws in Massachusetts.

In FY 2007 CHA continued its efforts to market the Local Leased Housing Program to new property owners and to provide marketing materials designed to keep existing owners participating in the program. These efforts included the ongoing publication of the “Owner Update”; continued upkeep of CHA’s website, containing helpful information and documents designed to help owners and tenants navigate the lease-up process; periodic meetings with property owners; and co-hosting owner workshops with the Metropolitan Boston Housing Partnership. These marketing efforts were designed to attract new owners to the program and to retain and educate current owners.

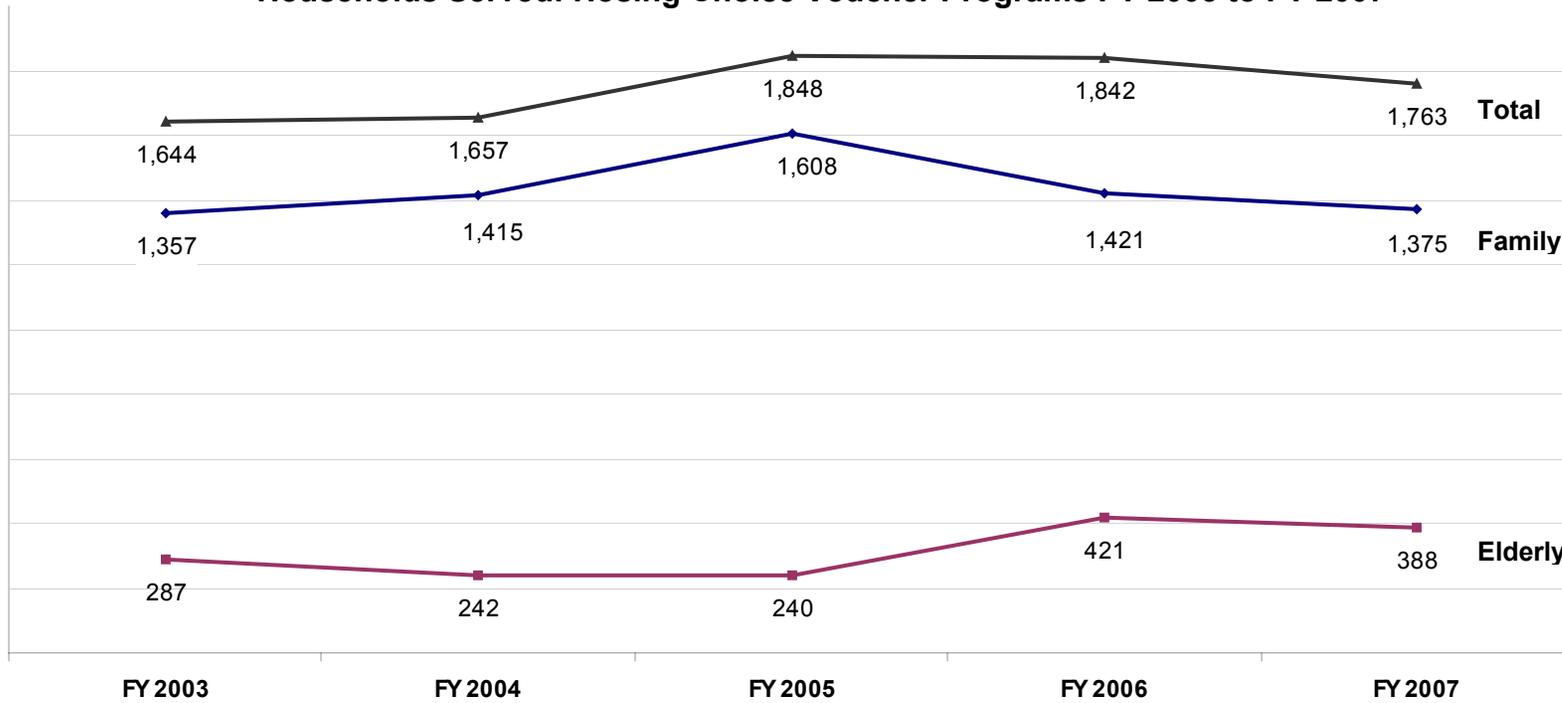
***Households Served***

Tables 2-4 through 2-6 in Appendix Two of this Report provide detailed data on changes in households served in the Leased Housing program between FY 2003 and FY 2007. The tables provide data relative to households served by bedroom size, income, and race/ethnicity. Over 1,760 households participated in the Leased Housing Program in FY 2007, using vouchers funded in the MTW Demonstration. The majority of households lease studio, one and two bedroom units, rather than three or four-bedroom (or larger) apartments. Despite the drop in utilization in FY 2007, CHA still served more households in FY 2007 with MTW, than in would have without it.

The demographics of program participants, as well as that of the waiting list, continues to shift from larger bedroom sizes to smaller ones. In FY 2007, the total number of family households leasing studio and one-bedroom units began climbing, while families renting two and three bedroom units began declining.

Unlike in the family voucher program, elderly leased units of all sizes declined, reflecting the increased availability of elderly public housing units in Cambridge as well as elderly applicants' preference for living in CHA's elderly developments over renting privately held, market units.

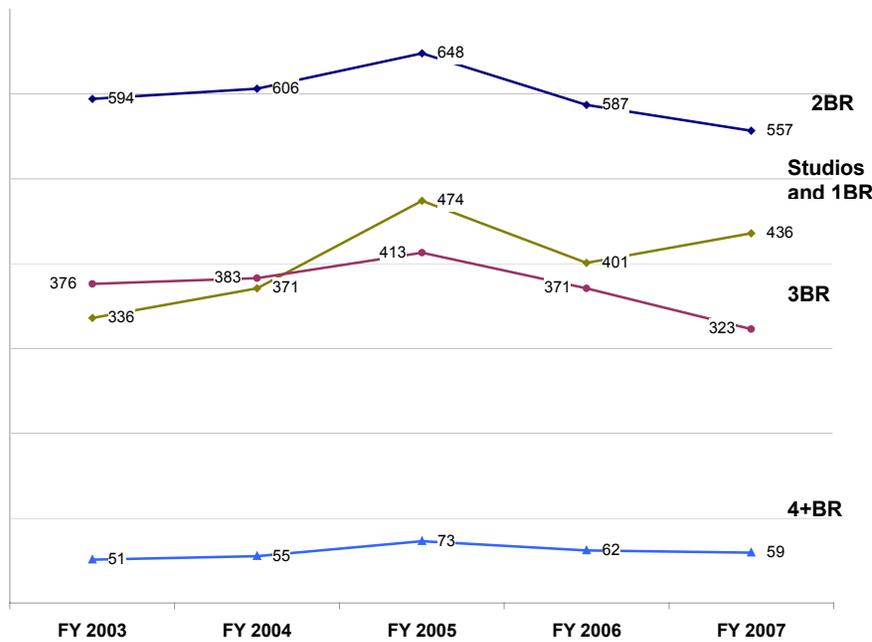
Households Served: Housing Choice Voucher Programs FY 2003 to FY 2007\*



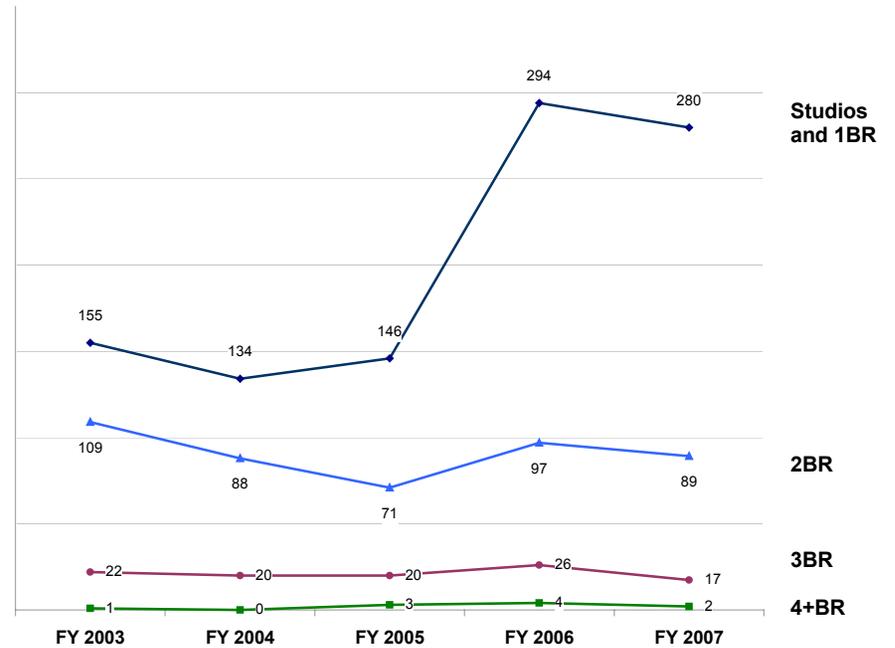
\* These data include only those units eligible for inclusion in the MTW Demonstration, as described above.

Households Served: Housing Choice Voucher Programs by Unit Size, FY 2003 to FY 2007 \*

Family Leased Housing



Elderly Leased Housing



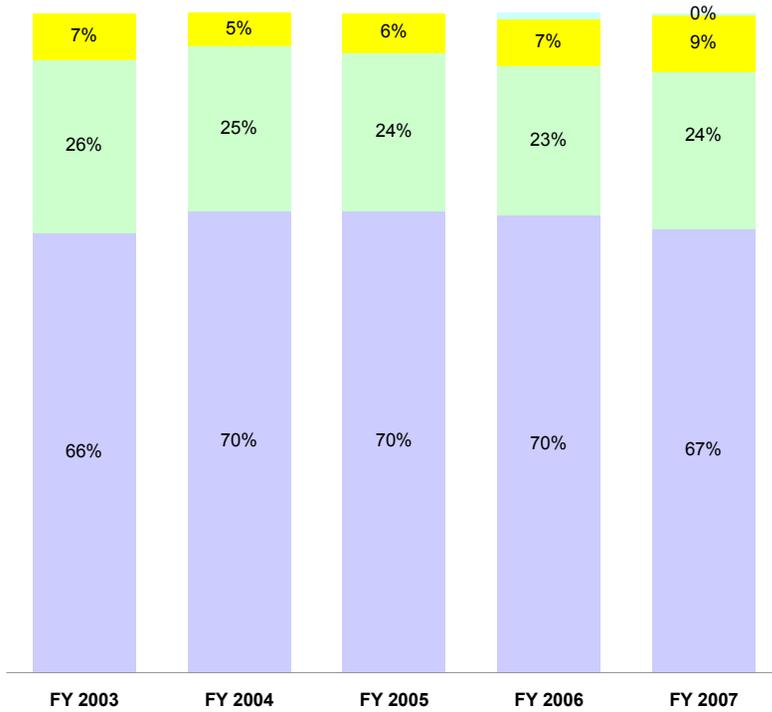
\* These data include only those units eligible for inclusion in the MTW Demonstration, as described above.

As illustrated in the graph on the left of the next page—and similar to demographical trends in CHA’s federal public housing program—there were no significant changes in the incomes of households served in the Leased Housing program from 2003 to 2007. Extremely low-income (below 30& AMI) households account for slightly more than two-thirds of households served in the Leased Housing program.

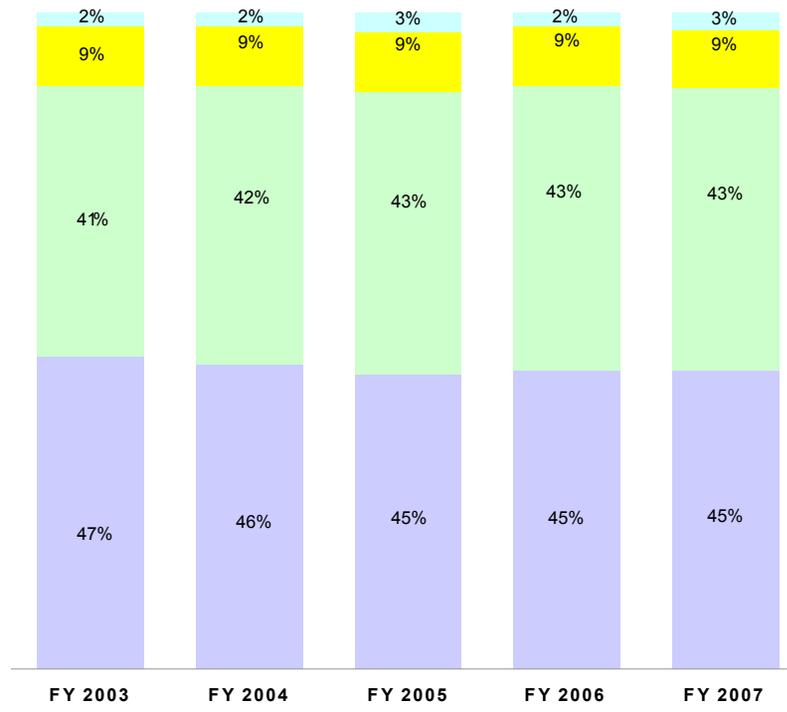
Very low-income households (families earning between 30 and 50% of AMI) account for 24% of households served. Households earning greater than 50% of AMI account for only 9% of those served in the Leased Housing program.

Households Served: Housing Choice Voucher Programs, FY 2003 to FY 2007\*

by Income



by Race/Ethnicity



■ < 30% AMI ■ 30 – 50% AMI ■ 50 – 80% AMI ■ > 80% AMI

■ White ■ Black ■ Hispanic ■ Other

\* These data include only those units eligible for inclusion in the MTW Demonstration, as described above.

The graph, previous page right, illustrates changes in households served by race/ethnicity. There was no change in racial/ethnic demographics between FY 2006 and FY 2007. Tables 2-5 and 2-6 in Appendix Two provide more detailed analyses of the information presented above.

**Leased Housing Waiting List**

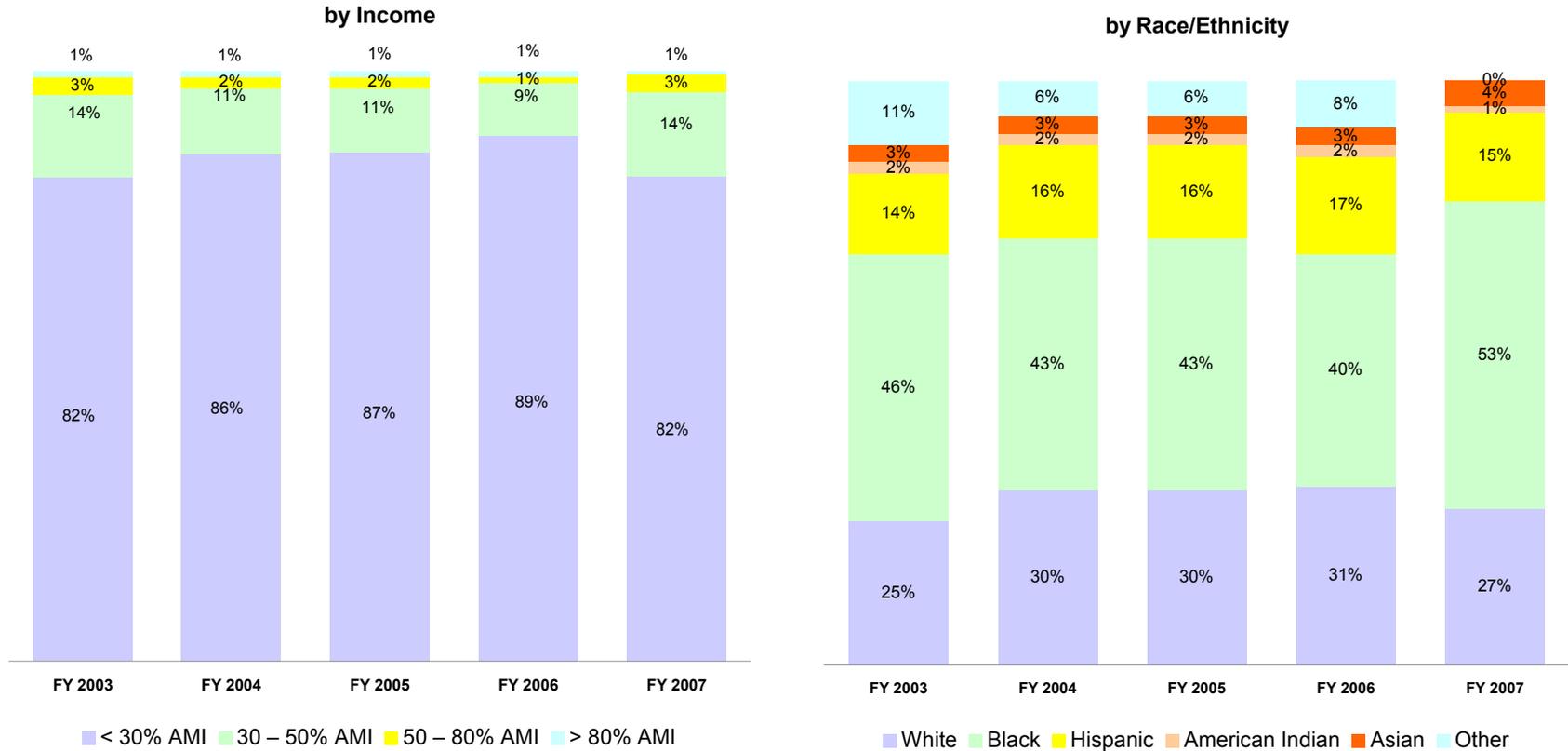
As noted earlier in this report, after updating all CHA waiting lists in FY 2007, waiting list demographics illustrate that the local demand for units has shifted dramatically from large, three and four bedrooms, to smaller one bedroom units. Since the reopening the waiting list in December 2006, the number of applicants on the waiting list has swelled to 4,348 with 46% of the list eligible for one-bedroom vouchers and 19% eligible for vouchers of three or more bedrooms.

Federal Leased Housing	TOTAL	UNIT SIZE									
		Studio		1BR		2BR		3BR		4+BR	
All Applicants	4,348	0	0%	1,986	46%	1,538	35%	730	17%	94	2%

The graph below, left (and Table 2-5 in Appendix Two) provides a snapshot of Leased Housing applicants, by income ranges. Household percentages in each of the AMI categories changed slightly from FY 2006 to FY 2007. Particularly noteworthy is that the percentage of extremely low-income applicants declined by 7%, while very low-income applicants increased by 5%.

The graph below right on the following page (and Table 2-6 in Appendix Two, in greater detail) shows that the number of black applicants increased 13% between FY 2006 and FY 2007, while the number of white and Hispanic applicants declined by 4% and 2%, respectively.

Waiting List Applicants: Housing Choice Voucher Programs FY 2003 – FY 2007\*



\*The Housing Choice Voucher Waiting list contains partially entered statistics for many non-residents. Many were not coded for race and ethnicity and are listed as "Other."

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## ■ Development & Redevelopment

### FEDERAL PUBLIC HOUSING

#### *Capital and Extraordinary Maintenance Efforts (Major Initiative 3 from CHA's FY 2007 Annual Plan)*

Nearly \$4.7 million dollars was expended in construction costs, (plus an additional \$1.4 million in administrative costs totaling \$6.1 million) in capital improvement expenditures in FY 2007; an amount that exceeded CHA's annual Capital Fund allocation by nearly \$3 million but was still well below the needs of its properties. CHA will continue seeking RHF funding in the future and looks forward to using it to leverage additional funding for the development of additional housing.

The following chart details capital expenditures from FY 2000 through FY 2007. Capital spending increased significantly since FY 2000 from \$4 million annually to nearly \$9.1 million dollars in FY 2005, but dropped to the \$5 million range in FYs 2006 and 2007. Without relief from federal appropriators, CHA expects expenditures to return to, or go below FY 2000 levels in the coming years. MTW fungibility has enabled CHA to direct program funds to capital projects, recent federal capital reductions coupled with reductions in public housing and housing choice voucher funds are hamstringing CHA's ability to utilize the benefit of fungibility in the same aggressive manner as was possible in the early 2000's.

Construction Spending FY 2000 - FY 2007

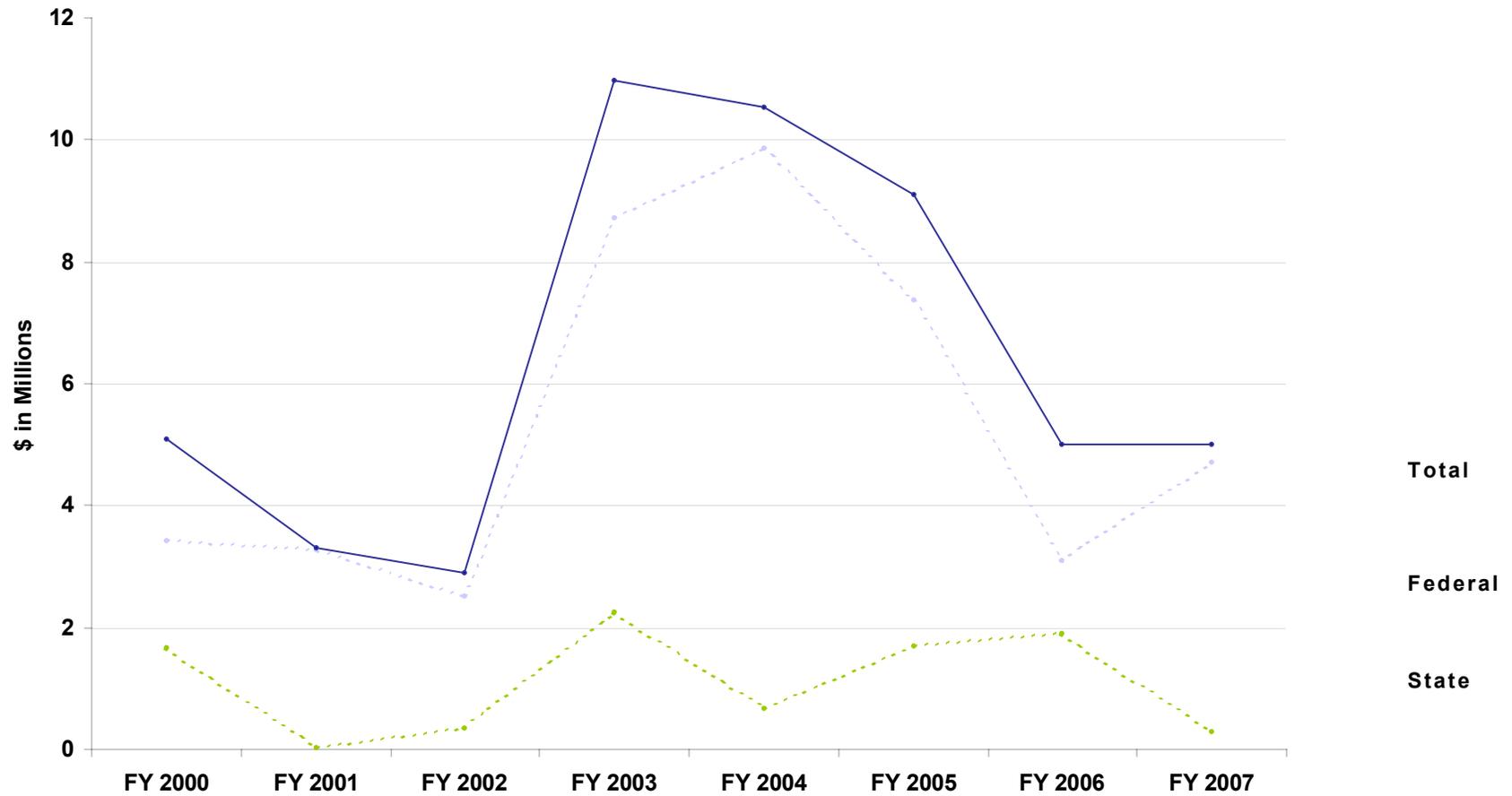


Table 1-1 in Appendix One compares planned capital expenditures and associated schedules at the start of FY 2007 with expenditures and schedules at the end of FY 2007 and includes a brief explanation of changes.

Over the past year, a number of significant capital improvements and extraordinary maintenance projects were completed. The following accomplishments on projects reflects CHA’s commitment to Enhanced Capital Projects (**Major Initiative 3 from CHA’s FY 2007 Annual Plan**):

- Award of an A/E contract for emergency generator installation at five sites;
- Construction close-out of modernization work at 226 Norfolk Street;
- Construction close-out of UDIC Concrete Repair and Stair Replacement;
- Construction close-out of Jefferson Park Fence Replacement;
- Award of a construction contract for selective modernization to units at Millers River;
- Award of an A/E contract for water infiltration assessment and selective modernization;
- Award of a construction contract for roof replacement at Roosevelt Towers;
- Award of construction contract for elevator modernization at Burns and Johnson Apartments;
- Award of an A/E contract for selective electrical modernization projects;
- Award of a construction contract for selective modernization to units at Johnson Apartments; and
- Award of a construction contract for service floor modernization work at Millers River.

CHA continued using house doctor contracts for A/E and electrical engineering services for selective modernization work. In general, these contracts resulted in an efficient design process, and helped move needed modernization work from design to construction faster than would have been feasible absent the house doctor contracts.

**The following developments have undergone construction or modernization during FY 2007:**

***Fairmont, Jackson, and Valentine Streets (UDICs)***

A construction contract to replace the stairs at Fairmont, Jackson, and Valentine Streets was awarded in August 2005 and work completed in March 2006. The project was closed out and final payment made in FY 2007.

*Total Cost:* \$399,110 *FY 2007 Expenditures:* \$29,785

***Jefferson Park***

CHA awarded two construction contracts in FY 2006 to implement the last phase of site improvements and install fencing. The bulk of the work was completed in FY 2006, but the project was closed out and final payment made in FY 2007.

*Site Work* \$325,000 *FY 2007 Expenditures:* \$128,856

***Millers River***

Work to convert the electric baseboard heating system to a gas-fired hydronic one was substantially completed at Millers River in February 2006. A Part I Close-Out was approved in FY 2007. The final Part II Close-Out is pending.

*Total Cost:* \$2,699,720 *FY 2007 Expenditures:* \$279,968

***Washington Elms***

CHA completed a redesign and successfully re-bid the roof work in Fall 2005. Work was completed in July 2006.

*Total Cost:* \$997,354 *FY 2007 Expenditures:* \$922,074

***River Howard Apartments***

A construction contract for the comprehensive modernization of this 32-unit family development with structural issues was awarded in January 2006 and work began on-site in March 2006. The first phase was completed on schedule in late 2006, and work is proceeding on the remaining phase. Completion of this two-phase construction project is expected by November 2007.

*Total Cost:* \$4,030,000 *FY 2007 Expenditures:* \$2,457,024

***Millers River***

Interior renovations to units were required to reoccupy 89 units at Millers River which no longer need to be kept vacant due to the delay, given budgetary constraints, in proceeding with the planned comprehensive modernization of the development. Renovations began in

September 2006, and were substantially complete in April 2007. An additional contract to renovate additional units and provide service coordination space to support the establishment of an elderly care program was awarded in March 2007.

Total Cost: \$1,350,000 FY 2007 Expenditures: \$901,264

The following developments had construction contracts awarded in the latter part of FY 2007, with construction work beginning in FY 2008:

Daniel F. Burns and Lyndon B. Johnson Apartments

Since these two elderly/disabled developments were occupied in the mid-1970s, the elevator systems have undergone limited work, mostly for ADA and fire code compliance, and received minimal upgrades. A construction contract to complete substantial upgrades to four of the five elevators at the two sites was awarded in January 2007, with work to be completed in FY 2008. Plans to upgrade the final elevator are currently being developed but are complicated since that elevator is the only elevator to service a building. Also, both locations are scheduled to have existing, outdated emergency generators replaced in FY 2008. A construction contract for the work was awarded in May 2007. Finally, a construction contract to renovate and reoccupy units at Lyndon B. Johnson Apartments was awarded in March 2007. CHA is reoccupying units at Lyndon B. Johnson Apartments due to the delay, caused by budgetary constraints, in proceeding with planned comprehensive modernization of the development as previously reported. An additional construction contract to provide for service coordination space to support an elder care program will likely be awarded in the Summer of 2007.

Elevator Estimated Cost: \$950,000 Estimated FY 2008 Expenditures: \$950,000
Emergency Generator Est. Cost: \$450,000 Estimated FY 2008 Expenditures: \$450,000
Reoccupancy Estimated Cost: \$1,150,000 Estimated FY 2008 Expenditures: \$1,150,000

Washington Elms

Windows at Washington Elms are nearing the end of their useful life, as the bulk of the aluminum replacement windows were installed in the late 1970's. Air infiltration and locking issues have grown in recent years, along with glass failure. Bids were requested for window replacements in FY 2007. A construction contract to replace the windows at Washington Elms was awarded in May 2007. Work will be completed during FY 2008.

Estimated Cost: \$2,775,300 Estimated FY 2008 Expenditures: \$2,775,300

***Roosevelt Towers***

Increasing roof leaks resulted in plans to replace the roofs at Roosevelt Towers. A construction contract to replace the roofs at Roosevelt Towers was awarded in November 2006, and work will be completed by Summer 2007.

*Estimated Cost:* \$574,000

*Estimated FY 2008 Expenditures:* \$574,000

***The following developments are currently in the planning/predevelopment phase for scheduled renovations:***

***Jefferson Park***

Extensive masonry and lintel deterioration along two faces of Building 11 at Jefferson Park resulted in widespread, evasive leaks and mold infestation. The masonry needs to be repaired and repointed, lintels replaced and a water-repellent sealant applied to address these conditions. The needed repair scope is presently being finalized, and a late Spring/early Summer 2007 bid opening is anticipated.

*Estimated Cost:* \$500,000

*Estimated FY 2008 Expenditures:* \$500,000

***Corcoran Park***

Gutters at Corcoran Park are either absent or damaged, and require installation or replacement to prevent damage to the buildings. Work is scheduled for bidding in Spring 2007, with the work completed in FY 2008. Also, wood replacement windows installed in 1978 are nearing the end of their useful life. Plans are underway to replace them with new double hung, insulated replacement units. An A/E is currently evaluating different options for replacement windows, and has had some sample windows installed at the site. Due to capital funding constraints, CHA will delay bidding this work until early 2008 with projected expenditures occurring in FY 2009.

*Gutter Estimated Cost* \$82,000

*Estimated FY 2008 Expenditures:* \$82,000

*Window Estimated Cost:* \$1,787,500

*Estimated FY 2008 Expenditures:* \$0

***Daniel F. Burns Apartments***

Burns Apartments consists of two, six-story buildings. Two elevators service the larger of the two buildings, which houses approximately 2/3 of the units. Only one elevator services the smaller of the two buildings. Plans to renovate this sole elevator are being made, but because of the extensive nature of the work, will possibly result in the need to temporarily relocate elderly and disabled residents. In addition to planning this elevator work, CHA has hired an A/E firm to explore extending an existing second story walkway connecting the two buildings to the remaining four floors. This would enable current residents to stay in place during the upgrade of the elevator in the smaller building, as well as provide a long-term solution for future elevator maintenance work.

<i>Elevator Estimated Cost:</i>	\$250,000	<i>Estimated FY 2008 Expenditures:</i>	\$250,000
<i>Bldg Connector Estimated Cost:</i>	\$250,000	<i>Estimated FY 2008 Expenditures:</i>	\$250,000

### **Modernization of Elderly Public Housing Developments**

#### ***Millers River and Lyndon B. Johnson Apartments***

A major planning initiative for two of our elderly developments (initiated in FY 2001) will continue through the next couple of years as CHA struggles to secure the finances needed to proceed with the long overdue construction program. These two structures, designed with recessed balconies, contain 373 studios, out of 483 apartments (77%). The studio units are extremely small, making them cramped to live in and difficult to market. The recessed balconies, which contribute to the small unit size, are also one of the primary sources of water infiltration into the apartments. Therefore, CHA has developed a plan to enclose a portion of the balconies at these buildings in order to convert them into small one-bedroom units (complete with new kitchens). This will increase the unit size and create more livable spaces for residents, while stemming the longstanding water penetration problem. In addition, all kitchens and bathrooms are in need of replacement.

Unfortunately, the total projected construction cost for the envisioned scope of work at these two developments is estimated at \$42 million. Even with the flexibility permitted under MTW, this level of funding is far in excess of available resources from the Capital Fund Program and CHA’s MTW Block Grant. As such, CHA continues exploring a number of financing options; including borrowing against our annual CFP allocation, tax-exempt bonds and low-income housing tax credits. Regrettably, the lack of available Section 8 project-based subsidies has significantly impacted our ability to leverage the bulk of needed funds, so plans for major rehabilitation at both sites have been delayed, and are not likely to begin until FY 2011, at the earliest. This has been a major disappointment for the resident groups at both sites given the years already spent planning the improvements.

### **Energy Conservation Efforts (Major Initiative 9 from CHA’s FY 2007 Annual Plan)**

CHA’s energy plan incorporates three main elements: implementing energy conservation programs, pursuing renewable energy sources, and maintaining competitive long-term energy contracts. In FY 2007 CHA worked with a utility sponsored conservation program to replace aging refrigerators with energy star models as well as replacing over 250 incandescent light fixtures with compact fluorescent fixtures. In partnership with our energy provider, CHA also disseminated over 1200 compact fluorescent light bulbs to tenants and voucher





***Capital Improvement Plan***

During FY 2007, Baker Wohl Architects finalized the update to CHA’s Capital Improvement Plan for the Agency’s entire state and federal public housing portfolio. Before 2007, the last update of the Capital Improvement Plan was in 2001. The CHA uses the Capital Improvement Plan as a budgeting, planning, and forecasting tool to assist in budgeting and prioritizing future years’ capital needs. The Capital Improvement Plan brought to light the significant amount of capital work needed in both the federal and state developments, if CHA hopes to ensure the long-term preservation of its affordable housing portfolio.



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## **AFFILIATE ACQUISITION & DEVELOPMENT** *(Major Initiative 3 from CHA's FY 2007 Plan)*

MTW fungibility allows CHA to pursue affordable housing development activities as follows:

- 1) CHA manages a single fund budget that gives full flexibility in making funds available as grants or loans for acquisition, rehabilitation, and new development.
- 2) Modifications were implemented to the Leased Housing program that made project-based subsidies easier to secure by nonprofit organizations.
- 3) These strategies are often combined; enabling CHA (through its nonprofits) to leverage private and public financing that together with CHA funding, made development projects feasible.

Since the inception of MTW in April 1999, the development activity of CHA and its non-profit affiliates has totaled \$75,810,015, for the acquisition or construction of 326 units. Moreover, CHA used just under \$12 million of its MTW resources to leverage over \$63.82 million in public and private financing sources. For every dollar provided by CHA, its affiliate entities leveraged approximately six dollars and twenty-five cents of funding. The information below reports CHA's progress on the specific development programs and activities laid out in the FY 2007 Annual Plan.

### **Creating Partnerships**

#### *Partnering with City and its Affordable Housing Trust*

The Cambridge Affordable Housing Trust (CAHT) and the City of Cambridge committed critical funding sources to CHA and its affiliated organizations, in order to expand the supply of affordable housing options in Cambridge. Since 1999, CHA and its nonprofit affiliates have received funding commitments from City sources totaling \$8.45 million for both acquisition and/or new construction in Cambridge. The success of these efforts is evident throughout the City and most often noticed in neighborhoods where few affordable housing options otherwise exist. In FY 2007, CHA's affiliates received a total of \$952,611 for the 22 Lopez Avenue project and the Condominium Acquisition Program (CAP).

#### *Partnering with Harvard University through the Harvard Housing Innovations Fund*

Funds from the Harvard Housing Innovations Program have been used in four development projects: 217 Western Avenue, 6 Ashton Place, 8-10 Lancaster Street, and 195 Prospect Street. The four funding packages, totaling \$2.25 million, are structured as 20-year loans at

2% with interest only payments due for the first ten years and the remaining principal and interest due over the final ten years. Principal payments become due in 2010.

***Partnering with Massachusetts Housing Partnership***

CHA has been partnering with Massachusetts Housing Partnership (MHP) to support the Cambridge Affordable Housing Corporation (CAHC) Condominium Acquisition Program. Under the MHP’s Scattered Site Credit Line Program, a second mortgage credit facility in the amount of up to \$600,000 was committed in July 2003 to finance acquisitions of up to 15 scattered-site condo units in Cambridge. CAHC, with the acquisition of its final unit in FY 2007, successfully acquired 14 units under this round of the CAP program. These units are rented to low-income families through the Housing Choice Voucher program. With limited land for new development and the thriving condo market, the CAP program has proven to be an effective approach to ensure supply of affordable housing in the Cambridge.

***Partnering with Local Lenders – East Cambridge Savings Bank, Cambridge Trust Company, and Cambridge Savings Bank***

CHA worked closely with East Cambridge Savings Bank, Cambridge Trust Company and Cambridge Savings Bank in providing permanent and/or construction financing for affiliate properties, including, but not limited to, 8-10 Lancaster Street, 191 Prospect Street, 217 Western Avenue, 6 Ashton Place, 22 Lopez Street, and the scattered-site condos. In FY 2007 CHA’s affiliates received a total of \$1,047,697 in financing from East Cambridge Savings Bank for the 22 Lopez Avenue project and the condominium acquisition program.

***Partnering with Local Service Providers – CASCAP, Inc. and Shelter, Inc.***

CHA and its affiliates continue to partner with local service providers to provide much needed housing to underserved and hard to place individuals. Through the HOPE VI Revitalization Program, Essex Street Management Inc. (ESMI) purchased 14 condominium units that provide permanent, independent housing to disabled persons. Most recently, ESMI partnered with Shelter, Inc. to acquire an eight-unit building in September 2006 to provide supportive permanent housing for chronically homeless individuals. In both instances, McKinney funds were used to support the development effort.

***Multi-Family Acquisition Program***

Through its multi-family acquisition program and using either one of its non-profit affiliates or a limited liability corporation, CHA sought to acquire buildings, a number of units within a larger building, or buildable sites. Funding sources these project types included funds from CHA through the budget flexibility permitted through MTW, as well as conventional debt financing from private banks; grants from the Commonwealth of Massachusetts; the Federal Home Loan Bank; Lead Safe Cambridge; the Cambridge Affordable Housing Trust Fund; low-interest and/or deferred loans from the Massachusetts Housing Partnership; tax-exempt bonds; and low-income housing tax credits and historic rehabilitation tax credits.

Plans for FY 2007 for CHA’s multi-family acquisition program included the continued implementation of several ongoing development efforts through CHA’s identity of interest affiliate organizations. These efforts, initiated in earlier MTW years, required multi-year development efforts to complete the needed rehabilitation or conversion to an affordable housing resource. The major milestones that were achieved in these efforts in FY 2007 are summarized below.

***8-10 Lancaster Street, 65 units***

The flexibility of MTW allowed CHA to take advantage of an opportunity to purchase this 65-unit building. In early FY 2007 CHA, as anticipated achieved full occupancy at Lancaster Street. It also completed in FY 2007 the close-out activities associated with the complex low-income housing tax credit program, including finalizing a cost certification and working to obtain final equity and soft loan pay-ins.

***195 Prospect Street, 20 units***

CAHC continued pursuing permanent financing for the project. 195 Prospect Street is a 20-unit apartment building that CAHC purchased in May 2003 to preserve it as a resource for households of limited income. With financial assistance from the City of Cambridge and CHA, including funds from Harvard and the CAHT, CAHC quickly assembled bridge funding to purchase the building. This was only possible because of the flexibility allowed under MTW. CAHC successfully transitioned the building to one that is fully affordable, thereby avoiding its conversion to market rate condominium units and avoiding the displacement of low-income households. In FY 2005, 195 Prospect Street reached full occupancy. The building remained fully occupied in FY 2007.

***71 Oxford Street, 11 units***

CAHC’s efforts to acquire an 11-unit building in West Cambridge in the FY 2007 MTW plan failed. CAHC and the Owner were not able to reach a mutually acceptable sales price.

***22 Lopez Avenue, 8 units***

Essex Street Management, Inc. (ESMI), an affiliate of the CHA, using funds from the City of Cambridge and the Commonwealth of Massachusetts as well as housing subsidy from the McKinney program, acquired this eight-unit building in September 2006 to provide supportive permanent housing for chronically homeless individuals. ESMI worked closely with the building’s designated service provider, Shelter, Inc., to ready the building and services for a June 2007 occupancy date.

*Cambridge YWCA, up to 42 units*

In late March 2007, ESMI signed a Term Sheet for a 99-year lease structure with the YWCA to develop up to 42 units of housing on a portion of the YWCA's site in Central Square, Cambridge. ESMI will move forward during FY 2008 to finalize a purchase and sales agreement, as well as the development plan and financing program for the site.

***New Business Opportunities/Venture Capital (Major Initiative 6 from CHA's FY 2007 Annual Plan)***

CHA's conversion to HUD's Project Based Budgeting model included an assessment of the usefulness of maintaining CHA's Portland Street central stockroom. In FY 2007 CHA Planning and Development staff analyzed the potential benefits of repositioning this asset. The analysis identified three possible uses for the property, should CHA decide to decommission the central stockroom. The three options explored were: renting the building to a local university for use as office space; renting the space to local artists and craftspeople; and disposing of the property through sale. Each option presented serious obstacles, as they would each require zoning changes and expensive redevelopment. Further, it remains unclear that decentralizing the stockroom would actually enhance CHA's operations either practically or financially. CHA is continuing to consider this, and other new business opportunities in FY 2008.

## ■ Resident Services and Economic Development

In FY2007, CHA continued to implement a broad range of supportive services and economic development programs, with the Family Self Sufficiency Program (FSS) folded into the fabric of a larger tapestry of programs focused on addressing the needs of youth, adults and seniors and/or specific CHA developments. In developing and delivering resident services programs, the CHA maintained existing partnerships with a variety of local service organizations and aggressively pursued opportunities to create new ones. CHA continues to find that partnerships minimize costs, attain leverage with the CHA's limited funds, avoid duplication of services and maximize positive impacts.

### *Exploring New Resident Services*

In its FY07 Plan, CHA committed to exploring a variety of new services. While some of our efforts encountered unforeseen obstacles, many resulted in new programs and possibilities for CHA's award winning resident services programs. A few noteworthy accomplishments include:

- **Resident Services Non-Profit (Major Initiative 4 from CHA's FY07 Plan)** – Currently, CHA has a non-profit development arm, the Cambridge Affordable Housing Corporation (CAHC), which is controlled by the CHA and has served for many years as a conduit for resident services funding from philanthropies and corporations. Over the past two years, CHA explored the possibility of developing a new non-profit explicitly for resident services that might open new avenues of support. CHA staff contacted other PHAs to learn from their experience and continue exploring the advantages of a resident services non-profit with a number of current and potential funders in the philanthropic community. CHA's research showed that while the most successful resident services non-profits often operate in collaboration with their local PHA, they have generally been incorporated by PHA residents and are legally independent of the housing authority, providing access to private funding reserved for 501(c)(3) organizations.

After lengthy consideration, CHA concluded that there was not an existing resident organization with the capacity to incorporate such an entity in FY07. While another alternative would be to establish a resident services non-profit independent of the CHA and controlled by a Board of interested professionals, CHA determined that such an organization would likely not open new avenues of support, not already available to CAHC.

- **Resident-Based Non-Profit** – In exploring the benefits of a new non-profit for resident services, CHA found that there may be real benefits to establishing of a non-profit incorporated and operated by residents. While there is currently no resident council or other

group of residents in a position to pursue this option, CHA is exploring opportunities to assist residents to develop a city-wide Resident Advisory Board (details on forming an RAB are available in CHA’s approved FY08 Annual Plan). RAB members could form the core of a resident-based non-profit, and will be an option that is introduced as that organizing effort moves forward in FY08.

- **Additional Funding Sources** – The CHA continued expanding its solicitation of new funding sources in FY07 and successfully garnered a \$45,000 grant from the Luddcke Foundation. In addition, CHA has developed an RFP for a development consultant to help continue this expansion. CHA anticipates soliciting responses and hiring a qualified consultant during FY08.
- **Resident Services for Leased Housing Tenants** – The CHA developed the Cambridge Housing Authority Resident Training Program (CHART) in FY07. CHART is a \$100,000 scholarship program that targets adults in both the Leased and Public Housing programs. The CHART Program provides up to \$5,000 in financial assistance to residents enrolled in vocational training that increases their skill sets and their earning capacity. The program is funded by two local foundations, the Cambridge Community Development Department (with Community Development Block Grant Funding) and CHA (utilizing MTW Block Grant funding).
- **New Literacy Efforts** - In addition, CHA developed a highly successful family literacy program for Leased and Public Housing residents, “Parents ROCK”, which has recently been augmented with a wrap-around case management/ family support component. CHA and its employment service provider are exploring the possibility of adding an employment component to the effort. If this proves feasible, CHA will seek to support the expansion with funding from the leased housing program, creating a broad program of self-sufficiency services that may include the institution of Individual Development Accounts and other supports to assist families to move into the economic and social mainstream.
- **Employment Linkages to Development Efforts** – Over the past year CHA met with representatives of the Cambridge Community Development Department, the Cambridge Employment Program, the federally-funded One-Stop Employment Center and several non-profits engaged in construction activity. Unfortunately many impediments to accessing apprenticeship opportunities in the building trades were encountered. Apprenticeships in the Boston area tend to be quite inaccessible to those without prior connections to the construction unions (through family members, etc.). While not tied to CHA’s development efforts, the development of the CHART Program (described above) was an outgrowth of those meetings and is helping to address some of residents’ employment needs. While frustrated by our residents’ inability to access the Pre-Apprenticeship programs in the building trades, CHA continues seeking opportunities to overcome the trades’ resistance to opening their doors to Public Housing residents.
- **Continued Expansion of Relationship with School District** – Contracts with the School Department for Work Force Summer Literacy Camp and MCAS Prep programming (MCAS is the state-wide test required for high school graduation) continued in

FY07. In light of the expansion of the district’s own MCAS Prep programming, the district agreed to a diversification of CHA’s services to include SAT Prep for high school sophomores and juniors. The contract with the district for The Bridge Program for secondary level students suspended or expelled from school continued for a second year in FY07 and the funding level was increased to provide for a part-time Bridge social worker. That contract, at the higher funding level, has been approved for FY08.

- **Continued Expansion of Literacy Programming** – Refinement of the adolescent literacy initiative of The Work Force continued in FY07, with revisions to the program’s 5-year curriculum. Expansion of literacy development programming with early readers (Pre-K – 2) continued through Parents ROCK (referenced above), with refinements and expansion of that program in FY07 to include family support services as described in **Resident Services for Leased Housing Tenants**, above. A new opportunity arose in FY07 to expand our early literacy efforts, as the local Head Start program was placed in receivership by the federal oversight agency and the contract put out to bid. CHA explored the possibility of bidding directly on the contract and explored the capabilities of several outstanding area Head Start programs to partner with CHA to take over Head Start. In the end, CHA worked with the Community Action Agency of Somerville (CAAS) to submit a successful collaborative bid based upon CAAS’ extensive experience and outstanding reputation as a Head Start provider, paired with the CHA’s array of support services and our close relationships with the school district and other local educational providers. CHA will be working closely with CAAS over the coming year, with 6 of the 7 Cambridge classrooms located in CHA developments, to embed the program firmly as a component of CHA’s continuum of educational and employment services and to link it to the variety of educational, vocational and social support services with which CHA already collaborate.

### Ongoing Resident Services

#### *Childcare and Healthcare Services for Families*

The CHA’s youth programs are designed to meet specific needs within each segment of the youth population, from infants and toddlers through the start of young adulthood at college. The following on-going programs continued in FY07:

- WIC (Women, Infants & Children) Nutrition Programs are hosted at several sites to enhance the wellness of the youngest residents and their primary caregivers;
- Daycare centers continue to operate in selected developments, including “wrap-around” Head Start Daycare at Jefferson Park, Roosevelt Towers and Washington Elms/Newtowne Court and the CEOC After-School Daycare Center located in Roosevelt Towers. These centers accept toddlers and assist families with childcare through school age. The CEOC After-School Daycare Center will be closed at the end of the 2006-2007 academic year due to funding cuts;

- Head Start programs at Jefferson Park, Roosevelt Towers and Washington Elms/Newtowne Court that allow families access to this proven formative and educational program, on-site or near their homes. Extremely positive changes in the Head Start Program are described in **Exploring New Resident Services/Continued Expansion of Literacy Programming** above;
- A youth recreation and educational program at Corcoran Park continued to be provided resident youth through the West Cambridge Youth Center; and
- The Recreational Activities Program at the Washington Elms/Newtowne Court Windsor Street Community Building, an after-school and summer activity program continued through a contract with the Boy's and Girl's Clubs.

For all ages, CHA is committed to maintaining residents' health by working to ensure the availability of healthcare, as a cornerstone of its holistic service approach. Funding limitations remained a critical issue with respect to healthcare for public housing residents and other low-income households; therefore, the CHA worked continuously to develop partnerships with qualified healthcare organizations that can provide low or no-cost service to residents. The following on-site outpatient healthcare services were available to residents at two centrally located health clinics throughout FY07:

- Windsor Street, serving the area around and including Washington Elms/Newtowne Court; and
- Jefferson Park, serving both public housing residents and the broader North Cambridge community.

***Youth Development Services – The Work Force***

The core services of The Work Force, the CHA's award-winning 5-year-long youth development program for public housing adolescents, continued over the past fiscal year. They include:

- after-school life skills classes (decision-making, conflict resolution, problem-solving, critical thinking skills, employability skills, etc.);
- "try-out" jobs with 45 area private & public employers who serve as worksite mentor/supervisors;
- tracking of school attendance/performance;
- staffed, computer-equipped homework help centers and tutoring services;

- college prep activities (college tours, SAT prep, guidance on application process and financial aid options, etc.); and
- a scholarship program -- every participant matriculating at 2- or 4-year college receives modest a Work Force scholarship and students may compete for larger scholarships for outstanding achievement and community service.

The CHA also launched a Literacy Initiative in support of the program’s academic objectives. This effort grew out of the observation that Work Force students graduating from highly successful programs have been credited with high grade point averages, but still lack basic literacy skills essential to succeeding at college. A second major impetus for launching the Literacy Initiative was the statewide shift toward “educational accountability,” culminating in the introduction of the MCAS (Massachusetts Comprehensive Assessment System) test as a requirement for high school graduation. The Math section of this test has proven problematic for children across the state and particularly so for low-income groups. For the children of immigrant parents for whom English is a second or third language, the Language Arts section of this test is particularly daunting.

As the chart on the following page indicates, The Work Force exceeded its projected performance in every key area in FY07. Enrollments are high. Retention from year-to-year and over the full 5-year span of the program is extraordinary, as is job retention and students’ mastery of the competencies required for successful employment. While the poor local economy has made job placement a difficult task over the past several years and turnover in the Employment Partnership Coordinator position led to a momentary drop in job placements last fall, CHA enjoyed real success in returning to and exceeding its projected annual numbers.

Most encouraging is CHA’s continued success with graduating seniors. With the advent of the MCAS test as a graduation requirement, prior successes in assisting virtually every Work Force senior to graduate from high school was jeopardized. For the first time in well over a decade, CHA began, in 2002, to see a decrease in the number who successfully graduated from high school. Every senior is graduating this year, something CHA credits to the MCAS Prep classes and the other components of CHA’s Literacy Initiative, which work with students on their reading and writing skills throughout their participation in The Work Force.

As a result of this effort, fully 83% of graduating seniors matriculated at 2- or 4-year colleges immediately upon their high school graduation, with the rest entering employment.

Outcomes	Projected	Actual	Comments
Enrollments	130	139	
Program Retention	85%	87%	Completed one year of program and re-enrolled for next
Workshop Attendance	80%	89%	
Spring/Summer/Fall Job Placements	35/45/35%	35/55/33%	Turnover in Employment Partnership Coord. position led to slight drop in job placements during the fall which was more than offset by the high number of summer placements
Job Retention	90%	93%	Successfully completed job placement
Mastery of Work-Based Competencies	75%	91%	Rated Competent or Advanced on employer assessments of specific competencies
H.S.Diploma Attainment	85%	100%	The advent of the MCAS test has meant that some students who have met academic requirements for graduation may still not graduate
Post-Program Outcomes: College/Employment/ Not working, not in school	70%/20%/10%	83%/17%/0%	

**Adult Employment and Education Initiatives**

In addition to the programs listed above, CHA continued operating several on-going, successful initiatives that help adults gain the educational and vocational skills they need for individual economic development, including the following:

- **CHA/Cambridge Employment Program** – Operated in partnership with the Cambridge Office of Workforce Development, this program continued to provide vocational case management, career counseling, job preparation, career skills development, job placement and follow-up assistance to adult CHA residents. The program served 109 CHA adults, exceeding its goal 50. A new

component, the Cambridge Housing Authority Resident Training scholarship program (CHART), described above, in **Exploring New Resident Services/Resident Services for Leased Housing Residents**, providing eighteen \$5,000 scholarships for adult vocational training, was implemented in March, 2007.

- **Gateways Adult Literacy** – This CHA program continued to provide English language instruction and language-enhancing computer literacy to adult speakers of other languages who seek English proficiency (ESOL) and language-enhanced computer literacy, serving 82 residents over the past year, exceeding its goal of serving 65 residents;
- **Community Computer Centers** – These two resource/training centers bracketing the city continued to provide: 1) introductory and intermediate computer instruction in the form of both group instruction and open lab time; 2) ESOL literacy instruction; and 3) after-school Homework Help for teens enrolled in The Work Force. The centers served a total of 287 residents, exceeding its goal of 200;
- **Bridge-to-College Program** – Operated in partnership with the Cambridge Community Learning Center, the Bridge-to-College program continued to provide classroom instruction and individual counseling to high school graduates and GED-holders who are not academically ready for community college courses. As a result of the commitment of a private foundation that funds scholarships for Work Force Program graduates, CHA developed a scholarship program to assist (mostly working) adults to complete the Bridge program, to make the difficult transition to college and continue their college education despite the financial and logistical difficulties inherent in doing so. Two scholarships are awarded annually to Bridge graduates upon matriculation at a two- or four-year college and one is awarded to a Bridge graduate who is an on-going college student;
- **Neighborhood Community College** – Cambridge-based community college courses in Computer Technology, Allied Health Careers, Child Development and other fields (offered in conjunction with Bunker Hill Community College) continued to be available to CHA residents, with semester-long coursework leading to vocational certificates and the more generalized Associate’s Degree. Seventeen residents enrolled in these courses, exceeding our goal of ten.

Program	FY 2007 Annual Plan Goal(s)	Number Served *
<b>CHA/Cambridge Employment Program</b>	Serve 50; Place 22 in Jobs	Served 109; Placed 31 in Jobs
<b>Gateways ESOL</b>	Serve 65	Served 82
<b>Computer Centers</b>	Serve 200	Served 287
<b>Bridge-to-College</b>	Serve 7; 65% Accepted to Job Training or College	Served 10; 65% matriculation rate
<b>Bunker Hill Community College</b>	Serve 20	Served 17

\* These programs are funded through EDSS and other grants, the reporting period for which run from July through June. Numbers are tracked according to this time frame and not CHA's fiscal year.

## ■ Financial Management

The programs under the MTW agreement include Federal Public Housing, Federal Housing Choice Vouchers, and the Capital Fund Program. These programs are funded according to the MTW agreement. CHA also administers other federal programs not covered by the MTW agreement. These include 315-Turnkey III program, which does not receive any subsidy from HUD; a non-MTW Housing Choice Voucher leased housing program; and five different moderate-rehab leased-housing programs. The competitive grant programs administered by CHA in FY 2007 include a ROSS grant, Shelter plus Care grants, and Service Coordinator grants.

The financial operations for FY 2007 in this Annual Report include the following:

- Sources and Uses of Funds by Programs from FY 2001 – FY 2007, including budget to actuals for the past year;
- Detailed Sources and Uses, FY 2007 Budgeted vs. Actual for Public Housing;
- Detailed Sources and Uses, FY 2007 Budgeted vs. Actual MTW Housing Choice Voucher;
- Fungible Block Grant Fund Established FY 2007;
- Estimated Operating Reserve position as of March 31, 2007.
- Actual Sources and Uses by Program including CHA's State Public Housing Program for FY 2007 versus Budget as provided in the FY2007 MTW Plan can be found in Appendix Six.

Sources and Uses by Program, FY 2001 – FY 2007 - Discussion to Follow

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2007
SOURCES	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Actual
<b>Public Housing Program</b>	13,084,667	13,817,092	15,408,722	14,950,508	14,921,583	14,866,064	16,754,221	17,263,885
<b>Leased Housing Program</b>	19,939,316	21,255,111	27,460,805	30,034,628	31,264,297	31,620,922	32,393,583	32,105,991
<i>Moving to Work</i>	15,739,999	16,641,150	18,367,066	21,748,600	24,519,534	25,931,886	26,464,063	26,475,369
<i>Non Moving to Work</i>	4,199,317	4,613,961	9,093,739	8,286,028	6,744,763	5,689,036	5,929,520	5,630,622
<b>Other Federal Programs</b>	1,155,122	1,174,495	1,162,555	635,454	17,928	1,364	-	-
<i>10c (3-09)*</i>	1,096,965	1,120,392	1,120,965	607,489*	-	-	-	-
<i>315- Turnkey III</i>	58,157	54,103	41,590	27,965	17,928	1,364	-	-
<b>Modernization</b>	2,367,207	2,724,921	3,544,063	4,641,193	7,810,434	2,430,226	5,890,825	2,024,415
<b>Development</b>	1,910,900	-	4,458,086	133,016	159,914	-	-	-
<b>Grants</b>	1,594,657	986,403	1,180,140	1,167,248	1,033,273	807,405	286,000	281,295
<b>Total Sources</b>	<b>\$40,051,869</b>	<b>\$39,958,022</b>	<b>\$53,214,371</b>	<b>\$51,562,047</b>	<b>\$55,207,429</b>	<b>\$49,725,981</b>	<b>\$55,324,629</b>	<b>\$51,675,586</b>
<b>USES</b>								
<b>Public Housing Program</b>	12,574,462	13,834,968	15,830,643	17,172,255	18,291,392	16,001,268	17,573,405	17,276,759
<b>Leased Housing Program</b>	18,158,304	22,429,539	25,662,089	30,923,692	33,074,010	31,591,892	32,433,332	32,406,519
<i>Moving to Work</i>	11,170,464	12,706,328	15,406,806	21,788,280	24,760,239	25,915,793	26,464,063	26,475,369
<i>Leased / Dev Activities</i>	2,846,913	5,180,916	1,136,818	907,141	1,524,665	-	-	-
<i>Non Moving to Work</i>	4,140,927	4,542,295	9,118,465	8,228,271	6,789,106	5,676,099	5,969,269	5,931,150
<b>Other Federal Programs</b>	1,160,409	1,214,675	1,229,619	643,879	10,312	795	-	-
<i>10c (3-09)*</i>	1,096,352	1,180,230	1,198,440	616,488	-	-	-	-
<i>315- Turnkey III</i>	64,057	34,445	31,179	27,391	10,312	795	-	-
<b>Modernization</b>	2,367,207	2,724,921	3,544,063	4,641,193	7,810,434	2,430,226	9,629,572	6,100,961
<b>Development</b>	1,910,900	-	4,458,086	133,016	159,914	-	-	-
<b>Grants</b>	1,594,657	986,403	1,188,549	1,131,084	1,033,273	834,108	286,000	281,295
<b>Total Uses</b>	<b>\$37,765,939</b>	<b>\$41,190,506</b>	<b>\$51,913,049</b>	<b>\$54,645,119</b>	<b>\$60,379,335</b>	<b>\$50,858,289</b>	<b>\$59,922,309</b>	<b>\$56,065,534</b>
<b>Surplus / (Deficit)</b>	<b>\$2,285,930</b>	<b>(\$1,232,484)</b>	<b>\$1,301,322</b>	<b>(\$3,083,072)</b>	<b>(\$5,171,906)</b>	<b>(\$1,132,308)</b>	<b>(\$4,597,680)</b>	<b>(\$4,389,948)</b>

\*The 10c (3-09) program was converted into vouchers six months into FY2004.

\*\*Included in this number is the creation of the Block Grant Fund

*Analysis of FY 2007 Programs*

In FY 2007, CHA had sources of over \$51 million in the program income as shown in the table on the preceding page. This represents a shortfall of about \$3.6 million from the budget estimate. This shortfall was due to some projects being deferred under the Capital Fund program. The deferred projects translated to a reduction in the amount of funds drawn down under the Capital Fund program.

**Detailed Sources and Uses, FY 2007 Budgeted vs. Actual for Public Housing - Discussion follows**

Sources	Budgeted	Actual	\$ Variance	%
Operating Receipts	8,030,617	8,063,015	32,398	0.40%
Subsidy	8,723,604	9,200,870	477,266	5.47%
<b>Total Sources</b>	<b>\$16,754,221</b>	<b>\$17,263,885</b>	<b>509,664</b>	<b>3.04%</b>
<b>Uses</b>				
Administrative Expenses	3,395,539	3,400,467	(4,928)	(0.15%)
Tenant Services	148,900	355,526*	(206,626)	(138.77%)
Maintenance Labor	2,294,435	2,361,245	(66,810)	(2.91%)
Materials/Supplies, Contract Costs	1,789,363	1,862,461	(73,098)	(4.09%)
Protective Services	59,500	62,803	(3,303)	(5.55%)
General Expenses	3,027,849	2,234,473	793,376	26.20%
Utilities	5,578,036	5,046,742	531,294	9.52%
Capital / EM / MTW Transfers	1,279,783	1,953,043	(673,260)	(52.61%)
<b>Total Uses</b>	<b>\$17,573,405</b>	<b>\$17,276,759</b>	<b>\$296,646</b>	<b>6.68%</b>
<b>Surplus / (Deficit)</b>	<b>(\$819,184)</b>	<b>(\$12,874)</b>	<b>\$806,310</b>	<b>-</b>

\* Tenant services actual uses include service coordinator funding that is provided as an add-on to the operating budget. The original budget estimate did not reflect the add-on.

*Analysis of FY 2007 Operations – MTW Public Housing*

Operating Receipts were slightly higher than budgeted by \$509,664 attributed mostly to subsidy received (see detailed Public Housing Sources and Uses table above). CHA earned additional funding for higher utility costs in FY 2006, however due to delays, the subsidy was not received until FY 2007.

Utility costs incurred in FY 2007 were much less than budgeted; a result of warmer weather and some energy savings initiatives embarked upon by the authority. This created an additional savings of over \$500K relative to the overall budget. (The high variance in General Expenses was due to an error in the budgeted figure (miscalculation of the PILOT); the actual was more representative of the program's expenditure).

CHA is well on the way with meeting many provisions of the Operating Fund Rule and the Asset Management Model. Project-based Budgeting/Accounting and Management were implemented in FY2006 and continued to be refined in FY2007. Most Balance Sheet accounts have been segregated into individual projects. A Central Office Cost Center (COCC) has been established and is being run according to the Operating Fund Rule guidelines with fees being charged for required expenditures. Operating Reserves have been assigned to each individual Asset Management Project and to the COCC. The Initial working capital assigned to the COCC is \$820,701 (the total allowable amount as stipulated under the Operating Fund Rule). CHA will continue to refine its fee structure and Asset Management model as new guidelines are published. CHA will also take into consideration the flexibility provided through its MTW agreement.

Detailed Sources and Uses, FY 2007 Budgeted vs. Actual MTW Housing Choice Voucher – Discussion to follow

Sources	Budgeted	Actual	\$ Variance	%
Operating Receipts	65,659	247,023	181,364	276.22%
Subsidy	26,398,404	26,228,346	(170,058)	(0.64%)
<b>Total Sources</b>	<b>\$26,464,063</b>	<b>\$26,475,369</b>	<b>\$11,306</b>	<b>0.04%</b>
<b>Uses</b>				
Administrative Expenses	1,515,187	1,686,950	171,763	11.34%
General Expenses	166,797	132,586	(34,211)	(20.51%)
Housing Assistance Payment (Rent to Owners)	21,201,696	18,425,177	(2,776,519)	(13.10%)
MTW Transfer	\$3,580,383	\$6,230,656	\$2,650,273	74.02%
<b>Total Uses</b>	<b>\$26,464,063</b>	<b>\$26,475,369</b>	<b>\$11,306</b>	<b>0.04%</b>
<b>Surplus / (Deficit)</b>	-	-	-	-

*Analysis of FY 2007 Operations – MTW Leased Program*

A soft rental market coupled with an unanticipated shortfall in lease-up rate has resulted in a drop in housing assistance payments made by the authority in FY 2007. CHA has committed to bring the lease-up rate back to the 95% level.

**Block Grant Fund**

In FY 2007, Block Grant Fund beginning balance was \$6,348,600 and the Housing Voucher program contributed an additional \$6.2 million. During FY2007 the Block Grant Fund transferred funds to offset operating deficits in numerous programs, fund non-routine expenditures and various Block Grant projects. The Available cash in the Block Grant Fund as of March 2007 is fully obligated for programs and projects. Note that the Block Grant Fund is used to fund both operating and capital projects throughout the authority. The block grant is what keeps CHA financially stable across its various program areas, helping to mitigate the impact of shortfalls in Federal and State funding. Though not complete for inclusion in this report, CHA has developed a 10-year Capital Plan for its properties. This plan identifies approximately \$30 million in high priority capital needs for the Federal Properties; overall CHA’s capital needs are approaching \$200 million including both hard and soft cost estimates. For FY 2008, there are over \$7.9 million in proposed projects and over \$1.7 million in operating deficits to be funded by the Block Grant.

**Block Grant Fund FY 2007**

<b>Beginning of Year</b>	<b>6,348,600</b>
Transfer from HCV	6,230,656
Transfer from PH	665,549
Repaid loans	24,672
Interest Income	232,117
Miscellaneous Receipts	18,921
Block Grant Uses / loans in FY 2005	(7,230,833)
<b>End of Year</b>	<b>\$6,289,682</b>

**Block Grant Fund Proposed Projects in FY 2008**

<b>Capital Proposed Projects</b>	<b>Project Cost</b>
Capital Expenditures	5,449,645
Transfer to Sate Mod	554,388
FY2007 Carry-Over Capital Projects	892,307
<b>Subtotal</b>	<b>\$6,896,340</b>
<b>MTW Proposed Projects</b>	
FY2007 Carry-Over MTW Projects	319,178
Adult Vocational Training Fund	50,000
Central Maint. Contingency	200,000
New Software	500,000
<b>Subtotal</b>	<b>\$1,069,178</b>
<b>Total Operating Transfers</b>	<b>\$1,730,057</b>
<b>Grand Total</b>	<b>\$9,695,575</b>

Estimated and Actual Operating Reserves

	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
Beginning of Year	\$17,160,066	\$17,284,416	\$19,192,823	\$19,262,853	\$17,160,066	\$17,284,416	\$19,192,823	\$19,262,853	\$5,397,571	5,608,847
<b>Increase/Decrease</b>	(\$6,802,383)	\$1,401,521	(\$5,569,938)	(\$2,913,568)	(\$6,802,383)	\$1,401,521	(\$5,569,938)	(\$2,913,568)	(\$549,571)	9,313
<b>End of Year</b>	\$10,357,683	\$18,685,937	\$13,622,885	\$16,349,285	\$10,357,683	\$18,685,937	\$13,622,885	\$16,349,285	\$4,848,000	5,618,160
<b>Retired Bridge Loans</b>			\$1,024,672	\$484,821			\$1,024,672	\$484,821		
<b>Restricted Funds</b>		(\$8,964,981)	(\$11,504,034)	(\$11,106,833)		(\$8,964,981)	(\$11,504,034)	(\$11,106,833)		
Available Reserves	\$10,357,683	\$9,720,956	\$3,143,523	\$5,727,273	\$10,357,683	\$9,720,956	\$3,143,523	\$5,727,273	\$4,848,000	\$5,618,160

*Analysis of FY 2007 MTW Reserve Level*

In this climate of diminishing funding levels, it is prudent to keep reserves at an appropriate level. CHA will continue to monitor its reserve level judiciously.

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# Cambridge Housing Authority

MTW Deregulation Demonstration Program

## Annual Report

Fiscal Year 2007 (4/1/2006 – 3/31/2007)

*May 2007*



**Appendices**

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■ **Appendix One: Capital Improvement Information**

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## Appendix One: Capital Improvement Information

Table 1-1 Construction Cost Report, FY 2007

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2007 Expenditures		Notes
		As of FY 2007 Plan	Revised/ Actual	As of FY 2007 Plan	Revised	Anticipated	Actual	
Jackson, Fairmont, Valentine	Stairs and Balconies	\$399,110*	As Planned	March 2006	Completed March 2006	\$0	\$29,785	Work substantially completed occurring in March 2006, three months ahead of schedule. Final payment, which was anticipated to be made in FY 06, was actually made in FY 07.
Jefferson Park	Site Improvements – Buildings 11/13	\$325,000*	As Planned	June 2006	Completed March 2006	\$0	\$128,856	Fencing and site work was substantially complete in March 2006. Close-out pending resolution of outstanding punch list issues. All payments were expected to be made in FY 06, but some extended into FY 07.
Millers River Apartments	Energy Upgrade/Heat Conversion	\$2,699,720*	As Planned	December 2007	Completed February 2006	\$0	\$279,968	Work was substantially complete in February 2006, and a Part One Close Out approved in June 2006. A Part Two Close Out is pending. At the time that the FY 07 plan was developed, it was anticipated that no expenses would carry into FY 07.
Washington Elms	Roof Replacement and Drain Repairs	\$1,085,000	\$997,354	June 2007	Completed July 2007	\$141,200	\$922,074	Work substantially completed in July 2006. Due to construction scheduling, more expenses occurred in FY 07 than anticipated
River Howard	Comprehensive Modernization	\$3,750,000	\$4,030,000	November 2007	As Planned	\$2,000,000	\$2,457,024	Work is proceeding slightly ahead of schedule. Revised cost provides for project contingency, though current estimates suggest that the full amount budgeted will not be required.
Millers River Apartments	Reoccupancy Program	\$700,000	\$1,350,000	September 2006	September 2007	\$700,000	\$901,264	Project more costly than anticipated. Scope expanded to include provision of new service coordination space to

Cambridge Housing Authority

Annual Report FY 2007

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2007 Expenditures		Notes
		As of FY 2007 Plan	Revised/ Actual	As of FY 2007 Plan	Revised	Anticipated	Actual	
								support a new elderly service program.
Daniel F. Burns and Lyndon B. Johnson Apartments	Elevator Repairs	\$500,000	\$1,200,000	March 2007	Phase 1 March 2008  Phase 2 June 2008	\$500,000	\$0	Project more costly than anticipated. Construction contract awarded in January 2007. On-site work has commenced for Phase I work, and is anticipated to be completed March 2008. Phase II work, the sole elevator at 30 Churchill Avenue, will be completed by June 2008 assuming relocation issues can be resolved.
Washington Elms	Window Replacement	\$1,500,000	\$2,775,300	June 2007	March 2008	\$1,500,000	\$0	The need to carefully evaluate different window types (fiberglass, PVC, aluminum) to determine the most suitable replacement unit for the property's masonry building delayed bidding. Project has now been bid, and a contract awarded in May 2007.
Daniel F. Burns and Lyndon B. Johnson Apartments	Emergency Generator	\$325,000	\$450,000	June 2007	March 2008	\$325,000	\$0	Project slowed by the design requirements necessary to design and plan new generators at five different sites. Project was successfully awarded in May 2007, and work scheduled to begin in June.
Manning, 116 Norfolk, Putnam School	Emergency Generator	\$425,000	\$700,000	June 2007	March 2008	\$425,000	\$0	Project slowed by the design requirements necessary to design and plan new generators at five different sites. Project was successfully awarded in May 2007, and work scheduled to begin in June.
Lyndon B. Johnson Apartments	Reoccupancy	\$200,000	\$1,050,000	September 2006	December 2007	\$200,000	\$0	Project more costly than anticipated. Scope expanded to include provision of new service coordination space to support a new elderly service program.
Corcoran Park	Window Replacement	\$1,350,000	\$1,787,500	June 2007	December 2008	\$1,001,925	\$0	Funding constraints have delayed project. Anticipated bidding schedule has bids being accepted in Spring 2008, and work completed during FY

Property	Scope of Work	Total Construction Cost		Completion Date		FY 2007 Expenditures		Notes
		As of FY 2007 Plan	Revised/ Actual	As of FY 2007 Plan	Revised	Anticipated	Actual	
								09.
Millers River	Exterior Refurbishment	\$6,290,000	As Planned	March 2009	As Planned	\$290,000	\$0	The total cost of this project is far in excess of available resources from the Capital Fund Program and MTW reserves. As such, we are exploring a number of financing options including borrowing against our annual CFP allocation, tax-exempt bonds, and low-income housing tax credits. Unfortunately, the lack of available Section 8 PBAs has significantly impacted our ability to leverage the bulk of needed funds, so plans for the major rehabilitation have been delayed, and are not likely to begin until FY 11 at the very earliest.
Various	Energy Improvements	\$500,000*	\$0	On-going*	On-going	\$500,000	\$0	Other energy-related work proceeded including window and roof replacement work.
<b>TOTAL FY 2007</b>		\$20,048,830	\$24,553,984			\$7,583,125	\$4,718,971	

\* Information taken from earlier CHA MTW Annual Plans and/or Reports.

■ **Appendix Two: Households Served, All Programs:  
Development Choice & Demographics**

## ■ Appendix Two: Households Served, All Programs

### *Trends - Public Housing Program*

CHA developments have very low turnover rates, so years may pass before a full assessment can be made of the impact of development choice on placements in individual developments. However, in analyzing the demographics over the past five years, racial/ethnic clustering is not apparent. Development choice has been implemented in a fair and equitable manner and has promoted housing choice with no adverse effect on the racial/ethnic distribution at CHA developments.

At the end of FY 2007, CHA federal developments housed a total of 1,626 households. As Tables 2-1 through 2-3 demonstrate, the overall racial/ethnic composition of CHA family and elderly developments did not undergo any marked changes over the past five years. CHA continues to closely monitor the racial demographics at each individual development. However, given the low turnover of units and the resulting low number of placements, the full impact of development choice may not be realized for years.

The only noteworthy changes during FY 2007 were a 5% increase in white households at Robert S. Weaver Apartments accompanied by a 5% decrease in black households. The variance is explained by the small number of units (12) in Weaver Apartments; where a change in the racial make up of only one of the 12 units has a significant statistical impact. The other noteworthy change was at River Howard, where there was a 6% decrease in white households and a 6% increase in other (not black or Hispanic) households. River Howard's demographics are skewed by the fact that most of the development's units were offline during FY 2007 for modernization.

There were no noteworthy changes in households served by income in FY 2007.

### *Trends - Leased Housing Program*

As discussed in the Leased Housing section of this Report, demand for larger units fell in FY 2007, while demand for one-bedroom units continued to rise. For example, one-bedroom family households served increased from 343 to 372 from FY 2006 to FY 2007, while two-, three-, and four-bedroom family households served declined from 587 to 543, 371 to 315 and 62 to 58 respectively over the same time period. There were no noteworthy changes in households served by income in FY 2007.

Table 2-1a: Development Choice Households Served - Family Developments by Race/Ethnicity, FY 2003 – FY 2007

Family Development	White											Total Minority										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Corcoran Park	37	25%	36	24%	36	24%	34	23%	35	23%	-2%	114	75%	115	76%	116	76%	115	77%	115	77%	2%
Jefferson Park	31	17%	31	17%	26	15%	25	14%	23	14%	-3%	147	83%	148	83%	150	85%	153	86%	143	86%	3%
Newtowne Court	29	11%	27	10%	29	11%	31	12%	30	11%	0%	238	89%	239	90%	239	89%	236	88%	234	89%	0%
Putnam Gardens	25	21%	21	17%	19	16%	20	17%	22	18%	-3%	96	79%	100	83%	103	84%	101	83%	100	82%	3%
River Howard	8	25%	8	25%	8	28%	5	31%	4	25%	0%	24	75%	24	75%	21	72%	11	69%	12	75%	0%
Roosevelt Towers	13	10%	14	11%	16	13%	17	14%	16	13%	3%	111	90%	110	89%	108	87%	107	86%	106	87%	-3%
Scattered Sites *	8	17%	8	19%	8	18%	8	17%	6	13%	-4%	38	83%	35	81%	36	82%	39	83%	39	87%	4%
Washington Elms	25	15%	27	16%	27	15%	26	15%	25	14%	-1%	146	85%	144	84%	148	85%	147	85%	148	86%	1%
<b>Family Total</b>	<b>176</b>	<b>16%</b>	<b>172</b>	<b>16%</b>	<b>169</b>	<b>16%</b>	<b>166</b>	<b>15%</b>	<b>161</b>	<b>15%</b>	<b>-1%</b>	<b>914</b>	<b>84%</b>	<b>915</b>	<b>84%</b>	<b>921</b>	<b>84%</b>	<b>909</b>	<b>85%</b>	<b>897</b>	<b>85%</b>	<b>1%</b>

\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

Table 2-1b: Development Choice Households Served - Family Developments by Racial Minority, FY 2003 – FY 2007

Family Development	Black											Hispanic										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Corcoran Park	93	62%	93	62%	94	62%	93	62%	89	59%	-3%	15	10%	16	11%	16	11%	16	11%	17	11%	1%
Jefferson Park	116	65%	117	65%	116	66%	118	66%	104	63%	-2%	15	8%	14	8%	15	9%	12	7%	12	7%	-1%
Newtowne Court	158	59%	161	61%	158	59%	156	58%	158	60%	1%	61	23%	59	22%	60	22%	61	23%	56	21%	-2%
Putnam Gardens	75	62%	77	64%	81	66%	79	65%	83	68%	6%	12	10%	11	9%	9	7%	10	8%	7	6%	-4%
River Howard	15	47%	15	47%	13	45%	8	50%	8	50%	3%	8	25%	8	25%	7	24%	3	19%	3	19%	-6%
Roosevelt Towers	77	62%	73	59%	72	58%	72	58%	69	57%	-5%	22	18%	23	19%	20	16%	19	15%	19	16%	-2%
Scattered Sites *	27	59%	23	53%	24	55%	27	57%	25	56%	-3%	8	17%	7	16%	7	16%	7	15%	7	16%	-1%
Washington Elms	104	61%	99	58%	98	56%	95	55%	94	54%	-7%	38	22%	38	22%	41	23%	40	23%	42	24%	2%
<b>Family Total</b>	<b>665</b>	<b>61%</b>	<b>658</b>	<b>61%</b>	<b>656</b>	<b>60%</b>	<b>648</b>	<b>60%</b>	<b>630</b>	<b>60%</b>	<b>-1%</b>	<b>179</b>	<b>16%</b>	<b>176</b>	<b>16%</b>	<b>175</b>	<b>16%</b>	<b>168</b>	<b>16%</b>	<b>163</b>	<b>15%</b>	<b>-1%</b>

Table 2-1b continued

Family Development	Other										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Corcoran Park	6	4%	6	4%	6	4%	6	4%	9	6%	2%
Jefferson Park	16	9%	17	9%	19	11%	23	13%	27	16%	7%
Newtowne Court	19	7%	19	7%	21	8%	19	7%	20	8%	1%
Putnam Gardens	9	7%	12	10%	13	11%	12	10%	10	8%	1%
River Howard	1	3%	1	3%	1	3%	0	0%	1	6%	3%
Roosevelt Towers	12	10%	14	11%	16	13%	16	13%	18	15%	5%
Scattered Sites *	3	7%	5	12%	5	11%	5	11%	7	16%	9%
Washington Elms	4	2%	7	4%	9	5%	12	7%	12	7%	5%
<b>Family Total</b>	<b>70</b>	<b>6%</b>	<b>81</b>	<b>7%</b>	<b>90</b>	<b>8%</b>	<b>93</b>	<b>9%</b>	<b>104</b>	<b>10%</b>	<b>4%</b>

\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

Table 2-2a: Development Choice Households Served - Elderly Developments by Race/Ethnicity, FY 2003 – FY 2007

Elderly Development	White											Total Minority										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Daniel F. Burns	144	76%	127	74%	123	72%	133	68%	125	65%	-11%	45	24%	44	26%	47	28%	62	32%	66	35%	11%
H.S. Truman Apts.	32	73%	40	73%	44	75%	44	75%	42	71%	-2%	12	27%	15	27%	15	25%	15	25%	17	29%	2%
Lyndon B. Johnson	75	53%	67	52%	59	51%	52	51%	49	51%	-2%	66	47%	61	48%	56	49%	50	49%	48	49%	2%
Millers River	202	80%	183	79%	166	79%	151	79%	154	75%	-5%	52	20%	48	21%	45	21%	40	21%	52	25%	5%
Robert C. Weaver	12	60%	11	58%	12	60%	12	60%	13	65%	5%	8	40%	8	42%	8	40%	8	40%	7	35%	-5%
<b>Elderly Total</b>	<b>465</b>	<b>72%</b>	<b>428</b>	<b>71%</b>	<b>404</b>	<b>70%</b>	<b>392</b>	<b>69%</b>	<b>383</b>	<b>67%</b>	<b>-5%</b>	<b>183</b>	<b>28%</b>	<b>176</b>	<b>29%</b>	<b>171</b>	<b>30%</b>	<b>175</b>	<b>31%</b>	<b>190</b>	<b>33%</b>	<b>5%</b>

Table 2-2b: Development Choice Households Served - Elderly Developments by Racial Minority, FY 2003 – FY 2007

Elderly Development	Black											Hispanic										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Daniel F. Burns Apts.	36	19%	34	20%	35	21%	43	22%	45	24%	5%	4	2%	4	2%	7	4%	8	4%	10	5%	3%
H.S. Truman Apts.	4	9%	8	15%	8	14%	8	14%	9	15%	6%	5	11%	4	7%	4	7%	3	5%	3	5%	-6%
Lyndon B. Johnson	46	33%	41	32%	36	31%	30	29%	32	33%	0%	13	9%	13	10%	13	11%	13	13%	10	10%	1%
Millers River Apts.	35	14%	31	13%	29	14%	24	13%	34	17%	3%	12	5%	12	5%	11	5%	11	6%	12	6%	1%
Robert C. Weaver .	6	30%	7	37%	7	35%	7	35%	6	30%	0%	1	5%	0	0%	0	0%	1	5%	1	5%	0%
<b>Elderly Total</b>	<b>127</b>	<b>20%</b>	<b>121</b>	<b>20%</b>	<b>115</b>	<b>20%</b>	<b>112</b>	<b>20%</b>	<b>126</b>	<b>22%</b>	<b>2%</b>	<b>35</b>	<b>5%</b>	<b>33</b>	<b>5%</b>	<b>35</b>	<b>6%</b>	<b>36</b>	<b>6%</b>	<b>36</b>	<b>6%</b>	<b>1%</b>

Table 2-2b continued

Elderly Development	Other										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Daniel F. Burns Apts.	5	3%	6	4%	5	3%	11	6%	11	6%	3%
H.S. Truman Apts.	3	7%	3	5%	3	5%	4	7%	5	8%	1%
Lyndon B. Johnson	7	5%	7	5%	7	6%	7	7%	6	6%	1%
Millers River Apts.	5	2%	5	2%	5	2%	5	3%	6	3%	1%
Robert C. Weaver .	1	5%	1	5%	1	5%	0	0%	0	0%	-5%
<b>Elderly Total</b>	<b>21</b>	<b>3%</b>	<b>22</b>	<b>4%</b>	<b>21</b>	<b>4%</b>	<b>27</b>	<b>5%</b>	<b>28</b>	<b>5%</b>	<b>2%</b>

Table 2-3: Development Choice, Designated Housing Households Served - **Young Disabled Tenant Composition by Development, FY 2003 – FY 2007**

	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		Chg %
	#	% of Dev. Site									
Corcoran Park	26	15%	26	15%	23	13%	25	14%	24	14%	-1%
HomeOwners	8	5%	8	5%	6	4%	8	5%	9	6%	1%
Jefferson Park	14	12%	14	9%	7	6%	8	7%	5	4%	-8%
Newtowne Court	36	13%	38	14%	45	17%	54	20%	46	17%	4%
Putnam Gardens	3	9%	3	10%	2	9%	3	21%	4	29%	20%
River Howard	19	11%	18	10%	19	11%	19	11%	18	10%	-1%
Roosevelt Towers	1	3%	1	2%	2	4%	2	4%	2	4%	1%
Scattered Sites	7	6%	7	6%	10	8%	10	8%	10	8%	2%
Washington Elms	1	20%	1	33%	0	0%	0	0%	0	0%	-20%
<b>Subtotal, Family Developments</b>	<b>115</b>	<b>11%</b>	<b>116</b>	<b>10%</b>	<b>114</b>	<b>11%</b>	<b>129</b>	<b>12%</b>	<b>118</b>	<b>11%</b>	<b>0%</b>
Daniel F. Burns	9	20%	9	15%	7	12%	7	12%	7	12%	-8%
H.S. Truman	23	13%	17	10%	17	9%	20	10%	18	9%	-4%
L.B. Johnson	56	22%	48	22%	39	20%	36	19%	38	20%	-2%
Millers River	34	25%	34	27%	25	23%	23	24%	24	25%	0%
Robert C. Weaver	2	10%	3	15%	2	10%	2	10%	2	10%	0%
<b>Subtotal, Elderly Developments</b>	<b>124</b>	<b>19%</b>	<b>111</b>	<b>19%</b>	<b>90</b>	<b>16%</b>	<b>88</b>	<b>16%</b>	<b>89</b>	<b>16%</b>	<b>-3%</b>
<b>Total Households, All Developments</b>	<b>239</b>	<b>14%</b>	<b>227</b>	<b>13%</b>	<b>204</b>	<b>12%</b>	<b>217</b>	<b>13%</b>	<b>207</b>	<b>13%</b>	<b>-1%</b>

### Households Served - Demographics

Table 2-4: Households Served – Public Housing and Housing Choice Voucher Programs by Bedroom Size, FY 2003 – FY 2007

Program	Total Households						Studio						1BR					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>																		
Family	1,095	1,091	1,091	1,075	1,054	-4%	4	4	4	3	2	-50%	150	150	150	148	144	-4%
Elderly *	648	604	575	567	572	-12%	431	388	358	354	361	-16%	214	213	214	210	208	-3%
<b>PH Subtotal</b>	<b>1,743</b>	<b>1,695</b>	<b>1,666</b>	<b>1,642</b>	<b>1,626</b>	<b>-7%</b>	<b>435</b>	<b>392</b>	<b>362</b>	<b>357</b>	<b>357</b>	<b>-18%</b>	<b>364</b>	<b>363</b>	<b>364</b>	<b>358</b>	<b>352</b>	<b>-3%</b>
<b>Housing Choice</b>																		
Family	1,357	1,415	1,608	1,421	1,341	-1%	44	47	67	58	53	20%	292	324	407	343	372	27%
Elderly	287	242	240	421	379	32%	28	20	19	35	31	11%	127	114	127	259	242	91%
<b>H.C.V. Subtotal</b>	<b>1,644</b>	<b>1,657</b>	<b>1,848</b>	<b>1,842</b>	<b>1,720</b>	<b>5%</b>	<b>72</b>	<b>67</b>	<b>86</b>	<b>93</b>	<b>84</b>	<b>17%</b>	<b>419</b>	<b>438</b>	<b>534</b>	<b>602</b>	<b>614</b>	<b>47%</b>
<b>Total</b>	<b>3,387</b>	<b>3,352</b>	<b>3,514</b>	<b>3,484</b>	<b>3,346</b>	<b>-1%</b>	<b>507</b>	<b>459</b>	<b>448</b>	<b>450</b>	<b>441</b>	<b>-13%</b>	<b>783</b>	<b>801</b>	<b>898</b>	<b>960</b>	<b>966</b>	<b>23%</b>

Table 2-4 continued

Program	2BR						3BR						4+BR					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>																		
Family	460	459	459	454	448	-3%	380	379	379	374	366	-4%	101	99	99	96	94	-7%
Elderly	3	3	3	3	3	0%	0	0	0	0	0	----	0	0	0	0	0	----
<b>PH Subtotal</b>	<b>463</b>	<b>462</b>	<b>462</b>	<b>457</b>	<b>451</b>	<b>-3%</b>	<b>380</b>	<b>379</b>	<b>379</b>	<b>374</b>	<b>366</b>	<b>-4%</b>	<b>101</b>	<b>99</b>	<b>99</b>	<b>96</b>	<b>94</b>	<b>-7%</b>
<b>Housing Choice</b>																		
Family	594	606	648	587	543	-9%	376	383	413	371	315	-16%	51	55	73	62	58	14%
Elderly	109	88	71	97	87	-20%	22	20	20	26	17	-23%	1	0	3	4	2	100%
<b>H.C.V. Subtotal</b>	<b>703</b>	<b>694</b>	<b>719</b>	<b>684</b>	<b>630</b>	<b>-10%</b>	<b>398</b>	<b>403</b>	<b>433</b>	<b>397</b>	<b>332</b>	<b>-17%</b>	<b>52</b>	<b>55</b>	<b>76</b>	<b>66</b>	<b>60</b>	<b>15%</b>
<b>Total</b>	<b>1,166</b>	<b>1,156</b>	<b>1,181</b>	<b>1,141</b>	<b>1,081</b>	<b>-7%</b>	<b>778</b>	<b>782</b>	<b>812</b>	<b>771</b>	<b>698</b>	<b>-10%</b>	<b>153</b>	<b>154</b>	<b>175</b>	<b>162</b>	<b>154</b>	<b>1%</b>

Table 2-5: Households Served – Public Housing and Housing Choice Voucher Programs by Income, FY 2003 – FY 2007

Program	< 30% AMI						30 – 50% AMI						50 – 80% AMI						> 80% AMI					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>																								
Family	51%	54%	57%	57%	57%	6%	31%	30%	27%	27%	27%	-4%	16%	14%	13%	12%	13%	-3%	3%	2%	3%	3%	3%	0%
Elderly	81%	84%	84%	82%	82%	1%	15%	13%	14%	15%	15%	0%	4%	3%	2%	2%	2%	-2%	0%	0%	0%	0%	0%	0%
<b>PH Subtotal</b>	<b>62%</b>	<b>64%</b>	<b>66%</b>	<b>66%</b>	<b>66%</b>	<b>4%</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>-2%</b>	<b>12%</b>	<b>10%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>-3%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>0%</b>
<b>Housing Choice</b>																								
<b>H.C.V. Subtotal</b>	<b>66%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>67%</b>	<b>1%</b>	<b>26%</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	<b>24%</b>	<b>-2%</b>	<b>7%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>	<b>9%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>
<b>Total</b>	<b>64%</b>	<b>67%</b>	<b>68%</b>	<b>68%</b>	<b>67%</b>	<b>3%</b>	<b>26%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>-3%</b>	<b>9%</b>	<b>8%</b>	<b>7%</b>	<b>8%</b>	<b>9%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>

Table 2-6: Households Served – Public Housing and Housing Choice Voucher Programs by Race/Ethnicity, FY 2003 – FY 2007

Program	White						Black						Hispanic						Other					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>																								
Family	16%	16%	15%	15%	15%	-1%	61%	61%	60%	60%	60%	-1%	16%	16%	16%	16%	15%	-1%	6%	7%	8%	9%	10%	4%
Elderly	72%	71%	70%	69%	67%	-5%	20%	20%	20%	20%	22%	2%	5%	5%	6%	6%	6%	1%	3%	4%	4%	5%	5%	2%
<b>PH Subtotal</b>	<b>37%</b>	<b>35%</b>	<b>34%</b>	<b>34%</b>	<b>33%</b>	<b>-4%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>	<b>0%</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>0%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>	<b>7%</b>	<b>8%</b>	<b>3%</b>
<b>Housing Choice</b>																								
<b>H.C.V. Subtotal</b>	<b>47%</b>	<b>46%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>-2%</b>	<b>41%</b>	<b>42%</b>	<b>43%</b>	<b>43%</b>	<b>43%</b>	<b>2%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>
<b>Total</b>	<b>42%</b>	<b>41%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>-2%</b>	<b>43%</b>	<b>44%</b>	<b>45%</b>	<b>45%</b>	<b>45%</b>	<b>2%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>1%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>2%</b>

Table 2-7: Households Served - Public Housing, Family Developments by Income, FY 2003 – FY 2007

Family Development	< 30% AMI											30 – 50% AMI										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Corcoran Park	70	46%	74	49%	81	53%	77	52%	80	54%	8%	45	30%	47	31%	46	30%	39	26%	43	29%	-1%
Jefferson Park	109	61%	106	59%	103	59%	113	63%	107	64%	3%	47	26%	45	25%	42	24%	42	24%	25	15%	-11%
Newtowne Court	134	50%	155	59%	171	64%	157	59%	161	61%	11%	80	30%	78	29%	61	23%	71	27%	68	26%	-4%
Putnam Gardens	72	60%	71	59%	74	61%	73	60%	74	61%	1%	34	28%	35	29%	32	26%	35	29%	35	29%	1%
River Howard	21	66%	20	63%	18	62%	11	69%	10	63%	-4%	9	28%	7	22%	8	28%	5	31%	4	25%	-3%
Roosevelt Towers	43	35%	49	40%	53	43%	57	46%	51	42%	7%	41	33%	42	34%	42	34%	39	31%	50	41%	8%
Scattered Sites *	17	37%	22	51%	26	59%	23	49%	22	49%	12%	18	39%	13	30%	14	32%	16	34%	13	29%	-10%
Washington Elms	85	50%	86	50%	93	53%	101	58%	99	57%	7%	59	35%	62	36%	53	30%	47	27%	46	26%	-9%
<b>Family Total</b>	<b>551</b>	<b>51%</b>	<b>583</b>	<b>54%</b>	<b>619</b>	<b>57%</b>	<b>612</b>	<b>57%</b>	<b>604</b>	<b>57%</b>	<b>6%</b>	<b>333</b>	<b>31%</b>	<b>329</b>	<b>30%</b>	<b>298</b>	<b>27%</b>	<b>294</b>	<b>27%</b>	<b>284</b>	<b>27%</b>	<b>-4%</b>

Table 2-7 continued

Family Development	50 – 80% AMI											> 80% AMI**										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Corcoran Park	32	21%	26	17%	22	15%	27	18%	19	13%	-8%	4	3%	4	3%	3	2%	5	3%	6	4%	1%
Jefferson Park	16	9%	23	13%	23	13%	16	9%	26	16%	7%	6	3%	5	3%	8	5%	7	4%	8	5%	2%
Newtowne Court	48	18%	25	9%	31	12%	35	13%	28	11%	-7%	5	2%	7	3%	5	2%	4	1%	8	3%	1%
Putnam Gardens	14	12%	15	12%	14	12%	11	9%	11	9%	-3%	1	1%	0	0%	2	2%	2	2%	2	2%	1%
River Howard	1	3%	4	13%	3	10%	0	0%	2	13%	10%	1	3%	1	3%	0	0%	0	0%	0	0%	-3%
Roosevelt Towers	34	27%	29	23%	24	19%	18	15%	13	11%	-16%	6	5%	4	3%	5	4%	10	8%	8	7%	2%
Scattered Sites *	8	17%	7	16%	3	7%	6	13%	9	20%	3%	3	7%	1	2%	1	2%	2	4%	1	2%	-5%
Washington Elms	22	13%	19	11%	24	14%	21	12%	27	16%	3%	5	3%	5	3%	5	3%	4	2%	2	1%	-2%
<b>Family Total</b>	<b>175</b>	<b>16%</b>	<b>148</b>	<b>14%</b>	<b>145</b>	<b>13%</b>	<b>134</b>	<b>12%</b>	<b>135</b>	<b>13%</b>	<b>-3%</b>	<b>31</b>	<b>3%</b>	<b>27</b>	<b>3%</b>	<b>29</b>	<b>3%</b>	<b>34</b>	<b>3%</b>	<b>35</b>	<b>3%</b>	<b>0%</b>

\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

\*\* Households earning over 80% of AMI earned below 80% of AMI when they were admitted to CHA developments.

Table 2-8: Households Served - Public Housing, Elderly Developments, by Income, FY 2003 – FY 2007

Elderly Development	< 30% AMI											30 – 50% AMI										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Daniel F. Burns	129	68%	123	72%	126	74%	144	74%	152	80%	12%	49	26%	39	23%	38	22%	41	21%	34	18%	-8%
H.S. Truman Apts.	34	77%	43	78%	51	86%	45	76%	43	73%	-4%	8	18%	12	22%	8	14%	14	24%	14	24%	6%
Lyndon B. Johnson	124	88%	116	91%	103	90%	91	89%	83	86%	-2%	16	11%	11	9%	11	10%	9	9%	11	11%	0%
Millers River	217	85%	205	89%	185	88%	170	89%	179	87%	2%	27	11%	17	7%	21	10%	18	9%	25	12%	1%
Robert C. Weaver	19	95%	18	95%	19	95%	16	80%	15	75%	-20%	0	0%	1	5%	1	5%	4	20%	5	25%	25%
<b>Elderly Total</b>	<b>523</b>	<b>81%</b>	<b>505</b>	<b>84%</b>	<b>484</b>	<b>84%</b>	<b>466</b>	<b>82%</b>	<b>472</b>	<b>82%</b>	<b>1%</b>	<b>100</b>	<b>15%</b>	<b>80</b>	<b>13%</b>	<b>79</b>	<b>14%</b>	<b>86</b>	<b>15%</b>	<b>89</b>	<b>16%</b>	<b>1%</b>

Table 2-8 continued

Elderly Development	50 – 80% AMI											> 80% AMI*										
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		% Chg
Daniel F. Burns	11	6%	11	6%	8	5%	6	4%	9	5%	-1%	0	0%	0	0%	0	0%	0	0%	1	1%	1%
H.S. Truman Apts.	2	5%	2	5%	0	0%	0	0%	0	0%	-5%	0	0%	0	0%	0	0%	0	0%	0	0%	0%
Lyndon B. Johnson	3	2%	1	1%	1	1%	1	1%	2	2%	0%	2	1%	0	0%	0	0%	0	0%	0	0%	-1%
Millers River	9	3%	8	3%	7	3%	4	2%	2	1%	-2%	2	1%	2	1%	1	0%	1	1%	1	1%	0%
Robert C. Weaver	1	5%	1	5%	0	0%	0	0%	0	0%	-5%	0	0%	0	0%	0	0%	0	0%	0	0%	0%
<b>Elderly Total</b>	<b>26</b>	<b>4%</b>	<b>23</b>	<b>4%</b>	<b>16</b>	<b>3%</b>	<b>11</b>	<b>2%</b>	<b>13</b>	<b>2%</b>	<b>-2%</b>	<b>4</b>	<b>1%</b>	<b>2</b>	<b>0%</b>	<b>1</b>	<b>0%</b>	<b>1</b>	<b>0%</b>	<b>2</b>	<b>0%</b>	<b>-1%</b>

\* Households earning over 80% of AMI earned below 80% of AMI when they were admitted to CHA developments.

Table 2-9: FY 2007 Area Median Income (AMI) for Boston Metropolitan Area, including Cambridge\*

Household Size	30% AMI	40% AMI	Very Low-Income	Low-Income	100% AMI
1	17,350	23,125	28,950	46,300	57,813
2	19,850	26,421	33,100	52,950	66,054
3	22,350	29,744	37,200	59,550	74,360
4	24,800	33,040	41,350	66,150	82,600
5	26,800	35,677	44,650	71,450	89,192
6	28,800	38,314	47,950	76,750	95,784
7	30,750	40,951	51,250	82,050	102,377
8	32,750	43,614	54,600	87,350	109,035

\* The most recent income limits released by HUD became effective on March 20, 2007. Therefore, in determining household AMI percentage for FY2007, CHA used the income limits listed in the above table, which were in effect for most of FY2007.

■ **Appendix Three: Waiting Lists, All Programs:  
Development Choice & Demographics**

## ■ Appendix Three: Waiting Lists

### *Development Choice – Impacts on Waiting Lists*

The MTW Agreement requires that CHA examine the development choice waiting lists to ensure that no pattern of racial/ethnic clustering, either white-to-minority or within minorities is occurring in family or elderly developments. As demonstrated below, CHA is satisfied that no such patterns are emerging. An examination of both family and elderly development choice wait lists by race/ethnicity and within racial/ethnic categories follows.

#### *CHA Performance on Development Choice Requirements*

Consistent with the MTW Agreement, the CHA Board of Commissioners must certify that CHA is in accordance with the following criteria in order for Development Choice to continue:

- *CHA must regularly transmit occupancy data to HUD's Multifamily Tenant Characteristics System (MTCS).*

CHA began submitting the MTW 50058 form in FY 2007. Technical difficulties made 100% submission to MTCS difficult, but CHA is working with HUD to remedy all technical difficulties and CHA anticipates reporting 100% of its MTW 50058 in FY 2008.

- *CHA provided full disclosure to each applicant of any option available in the selection of which developments to reside, including information about each site (estimated wait, location, occupancy, number and size of accessible units, amenities, transportation and resident services).*

CHA is disclosing all required information.

- *CHA certifies that the adoption of development choice would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD.*

CHA is not under any court order or settlement agreements.

- *CHA certifies that the adoption of development choice is consistent with affirmatively furthering fair housing, and includes such measures as reasonable marketing activities.*

Development choice is consistent with affirmatively furthering fair housing, and includes such measures as reasonable marketing activities.

- *As part of the MTW Annual Plan and Report, CHA shall assess changes in racial, ethnic, or disability-related tenant composition at each development that may have occurred during the implementation of development choice, based on confirmed MTCS data.*

In this Report, CHA assesses changes in racial, ethnic, and disability-related tenant composition. However, this assessment is not based on confirmed MTCS data for reasons described above.

- *At least bi-annually,\* CHA will use independent testers or other means satisfactory to HUD (and described in that year’s plan), to assure that development choice is not being implemented in a discriminatory manner, and that no pattern of discrimination exists, providing the results to HUD.*

CHA uses independent testers to assure that development choice is not being implemented in a discriminatory manner and the independent testers found no pattern of discrimination. CHA provided the results of its last round of testing to HUD in the Annual Report for FY 2006.

- *CHA will take any steps necessary to remedy any problems surfacing as a result of the biannual review.*

CHA agrees to take any steps necessary to remedy any problems surfacing as a result of its bi-annual review.

### ***Effects of Waiting List Update on Demographics***

As described in both the Public & Affiliate Housing and Leased Housing Sections of this Report, CHA updated and reopened all of its waiting lists at the end of CY 2006. After removing non-responsive applicants, both the public housing and housing choice voucher waitlists decreased by 85%. CHA’s waiting lists were reopened on December 5, 2006 and while there has been a steady stream of new applicants since then, the waitlist demographics presented below, specifically the total number of applicants per development and bedroom size, do not necessarily reflect the true demand for affordable housing-by program, development or bedroom size-in Cambridge. CHA anticipates that the waitlist data in the FY 2009 Plan and FY 2008 Report will more accurately illustrate the current demand for affordable units.

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\* At the time of CHA’s MTW Agreement, the interim PHA Plan rule in effect stated that testing must be bi-annual. The final PHA Plan rule that replaced it noted that independent testing be completed once every three years.

***Trends - Public Housing Program***

Looking at the past five years, there were no significant changes in family public housing applicants by race. The only noteworthy change over the past five years was a 7% decline in white and 7% increase in black applicants for units at Willow Street, which is a state development with its own development choice waiting list. There was little change in elderly public housing applicants by race, although white applicants declined by 6% from FY 2006 to FY 2007 (-5% from FY 2003 to FY 2007), while black and Hispanic applicants increased by 4% and 3% respectively over the same time period.

Extremely low-income family households applying for public housing decreased by 6% from FY 2006 to FY 2007, but looking at the five-year trend, one sees a 2% increase in extremely low-income family applicant households. Similarly there was a 5% increase in extremely low-income elderly households applying for elderly public housing between FY 2003 and FY 2007. There were no other noteworthy changes in applicants by Area Median Income.

***Trends – Leased Housing Program***

There was a significant increase in black households applying for the Housing Choice Voucher program from FY 2006 to FY 2007. Black applicants increased by 10% (+8% from FY 2003 to FY 2007), while white applicants declined by 3% (+3% from FY 2003 to FY 2007) over the same time period.

Looking from FY 2006 to FY 2007 there were two significant changes in family applicants by income. The number of extremely low-income family applicants decreased 8% (89% to 81%) from FY 2006 to FY 2007. While this is a significant one-year decrease, an analysis of the past five years shows that extremely low-income family applicants have only decreased by 1%. Similarly, very low-income family applicants increased by 6% (9% to 15%) from FY 2006 to FY 2007. However, the five-year trend shows only a 1% increase in very low-income family applicants from FY 2003 to FY 2007.

Finally, extremely low-income elderly/disabled applicants increased by 3% from FY 2006 to FY 2007, with an 11% increase over the past five years. Very low-income elderly/disabled applicants decreased by 1% from FY 2006 to FY 2007, with a 7% decline from FY 2003 to FY 2007.

Table 3-1a: Development Choice Waiting Lists - Family Applicant Households by Race/Ethnicity, FY 2003 – FY 2007

Development	Dev. Units	# of Choices					White						Total Minority					
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Corcoran Park	153	323	274	314	347	268	21%	23%	25%	27%	19%	-2%	79%	77%	75%	73%	81%	2%
Jackson Gardens **	46	282	238	310	407	414	15%	23%	24%	23%	19%	4%	85%	77%	76%	77%	81%	-4%
Jefferson Park	175	409	362	418	520	417	17%	19%	19%	22%	16%	-1%	83%	81%	81%	78%	84%	1%
Lincoln Way **	60	98	89	104	135	133	19%	22%	23%	23%	20%	1%	81%	78%	77%	77%	80%	-1%
Newtowne Court	268	590	494	557	684	549	18%	22%	20%	22%	19%	1%	82%	78%	80%	78%	81%	-1%
Putnam Gardens	122	406	392	423	500	388	24%	25%	26%	25%	19%	-5%	76%	75%	74%	75%	81%	5%
River Howard	32	288	275	294	285	219	20%	22%	23%	24%	19%	-1%	80%	78%	77%	76%	81%	1%
Roosevelt Towers	124	658	591	659	791	552	24%	26%	24%	27%	21%	-3%	76%	74%	76%	73%	79%	3%
Washington Elms	175	532	468	512	626	521	17%	19%	18%	21%	17%	0%	83%	81%	82%	79%	83%	0%
Willow Street **	15	148	159	181	220	150	32%	35%	35%	37%	25%	-7%	68%	65%	65%	63%	75%	7%
Woodrow Wilson **	69	289	286	322	339	227	30%	33%	32%	36%	27%	-3%	70%	67%	68%	64%	73%	3%
Scattered Sites ***	34	383	389	510	563	451	17%	21%	24%	26%	20%	3%	81%	79%	76%	74%	80%	-1%
Federal 1 <sup>st</sup> Available	---	1,108	980	1157	1,550	2,293	26%	31%	31%	31%	24%	-2%	74%	69%	69%	69%	76%	2%
<b>Total of Choices</b>		<b>5,514</b>	<b>4,997</b>	<b>5,761</b>	<b>6,967</b>	<b>6,582</b>	<b>22%</b>	<b>25%</b>	<b>25%</b>	<b>26%</b>	<b>21%</b>	<b>-1%</b>	<b>78%</b>	<b>75%</b>	<b>75%</b>	<b>74%</b>	<b>79%</b>	<b>1%</b>
<b>Total Cambridge Residents*</b>		<b>2,112</b>	<b>1,906</b>	<b>2,211</b>	<b>2,675</b>	<b>2465 *</b>												

\* CHA adopted a new Preference Policy in FY 2007 that revises the definition of Resident and Non-Resident for the purpose of managing the waitlists. The full Preference Policy can be reviewed in Appendix Seven.

\*\* This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.

\*\*\* Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

Table 3-1b: Development Choice Waiting Lists - Family Applicant Households by Race/Ethnic Category, FY 2003 – FY 2007

Development	American Indian						Asian						Black						Hispanic					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Corcoran Park	3%	2%	2%	2%	1%	-2%	5%	3%	3%	5%	3%	-2%	58%	58%	58%	55%	62%	4%	13%	13%	13%	12%	15%	2%
Jackson Gardens **	3%	2%	1%	0%	0%	-3%	8%	6%	7%	8%	6%	-2%	54%	55%	57%	54%	54%	0%	20%	13%	13%	15%	20%	0%
Jefferson Park	2%	2%	2%	2%	1%	-1%	8%	7%	7%	9%	9%	1%	62%	60%	63%	59%	55%	-7%	11%	12%	10%	9%	18%	7%
Lincoln Way **	1%	0%	0%	1%	1%	0%	4%	3%	2%	4%	4%	0%	68%	67%	65%	57%	62%	-6%	7%	7%	10%	15%	14%	7%
Newtowne Court	2%	1%	1%	1%	1%	-1%	7%	6%	6%	6%	8%	1%	58%	55%	58%	57%	53%	-5%	15%	16%	15%	14%	20%	5%
Putnam Gardens	2%	2%	1%	1%	1%	-1%	7%	5%	5%	7%	4%	-3%	54%	54%	56%	53%	60%	6%	14%	14%	12%	14%	16%	2%
River Howard	3%	3%	2%	2%	1%	-2%	8%	7%	6%	6%	6%	-2%	52%	51%	53%	52%	56%	4%	17%	17%	16%	16%	18%	1%
Roosevelt Towers	1%	1%	1%	1%	1%	0%	5%	5%	4%	6%	6%	1%	53%	51%	55%	52%	51%	-2%	18%	18%	16%	14%	22%	4%
Washington Elms	2%	2%	1%	1%	1%	-1%	8%	7%	6%	6%	7%	-1%	56%	55%	60%	57%	55%	-1%	16%	17%	15%	14%	21%	5%
Willow Street **	5%	3%	2%	2%	1%	-4%	7%	6%	7%	7%	5%	-2%	39%	40%	41%	40%	48%	9%	16%	17%	14%	14%	21%	5%
Woodrow Wilson **	2%	2%	2%	1%	1%	-1%	6%	5%	6%	5%	4%	-2%	46%	44%	47%	46%	57%	11%	16%	16%	13%	12%	11%	-5%
Scattered Sites ***	2%	1%	1%	1%	1%	-1%	7%	4%	4%	4%	5%	-2%	61%	57%	58%	56%	57%	-4%	14%	17%	12%	12%	18%	4%
Federal 1 <sup>st</sup> Available	2%	2%	2%	1%	1%	-1%	6%	5%	5%	5%	3%	-3%	52%	48%	49%	48%	50%	-2%	14%	15%	14%	15%	22%	8%
<b>Total of Choices</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>-1%</b>	<b>6%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>-1%</b>	<b>54%</b>	<b>53%</b>	<b>55%</b>	<b>53%</b>	<b>54%</b>	<b>0%</b>	<b>15%</b>	<b>15%</b>	<b>13%</b>	<b>14%</b>	<b>20%</b>	<b>5%</b>

\* CHA adopted a new Preference Policy in FY 2007 that revises the definition of Resident and Non-Resident for the purpose of managing the waitlists. The full Preference Policy can be reviewed in Appendix Seven.

\*\* This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.

\*\*\*Scattered Sites include Fairmont, Garfield, Jackson Street, and Valentine Street.

Table 3–2a: Development Choice Waiting Lists - Elderly Applicant Households by Race/Ethnicity, FY 2003 – FY 2007

Development	Dev. Units	# of Choices					White						Total Minority					
		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Daniel F. Burns Apartments	198	36	44	42	22	24	67%	66%	60%	55%	67%	0%	33%	34%	40%	45%	33%	0%
Federal Eld/Disabled 1 <sup>st</sup> Available	--	202	222	177	258	608	55%	56%	52%	56%	56%	1%	45%	44%	48%	44%	44%	-1%
H.S. Truman Apartments	60	32	41	41	41	34	66%	63%	68%	76%	62%	-4%	34%	37%	32%	24%	38%	4%
L.B. Johnson 60	180	38	39	48	44	34	61%	64%	60%	64%	65%	4%	39%	36%	40%	36%	35%	-4%
Linnaean Street **	24	49	67	63	71	52	71%	70%	70%	66%	75%	4%	29%	30%	30%	34%	25%	-4%
Manning Apartments **	199	127	153	165	169	107	47%	47%	49%	51%	62%	15%	53%	53%	51%	49%	38%	-15%
Millers River 32	301	71	85	89	74	58	61%	59%	60%	66%	62%	1%	39%	41%	40%	34%	38%	-1%
Putnam School**	33	54	72	71	76	55	46%	49%	51%	57%	60%	14%	54%	51%	49%	43%	40%	-14%
Putnam Square		84	109	118	105	71	61%	59%	53%	59%	70%	9%	39%	41%	47%	41%	30%	-9%
Russell **	51	98	124	116	114	84	52%	56%	55%	55%	61%	9%	48%	44%	45%	45%	39%	-9%
Weaver Apartments	20	24	28	27	23	16	50%	46%	48%	43%	56%	6%	50%	54%	52%	57%	44%	-6%
<b>Total of Choices</b>		<b>815</b>	<b>984</b>	<b>957</b>	<b>997</b>	<b>1143</b>	<b>56%</b>	<b>56%</b>	<b>57%</b>	<b>58%</b>	<b>60%</b>	<b>4%</b>	<b>44%</b>	<b>44%</b>	<b>43%</b>	<b>42%</b>	<b>40%</b>	<b>-4%</b>
<b>Total Cambridge Residents *</b>		<b>608</b>	<b>695</b>	<b>731</b>	<b>731</b>	<b>528</b>												

\* CHA adopted a new Preference Policy in FY 2007 that revises the definition of Resident and Non-Resident for the purpose of managing the waitlists. The full Preference Policy can be reviewed in Appendix Seven.

\*\* This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.

Table 3-2b: Development Choice Waiting Lists - Elderly Applicant by Race/Ethnic Category, FY 2003 – FY 2007

Federal Elderly Development	American Indian						Asian						Black						Hispanic					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Daniel F. Burns	6%	0%	0%	5%	4%	-2%	6%	2%	5%	9%	4%	-2%	14%	23%	29%	27%	17%	3%	8%	9%	7%	5%	8%	0%
Federal Eld/Disabled 1 <sup>st</sup> Available	4%	4%	2%	3%	2%	-2%	2%	2%	3%	4%	2%	0%	31%	31%	36%	29%	30%	-1%	7%	7%	7%	7%	10%	3%
H.S. Truman	9%	2%	2%	0%	0%	-9%	3%	2%	5%	2%	6%	3%	19%	20%	17%	17%	21%	2%	3%	12%	7%	5%	12%	9%
L.B. Johnson	0%	0%	0%	0%	3%	3%	0%	0%	0%	0%	0%	0%	37%	31%	33%	32%	26%	-11%	3%	5%	6%	5%	6%	3%
Linnaean Street **	0%	0%	2%	1%	0%	0%	2%	1%	3%	7%	6%	4%	18%	21%	18%	18%	13%	-5%	8%	7%	8%	7%	6%	-2%
Manning **	2%	1%	1%	2%	0%	-2%	4%	3%	6%	4%	2%	-2%	37%	37%	35%	34%	27%	-10%	10%	12%	10%	9%	9%	-1%
Millers River	3%	1%	0%	1%	2%	-1%	1%	1%	2%	3%	2%	1%	31%	31%	29%	28%	28%	-3%	4%	8%	9%	1%	7%	3%
Putnam School **	2%	1%	1%	1%	0%	-2%	4%	1%	1%	3%	4%	0%	31%	29%	31%	25%	20%	-11%	17%	19%	16%	14%	16%	-1%
Putnam Square **	2%	1%	1%	2%	0%	-2%	8%	6%	8%	10%	6%	-2%	21%	22%	28%	20%	18%	-3%	7%	13%	11%	9%	6%	-1%
Russell **	2%	1%	2%	4%	2%	0%	4%	4%	5%	4%	5%	1%	32%	31%	30%	31%	25%	-7%	10%	8%	8%	6%	7%	-3%
Weaver Apartments	0%	0%	0%	4%	0%	0%	4%	4%	4%	4%	0%	-4%	33%	36%	37%	35%	31%	-2%	13%	14%	11%	13%	13%	-1%
<b>Total of Choices</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>-1%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>28%</b>	<b>27%</b>	<b>-2%</b>	<b>8%</b>	<b>10%</b>	<b>9%</b>	<b>8%</b>	<b>10%</b>	<b>2%</b>

\* CHA adopted a new Preference Policy in FY 2007 that revises the definition of Resident and Non-Resident for the purpose of managing the waitlists. The full Preference Policy can be reviewed in Appendix Seven.

\*\* This is a state development with a development choice waiting list. It is included in this table because many applicants for federal developments also select state developments as one or more of their development choice preferences.

### Waiting Lists, All Programs - Demographics

Table 3-3: Waiting Lists - Public Housing Applicant Households by Bedroom Size FY 2003 – FY 2007

Program	Total Applicants						Studio						1 BR					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Family	6,441	6,773	7,721	9,715	3,323	-48%	57	66	63	68	0	-100%	2,367	2,807	3,302	4,035	1,564	-34%
Elderly	1,601	1,932	1,870	2,406	1,151	-28%	1,158	1,444	1,410	1,484	178	-85%	342	368	344	814	931	172%
<b>Total</b>	<b>8,042</b>	<b>8,705</b>	<b>9,591</b>	<b>12,121</b>	<b>4,474</b>	<b>-44%</b>	<b>1,215</b>	<b>1,510</b>	<b>1,473</b>	<b>1,552</b>	<b>178</b>	<b>-85%</b>	<b>2,709</b>	<b>3,175</b>	<b>3,646</b>	<b>4,849</b>	<b>2,495</b>	<b>-8%</b>

Table 3-3 continued

Program	2 BR						3 BR						4+ BR					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
Family	2,401	2,288	2,566	3,471	1,320	-45%	1,364	1,355	1,494	1,773	332	-76%	252	257	296	368	107	-58%
Elderly	91	109	105	97	41	-55%	8	6	6	8	0	-100%	2	5	5	3	0	----
<b>Total</b>	<b>2,492</b>	<b>2,397</b>	<b>2,671</b>	<b>3,568</b>	<b>1,361</b>	<b>-45%</b>	<b>1,372</b>	<b>1,361</b>	<b>1,500</b>	<b>1,781</b>	<b>332</b>	<b>-76%</b>	<b>254</b>	<b>262</b>	<b>301</b>	<b>371</b>	<b>107</b>	<b>-58%</b>

Table 3-4: Waiting Lists - Public Housing Applicant Households by Area Median Income (AMI), FY 2003 – FY 2007

Program	Total Applicants						< 30% AMI						30 – 50% AMI					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>																		
Family	6,404	6,741	7,692	9,271	3,316	-48%	79%	83%	84%	85%	81%	2%	16%	12%	12%	12%	15%	-1%
Elderly	1,564	1,803	1,869	1,920	1,147	-27%	87%	90%	90%	91%	92%	5%	9%	7%	7%	6%	6%	-3%
<b>PH Subtotal</b>	<b>7,968</b>	<b>8,544</b>	<b>9,561</b>	<b>11,191</b>	<b>4,463</b>	<b>-44%</b>	<b>80%</b>	<b>85%</b>	<b>85%</b>	<b>86%</b>	<b>84%</b>	<b>4%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>-1%</b>
<b>Housing Choice</b>																		
Family	4,635	8,119	7,582	6,012	3,737	-19%	82%	86%	87%	89%	81%	-1%	14%	12%	11%	9%	15%	1%
Elderly/Disabled	590	830	777	564	611	4%	82%	89%	90%	90%	93%	11%	13%	8%	8%	7%	6%	-7%
<b>H.C.V. Subtotal</b>	<b>5,225</b>	<b>8,949</b>	<b>8,359</b>	<b>6,576</b>	<b>4,348</b>	<b>-17%</b>	<b>82%</b>	<b>86%</b>	<b>87%</b>	<b>89%</b>	<b>83%</b>	<b>1%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>	<b>9%</b>	<b>14%</b>	<b>0%</b>
<b>CHA Total</b>	<b>13,193</b>	<b>17,493</b>	<b>17,920</b>	<b>17,767</b>	<b>8,811</b>	<b>-33%</b>	<b>81%</b>	<b>85%</b>	<b>86%</b>	<b>87%</b>	<b>83%</b>	<b>2%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	<b>13%</b>	<b>-1%</b>

Table 3-4 continued

Program	50 – 80% AMI						> 80% AMI					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg
<b>Public Housing</b>												
Family	4%	3%	3%	3%	3%	-1%	2%	1%	1%	1%	1%	-1%
Elderly	3%	2%	2%	2%	1%	-2%	2%	1%	1%	1%	1%	-1%
<b>PH Subtotal</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>-1%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>-1%</b>
<b>Housing Choice</b>												
Family	3%	2%	2%	1%	3%	0%	1%	1%	1%	1%	1%	0%
Elderly/Disabled	4%	2%	2%	2%	1%	-3%	3%	1%	1%	1%	0%	-3%
<b>H.C.V. Subtotal</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>3%</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>
<b>CHA Total</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>-1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>

\* While CHA does not admit persons earning in excess of 80% of AMI at the time that such income is verified for admissions purposes, persons of all incomes may submit an application for CHA housing. A small percentage of applicants on the waiting list therefore self-certify that they earn over 80% of AMI.

Table 3-5: Waiting Lists – Public Housing and Housing Choice Voucher Program Applicants by Race/Ethnicity, FY 2003 – FY 2007

Program	Total Applicants						American Indian						Asian						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	
Family	6,404	8,649	7,692	9,271	3,316	-48%	2%	2%	2%	2%	4%	2%	5%	4%	4%	4%	4%	4%	-1%
Elderly	1,564	2,498	1,869	1,920	1,122	-28%	2%	2%	2%	2%	2%	0%	4%	3%	3%	3%	2%	2%	-2%
Housing Choice	5,225	8,949	8,359	6,577	2,364	-55%	2%	2%	2%	2%	4%	2%	3%	3%	3%	3%	4%	4%	1%
<b>Total</b>	<b>13,193</b>	<b>20,096</b>	<b>17,920</b>	<b>17,768</b>	<b>6,802</b>	<b>-48%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>	<b>2%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>0%</b>

Table 3-5 continued

Program	Black						Hispanic						White						Other						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	% Chg	
Family	50%	50%	50%	49%	52%	2%	17%	17%	17%	18%	21%	4%	24%	25%	27%	26%	23%	-1%	2%	2%	1%	1%	0%	0%	-2%
Elderly	26%	26%	27%	26%	30%	4%	8%	8%	6%	8%	11%	3%	59%	60%	59%	60%	54%	-5%	1%	1%	0%	0%	0%	0%	-1%
Housing Choice *	45%	46%	43%	43%	53%	8%	13%	14%	16%	16%	15%	2%	24%	25%	30%	30%	27%	3%	11%	11%	6%	6%	0%	0%	-11%
<b>Total</b>	<b>46%</b>	<b>46%</b>	<b>44%</b>	<b>44%</b>	<b>48%</b>	<b>2%</b>	<b>15%</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>	<b>17%</b>	<b>2%</b>	<b>28%</b>	<b>29%</b>	<b>32%</b>	<b>32%</b>	<b>29%</b>	<b>1%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>0%</b>	<b>0%</b>	<b>-6%</b>

\* The Housing Choice Voucher Waiting list contains partially entered statistics for some applicants who choose not to self-identify for race and ethnicity and are listed as other.

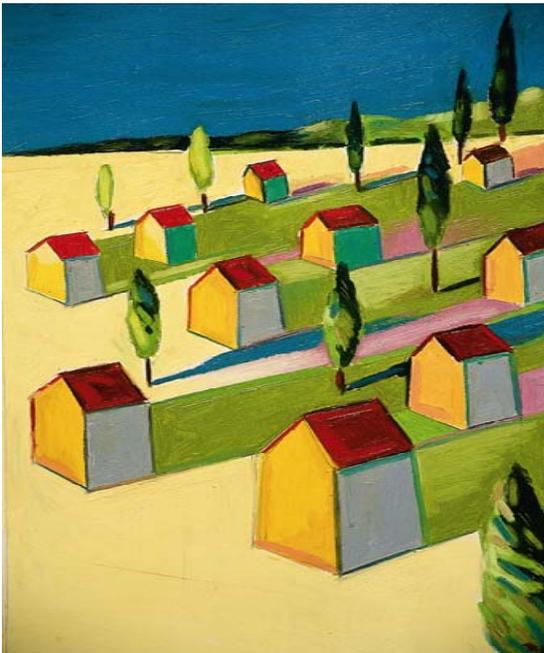
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■ **Appendix Four: Rent Simplification Benchmarking Study**

PERFORMANCE BENCHMARKING  
OF THE  
*RENT SIMPLIFICATION INITIATIVE*  
IN THE  
CAMBRIDGE HOUSING AUTHORITY'S  
MOVING TO WORK PROGRAM



*Submitted to:*

The Cambridge Housing Authority

675 Massachusetts Avenue  
Cambridge, MA 02139

*Submitted by:*

Quadel Consulting Corporation  
1200 G Street, NW, Suite 700  
Washington, DC 20005

May 29, 2007



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*Marcy M. Fisher*

*Wesley Edwards*

*Adam Wolkoff*

Quadel Consulting Corporation

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# FINAL REPORT

## Performance Benchmarking of the Rent Simplification Initiative In the Cambridge Housing Authority's Moving to Work Program

### INTRODUCTION

Quadel Consulting Corporation has undertaken an extensive study of the effects of rent simplification policy in the Housing Choice Voucher (HCV) and Public Housing (PH) Programs administered by the Cambridge Housing Authority (CHA). Under contract with CHA, Quadel designed a study that uses data from CHA and three other housing agencies to address several key questions about its recent policy changes, which were made possible by CHA's participation in HUD's Moving to Work (MTW) Program.

As one of 25 Moving to Work (MTW) housing authorities nationwide, CHA has an unusual degree of latitude in administering its programs and setting its policies and program goals. For instance, under MTW authority, HUD permitted CHA to change its income and rent determination policies and to lengthen the interval between required tenant recertifications. In making these changes, identified collectively as rent reform or rent simplification, CHA had a number of goals. CHA leadership believed rent simplification would reduce the complexity of the certification process, thereby reducing the likelihood of staff error. At the outset, CHA anticipated that rent simplification would also produce a measurable decrease in the administrative burden of the recertification process. It is also in keeping with the basic values of the agency and community, as expressed in CHA's mission statement.

CHA's goal for this research project was to address several program evaluation questions. MTW allowed the agency to make some fundamental changes in the operation of both its public housing and HCV programs in 2005 and 2006. These changes deal with basic programmatic issues: Who benefits from the programs? How does the agency calculate its subsidies? What does the agency expect of its staff and its clients?

Because of the importance of these issues, CHA set out to measure the changes in its operations. In sum, CHA has posed three basic questions:

**Simplicity:** Has rent simplification reduced the complexity of the tenant recertification process at CHA? Has it reduced the number of decision points (and thus the opportunity for error)?

**Administrative Cost:** In implementing rent simplification, CHA expected that the changes would produce a measurable decrease in the administrative burden of the recertification process. Has it done so, or will it?

**Standards:** Is there an industry standard or benchmark for the time required to conduct a tenant recertification? Where does CHA performance stand in relation to this standard (both before and after rent simplification)?

In this final report to CHA on the results of the study, we present four major findings regarding the impact of rent simplification on CHA operations. These findings, discussed in four sections of this report, confirm CHA's expectation that the revised rent protocols in the HCV and Federal public housing programs would reduce staff time required for tenant recertifications and lessen the overall resource burden required to administer the programs.

Before presenting the findings, we provide some background on rent simplification and the research approach the Quadel team used to answer CHA's questions.

## LITERATURE REVIEW

At the outset of the project, Quadel researchers were particularly interested in finding quantitative evaluations of existing PHA rent simplification programs, if any such evaluations exist. In addition, Quadel sought to explore the range of rent policy reforms PHAs are considering or have already implemented.

Quadel's literature review shows that a growing number of housing professionals and advocates support the idea of rent simplification in the federal public housing and Housing Choice Voucher (HCV) programs. However, to date, there has been little institutional or legislative reform regarding this issue, and little empirical evidence exists about the effects of rent simplification on the housing agencies that administer the subsidized housing programs or the low-income households they serve.

Because the federal government established and funds the public housing and HCV programs, a federal agency, the Department of Housing and Urban Development (HUD), is responsible for administering and overseeing both programs, even though state-chartered public housing authorities rather than HUD actually implement and manage the programs in local communities. Because both programs are income-targeted by law, HUD has mandated that PHAs scrutinize and verify each household's income—not only when the household enters the program but also at least annually thereafter as long as the tenant household remains in the program.

Over the years, HUD's rules regarding how to calculate tenant income have become steadily more complicated—and there was little PHAs could do but master HUD's rules and try to comply. In a 2001 study HUD described its subsidy calculation rules as “detailed, complex, sometimes ambiguous, and subject to relatively frequent legislative changes.”<sup>1</sup>

As we discuss below, in the 1990s, federal legislation changed the picture for PHAs significantly by merging the two major tenant-based programs (Section 8 certificates and vouchers) into the HCV Program. The new laws did not do away with the prescriptive federal income rules, but they did open the possibility of local experimentation by high-performing PHAs in the operation of their public housing and HCV programs, through the Moving to Work (MTW) demonstration.

Many advocates and administrators of subsidized housing generally support the idea of rent simplification, finding the existing system to be cumbersome, intrusive, and often inequitable. Small PHAs have pressed HUD for exemption from the most administratively burdensome rules and ones that seem unnecessary, impractical, or inapt for small agencies. Meanwhile, large PHAs, especially those without MTW Plans, have sought to follow HUD's rules while coping with serious reductions in federal funding for both the HCV

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<sup>1</sup>HUD, *Quality Control for Rental Assistance Subsidies Determinations*. June 2001.

and public housing programs. Their advocacy group, the Council of Large Public Housing Authorities (CLPHA), has sharply criticized HUD's funding decisions and, calling MTW "a small but revolutionary program," endorsed legislation to expand MTW and make it permanent.<sup>2</sup>

Under the existing federal rules, unless they elect to pay a flat rate (available in public housing only), tenants must submit to annual reviews to verify that they remain income-eligible for the program and to determine the family's rent under the complicated rent-calculation requirements. Tenants also have an incentive to ask for mid-year, or interim, recertifications when their income drops (though less incentive to report increases in income).

HUD Form 50058, which housing authorities must use to document and calculate each household's rent and subsidy calculation, is 14 pages long, and lists more than 40 possible income exclusions. Many people in the subsidized housing field believe that eliminating this long list of exceptions would relieve housing authorities of a significant administrative burden and make the tedious process of transmitting 50058s to HUD less frustrating. PHAs must transmit their 50058 data to HUD electronically and HUD monitors each 50058 transaction for completeness and accuracy. Reducing the complexity of the calculation rules holds significant appeal for housing authorities that now devote substantial resources to verifying tenant income, preparing 58s, and transmitting error-free data to HUD.

A handful of PHAs participating in the Moving to Work (MTW) program have experimented with eliminating some deductions and exclusions and limiting the number of income recertifications, in an effort to decrease their administrative costs.<sup>3</sup> With the possibility of more MTW agencies adopting changes in their rent policies, some low-income housing advocates are concerned that the application of revised or simplified systems would present hardships to tenants, especially elderly and/or disabled tenants who rely on the existing federally-mandated deductions and exclusions to minimize their household rent burden.

This review summarizes recently enacted and proposed legislation concerning rent simplification, along with articles and testimony from housing professionals and advocates. It also analyzes case studies of rent simplification from MTW sites. While most of the

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<sup>2</sup>CLPHA news releases, February 7, 2005 and June 14, 2006, available at [www.clpha.org](http://www.clpha.org). MTW was authorized in a 1996 appropriations bill as a temporary demonstration program.

<sup>3</sup>According to HUD's MTW studies, MTW agencies have made a variety of rent policy changes—including instituting disregards for increases in income from work, flat rents, stepped or tiered rents, broader income exclusions and deductions than HUD normally allows, increased minimum rents, and program time limits.

literature suggests that rent simplification may reduce administrative burdens for PHAs, there is not yet enough empirical evidence to determine if reducing the complexity of rent calculations yields substantial cost savings for PHAs.

### **Legislative changes to existing rent policies**

The most recent major legislation affecting federally subsidized low-income housing programs is Title V of the Quality Housing and Work Responsibility Act of 1998 (QHWRA 1998). Congress intended to reform the federal public housing program and to structure the new Housing Choice Voucher Program in a way that would impose fewer regulations on PHAs and provide PHAs greater flexibility in managing their local programs. In the same period, HUD issued regulations creating formal quality standards (SEMAP and PHAS), with SEMAP stressing accuracy in calculating tenant rents and subsidy amounts.

QHWRA contains a number of provisions changing PHA rent policies for public housing and voucher tenants. Although QHWRA's goal was less federal rigidity and complexity, some of the new requirements actually made rent determination more complicated. For example, in addition to establishing mandatory provisions in determining adjusted income and tenant rents, which are generally similar to previous income exclusions, QHWRA allows PHAs to establish new optional income exclusions in their public housing programs that are not restricted to earned income exclusions. In addition, the new law imposed a new community service requirement for some public housing residents that has proven difficult and time-consuming for PHAs to implement.

Yet QHWRA does allow for a level of simplification by providing public housing residents with a choice between an income-based rent and a flat rent. The traditional income-based rent is calculated annually as a percentage of the household's adjusted income. In contrast, a flat rent does not change according to family income. A flat rent is determined by the PHA's estimate of the rental value of the unit in the private unassisted rental market. PHAs must offer public housing tenants a choice between the two methods. Tenants paying flat rents must be reviewed not less than once every three years, while tenants paying income-based rents must continue to be reviewed once a year.

Since the enactment of QHWRA, HUD has proposed legislation to further simplify rent calculations and make wholesale changes in the operation of federally subsidized housing programs. HR 1999 (State and Local Housing Flexibility Act of 2005 or SLHFA; also S. 771) would permit PHAs greater flexibility in setting the rent policies of their HCV programs, tenant-based homeownership programs, and federal public housing programs. Among other changes, the bill provides PHAs with several options for creating a rent structure, including setting a flat amount, an income-tiered structure, a percentage of family income, or any combination of those methods.

An alternate reform bill, HR 5443, was proposed in 2006, as the Section 8 Voucher Reform Act (SEVRA).<sup>4</sup> This bill allows for a narrower range of possible rent structures, requiring families to pay thirty percent of their income in rent. The bill would require interim recertifications when family income increased by \$1,500 or more and would allow interims at the family's request if income dropped by \$1,500.

The alternate bill does not greatly simplify the subsidy calculation rules. Although it would eliminate the deduction for unreimbursed child care expenses and require recertifications of families with stable fixed incomes (e.g., from SSI) only every three years, the measure as it now stands would keep most current income adjustments in place. It would increase the standard allowance for households in which the head, spouse, or co-head is elderly and/or disabled from \$400 to \$750 and raise the standard dependent allowance from \$480 to \$500 with the ability to increase in increments of \$25 over time. It would also limit deductions for unreimbursed medical or disability assistance expenses for elderly- and disabled-headed households. Earned income of full-time students would be excluded as a way to promote self-sufficiency. Furthermore, the bill would mandate an across-the-board ten percent disregard of earned income. PHAs would be permitted to use the previous year's income when calculating rent or eligibility—thereby allowing tenants to provide their federal income tax statements as income verification at recertification.

To date, HUD's proposed SLHFA legislation has not been voted on in committee and thus has not reached the floor of either chamber for a vote. Many housing advocates and administrators greeted HUD's proposal with skepticism if not disdain; others saw it as a welcome departure from HUD's overly rigid oversight and rulemaking. HUD leaders advanced their reform plan in many settings, including in testimony before Congressional committees, in presentations to industry groups, and in Secretarial statements and op-ed pieces. The fullest justification of HUD's proposal is found in a Departmental white paper written in May 2004.<sup>5</sup>

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<sup>4</sup>Although the bill's title, SEVRA, refers only to Section 8, the proposed rent changes in the measure would apply to vouchers, project-based Section 8 housing, and public housing.

<sup>5</sup>"The Flexible Voucher Program: Why A New Approach to Housing Subsidy Is Needed," HUD White Paper, May 18, 2004. This paper does not discuss public housing, but SLHFA's rent changes would apply to public housing as well as vouchers, though not to project-based Section 8 units. Articles questioning HUD's flexible voucher plan have been written by staff at the Center on Budget and Policy Priorities (CBPP). See, for example, <http://www.cbpp.org/2-12-04hous.htm>. CBPP has also published a more favorable analysis of SEVRA. See <http://www.cbpp.org/7-27-06hous.htm>. SEVRA passed a House committee in June 2006. CBPP has also compiled a side-by-side comparison of current HCV rent rules and those proposed in SLHFA and SEVRA, available at <http://www.cbpp.org/7-27-06hous-app.pdf>. On May 24, 2007 a revised version of SEVRA (HR 1851) passed the House Financial Services Committee. Among other changes, it would extend and expand the MTW Program as the Housing Innovation Program (HIP). There has been no action on SEVRA in the Senate during this session.

HUD's white paper discusses the need to simplify the verification process and give PHAs more flexibility to experiment with policy alternatives. It points out that from 1998 to 2004, the allotment for housing vouchers grew from 36% to 51% of HUD's budget, and HAP payments increased by 26%, despite a much lower 10.5% nationwide average increase in gross rents. Pointing to QHWRA as the cause of significant per-unit cost increases, HUD in the white paper estimated that a flexible voucher program would save \$1.804 billion in FY 2005—\$1.674 billion in subsidies and \$130 million in administrative expenses. HUD attributed large errors in PHA's subsidy calculations to the complexity of federal rules.

According to the white paper, these administrative savings would result from simplifying tenant rent calculations and requiring less frequent recertifications and HQS inspections. HUD estimated that under the current system, PHAs spend four to five hours per case, and that this proposal would save at least one hour per case. It is not clear from the report how HUD reached this estimate of PHA labor. No other recent HUD publication has included data on PHA recertification times or expense. Whatever data HUD used in its calculations for the white paper is not publicly available.

## Views of Rent Simplification

In the remainder of this section, we review a number of other industry perspectives on rent simplification.

### Government Accountability Office (GAO)

A 2005 GAO Report discusses three approaches HUD was considering in that year to simplify the rent calculation process. These include 1) an income-based approach that establishes the tenant's rent as a percentage of the tenant's income, with a limited number (if any) of exclusions or deductions from income allowed; 2) a tiered flat rent system with several income bands; or, 3) a mixed approach allowing PHAs to choose from various possible rent structures, depending on community demographics and other factors. The GAO report rightly notes that any changes in rent policy would have serious consequences for tenant rents and program costs and would require statutory changes. Any change would also impose transition costs on PHAs as they sought to understand and successfully implement the new method. GAO suggested that HUD conduct a formal study on the impact of these policy alternatives in order to inform policymakers of the likely consequences of altering the current rent structure.<sup>6</sup> In his response to the GAO report, HUD's Deputy Secretary contended that HUD and OMB had already conducted rigorous analysis of rent simplification. GAO noted that these analyses have not been made available to policymakers.

### NAHRO

NAHRO proposes that HUD streamline its rent calculation regulations to eliminate some income exclusions that overly complicate the process. It also proposes that HUD modify its annual HQS inspection requirements to produce administrative cost savings.<sup>7</sup> NAHRO has argued in a number of settings for Congress and HUD to extend the spirit of QHWRA by giving PHAs more flexibility and discretion in managing programs, by avoiding over-regulation and micromanagement, and by finding ways to make programs more efficient. In NAHRO's view, rent simplification is a sensible step in this direction. Expansion of MTW is another. In recent Congressional testimony, NAHRO Board of Governors member Betsey Martens, the Co-Executive Director of Boulder Housing Partners in Colorado, testified in favor of a simplified rent structure that adopts a percentage of gross income approach with a single

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<sup>6</sup>"HUD Rental Assistance: Progress and Challenges in Measuring and Reducing Improper Rent Subsidies," GAO Report 05-224 to the Subcommittee on Housing and Community Opportunity, Committee on Financial Services, House of Representatives, February 2005.

<sup>7</sup>NAHRO, "HUD Can Act Now to Provide Housing Agencies with Program Cost Reductions, Flexibility and Streamlining through Regulatory and Administrative Reforms," March 2006.

standard deduction for medical expenses. This would be the only allowable income deduction. Martens estimated that each income certification at her agency takes between five and six hours, and that her public housing property managers spend 43% of their time assigning rent, which is time they cannot spend effectively managing the property. The number is greater when they perform rent adjustments.<sup>8</sup> In her view, “The whole system needs to be taken apart and rebuilt.”

## **NLIHC Voucher Summit**

In a national policy conference on the voucher program last year, sponsored by the National Low Income Housing Coalition (NLIHC), a diverse group of housing advocates and program administrators made a number of recommendations to improve the performance of the HCV program. Simplifying the calculation of tenant rents emerged as a high-priority objective.<sup>9</sup> Like GAO, the summit participants called on HUD to provide a careful analysis of the potential effects and trade-offs associated with changing rent rules. Although the group agreed on a set of principles to guide the policy discussion, the summit did not endorse a particular strategy or method of simplification. Instead, the group offered a number of options for further analysis and discussion. These include:

- Extending the certification period for people whose income is largely derived from Social Security and/or SSI to three years, with interim cost-of-living adjustments in the years there is not a full recertification
- Foregoing the use of third-party verification for assets producing a small amount of income
- Relying on verifications performed by other federal programs
- Calculating rent as a percentage of income in the previous year rather than as anticipated income so that tenants could choose to submit income tax returns to verify their incomes
- Eliminating or limiting interim recertifications for small income changes
- Replacing the existing earned-income and child care deductions with a deduction of a percentage of earned income for all families

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<sup>8</sup>Statement of Betsey Martens, member of NAHRO’s Board of Governors, to the House Committee on Government Reform, Subcommittee on Federalism and the Census, May 10, 2006.

<sup>9</sup>National Housing Voucher Summit 2005: Final Statement, Recommendations, and Options, August 2005. The summit report includes additional views provided by some participants as well as a description of the position each summit participant took toward the final report (support, support with reservations, support alternative statement, or abstain). This supplemental material includes some further discussion of rent simplification.

- Replacing the itemized deduction of medical costs for the elderly and disabled with either an expansion of the \$400 standard deduction or by a simplified medical deduction
- Increasing the deduction for dependents from its 1983 level

In a subsequent conference call, an NLIHC policy committee sought to elaborate NLIHC's rent simplification principles.<sup>10</sup> Committee members agreed that income-based rent structures were better than tiered rents because, while tiered rents were less invasive, they did not adequately simplify the calculation system. The committee also discussed increasing the standard deduction to replace current itemized deductions for unreimbursed medical expenses, disability assistance costs, and child care costs, with exceptions for families with very high medical or disability costs or for families without health insurance. The group also considered eliminating verifications for income exclusions. NLIHC has not issued a full policy statement on rent simplification strategies, though, as noted above, it has set forth some general principles to guide the changes and has agreed that the current system is inefficient and inequitable.

## **PHADA**

Perhaps the fullest description of rent simplification policies and alternatives comes from the Public Housing Authorities Directors Association (PHADA).<sup>11</sup> In a 2005 publication and subsequent statements, PHADA has argued for simplification through either a tiered rent structure or a percentage of income rent structure. Stressing that HUD's infamous Form 50058 is 14 pages long, PHADA finds the current rent calculation system to be "significantly inefficient."

PHADA's tier system would allow a unit to have only four possible rents. Tenants whose incomes fell within assigned percentages of the area median income would fall into one of four rent tiers. Minimum rents and market-based rents would cover tenants at either extreme of the income range.

PHADA's second solution proposes keeping the existing system, but adjusts it by basing rent on gross income and varying the rent formula depending on the type of income. Rent based on earned income, which is subject to federal income and payroll taxes, would be calculated at 25% of gross income, while rent based on grants of aid such as TANF, which are not subject to income or payroll taxes, would be calculated at 28% of gross income.

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<sup>10</sup>Saving Housing Resources/Resident Issues Policy Committee Call, NLIHC, February 2, 2006.

<sup>11</sup>"Rent Reform: Fair and Simple Solutions," PHADA, 2005.

In its analysis, PHADA also reviewed the flat rent concept and the suggestion of expanding MTW to allow local agencies full control of policy. PHADA argued that these two approaches are inferior to the two it recommends because the latter will meet all three of PHADA's objectives: increasing earned income, maintaining housing affordability, and achieving real administrative simplification.

### **Urban Institute/Quadel Analysis of MTW**

In January 2004, the Urban Institute, working in conjunction with Quadel, assessed the results of the Moving to Work demonstration program after five years. On the subject of rent simplification, the study found inconsistent or unmeasurable effects of simplified rent formulas on the financial position and workloads of MTW PHAs. Most PHAs that eliminated interim subsidy calculations also reported that the change saved substantial staff time. While staff levels did not decline, some PHA managers said they would have had to hire more staff if the simplification measures had not been implemented. However, none of the MTW agencies developed a research program to gauge the precise effects of rent simplification on their rent revenues, annual workload, or degree of tenant under-reporting of income.

Because all MTW sites continued to administer their traditional programs while also experimenting with new rent formulas, PHA staff continued to perform labor-intensive certifications and they faced the challenge of working with two sets of rent rules rather than one. As a result, many MTW PHAs have not seen the savings in staff time and costs that they had hoped for.

### **Abt Analysis of Housing Authority of the County of Tulare MTW Program**

The Housing Authority of the County of Tulare, California (HACT) began enrolling all non-elderly, non-disabled new admissions in its MTW program in May 1999. Existing public housing and HCV tenants were offered the choice of participating in MTW at their annual recertifications. MTW public housing participants were offered flat rents based on the size of their units, while voucher holders were given a fixed monthly subsidy, also based on the number of bedrooms in their unit. HACT decided to end an MTW family's public housing or voucher assistance if household income rose to 120% of AMI *or* after five years of aid, whichever came first. As of December 2004, 62% of HACT's public housing tenants and 59% of its HCV households were MTW participants.

Abt Associates monitored the results of MTW over a five-year period. Through on-site discussions, it found continued support for the program among HACT staff, along with a general perception that the flat rent approach, combined with five-year time limits on assistance, was a better approach than traditional income-based rents.

HACT staff reported that the MTW program is much easier to manage than the standard public housing and voucher programs because the MTW approach requires much less information from the tenant. In addition, staff save time because in MTW they process interim certifications only to change household composition. According to Abt's review, the annual recertification process "has become more of a celebration of the success a family is having rather than an antagonistic meeting."

However, HACT has not realized significant cost savings by instituting flat rents and time limits because the agency continues to operate multiple programs that demand staff time--including some programs that continue to use traditional income-based rents rather than the flat rents under MTW. HACT administers Welfare to Work vouchers, tax credits, and local development programs, and serves as Visalia's fair housing organization. While the agency has suggested that MTW participants require much less staff time than non-MTW tenants, Abt's report maintains that unless all of HACT's families, including the elderly and disabled, were on a fixed rent system, HACT will not realize significant cost savings.

## Urban Institute Analysis of Keene Housing Authority MTW Program

In 1999, the Keene Housing Authority (KHA) in New Hampshire implemented a flat rent structure with a five-year assistance limit under MTW. Unlike Tulare County, Keene required that all new and current public housing tenants, except disabled and elderly families, participate in the new system.<sup>12</sup>

At the same time, KHA designed a new voucher system under MTW called “Housing Assistance Coupons” (HAC). Under the new rules in both public housing and vouchers, rents are based on a flat rent determined by bedroom size but the amount of rental assistance gradually declines over a five-year period.<sup>13</sup> In the first year of HAC, tenant rent is based on 20% of gross income rather than 30% of adjusted gross income. In addition, HAC applicants are eligible up to 80% AMI, whereas the HCV Program limits eligibility to 50% AMI. KHA may also allow a tenant to lease a unit above the 40% rent burden. To further its overall tenant self-sufficiency goals, KHA directly deposits HAP payments into the tenant’s bank account. The tenant is responsible for paying the landlord the full month’s rent.

As of 2004, most of KHA’s voucher holders (about 400) held MTW vouchers, either through HUD’s HCV program or Keene’s unique HAC system. Yet KHA continued to administer about 75 non-MTW vouchers. According to the January 2004 Urban Institute report, Keene achieved cost savings by switching to the stepped-rent system and was able to use this money to fund more vouchers and to increase social services in support of its tenant self-sufficiency efforts.

## HUD and Subsidy Errors

It is important to understand the current industry interest in rent simplification in its broader context. PHAs are under extraordinary pressure to cut subsidy costs without cutting their caseloads or service quality. Faced with the realities of stringent public housing and HCV appropriations in recent years, PHAs today are seeking ways to streamline their operations, lessen their administrative and overhead costs, and reduce annual HAP outlays. The result has been heightened interest in MTW, flexible vouchers, and other major departures from standard PHA operations and HUD policies. In addition to accepting a forced diet from Congress and HUD, PHAs are also being asked to improve or maintain the quality of their operations. Annual PHAS and SEMAP reviews have become an

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<sup>12</sup>A chart describing the Keene’s public housing stepped rent system is available at <http://www.kha.org/PHStepRentChart.pdf>.

<sup>13</sup>A chart describing Keene’s HAC stepped rent system is available at <http://www.kha.org/Step%20HAC%20amounts%20for%2010-01-04.pdf>.

accepted feature of a PHA's workload. Meanwhile, HUD is pressuring PHAs to reduce their subsidy calculation errors in the public housing and voucher programs, through special HUD audits designed to capture these errors. The Quality Control for Rental Assistance Subsidy Determinations project is part of an effort by HUD to improve its ability to quantify errors, assess and improve the quality of program and financial data it receives from PHAs, and gain increased control over the accuracy of subsidy payments.

HUD's effort to reduce errors in subsidy payments comes in response to a Presidential mandate requiring agencies to reduce program errors. A 2001 study by HUD's Office of Policy Development and Research investigated several housing programs and found high levels of subsidy miscalculation. The study, prepared by ORC/Macro, had important findings. In some cases, housing agencies paid too much subsidy; in others tenant families paid too much in rent and utilities. HUD, under the Rental Housing Integrity Improvements Program (RHIP), has used the study as a baseline, showing a costly problem in gross dollar terms. In its annual financial reports, HUD has stated its progress against this baseline—from an estimated \$2.3 billion in errors in the 2000-2001 study to an estimated \$1.5 billion in gross errors in the 2003 follow up.

HUD has identified three key sources of payment error: agency miscalculation of income and rent; tenant under-reporting of income; and, processing errors in PHA billings. HUD is now addressing all three areas and has set targets for error reduction. RIM reviews have focused on the first. New data-sharing capability between PHAs and other government agencies has addressed the second. HUD is continuing to study and estimate the third. HUD now estimates that tenant under-reporting of income has resulted in over-payments of rental assistance of about \$978 million. HUD also estimates that the other two types of error resulted in gross errors equal to over 10% of the total FY 2003 program expenditures.

HUD's priorities have increased the overall workload for PHAs at a time of diminishing HUD resources. PHAs' interest in reducing program complexity and in seeking departures from standard HUD rules is understandable. PHAs are searching for equitable ways to cut their operational and subsidy costs. Legislative changes like SEVRA are intended to provide housing authorities the flexibility they need for program innovation and cost savings and for more creative responses to local housing needs and problems.

HUD Office of Policy Development and Research recently issued another ORC/Macro report showing decreases against the baseline of subsidy payment errors in the public housing, HCV, Section 8 project-based, and Section 202 and Section 811 programs.<sup>14</sup> As the study's authors suggest, "The most appropriate use of this study is as a tool for strengthening HUD's procedures for ensuring administrative compliance with regulations."

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<sup>14</sup>Quality Control for Rental Assistance Subsidies Determinations: Final Report for FY 2004, by OCR/Macro for HUD PDR, July 2005.

The thought of further HUD compliance reviews will not cheer most PHA executives or frontline staff. Although the report identifies and documents major sources of error in program administration, these sources will not be news to any PHA executive who has analyzed the results of the agency's RIM review(s), read previous HUD reports, or implemented a basic quality-control program. What would be more helpful to PHAs that administer rental assistance programs funded by HUD is a careful analysis of the practical effects of changes in rent rules, as currently adopted and implemented by various MTW agencies, along the lines of the study GAO recommended to HUD eighteen months ago. The authors of the latest study recommend program simplification as a means of reducing subsidy error. To our knowledge, HUD has not produced or made public enough data and analysis for PHAs and low-income housing advocates to understand the likely effects of adopting one or more of the various rent simplification models now being implemented by the MTW agencies. Consequently, for Cambridge, there is very little empirical data available to use as a program performance benchmark.

## RENT SIMPLIFICATION AT CHA

CHA adopted slightly different approaches to rent simplification in its public housing and HCV programs, as Table 1 summarizes.<sup>15</sup> CHA’s current rent simplification policy does not apply to the Federal project-based programs it administers or the state-funded tenant- or project-based programs it administers. As we discuss below, the presence of both rent-simplified and non-rent-simplified programs in the same agency provided a very useful intra-agency comparison to complement the cross-agency comparisons.

**Table 1: Summary of CHA Rent Simplification Policy  
(Effective January 31, 2006)**

<b>Housing Choice Voucher Program</b>	<b>Federal Public Housing Program</b>
<ul style="list-style-type: none"> <li>▶ Household assets below \$50,000 are not considered in income calculations</li> <li>▶ Tenant recertifications continue to be required annually, but interims for income change are limited to one per year. If an interim for income loss is conducted, tenants must subsequently report any increase in income within 30 days. The loss of income must be expected to last more than 60 days. (These provisions do not apply to seniors and the disabled or to interims for transfer to new units or changes in household composition.)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Household assets below \$50,000 are not considered in income calculations</li> <li>▶ Tenant recertifications required every two years. Only two interims for income change permitted between recertifications. If an interim for income loss is conducted, tenants must subsequently report any increase in income within 30 days. The loss of income must be expected to last more than 60 days. (These provisions do not apply to seniors and the disabled or to interims for unit change or for household composition change.)</li> <li>▶ Deductions for medical and childcare costs are not provided unless total expense equals</li> </ul>

<sup>15</sup>As Appendix 1 notes, CHA used its MTW authority to implement several alterations to Federal income rules prior to implementation of its rent simplification initiative in 2006.

<p>▶ Minimum rent set at \$50 per month. All households paying only the minimum rent will be referred to Social Services for job or benefit counseling.</p> <p>▶ Zero-income status is limited to 90 days. After 90 days, the minimum rent is applied. The tenant must pay the minimum rent to the landlord and take responsibility for all tenant-paid utilities. CHA makes utility allowance payments to zero-income households for only 90 days following recertification.</p> <p>▶ A hardship review system allows tenants to ask CHA for special consideration if the total burden of rent and utilities is excessive (over 50% of monthly income). The review committee can act to reduce family's rent burden.</p>	<p>or exceeds \$2,500. Deductions are based on tiered deduction schedules.</p> <p>▶ Minimum rent increased to \$50 per month. All households paying only the minimum rent will be referred to Social Services for job or benefit counseling.</p> <p>▶ Zero-income status is limited to 90 days. After 90 days, CHA applies the minimum rent.</p> <p>▶ Rents are based on a tiered rent schedule (in \$2,500 income bands, with ceiling rents also applied).</p> <p>▶ All income of full-time students (except heads of household) is excluded from income</p> <p>▶ A hardship review system allows tenants to ask CHA for special consideration if total unreimbursed medical or childcare expenses exceed \$7,500 or if the total burden of rent, utilities, and unreimbursed medical or childcare costs is excessive (over 50% of monthly income). The review committee can act to reduce family's rent burden.</p>
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## RESEARCH APPROACH

In June 2006, Quadel began studying the policy changes at CHA in order to develop a research plan that would fully address the questions of concern to the agency. Quadel staff worked with CHA's executive management to craft a workable research approach. From the outset, CHA sought to incorporate industry-wide data and data from at least two other housing authorities in the analysis, as a means of providing a realistic benchmark against which to measure CHA's own work, both before and after implementation of the rent simplification policies.

Quadel's study began with a review of the entire certification/recertification process in each CHA program with the goal of determining the specific steps in routine procedures that had been affected by the rent simplification policies. By determining which steps had been changed, it was possible to focus the research design on just those transactions.

The major changes, or potentially the most consequential or far-reaching changes, to CHA's policies were 1) the elimination of assets from the income calculation when total family assets are less than \$50,000; 2) limits imposed on the number of interim recertifications; 3) the change for public housing residents to biennial recertifications; 4) the adoption of tiered rent and deduction schedules for public housing tenants; and, 5) zero-income status and HCV utility allowances limited in duration and minimum rents set.

After reviewing CHA's income determination and rent calculation policies and procedures, the research team determined that its field research should measure those portions of the certification/recertification process in which information on assets, and medical and childcare expenses are collected and verified. By determining how much time housing authority staff members spend collecting and verifying data regarding tenant assets and deductions and comparing that data from non-simplified (or standard-rule) housing programs and the two rent-simplified programs, the study was designed to determine if CHA's simplified processes have in fact produced efficiencies.

Based on the literature review, the research team determined that very little data exists about the amount of time a recertification takes. No industry standard exists and there is virtually no empirical research measuring the efficiency of the recertification process in either public housing or the voucher program. Without citing evidence, HUD estimates that the process should take about 4-5 hours (HUD White Paper, May 2004). HUD probably developed this estimate through guesswork: cataloging the number of steps in the certification process, assigning an estimated time requirement for each step, and totaling these intervals.

Rather than rely on anecdotal estimates, Quadel developed a time-task analysis plan to track the exact amount of time spent on each step of the certification process. A live observer attended certification interviews and recorded the amount of time staff devoted to each pre-defined step in the certification process. This approach took much of the guessing out of benchmarking the certification interview, and provided comparable data across programs and agencies. It also allowed Quadel's researchers to identify the attributes of recertification interviews within each agency, including significant variations in compliance with federal and state regulations.

It is important to highlight the limited scope of Quadel's approach. Because much of the traditional certification process, including third-party verification of income and deduction factors, has been retained within the rent simplification program, Quadel limited its data collection to time spent discussing and verifying assets and deductions. We did not set out to document or analyze all parts of the multi-stage certification process.

The live, one-on-one interview observed by Quadel researchers is central to recertification, but it follows a significant amount of front-end paperwork, which was not benchmarked for the study. It also is followed by back-end paperwork, including income verification, which was only tracked to a limited extent. In some cases, no live interview took place. In these instances, often involving elderly tenants with fixed incomes, agency staff completed tenant paperwork based on a previous year's application or current EIV data and mailed the forms to the tenant for signature. In other cases, the live interview consisted of tenants dropping off documents they had already completed. In other cases, the live interview also included a Housing Quality Standards (HQS) inspection, which was outside the scope of the study.

By arrangement with housing authority managers, Quadel researchers observed scheduled tenant recertifications at three housing authorities. Researchers sat in on, but did not participate in, these tenant interviews. They used a stopwatch to record the amount of time staff spent discussing tenant assets and deductions. They also recorded the amount of time the staff spent on other aspects of the recertification process, such as income verification and rent calculation. Agency staff also provided data on certain post-interview work steps related to recertification.<sup>16</sup> These observations took place from June 2006 through April 2007.

Because rent simplification had already been implemented at the time the study began and there was no opportunity to measure the income determination and rent calculation process under CHA's previous procedures for federal public housing and vouchers, the study included reviews of those procedures in state rental assistance and public housing programs, where rent rules remain similar to those previously used for federal programs, using the state programs as a comparison or pseudo-control group.

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<sup>16</sup> Practical considerations prevented a pure random sample from being used. Although a random sample would have been ideal, the daily scheduling of housing authorities actually governed the selection of households in the sample. We believe we captured wide variation in tenant characteristics, though the possibility of systematic selection bias does exist.

For each housing program, Quadel gathered information on both family and elderly/disabled tenants. Quadel made efforts to include a proportion of elderly/disabled to family cases reflecting the PHA's total for each housing program.

To compile a sample large enough for meaningful statistical analysis, Quadel researchers attempted to observe 30 recertifications in four different subsidized housing programs administered by CHA: Federal Public Housing; State Public Housing; Federal Housing Choice Vouchers (HCV); and, State-Subsidized Vouchers (MRVP). The two federal housing programs are simplified while the state programs are not. (Appendices 2 and 3 discuss the key differences in the four programs.)

Additionally, Quadel arranged observations at two comparable PHAs in Massachusetts – which we will refer to as Massachusetts PHA 1 and Massachusetts PHA 2 (or Mass 1 and Mass 2) – to record data on 60 recertification interviews at each PHA: 30 public housing recertifications and 30 Housing Choice Voucher recertifications. Mass 2's jurisdiction is similar in population to Cambridge and its portfolio is of comparable size. Mass 1's subsidized housing portfolio is larger than Mass 2's or Cambridge's. One of the PHAs is in the same housing market as Cambridge while the other is fairly close to it. We selected comparable PHAs based on size, location, and a number of other factors.

During each interview, one of four Quadel researchers used a stopwatch to record the amount of time spent discussing income, assets, deductions, and other elements of the recertification interview. Although the researcher recorded and categorized all the time spent during the interview, only time spent discussing, identifying, and verifying assets and deductions was analyzed for this study. The housing specialist briefly introduced the researcher to the tenant and described his or her presence only in general terms of data collection. Each tenant was asked to agree to have an observer present during the interview. In only a handful of cases did a tenant object to the observation. In those cases, the researchers did not observe the interview and the recertification did not become part of the sample.

After the interview, the researcher provided a worksheet to the staff person. The staff person was asked to record the amount of time he or she spent verifying any tenant data related to assets or deductions after the interview. These worksheets were faxed or mailed to Quadel, and the total amount of time was totaled to develop the benchmark for each housing program.<sup>17</sup>

The research team also collected other types of data from the agencies for analysis:

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<sup>17</sup>Additional notes on data collection and agencies' policies and procedures are provided in Appendix 1 and Appendix 2.

- Tenant data from HUD 50058s
- Administrative data on program size, turnover, utilization, and other factors
- Financial and staffing data to establish program costs and agency overhead

Our initial findings led us to add another agency for comparison. The early program and recertification data we collected and reviewed demonstrated in empirical terms the apparently wide diversity of policy, procedure, and practice that exists among agencies, even those without MTW designation, that administer federal housing programs. To a large degree, the differences observed are differences in agencies' adherence to or understanding of HUD rules. However, as Appendices 1 and 2 note, there are also sizable differences in the policies and procedures agencies are permitted to implement. Among large agencies, few ACOPs or Administrative Plans are exactly alike. Particularly since QHWRA in 1998, public housing programs have been given authority to diverge from old policies and practices—for instance, through permissive deductions and waivers of HUD regulations. It is noteworthy when comparing agencies that even agencies without MTW status have some discretion in how they operate and what rules they follow. Although HUD programs have long been criticized as inflexible and difficult to administer successfully in diverse local communities, the reality may be that the programs, even without MTW status, offer or permit agencies more flexibility and opportunity for local variation than is commonly assumed. This suggestion would seem to justify new research intended to identify systematically the existing divergence of local agency policies and practices and to explore the potential benefits of the various policy options open to PHAs even without their participation in MTW.

Summary data for the four agencies we reviewed are provided in Appendix 3. The table there includes data from Cambridge, the two Massachusetts agencies, and a fourth program, the Chicago Housing Choice Voucher Program. We included this data because it was readily accessible to us and it provides the external point of comparison CHA hoped to find. We also believe Chicago offers a closer comparison to CHA than the Massachusetts agencies.

Based on our initial analysis of the public housing and HCV data collected and our understanding of the agencies' recent and current policies, practices, and procedures, we drew several conclusions. In addition, we identified some serious limitations in the data, which collectively created too many caveats and qualifiers to make useful cross-agency comparisons:

- Overall, CHA staff in simplified programs spent more time identifying and verifying assets and deductions than staff in Mass 1's non-simplified programs, by about 1.5 minutes, but spent about the same amount of time as staff at Mass 2's non-simplified programs, between 3 to 4 minutes.

- In all programs, most staff time was spent explaining asset and deduction rules to clients, and identifying assets/deductions, rather than actually sending the paperwork to the third party. In other words, the amount of time spent in the interview on assets/deductions did not change significantly due to simplification because the actual time spent in verifying assets is small across the board while the time spent explaining asset verification policy is more time-consuming.
- Our research plan was based on the assumption that the three Massachusetts agencies were similar enough in important respects that valid comparisons could be drawn. In fact, even though the agencies administer common programs, there are numerous procedural and policy differences between the three agencies that impede valid comparisons. There are also differences in interpretation of regulations and expectations of staff conducting certifications. The limited amount of time that Mass 1 and Mass 2 staff spend on assets/deductions during and after the interview strongly suggests that the basic work steps in recertification differ markedly across agencies.

Comparison of the three agencies was difficult because we could not adequately control for all possible factors that might influence recertification times and we could not explain the exact causative path that produced the observed differences in recertification times. A more complicated methodology would be needed to make sound cross-agency comparisons. With this initial data and new methodological concerns, we took two steps: We decided to include data from the Chicago voucher program and to collect data from CHA's non-rent-simplified programs. Analysis across programs within CHA remained a sound and valuable research strategy.

Some further observations from the initial data are warranted:

- The data collected at CHA showed a marked difference in recertification times across programs: When we removed the discussion time (identifying assets/deductions, signing waivers or certifications of assets/deductions below the minimum) from the average, and looked only at time spent obtaining third-party verification, we saw that staff in CHA's simplified programs (HCV, Fed PH) spent a minute or less sending out for third-parties, while staff in the non-simplified state public housing program at CHA spent nine minutes.
- While staff spent an average of 3.88 minutes discussing assets/deductions and obtaining third party verification of assets/deduction at CHA Federal Public Housing (simplified), staff spent an average 11.67 minutes discussing and obtaining third-party verification of assets/deductions at CHA State Public Housing (non-simplified).

- Only one tenant of the 20 Federal Public Housing recerts observed at CHA claimed between \$2500-\$5000 in medical deductions, and none claimed assets over \$50,000. Thus, only 1/20 cases required follow-up (20 minutes to get third-party verification), with an average of 1 minute follow-up time overall. No tenants in this sample claimed childcare deductions.
- Similarly, only three tenants of 36 HCV recerts observed claimed medical deductions, and none claimed assets over \$50,000. Staff spent 1 minute; 12 minutes; and 10 minutes following up deductions in these cases, for an average of .64 minutes overall for the 36 cases. But of the 20 CHA State public housing recerts observed, about half of the tenants claimed assets/deductions, and staff spent between 5 and 30 minutes obtaining third-party verification for them.

Unfortunately, HUD and Congress did not establish MTW with a before-after research methodology or provide funds for research that would allow sound conclusions to be drawn from PHA experiences in reforming policy. In addition, there is virtually no extant literature on administrative costs of administering the voucher or public housing programs in this context. There are few resources to support independent PHA research into policy innovation in low-income housing, including from HUD.

The ideal research plan would establish, prior to policy implementation, a clear control group and a clear experimental group, with only the latter group affected by the policy of interest. If other agencies adopted the same set of changes at the same time, the same before-after method could be used to make reasonable cross-agency comparisons.

However, this very costly research design was not feasible, in terms of cost or time. The research design we created attempted to make reasonable cross-agency comparisons. However, we have discovered that assuming basic comparability of programs across agencies is problematic. Our research is thus left with a number of problems in design and implementation and lacks data to answer some key questions:

- There are multiple variations of policy change because implementation was phased and because multiple policy changes were made at one time. It is thus difficult to establish what policy change might have produced what effect, or if all the policy changes had an effect at all. In addition, CHA implemented improved verification procedures immediately before implementation of the rent simplification policy. A HUD RIM Review of CHA in August 2004 noted that a majority of the tenant files in the public housing RIM sample lacked proper verification of income, assets, and/or deductions. Improvement of these quality problems could be mistaken for effects of a policy change.
- CHA's Federal public housing rent simplification policy differs in some respects from its HCV rent simplification policy. In this respect, there are two separate investigations that cannot be considered exactly parallel.

- CHA state public housing recertifications may not be a very close match to CHA’s federal public housing recertifications. (Discussed in Appendix 2)
- Fully answering the questions posed requires several different kinds of data—tenant data on incomes and assets, administrative data on staffing and workload, and financial data on agency costs. Not every agency maintains this data in the same way.
- Agency staff may not have understood the study’s purpose, or may have submitted inaccurate information. (Some data had to be self-reported.) Self-reported data is less systematically collected and unverifiable, so it is less valuable than data from independent, impartial observation.
- Difficulty scheduling and frequent cancellations of recertification interviews at each agency made it costly and time-consuming to collect adequate interview data in each program. Such cancellations are a common occurrence, but they may lead to increased sampling bias. The sampling of interviews could not be made truly random in the statistical definition. Small sample size and possible selection bias decrease confidence in results.

Appendix 1 details the notable policy and procedural variables that place the four agencies in contrast. It is important to mention some key differences here:

- *Method of recertification:* Mass 2’s method for recertifying tenants is different than that of Mass 1 and of Cambridge.
  - HCV: HQS inspectors at Mass 1 perform recertification interviews at tenants’ apartments while conducting HQS inspections. Follow-up tasks are often handled by secretaries at the agency’s central office.
  - Public Housing: All recertifications are performed by one staff person, who schedules all of a development’s annual recertifications during a period of time and travels to that development’s management office.
- *Failure to obtain third-party verifications:* Although official policies at each PHA require staff to obtain third-party verification of tenant assets and deductions, Quadel observed that some staff did not verify all assets and deductions. Some staff accepted tenant-provided documentation as sufficient proof. Other staff who were recertifying long-time tenants did not require any documentation of assets, under the assumption that tenant assets were minimal.

A true apples-to-apples comparison under our original design was not possible without identifying one or more agencies that implement HUD verification rules very similarly to CHA. However, finding this close similarity is not likely and collecting enough data for statistical analysis to control for all possible variables of influence would be infeasible. However, the research team believed adding data from Chicago would be helpful. CHAC is an affiliate of Quadel that administers the voucher program in Chicago. The data results in Appendix 3 are based on transaction time data collected in May 2005 by CHAC managers and management analysts from their direct observation of frontline CHAC staff. Their goal in collecting this data was to estimate the reasonable amount of time a staff member should spend on each element of each 50058 transaction. From this data, CHAC managers sought to institute productivity standards for employees and improve their understanding of the actual work required in each frontline position.

In this respect, the CHAC data was collected for a very similar purpose to the data collected by Quadel in the three Massachusetts agencies. It was also collected in a systematic way by people well-trained in the program's rules. We have reconstructed the applicable CHAC data in the appropriate fields in Appendix 3 so that it is directly comparable to the data collected specifically for CHA. As the Table suggests and our experience suggests, Cambridge and CHAC are probably closer matches in agency staffing, management approach, interpretation of HUD rules, and other key factors than are Cambridge and either Mass 1 or Mass 2. It is apparent that these agency characteristics are more important than agency size or location in making the comparisons CHA wishes to make.

In a second midcourse correction the research team sought to expand the internal comparisons available by seeking more project-based data at CHA. Having data from multiple programs in one agency solves the problem of excessive differences in program characteristics across agencies. We expect that all the programs of one agency are administered in a similar manner, with similar values, leadership, staff expertise, and so on.

It is through these efforts that the research team collected and analyzed the recertification time data presented in full in Appendix 3. The analysis of this data yields four basic conclusions, which are outlined in the following section.

## FINDING 1: STAFF TIME REQUIRED FOR RECERTIFICATIONS

*Implementation of rent simplification at CHA has had a measurable impact on the average staff time required to complete each tenant recertification.*

The key results of the comparative time study are presented in Tables 2 and 3:

**Table 2: Comparison of Sample Means:  
Staff Time to Complete Selected Elements of Recertification  
(Federal and State Public Housing Only)**

	With Standard Rules (A) n=25	With Rent Simplification Rules (B) n=23	Difference (A-B)
Asset and Deductions Total Time	16.34 min.	3.48	12.86
All Measured Activities	25.22	14.89	10.33
Asset Time in Interview	2.57	1.71	0.86

**Table 3: Comparison of Sample Means:  
Staff Time to Complete Selected Elements of Recertification  
(All Programs)**

	With Standard Rules (A) n=30	With Rent Simplification Rules (B) n=59	Difference (A-B)
Asset and Deductions Total Time	14.70 min.	3.27	11.43
All Measured Activities	25.64	20.19	5.45
Asset Time in Interview	2.73	1.31	1.42

- There are notable time differences in both the public housing and voucher programs between rent-simplified programs and non-rent simplified programs. We have used these observations to create estimates of administrative savings to the agency. The staff time required for each recertification has ramifications in several ways.
- In both the public housing and voucher programs, CHA staff time required for tenant asset verification under the simplified policy is about a quarter of the time required under the standard HUD policy. In CHA's non-MTW programs, the average time spent processing assets and deductions in a recertification, including interviewing tenants and requesting third-party verifications, was 14.70 minutes. In the rent-simplified voucher program, assets required 3.07 minutes of staff time. In the rent-simplified Federal public housing program, assets required 3.48 minutes of staff time.
- In CHA's non-MTW programs, about a quarter of the tenant interview on average was spent on assets and deductions. The time required for a tenant interview is not markedly different in the simplified programs. However, the proportion of time spent on assets and deductions represents only about 15% of the interview, most of which is the staff's explanation of the rules and the tenant's signing self-certification forms.
- Overall, we have determined that the rent simplification policy has yielded a savings of about ten minutes in the portions of the recertification process we reviewed. If rent simplification had no offsetting effects in the parts of the process we did not measure (principally the income verification process), we can conclude that the net savings is about ten minutes per recertification. It is possible that the implementation of the new policy led staff to spend greater time than in previous years explaining CHA policy to tenants. If so, CHA may see a slight reduction in interview times in the second cycle of tenant recertifications.
- It is important to note in Appendix 3 the broad range of time spent on assets and deductions among the programs and agencies in this study. The average time spent discussing and verifying assets and deductions in the non-simplified programs and agencies was about six minutes. However, the times ranged from a low of 1.57 minutes to a high of 14.97 minutes. The latter was observed in CHA's non-MTW programs. This data suggests that even when agencies or programs are following the same policies, there can be substantial differences in how they interpret the policies, what level of resources they commit, and how much the policies affect their specific tenant populations. While we believed that our two New England agencies would be good comparison sites for CHA because of their location and size, we came to see more serious distinctions among the agencies as we spent time observing them. Abstract policies and regulations become meaningful only when they are implemented by organizations and individuals. In this study, we overestimated the similarities of three housing authorities

because of their fairly close proximity to one another. We note that the programs in the two original comparative agencies averaged less than three minutes (2.79) of staff time to identify and verify assets and deductions in a recertification while the staff time for the same tasks in the non-simplified Cambridge and Chicago programs was four times that amount, 12.32 minutes. It is notable that the two PHAs spend less time on assets and deductions under standard HUD rules than Cambridge does in its simplified programs (2.79 minutes versus 3.07 and 3.48 minutes).

## **FINDING 2: ADMINISTRATIVE BURDEN/VOLUME OF TRANSACTIONS**

*Implementation of rent simplification has reduced the labor required to administer the federal public housing program and, to a lesser degree, the voucher program.*

- As a rough means of establishing the volume of administrative work in the HCV and Federal public housing programs, we reviewed transaction data from CHA's program software for four years beginning in 2002. Each transaction completed by a CHA staff member is recorded by type (e.g. annual recertification, interim, inspection, etc.). The rate of transactions per household per year has fallen sharply in the public housing program as CHA implemented biennial recertifications. As expected, the 2006 rate (all programs) is below one transaction per household per year. Comparing the 2005 and 2006 numbers, we see that the rate of public housing annuals has fallen from about one per year to about one-half per year, as we would expect with the phase-in of biennial recertifications. In addition, the rate of interims decreased in the same period, suggesting that the policy limiting the interims allowed has had an effect. In the voucher program, there have been more modest changes. There the number of interims shows the expected decrease between 2005 and 2006, but the number of annuals has fluctuated between 1.15 and 1.26 per year in the same period.
- See Table 4, below, for the trends in transaction rates at CHA.

[Insert Table 4 here]

**TABLE 4: Transaction Rates**

	Year	Units	All Actions	Annuaals	Interims	Other	Annuaals + Interims Per Unit	Chg	Annuaals Per Unit	Interims Per Unit
Public Housing (Fed.)	2002	1787	2770	1757	803	210	1.43		0.983	0.449
Public Housing (Fed.)	2003	1743	3417	1924	1299	194	1.85	29.08%	1.104	0.745
Public Housing (Fed.)	2004	1695	3493	1612	1683	198	1.94	5.13%	0.951	0.993
Public Housing (Fed.)	2005	1666	2492	1699	563	230	1.36	-30.16%	1.020	0.338
Public Housing (Fed.)	2006	1642	1553	821	483	249	0.79	-41.51%	0.500	0.294
Public Housing (Fed.)	2007	1626	40	3	3	34	0.00		0.002	0.002
HCV	2002	1359	3011	1111	838	1062	1.43		0.818	0.617
HCV	2003	1644	3922	1891	1067	964	1.80	25.46%	1.150	0.649
HCV	2004	1657	3737	1898	1019	820	1.76	-2.16%	1.145	0.615
HCV	2005	1848	3834	2120	1033	681	1.71	-3.08%	1.147	0.559
HCV	2006	1842	3914	2311	901	702	1.74	2.20%	1.255	0.489
HCV	2007	1720	1449	626	592	231				

- The limit on interims for income changes in both programs does not apply to elderly or disabled households. In addition, IT staff at CHA report that there has been a common tendency among staff to code transactions as an annual even if they were actually an interim. Both of these factors require consideration in assessing the exact effect of rent simplification on the number of interims. The overall trends in CHA transaction activity show the expected patterns, but data limitations prevent the precise breakdown by transactions type and elderly/disabled status. We note that the rate of interims in the public housing program is now about 50% of the rate in the voucher program. The decline of this rate over the period may reflect the changes in the way staff code annuals and interims.
- We expect in both programs that the implementation of zero-income policy will require some increase in the volume of interims, but this increase will be offset by the decrease stemming from the limits on income change interims. If zero-income households are limited to a 90-day period of utility assistance and must have a minimum rent applied, CHA must conduct an interim transaction to effect these changes. In addition, interims are normally conducted for other reasons unaffected by rent simplification—for instance, processing of contract rent increases or adding or removing household members. Overall, though, we would expect a net decrease in the volume of interims conducted in both programs. The number of interims performed in 2006 in the public housing program was about 13% less than in 2005. The number in the voucher program was also about 13% less than 2005.
- It is important to note the significant changes in workload in considering PHA staffing. In the public housing program, CHA transactions in 2006 were just 76% of their 2004 level. In the voucher program, 2006 transactions were more stable, with the 2006 rate almost 99% of its 2004 level. If other aspects of program workload remain constant, CHA's public housing recertification workload may yield a disparity in caseloads between staff in the public housing and voucher programs.

### FINDING 3: PROGRAM COSTS

*Implementation of rent simplification has yielded administrative cost savings in two ways—lower transaction completion times and lower number of transactions. (This savings does not consider the effect of rent simplification on rental and utility subsidies.)*

As reported above, rent simplification has reduced the time required to complete each recertification in the rent-simplified programs. In addition, rent simplification has reduced the volume of transactions CHA is required to perform each year.

To determine the cost implications to the agency, we went through the following process to provide a rough estimate:

CHA conducted 1,699 public housing recertifications in 2005 (pre-rent simplification). Post rent-simplification, it can be expected to perform approximately 850 per year.

$1,699 \times 25.64 \text{ minutes} = 43,562 \text{ minutes pre-RS}$

$850 \times 14.89 \text{ minutes} = 12,656 \text{ minutes post-RS}$

The difference is 30,906 minutes.

A similar reduction can be estimated in the voucher program:

$2,120 \times 25.64 \text{ minutes} = 54,357 \text{ minutes pre-RS}$

$2,218 \times 19.85 \text{ minutes} = 44,027 \text{ minutes post-RS}$

The difference is 10,330 minutes.

If we assume that an interim requires a third of the time of a full recertification, we can estimate reductions in required staff time:

$563 \text{ PH interims} \times 25.64 \text{ minutes in 2005} = 14,435 \text{ minutes} \times 1/3 = 4,807 \text{ minutes}$

$\text{Reduced by } 80 \text{ post-RS} = (483 \times 14.89) \times 1/3 = 2,395 \text{ minutes}$

The difference is 2,412 minutes.

1033 HCV interims X 25.64 minutes in 2005 = 26,486 minutes x 1/3 = 8,820 minutes

Reduced by 132 post-RS = (901 x 19.85) x 1/3 = 5,956 minutes

The difference is 2,864 minutes.

The total difference is 33,318 minutes or 555.3 hours in the PH program and 13,194 minutes or 219.9 hours in the voucher program.

If there are 1,440 productive work hours in a standard FTE position per year, the reduction in labor would total more than one-half an FTE annually, .386 in public housing and .153 in vouchers. If the average FTE cost at CHA is \$49,275, without benefits, the FTE reduction would amount to approximately \$26,526 per year. Of course, it is not possible to divide FTEs so finely. We are using the FTE measure here as a way to gauge relative productivity over time. If the productivity trend continues upward, the agency will be able to reconsider staffing levels in each program on the basis of improved performance.

We believe there are further productivity gains to be observed as rent simplification becomes standardized and fully implemented at CHA. It is too early to measure other possible (more indirect) effects of the policy change—on the quality and accuracy of recertification calculations, on reporting of tenant income, voucher and unit turnover, and oversight and overhead costs.

## **FINDING 4: AGENCY STAFFING**

*Staffing levels at CHA are within the expected range for an agency of its size. Overhead and frontline duties vary at PHAs, from centralized to decentralized PHAs. CHA is in the middle of this spectrum.*

Quadel collected data from over 20 mid- to large-sized housing authorities throughout the country in an effort to determine the range and average staffing levels at PHAs. One particular area of interest was the caseload of each frontline staff worker. We found that caseloads vary widely, but overall agency staffing by FTE is highly predictable. We found that CHA's caseloads fall in the middle of a broad spectrum, between high overhead/high frontline caseload agencies at one end and low overhead/low frontline caseload agencies at the other. In addition, we found that CHA's staffing levels are almost exactly what we would expect based on this dataset. This comparative view tells us that CHA caseloads are unlikely to be a highly important factor in determining interview times or compliance with policy. In this sense, staffing is more likely to reflect the actual labor and compliance demands of each tenant case than to be driven by very high or very low caseloads.

The implications of the staffing analysis for CHA: The agency can expect the workload decrease from its policy changes not to be significantly offset by fluctuations in productivity that would stem from misaligned staffing. If the patterns hold, the decrease in workload will create more flexibility for the agency in allocating its resources.

## DISCUSSION AND CONCLUSION

In addition to specifying the cost savings of rent simplification at CHA, it is important to note what else this study does and does not suggest. (Or the questions it opens or leaves unanswered.)

Our initial research plan was based on the assumption that the three New England agencies were similar enough in important respects that valid comparisons could be drawn about the effects of rent policy changes. In fact, even though the agencies administer common programs, there are numerous procedural and policy differences between the three agencies that impede valid comparisons. That in itself was an important discovery in that it helped us understand CHA's standing relative to other agencies. We adjusted our peer group assumptions accordingly.

While CHAC data suggests that the length of CHA recertifications is not outside an acceptable range, it is apparent from other data in the study that the length of the recertification interview reflects judgments made by PHA leadership. Often these judgments reflect PHA values as much as they reflect knowledge and understanding of the choices available. The standards of performance at CHA are notably higher than they are at other agencies that we might consider comparable based on location or size.

There are questions our study cannot answer, in part because of the limited data we have to build on and the large number of variables that might influence interview time. For example:

- ▶ Is the time currently required for CHA recertifications affected by the newness of the rent simplification policy and procedures to CHA staff and to CHA residents? Is it possible that a full transition to the new procedures cannot be made—and therefore cannot be measured—until after calendar year 2008 when all CHA tenants will have been through the biennial recertification process one time?
- ▶ Is it possible that the needs of non-English speakers have had any important impact on our collection of data? Our study did not control for this possible variable and our sample size is small enough that one CHA interview using a translator could have a significant impact on our data.
- ▶ How is tenant behavior conditioned by agency expectations? For example, it is relatively unusual for tenants to come to an interview at some agencies without having filled in most or all of the application materials. In other agencies, tenants tend to wait to answer most questions on the forms during the interview. Also, the management style of public housing managers may affect how tenants approach the recertification process, including for instance whether tenants use recertification time to ask questions about unit condition, community issues or other matters unrelated to eligibility and rent.

This study has opened some potentially fruitful avenues for future research. More importantly, it has documented the administrative savings stemming from MTW innovation and confirmed the positive expectations of rent simplification of CHA's leadership.

## APPENDIX 1

### Notes on Data Collection and Agency Policies and Procedures

#### MASSACHUSETTS PHA 1

##### HCV:

- PHA 1 policy requires staff to verify and document “all information concerning an Applicant/Participant’s Family Composition, Annual Income, Priority status, and Preferences.”
  - PHA 1’s preference order for verification is Upfront Income Verification (now EIV), followed by third party written, third party oral confirmation, and, if necessary, tenant supplied documents.
  - *Source:* Mass 1 HCV Admin. Plan, Chapter 4.3, updated Sept. 2006
- Quadel observed 31 HCV recertification interviews at PHA 1.
- In some cases, PHA 1 staff sent for third party verification of assets when fraud was suspected. In most cases, staff photocopied documents that tenants brought in to the appointment, but did not send for third party verification.
  - One staff member told a researcher that PHA 1 Leased Housing staff did not send for third party verification on assets *as a matter of policy*. This staff member said that the policy was changing as of January 2007, and that he would begin sending for third party verifications then.
- According to staff interviewed for the study, elderly tenants often do not have appointments with Leased Housing staff. Instead, staff send the standard package to their home, and the tenant signs the documents and sends them back.
- The Leased Housing staff calculates rent after the interview is completed, so we were unable to include this step in our data collection.

##### Public Housing

- PHA 1 policy requires staff to verify all income, assets and deductions through third party sources. According to PHA 1’s Admissions and Continued Occupancy Policy (ACOP) dated September 2004, the agency prefers to obtain third party verification, either written or oral, but will accept tenant-provided documents if third party fax or telephone verification is “impossible.”
- Quadel visited five developments and observed 25 interviews
- Researchers observed that compliance with PHA 1’s third-party verification requirements varied by development. Notably, some developments did not send for third-party verifications of tenant-provided documents.
- Although some developments did not send for third-party verification, all shared common steps during the tenant interview. At each development, tenants were asked to update personal information, sign the release of information and zero tolerance policy, and answer a questionnaire regarding income/assets/deductions. Staff typically calculates rent after the interview is completed.

## MASSACHUSETTS PHA 2

### HCV:

- PHA 2 will not delay a recertification more than two weeks if the third-party does not return verification. In that case, tenant-provided documents are acceptable (Administrative Plan).
- PHA 2 inspection staff members begin the recertification process in the leased unit during the annual HQS inspection. During this interview, the visiting inspector does not interview the tenant based on his or her application, which is the normal pattern in HCV recertifications at most agencies. Instead, the inspector collects documents from the tenant and relays them to staff at the central office.
- Staff at the agency’s central office handled all verification work.

- However, the central office staff members are inconsistent in the type and amount of third-party verification they request and they typically do not refer to previous-year recertification records to check for household changes and changes in income sources reported.
- Quadel observed 14 on-site interviews. After the interviews, researchers timed how long staff spent sending out third-party verifications
  - In addition, Mass 2 staff agreed to submit data on 30 subsequent recertification interviews. This data only includes the amount of time staff spent sending out third-party verifications.
  - In total, Quadel used data from 44 recertifications to calculate the total time spent sending for third-party verifications at PHA 2 Leased Housing.
- Because the recertification interview takes place during an HQS inspection, the interview includes discussion of HQS issues as well as recertification issues. The notably long ‘General Discussion’ times for Mass 2’s HCV interviews reflect the dual purpose of these interviews. Interview time spent on each topic (HQS and non-HQS) could not be easily or consistently calculated. However, researchers observed that attention to HQS matters predominated in the conversations with tenants.

**Public Housing:**

- Quadel observed 36 recertification interviews
- One staff person, called the Resident Review Coordinator, conducts all recertifications
  - Each development is scheduled for recertification annually
  - All development’s tenants must conduct recertification within this time period (up to one week for large developments)
  - Staff at each development assist the Resident Review Coordinator
- PHA 2 prepares for annual recertifications during the summer
  - EIV reports are usually produced by summer employees for upcoming annual recertifications, but the use of EIV reports appears inconsistent in non-summer months.

- Temporary staff will also send for third-party verification of assets and deductions that tenants claimed in previous year's recertification.
- Researcher observed that staff did not send out for third-party verification on all assets/deductions
  - Staff person told researcher that staff may not obtain third-party verification of assets or deductions of tenants who have been on the program for a long-time and are known to the staff.

## **CAMBRIDGE**

Overall, recertification policies and practices were more consistent and more thorough in Cambridge than the comparable agencies.

Under MTW, CHA implemented a partial earned income exclusion for federal public housing tenants – ranging from 15% to 100% depending on age of household member. CHA also set an exclusion of earned income for people leaving welfare and an exclusion for increase in earned income for families with income in part from SSI, SSDI, EAEDC, or veteran's disability when benefits have stopped. CHA also extended the childcare deduction to children ages 13 and 14 if they are in day care or an after-school program.

CHA administers both Federal and Massachusetts programs:

- 794 state public housing units, including 368 designated for elderly/disabled occupancy
- 1,855 Federal conventional public housing units, including 759 designated for elderly occupancy
- 25 state-funded vouchers in the Massachusetts Rental Voucher Program (MRVP) and 28 in the Alternative Housing Voucher Program (AHVP)
- 110 state-funded vouchers in project-based MRVP units
- 1,842 Housing Choice Vouchers (Federal tenant-based program) (under MTW)
- 516 Federal project-based units (not under MTW)
- 218 units in other federal and state programs

### **HCV:**

- Quadel observed 36 interviews
- We did not observe any tenants claiming assets above \$50,000, so staff did not send for any third-party verifications of assets.

- However, staff spent time discussing the new asset rules under simplification
- Tenants also spent time signing the self-certification of assets form
  - On Quadel’s data collection report, the time that tenants spent signing the self-certification is recorded under “Asset Verification”
- Only three tenants claimed medical expense deductions. Two were elderly or disabled, and one was in a family unit.
- Unlike Mass 1 or Mass 2’s staff, Cambridge HCV staff generally calculate tenant rent *during* the interview

**Federal Public Housing:**

- Quadel observed 20 interviews at Jefferson Park, Newtowne Courts, Burns Apts., L.B.J. Homes, Miller’s River, and Putnam Gardens.
- Tenants frequently cancelled appointments, resulting in a lower number of observed interviews than we anticipated.
- No tenants claimed assets over \$50,000.
- Only one tenant, who was elderly or disabled, claimed medical expenses above \$2,500.
- Researchers observed significant differences in the ways that management office staff performed the interview.
  - At some developments, staff conducted the interview by asking tenants to update personal information, completing the standard package of documents, and asking tenants if they have any income, assets, or deductions
  - Other developments, especially at elderly ones, did not hold formal interviews, but scheduled times for tenants to drop off documents that the tenants had completed at home. Researchers observed limited or no discussion about assets or deductions with these tenants.

### **State Public Housing:**

- Quadel observed 20 interviews at Jackson Park, Manning Apts., Woodrow Wilson, and Lincoln Way.
- Tenants frequently cancelled appointments, resulting in a lower number of observed interviews than we anticipated.
- In compliance with state rules, staff sent for third-party verification of assets and deductions when claimed by tenants.

## **CHICAGO**

### **HCV and Section 8 Mod Rehab Programs:**

- CHAC is an affiliate of Quadel Consulting Corporation. Since 1995, the Chicago Housing Authority has contracted with Quadel for CHAC to administer its Housing Choice Voucher Program, Section 8 Mod Rehab Program, and several special programs. The Housing Authority sets the major policies and contract terms under which CHAC operates these programs. The Authority operates under a Moving to Work Agreement with HUD. CHAC has no responsibility for Chicago's public housing program.
- Since establishment of MTW status, CHAC has not been required to submit 50058 data to PIC. However, CHAC has continued to transmit program data on a regular schedule as a means of reporting data to the Housing Authority and as an added quality control tool.
- CHAC policy permits a copied, tenant-provided statement from a state agency to be used as verification of child care costs.
- CHAC has adopted special recertification procedures for households claiming zero-income status, including completion of a detailed questionnaire during the tenant interview. The added workload to implement this procedure is not reflected in the time data provided in this report.
- CHAC recertification staff are divided into two groups: an interview staff that meets with tenants and receives and reviews the tenant's recertification materials and a follow-up staff that handles third-party verifications, EIV compliance, and data entry. Smaller agencies typically do not divide recertification tasks in this way.

- CHAC recertification staff review each tenant's previous transactions in the computer and/or paper file to note any losses of income or changes in household composition. They also review the file to ensure that the subsidy standard is correct. Very often, this review requires a recertification specialist to issue a new voucher for the tenant's file. CHAC policy also requires third-party proof of separation from previous employment and proof of a new address if a tenant has left the household.

## APPENDIX 2

### Comparability of Subsidized Housing Income Rules (Massachusetts and Federal Programs)

It is important to note that all of the programs studied in this analysis operate with different rules. Although the fundamental principles of each program are similar, the required rules of operation make each program slightly different, even before any variation that comes in how individual agencies implement the programs.

Because each program has a different history and different set of governing rules, the tenant population served in each one differs. Tenant populations are not randomly or uniformly distributed. Consider family income in Cambridge's programs. Average family income in Cambridge's federal public housing for families in 2006 was \$23,407 while in state public housing for families it was just \$19,393. Similarly, tenants in federal elderly public housing averaged income of \$13,103 while tenants in state elderly public housing averaged just \$11,582. Tenants in Federal leased housing averaged \$16,258 while tenants in state leased housing averaged just \$12,010.

#### **Federal Programs:**

- Definition of income and specification of exclusions and deductions for the Federal HCV program are found at 24 CFR 5.601 and following and at 24 CFR 982 and following.
- Definition of income and specification of exclusions and deductions for the Federal public housing program are found at 24 CFR 5.601 and following and at 24 CFR 960.253 and following.
- Definition of income and specification of exclusions and deductions for the Section 8 Mod Rehab project-based program are found at 24 CFR 5.601 and following and at 24 CFR 882.515 and following.
- Note that 24 CFR 5.611 permits housing authorities to create and adopt "permissive deductions" to annual income for public housing tenants beyond those specified elsewhere in the regulations. HCV rules do not have a similar provision.

- Public housing programs are required to present both a flat-rent and an income-based rent option to tenants at least once a year (960.253). In addition, QHWRA permitted PHAs the flexibility to create their own rent calculation methods for public housing in 1998, but the law did not extend this flexibility to the HCV or project-based programs.
- Public housing rules require a disallowance of increases in earned income for certain adult residents, as defined in 24 CFR 960.255. Housing authorities have the option of establishing a designated Individual Savings Account (ISA) for the household as an alternative to the disallowance. An income disallowance for increases in earned income applies to HCV but is limited to income of disabled persons (5.617). There is no provision for ISAs in the HCV Program.

### **Commonwealth of Massachusetts Housing Programs**

State and Federal programs operate by different rules, requirements, and definitions, in both public housing and tenant-based programs. For example:

- State public housing programs exclude some wages of household members age 62 or older; Federal programs do not. Other specific exclusions and deductions differ.
- State public housing allows child support or alimony paid by a household member for a non-household member to be deducted from tenant income. Federal public housing rules do not.
- There are no special state provisions for reductions in welfare assistance that are comparable to the federal rule.
- State public housing allows a medical expense deduction for all households. Federal programs limit the medical deduction.

State public housing allows a \$400 household deduction for ‘elderly or disabled families’ who live in family buildings – defined as any family in which the head or spouse is 60 years of age or disabled.

## APPENDIX 3

**Appendix 3: Average Time of  
Selected Work Steps in Tenant Recertifications at Four Housing Agencies  
(in minutes)**

Agency		<i>Cambridge Housing Authority</i>						<i>Mass PHA 1</i>		<i>Mass PHA 2</i>		<i>Chicago HCV Program</i>
Program(s)		MTW HCV	Fed PH	Non-MTW HCV	State PH	All RS	All Non-RS	HCV	Federal and State PH	HCV	Fed PH	HCV and S8 Mod Rehab
RS Policy in Effect?		Yes	Yes	No	No	Yes	No	No	No	No	No	No
E or F?	Number of elderly/disabled or family recertifications observed	20 E, 16 F	14 E, 9 F	3 E, 2 F	12 E, 13 F	34 E, 25 F	15 E, 15 F	11 E, 20 F	9 E, 16 F	8 E, 6 F	22 E, 14 F	Unkn.
Number	Total number of recertifications observed	36	23	5	25	59	30	31	25	14 + 30	36	50
<b>Assets &amp; Deductions Total</b>	Total time spent processing assets and deductions, including interviewing tenant and requesting third-party verifications	3.11	3.48	6.56	16.34	3.27	14.70	1.57	1.83	3.83	3.94	9.93
<i>Interview Activity</i>												
General Discussion	Tenant and staff discuss topics unrelated to rent determination or verification (ex. FSS; citizenship; HQS)	6.51	1.79	9.86	2.27	4.67	3.54	1.91	3.12	7.22	3.89	0.90
Discussion of Standard Application Package	Tenant or staff complete application and other documents required for file; discuss household composition	4.24	2.73	3.92	2.84	3.65	3.02	6.07	5.64	4.23	0.14	11.70
Discussion of Income	Discussion or verification of income; EIV; may include completing third-party release(s) or copying paystubs; does not include post-intv verification activity	2.96	4.12	5.00	2.44	3.42	2.86	1.68	3.09	0.82	1.52	12.15
Identify assets	Discussion of tenant's assets	0.83	0.77	2.11	1.62	0.81	1.70	0.70	0.60	0.71	0.15	1.35
Verify assets	Verification of assets; includes signing release or self-cert of no assets; copying documents	0.21	0.94	1.44	0.95	0.50	1.03	0.23	0.09	1.10	0.00	1.35
Discuss Student Status	Discussion or verification of tenant or child's full-time student status; may include photocopying documents or sending verification letter to school	0.37	0.07	0.00	0.17	0.25	0.15	0.76	0.54	0.00	0.14	0.21
Identify childcare	Discussion of tenant's childcare expenses	0.24	0.05	0.03	0.21	0.17	0.18	0.31	0.07	0.00	0.02	0.07
Verify childcare	Verification of tenant's childcare expenses; may include copying documents or writing letter to childcare provider	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.07
Identify medical costs	Discussion of tenant's out-of-pocket medical expenses	1.04	0.12	0.77	1.03	0.68	0.99	0.00	0.63	0.04	1.25	0.17
Verify medical costs	Verification of tenant's medical expenses; may include copying documents or sending verification letter to healthcare provider	0.12	0.73	0.00	0.06	0.36	0.05	0.00	0.00	0.00	0.27	0.17

**Appendix 3: Average Time of  
Selected Work Steps in Tenant Recertifications at Four Housing Agencies  
(in minutes)**

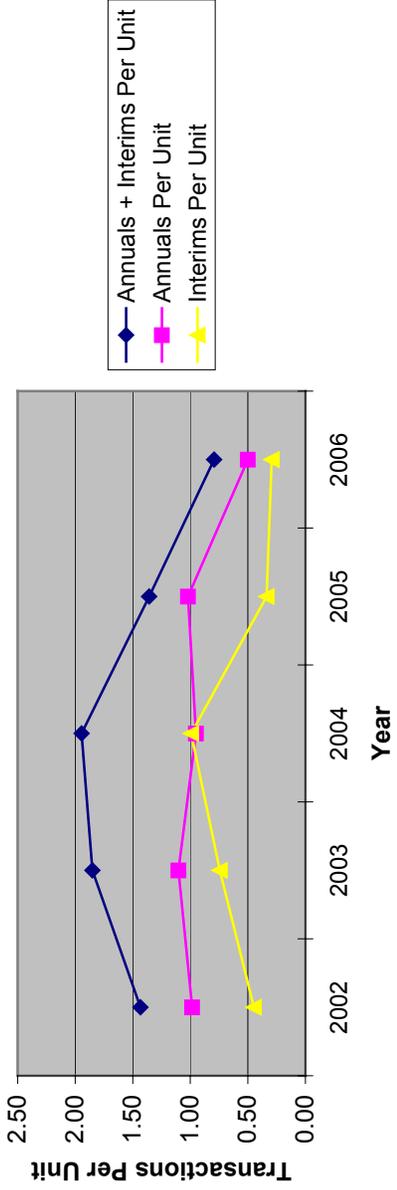
Agency	Program(s)	Cambridge Housing Authority						Mass PHA 1		Mass PHA 2		Chicago HCV Program
		MTW HCV	Fed PH	Non-MTW HCV	State PH	All RS	All Non-RS	HCV	Federal and State PH	HCV	Fed PH	HCV and S8 Mod Rehab
	Calculate Rent (time during intv only)	6.39	2.70	2.38	1.16	4.95	1.36	3.77	0.06	n/a	n/a	n/a
	interview Total	22.90	14.02	25.51	12.76	19.44	14.89	15.47	13.84	14.11	7.39	28.13
	Time Spent on Assets in Interview	1.04	1.71	3.55	2.57	1.31	2.73	0.93	0.69	1.81	0.16	2.70
	% of intv	4.54%	12.23%	13.92%	20.13%	6.74%	18.33%	5.98%	4.96%	12.79%	2.12%	9.60%
	Time Spent on Childcare Costs in Interview	0.24	0.05	0.03	0.21	0.17	0.18	0.36	0.07	0.00	0.02	0.14
	% of intv	1.06%	0.33%	0.13%	1.66%	0.87%	1.21%	2.31%	0.51%	0.00%	0.21%	0.48%
	Time Spent on Medical Costs in Interview	1.15	0.85	0.77	1.10	1.04	1.04	0.00	0.63	0.04	1.52	0.34
	% of intv	5.03%	6.07%	3.02%	8.61%	5.35%	6.98%	0.00%	4.54%	0.25%	20.53%	1.22%
<b>Post Interview Activity</b>												
	Verify Assets	0.00	0.00	1.80	5.92	0.00	5.23	0.23	0.34	1.94	0.26	5.40
	Verify Deduction	0.68	0.87	0.40	6.54	0.75	5.52	0.06	0.10	0.05	1.99	1.35
<b>All Measured Activities</b>												
	Grand Total	23.58	14.89	27.71	25.22	20.19	25.64	15.76	14.28	16.10	9.64	34.88

\*This agency's HCV data includes 30 post-interview data sheets (44 interviews total) completed by PHA 2 staff

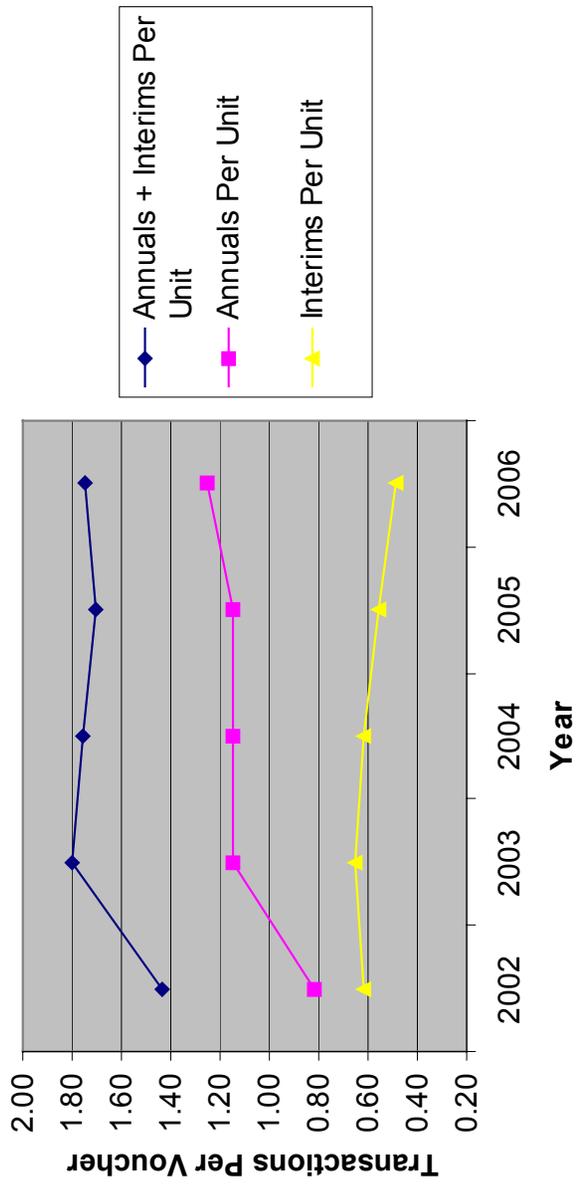
Verifications sent

	Assets	Childcare	Medical
<b>PHA 1</b>			
HCV (31)			
E	0	0	0
F	8	0	0
PH (25)			
E	2	0	0
F	1	0	0
<b>Cambridge</b>			
HCV (36)			
E	0	0	2
F	0	0	0
Fed PH (23)			
E	0	0	2
F	0	0	0
State PH (25)			
E	10	0	10
F	2	1	0
MRVP (5)			
E	0	0	0
F	2	0	1
<b>PHA 2</b>			
HCV (44)			
E and F	30	0	0
PH (36)			
E	2	0	5
F	0	0	1

### Federal Public Housing



### Housing Choice Vouchers



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■ **Appendix Five: CHA Management Information**

## Appendix Five: CHA Management Information

Table 5-1: Public Housing Inspections - FY 2007 Planned vs. Actual\*

Property	FY 2007 Budgeted		FY 2007 Actual	
	Inspected	Passing UPCS	Inspected	Passing UPCS
Washington Elms	100%	100%	100%	100%
Corcoran Park	100%	100%	100%	100%
Putnam Gardens	100%	100%	100%	100%
Newtowne Court	100%	100%	100%	100%
Jackson Street	100%	100%	100%	100%
Fairmont Street	100%	100%	100%	100%
Valentine Street	100%	100%	100%	100%
River Howard	100%	100%	100%	100%
Jefferson Park	100%	100%	100%	100%
Scattered Sites	100%	100%	100%	100%
Garfield Street	100%	100%	100%	100%
Roosevelt Towers	100%	100%	100%	100%
Truman Apartments	100%	100%	100%	100%
Burns Apartments	100%	100%	100%	100%
Millers River	100%	100%	100%	100%
L.B. Johnson	100%	100%	100%	100%
Weaver	100%	100%	100%	100%
<b>Total</b>	100%	100%	100%	100%

\* Excludes JF Kennedy, CHA's HOPE VI development.

Table 5-2: Leased Housing Inspections, FY 2007 Planned vs. Actual

Type of Inspection	Budgeted FY 2007		Actual FY 2007	
	Inspected	Passing HQS	Inspected	Passing HQS
Annual HQS Inspections	100%	100%	100%	100%

Table 5-3: Public Housing Work Orders, FY 2007 Planned vs. Actual\*

Property	FY 2007 Planned		FY 2007 Actual	
	Emergency	Non-Emergency	Emergency	Non-Emergency
	% Completed Under 24 hrs	Average Days to Complete	% Completed Under 24 hrs	Average Days to Complete
Burns Apartments	100%	< 7	100%	1.9
Corcoran Park	100%	< 7	100%	10.8
Jefferson Park	100%	< 10	100%	14.1
L.B. Johnson	100%	< 7	100%	6.9
Millers River	100%	< 7	100%	7.4
Newtowne Court	100%	< 10	100%	9.5
Putnam Gardens	100%	< 7	100%	4.3
River Howard	100%	< 7	100%	n/a
Roosevelt Towers	100%	< 7	100%	7.5
Scattered Sites	100%	< 10	100%	9.6
Truman Apartments	100%	< 7	100%	6.6
Washington Elms	100%	< 7	100%	14.7
Weaver	100%	< 7	100%	4.2
<b>Average</b>			<b>100%</b>	<b>9.5</b>

\* Excludes JF Kennedy, CHA's HOPE VI development.

Table 5-4: Public Housing Occupancy Levels, FY 2007 Planned vs. Actual \*

Property	FY 2007 Budgeted			FY 2007 Actual			Difference Budgeted vs. Actual	
	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %	Adjusted Vacancy Rate	Gross %	Adjusted %
Burns Apartments**	98.0%	98.0%	2.0%	98.7%	98.7%	1.4%	0.7%	0.7%
Corcoran Park	100.0%	100.0%	0.0%	98.6%	98.6%	1.4%	-1.4%	-1.4%
Fairmont Street	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Garfield Street	100.0%	100.0%	0.0%	80.5%	98.4%	1.6%	-19.5%	-1.6%
Jackson Street	100.0%	100.0%	0.0%	97.9%	97.9%	2.1%	-2.1%	-2.1%
Jefferson Park	98.0%	98.0%	2.0%	97.4%	99.4%	0.6%	-0.6%	1.4%
L.B. Johnson**	85.0%	100.0%	0.0%	52.0%	99.2%	0.8%	-33.0%	-0.8%
Millers River**	85.0%	100.0%	0.0%	62.9%	99.3%	0.7%	-22.1%	-0.7%
Newtowne Court	98.0%	98.0%	2.0%	98.7%	98.6%	1.4%	0.7%	0.6%
Putnam Gardens	98.0%	98.0%	2.0%	98.2%	98.2%	1.8%	0.2%	0.2%
River Howard**	100.0%	100.0%	0.0%	33.1%	100.0%	0.0%	-66.9%	0.0%
Roosevelt Towers	100.0%	100.0%	0.0%	98.5%	98.5%	1.5%	-1.5%	-1.5%
Scattered Sites**	100.0%	100.0%	0.0%	97.6%	98.7%	1.3%	-2.5%	-1.3%
Truman Apartments**	97.0%	98.0%	2.0%	89.2%	99.6%	0.4%	-7.8%	1.6%
Valentine Street	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Washington Elms	100.0%	100.0%	0.0%	98.8%	98.8%	1.2%	-1.2%	-1.2%
Weaver Apartments	100.0%	100.0%	0.0%	99.6%	99.6%	0.4%	-0.4%	-0.4%
<b>Total</b>	<b>90.0%</b>	<b>99.0%</b>	<b>1.0%</b>	<b>86.4%</b>	<b>98.9%</b>	<b>1.1%</b>	<b>-3.6%</b>	<b>-0.1%</b>

\* Excludes Homeowners and JF Kennedy, CHA's HOPE VI development.

\*\* Adjusted by modernization activities.

Table 5-5: Public Housing Rent Collection Levels, FY 2003 to FY 2007

Property	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Burns Apartments	99.9%	99.9%	99.6%	99.4%	99.9%
Corcoran Park	99.4%	99.4%	98.8%	96.5%	99.0%
Fairmont Street	98.7%	99.3%	94.7%	95.6%	99.8%
Garfield Street	100.0%	100.0%	99.3%	98.5%	98.8%
Jackson Street	97.8%	99.3%	94.7%	95.6%	99.8%
Jefferson Park	99.1%	98.5%	98.2%	97.0%	99.2%
L. B. Johnson	100.0%	99.6%	99.1%	98.1%	99.8%
Millers River	100.0%	99.8%	99.7%	99.3%	99.9%
Newtowne Court	99.3%	99.3%	98.4%	97.9%	99.1%
Putnam Gardens	97.7%	97.9%	96.6%	97.6%	98.5%
River Howard	98.7%	99.5%	98.6%	98.8%	99.2%
Roosevelt Towers	99.7%	99.1%	98.1%	98.4%	98.7%
Scattered Sites	99.6%	100.0%	96.4%	99.6%	99.9%
Truman Apartments	99.7%	99.1%	99.2%	99.6%	99.6%
Valentine Street	100.0%	99.3%	94.7%	95.6%	99.8%
Washington Elms	98.4%	98.4%	97.5%	97.0%	98.8%
Weaver Apartments	100.0%	100.0%	99.5%	99.3%	100.0%
<b>Total</b>	<b>99.3%</b>	<b>99.1%</b>	<b>98.3%</b>	<b>97.8%</b>	<b>99.2%</b>

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■ **Appendix Six: Financial Management**

Table 6-1: FY 2007 Sources and Uses: **MTW Funds Actual versus Budget from FY2007 Annual Plan Moving To Work**

	<u>Actual Public Housing*</u>	<u>Actual MTW Housing Choice Vouchers**</u>	<u>Actual Capital Fund***</u>	<u>Actual Total MTW Funds</u>	<u>Total MTW Funds Budget from FY07 Annual Plan</u>	<u>Variance</u>
<b>Sources</b>						
Operating Receipts	8,063,015	247,023	-	8,310,038	8,096,276	213,762
Subsidy Earned	9,200,870	26,228,346	2,024,415	37,453,631	41,012,833	(3,559,202)
<b>Total Sources</b>	<b>17,263,885</b>	<b>26,475,369</b>	<b>2,024,415</b>	<b>45,763,669</b>	<b>49,109,109</b>	<b>(3,345,440)</b>
<b>Uses</b>						
Administrative	3,400,467	1,686,950	611,095	5,698,511	5,892,217	(193,706)
Tenant Services	355,526	-	-	355,526	148,900	206,626
Maintenance Labor	2,361,245	-	-	2,361,245	2,294,435	66,810
Materials/Supplies, Contract Costs	1,862,461	-	-	1,862,461	1,789,363	73,098
Protective Services	62,803	-	-	62,803	59,500	3,303
General Expenses	2,234,473	132,586	-	2,367,059	3,469,177	(1,102,118)
Rent Payments	-	18,425,177	-	18,425,177	21,201,696	(2,776,519)
Utilities	5,046,742	-	-	5,046,742	5,578,036	(531,294)
Extraordinary Maintenance/Non-Routine	600,562	-	-	600,562	1,279,783	(679,221)
Capital Improvements	1,352,481	-	5,489,866	5,974,195	8,373,550	(1,531,203)
Development Activities	-	-	-	-	-	-
<b>Total Expenses</b>	<b>17,276,759</b>	<b>20,244,713</b>	<b>6,100,961</b>	<b>43,622,434</b>	<b>50,086,657</b>	<b>(6,464,223)</b>
<b>Net Income (Deficit)</b>	<b>(12,874)</b>	<b>6,230,656</b>	<b>(4,076,546)</b>	<b>2,141,235</b>	<b>(977,548)</b>	<b>3,118,783</b>

\*Includes a Utility Subsidy Payment from FY2006

\*\* Prorated at 94.749%

\*\*\*Multiple years of CFP funds are used in FY07

Table 6-2: FY2007 Sources and Uses: **Other Federal Funds Actual versus Budget from FY2007 Annual Plan**  
**Other Federal Funds**

	<u>Actual Non-MTW Vouchers*</u>	<u>Actual Tenant Services**</u>	<u>Actual Tenant Services Other***</u>	<u>Actual Total Other Federal Funds</u>	<u>Total Other Federal Funds Budget from FY07 Annual Plan</u>	<u>Variance</u>
<b>Sources</b>						
Operating Receipts	38,099	1,655	297,579	337,333	1,873	335,460
	5,568,66					
Subsidy Earned/Grants	3	281,295	546,141	6,396,099	6,904,647	(508,548)
	<b>5,606,75</b>					
<b>Total Sources</b>	<b>2</b>	<b>282,950</b>	<b>843,720</b>	<b>6,733,432</b>	<b>6,906,520</b>	<b>(173,088)</b>
<b>Uses</b>						
Administrative	419,724	153,416	735,710	1,308,850	888,131	420,719
Tenant Services	-	131,228	201,335	332,563	315,000	17,563
General	27,128	-	-	27,128	213,980	(186,852)
	5,484,29					
Rent payments	8	-	-	5,484,298	5,528,664	(44,366)
	<b>5,931,15</b>					
<b>Total Expenses</b>	<b>0</b>	<b>284,644</b>	<b>937,046</b>	<b>7,152,839</b>	<b>6,945,775</b>	<b>207,064</b>
<b>Net Income (Deficit)</b>	<b>(324,388)</b>	<b>(1,693)</b>	<b>(93,326)</b>	<b>(419,407)</b>	<b>1,873</b>	<b>(421,280)</b>

\*Certain Non-MTW vouchers are prorated at 94.749%

\*\*ROSS Grants only

\*\*\*Other revenue sources including foundation grants, donations, local monies

Table 6-3: FY2007 Sources and Uses: **State Funds Actual versus Budget from FY2007 Annual Plan**  
**State Funds**

	<u>Actual State Public Housing</u>	<u>Actual MRVP</u>	<u>Actual State Capital Fund</u>	<u>Actual Other</u>	<u>Actual Total State Funds</u>	<u>Total State Funds Budget from FY07 Annual Plan</u>	<u>Variance</u>
<b>Sources</b>							
Operating Receipts	2,946,010	5,847	3,907	1,353,955	<b>4,309,719</b>	4,009,247	<b>300,472</b>
Subsidy Earned	1,000,172	1,023,009	424,198	-	<b>2,447,379</b>	2,710,545	<b>(263,166)</b>
<b>Total Sources</b>	<b>3,946,182</b>	<b>1,028,856</b>	<b>428,105</b>	<b>1,353,955</b>	<b>6,757,098</b>	<b>6,719,792</b>	<b>37,306</b>
<b>Uses</b>							
Administrative	1,406,004	152,977	1,900	238,065	<b>1,798,946</b>	1,770,179	<b>28,767</b>
Tenant Services	45,669	-	-	3,274	<b>48,943</b>	45,251	<b>3,692</b>
Maintenance Labor	720,932	-	-	152,810	<b>873,742</b>	838,246	<b>35,496</b>
Materials/Supplies, Contract Costs	690,997	-	-	213,274	<b>904,271</b>	785,102	<b>119,169</b>
Protective Services	19,166	-	-	1,638	<b>20,804</b>	25,500	<b>(4,696)</b>
General Expenses	452,430	3,450	-	271,791	<b>727,672</b>	769,634	<b>(41,962)</b>
Rent Payments	-	1,031,078	-	-	<b>1,031,078</b>	1,105,000	<b>(73,922)</b>
Utilities	1,529,081	-	-	374,572	<b>1,903,653</b>	2,171,212	<b>(267,559)</b>
Non-Routine	177,574	-	-	88,099	<b>265,673</b>	590,667	<b>(324,994)</b>
Capital Improvements	21,066	-	426,205	62,256	<b>509,527</b>	465,000	<b>44,527</b>
<b>Total Expenses</b>	<b>5,062,919</b>	<b>1,187,505</b>	<b>428,105</b>	<b>1,405,780</b>	<b>8,084,309</b>	<b>8,565,791</b>	<b>(481,482)</b>
<b>Net Income (Deficit)</b>	<b>(1,116,737)</b>	<b>(158,649)</b>	<b>-</b>	<b>(51,825)</b>	<b>(1,327,211)</b>	<b>(1,845,999)</b>	<b>518,788</b>

■ **Appendix Seven: Board of Commissioners Approved Preference Policy**

Preferences and the Waiting Lists–

1. Preferences are ranking criteria applied to qualified applicants on the waiting list. The preferences are a way of acknowledging local housing issues and organizing the waiting lists. Without preferences applicants on a waiting list would be “organized” only by the date and time they applied. When preferences are utilized, applicants are placed on the list by preference group and within the preference group by date and time of application.

A preference is an agency policy decision about placement on the waiting list. It does not guarantee admission. Every applicant must still meet the CHA’s selection criteria before being offered assistance.

Preferences will be granted to applicants who are otherwise qualified and who, at the time of the offer (immediately prior to execution of a lease) are verified to meet the definitions of the preferences as described below.

2. Federal Public Housing – There are two preferences for Federal Public Housing, emergencies and a local preference.
  - a. Emergencies – a preference will be granted to applicants based on a determination of Emergency Status as defined by the CHA.
  - b. Local Preference – A local preference will be granted to applicants who can meet any one of the following criteria:
    - i. Any resident of Cambridge with excessive shelter costs, defined as an applicant paying more than 50% of their gross income for rent and utilities. (See below.)
    - ii. A resident of Cambridge not receiving permanent housing assistance. (Resident and housing assistance are defined below.)
    - iii. Any non-resident applicant employed or about to be employed in Cambridge on the date of application and the date of final certification.
    - iv. Any non-resident applicant who can demonstrate significant ties to Cambridge as defined below.
  - c. The local preference categories described above in (b) carry equal weight and shall not be ranked or combined in any way to grant a “higher” preference.
3. State Public Housing – There are three preferences for State Public Housing, emergencies, residency and veteran’s preference.
  - a. Emergencies – a preference will be granted to applicants based on a determination of Emergency Status as defined by the CHA.
  - b. Residency Preference – A residency preference will be granted to applicants who can one of the following criteria:

- i. Resident of Cambridge;
  - ii. Employed or about to be employed in Cambridge.
- c. Veteran’s Preference – (Defined below)

4. Definitions

- a. Emergency status is defined in the CHA policy on emergencies but generally means an application without or about to be without housing due to no fault of his/her own or any family, friend or other occupant with whom the applicant is or was living with at the time of the displacement.
- b. Resident – means an applicant domiciled in Cambridge on the date of application, the date of screening, and the date of final application. (Except as noted below for shelter residents.) Domiciled shall mean that the applicant’s permanent address at the time of application, screening and final certification is in Cambridge. This definition excludes temporary residence with relatives or friends at the time of application. There is no durational requirement for permanent residence.
- c. Residency & transitional facilities – Families housed in a Cambridge shelter or transitional facility and are later relocated by the Department of Transitional Assistance to a facility outside of Cambridge **will not** lose their residency status provided they were domiciled in Cambridge at the time of application and have not yet been placed in permanent housing.
- d. Residency & housing assistance – Applicants who are living in Federal or State public housing, receiving Federal or State voucher assistance or receiving permanent housing assistance through any other program not designated as “transitional” in nature are not eligible for the residency category of the local preference. Applicants already assisted may be eligible for the local preference under the rent burden category as defined below.
- e. Residency & shelter burden – A shelter burden exists when a Cambridge applicant can document payments for rent and utilities that exceed 50% of the household’s gross income. There is an adjustment for reasonable utility costs based on the current utility allowance chart for the Federal voucher program. The reasonable cost of utilities, based on the allowance chart, is added to the shelter costs prior to determining the 50% threshold.
- f. Shelter burden & assisted applicants – If a shelter burden is demonstrated **it does not matter** if the resident family receives housing assisted per paragraph (d) above, the local preference may be granted based only on the demonstration that the shelter burden exists.
- g. Employed or about to be employed – Any non-resident applicant employed or about to be employed in Cambridge on the date of application and the date of final certification. This includes self-employed persons who can demonstrate specific arrangements to carry out their employment activity in Cambridge. The local preference for employment is not limited to permanent, continuous or full-time employment.

- h. Significant ties to Cambridge – non-resident applicants who meet one of the following criteria:
  - i. Former residents of Cambridge that lived in the City for five (5) or more years;
  - ii. Elders and individuals with disabilities which have regular and continuing health care needs provided in Cambridge by their primary care physician or two or more health care providers;
  - iii. Elders and individuals with disabilities that do or have volunteered in Cambridge on a regular and continuing basis for at least one year.
- i. Veteran’s Preference – A veteran is defined in M.G.L. c. 4, sec. 7, cl. 43<sup>rd</sup> as amended by the Acts of 2004.

5. Prioritization of Local Preferences:

- a. In Federal Programs, those applicants that receive a preference will be grouped and placed on the waiting list in the following hierarchy:
  - 1. Emergencies
  - 2. Local Preferences
  - 3. Others
- b. In State Programs, those applicants that receive a preference will be grouped and placed on the waiting list in the following hierarchy:
  - 1. Emergencies
  - 2. Veterans that are Cambridge Residents
  - 3. Veterans
  - 4. Cambridge Residents
  - 5. Others

■ **Appendix Eight: Resident Satisfaction Survey**

**CHA PUBLIC HOUSING RESIDENT SATISFACTION SURVEY  
Summary of Results - 2007**

*Technical comment: N refers to the number of valid, completed responses. Percentages are based on the total number of completed responses except for the percentages of the "no response" values, which are based on all 255 respondents.*

**DEVELOPMENT AND NEIGHBORHOOD SATISFACTION**

**1. Overall, how satisfied are you with:**

	<b>Very Satisfied</b>	<b>Somewhat Satisfied</b>	<b>Somewhat Dissatisfied</b>	<b>Very Dissatisfied</b>	<b>Does Not Apply</b>	<b>Don't Know</b>	<b>No Response</b>
The quality and conditions of your apartment? N=255	58% (149)	28% (70)	7% (19)	6% (15)	0% (0)	1% (2)	0% (0)
The quality and conditions of the outside grounds including playgrounds, sitting areas and parking lots? N=255	62% (158)	23% (59)	5% (13)	5% (12)	<.5% (1)	5% (12)	0% (0)
The safety and security of your neighborhood? N=255	55% (141)	28% (72)	10% (24)	4% (10)	1% (2)	2% (6)	0% (0)
CHA's maintenance services? N=254	69% (175)	19% (50)	6% (15)	5% (12)	0% (0)	1% (2)	<.5% (1)
The quality and availability of social services in your CHA development? N=252	52% (130)	17% (42)	2% (4)	3% (8)	13% (34)	13% (34)	1% (3)

**SATISFACTION WITH MAINTENANCE AND REPAIRS**

**2. Over the past year, how many times have you called CHA for maintenance or repairs?**

N=255

17% (44)	None
59% (150)	1-3 Times
23% (59)	More than 3 times
0% (0)	Don't know
1% (2)	Can't remember

3. Based on your experience over the past year requesting maintenance or repairs from CHA, how satisfied were you with:

	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Does Not Apply	Don't Know
The process of requesting repairs N=210	67% (141)	20% (42)	5% (10)	8% (17)	0% (0)	0% (0)
The quality of the repair work N=210	70% (146)	19% (40)	6% (13)	4% (9)	<.5% (1)	<.5% (1)
The amount of time it took to complete the repairs N=210	69% (146)	18% (38)	5% (10)	7% (14)	1% (2)	0% (0)
The way you were treated by the person doing the repairs N=209	89% (185)	8% (17)	<.5% (1)	<.5% (1)	<.5% (1)	2% (4)

**SATISFACTION WITH MANAGEMENT SERVICES**

4. Over the past year, how many times have you called or visited your CHA Housing Management Office?

N=255

- 30% (76) None
- 57% (146) 1-3 Times
- 12% (31) More than 3 times
- 0% (0) Don't know
- 1% (2) Can't remember

5. Based on your experience over the past year with your CHA Housing Management Office, how satisfied were you with:

	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied	Does Not Apply	Don't Know
The availability of information on your rent or lease responsibilities N=179	72% (129)	22% (39)	2% (4)	3% (5)	0% (0)	1% (2)
The accuracy of the information that was provided to you N=179	72% (129)	22% (39)	2% (4)	3% (6)	0% (0)	1% (1)
The way you were treated by the office staff N=178	79% (141)	14% (25)	5% (8)	2% (4)	0% (0)	0% (0)

**SAFETY**

**6. How safe do you feel?**

	<b>Very Safe</b>	<b>Safe</b>	<b>Unsafe</b>	<b>Very Unsafe</b>	<b>Does Not Apply</b>	<b>No Response</b>
In your unit/home N=255	72% (182)	24% (62)	3% (8)	1% (3)	0% (0)	0% (0)
In the hallway and lobby of your building N=255	57% (145)	27% (70)	4% (10)	2% (4)	10% (26)	0% (0)
On the outside grounds of your development N=254	57% (145)	28% (70)	10% (26)	3% (9)	2% (4)	<.5% (1)

**7. Do you think any of the following contribute to crime in your development?**

N=255

	<b>Responses</b>
Bad Lighting	19% (48)
Broken Locks	11% (28)
Location of development	9% (23)
Police do not respond	6% (16)
Residents don't care	12% (31)
Residents are loud	16% (42)
There are many vacant units	6% (16)
Uninvited non-residents on property	20% (52)
Trespass Issues	17% (44)

**PROPERTY APPEARANCE & IMPROVEMENT PRIORITIES**

**8. How often, if at all, are any of the following a problem in your development?**

	Never	Sometimes	Most of the Time	Always	No Response
Abandoned Cars N=253	93% (235)	6% (16)	1% (2)	0% (0)	1% (2)
Broken Glass N=253	88% (223)	10% (26)	<.5% (1)	1% (3)	1% (2)
Graffiti N=252	95% (239)	4% (11)	<.5% (1)	<.5% (1)	1% (3)
Rodents and/or insects N=253	59% (149)	30% (76)	5.5% (14)	5.5% (14)	1% (2)
Trash/litter N=254	73% (185)	19% (48)	5% (12)	3% (9)	<.5% (1)
Vacant Units N=241	88% (213)	10% (25)	1% (2)	<.5% (1)	5% (14)

**9. CHA would like to know your opinions about where to spend the limited improvement funds that may be available in the future. For each of the following items, please indicate whether you believe each item is a "Priority", "Not a Priority" or you have "No Opinion."**

	Priority	Not A Priority	No Opinion	No Response
Renovate or upgrade kitchens N=254	37% (94)	56% (142)	7% (18)	<.5% (1)
Renovate or upgrade bathrooms N=254	33% (83)	62% (158)	5% (13)	<.5% (1)
Create larger apartments with more interior space N=254	41% (104)	51% (130)	8% (20)	<.5% (1)
Install dishwashers in apartments N=248	35% (86)	58% (143)	7% (19)	3% (7)
Install washer and dryer hook ups in apartments N=238	28% (66)	55% (131)	17% (41)	7% (17)
Install wiring to allow internet access N=243	23% (55)	64% (156)	13% (32)	5% (12)
Improve the outside grounds and landscaping N=252	30% (75)	64% (161)	6% (16)	1% (3)
Improve security through more police patrols N=252	48% (120)	46% (116)	6% (16)	1% (3)
Provide more social service programs for youth N=249	42% (104)	42% (105)	16% (40)	2% (6)
Provide more social service programs for seniors	42%	41%	17%	2%

N=250	(105)	(102)	(43)	(5)
Provide more social service programs for adults	40%	42%	18%	3%
N=248	(100)	(104)	(44)	(7)

**9A. Which one of these do you consider to be your #1 Priority?**

**Maintenance**

- Renovate or upgrade kitchens (28 respondents)
- Renovate or upgrade bathrooms (16 respondents)
- Repair/replace windows (7 respondents)
- Repair/replace floors (4 respondents)
- Improve the outside grounds and landscaping (4 respondents)
- Improvements have been made (3 respondents), including "they have been replacing cabinets", "cabinets are being updated", "they did our porches over and got air conditioner"
- Paint (2 respondents)
- Renovate or upgrade kitchen & bathrooms (1 respondent)
- Improve cabinets (1 respondent)
- Clean basement toilet (1 respondent)
- Maintenance (1 respondent)
- Cleaner apartments (1 respondent)

**Social Services/Programs**

- Provide more social service programs for youth (19 respondents)
- Provide more social service programs for seniors (9 respondents)

- Provide more social service programs for adults (2 respondents)
- Provide more social services (7 respondents)

***Amenities***

- Improve security through more police patrols (39 respondents)
- Install dishwashers in apartments (17 respondents)
- Create larger apartments with more interior space (14 respondents)
- Install washer and dryer hook ups in apartments (9 respondents)
- Happy (5 respondents), including "happy with workers and management", "things are running beautifully"
- Install wiring to allow internet access (4 respondents)
- Bike racks (1 respondent)
- Disposal (1 respondent)
- Ramp in the parking lot (1 respondent)
- Town houses need front locking screen doors (1 respondent)
- Better communication with tenant advocate (1 respondent)
- New carpeting (1 respondent)
- Elevator (1 respondent)
- Air conditioning (1 respondent)
- Repair doorbell and buzzer (1 respondent)
- Countertops (1 respondent)
- "I am blind and no one checks on me"(1 respondent)

- ❑ Stop kids from hanging out in the playground late at night (1 respondent)

**Multiple Responses**

- ❑ Dishwasher & washer/dryer (1 respondent)
- ❑ New doors/sliding windows (1 respondent)
- ❑ Cabinets, more security, better heat (1 respondent)
- ❑ Closet space and social service programs (1 respondent)
- ❑ Bathrooms and parking (1 respondent)
- ❑ Internet, bigger apartments, more social services programs (1 respondent)

**9B. Are there any other items that you believe are a "Priority"?**

**Maintenance**

- ❑ **Upgrade kitchens** (11 respondents), including "new stove" (4 respondents), "change appliances at least every 5-6 years", "new kitchen floor (3 respondents)
- ❑ **Paint** (9 respondents), including "need moisture resistant paint", "should paint more often", "paint hallways"
- ❑ **Windows** (7 respondents), including "replace windows (4 respondents), "clean windows", "improve windows", "re-inspect new windows"
- ❑ **Heating** (5 respondents), including "new heat system"
- ❑ **Rodents and insects** (3 respondents), including "get rid of roaches", exterminate rodents", "exterminate mice"
- ❑ **Renovate bathrooms** (2 respondents)
- ❑ **Doors** (2 respondents), including "front door has glass and could easily be broken", "need emergency door in apartment"
- ❑ **Maintenance** (1 respondent)
- ❑ **Mold** (1 respondent)

- ❑ **Snow removal** (1 respondent), including "snow not cleared from the back door"
- ❑ **Electricity** (1 respondent), including "electrical power is low, need more power"

**Social Services/Programs**

- ❑ **More programs for youth** (1 respondent)
- ❑ **More programs for seniors** (1 respondent)
- ❑ **Program suggestions** (2 respondents), including "would like to go on trips", "male programs are run by all women"

**Amenities**

- ❑ **Create larger apartments** (10 respondents), including "kitchens should be bigger with more space", "room for storage", "bigger closets"
- ❑ **Security/ police patrols** (9 respondents), including "more security cameras" (3 respondents), "guard from 11PM to 7AM", "police should walk through", "we need a guard, get rid of people on the door step", "guard on the desk on weekends", "lock up the laundry room"
- ❑ **Cable** (3 respondents), including "wireless network", "internet", "look into Direct TV"
- ❑ **Landscaping** (3 respondents), including "bushes in back"
- ❑ **Washer and dryer** (3 respondents)
- ❑ **Loitering** (2 respondents), including "get rid of gangs"
- ❑ **Playgrounds** (2 respondents), including " playground needs to be fixed"
- ❑ **Disposal** (2 respondents)
- ❑ **Carpeting** (2 respondents)
- ❑ **Dishwashers** (2 respondents)
- ❑ **Window shades** (1 respondent)
- ❑ **Flooring** (1 respondent), including "renovate the floor"

- Speeding** (1 respondent), including "reduce speed limit around the block"
- Handicap parking** (1 respondent)
- Walls** (1 respondent), including "cracked walls"
- Transportation** (1 respondent), including "transportation to the doctor and shopping"
- Trash** (1 respondent), including "trash problem on weekends"
- False alarms** (1 respondent), including "fewer false alarms"
- Smoke** (1 respondent), including "too much smoke"
- Lighting** (1 respondent), including "recommend city improve street lighting"

**Management and Maintenance**

- Better communication** (4 respondents), including "respect for the neighborhood", "more written communication about what's available", "communication with property manager", "language barriers, do more to get residents to be familiar with each other"
- Maintenance & management** (2 respondents), including "better staff, they don't understand what people are saying, they ignore youth then report", "management and maintenance need to walk the grounds to see what's happening"

**RENT SIMPLIFICATION**

**10. Are you aware of Cambridge Housing Authority's new Rent Simplification program?**

N=254

37% (95)	Yes
63% (159)	No
<.5% (1)	No Response

**11. Has your rent been calculated under the Rent Simplification program?**

N=202

35% (70)	Yes
23% (46)	No

42% (86) Don't Know  
21% (53) No Response

**11A. If yes, do you think the new Rent Simplification process is:**  
N=77

39% (30) **Simpler than the old process**  
9% (7) **More complicated than the old process**  
18% (14) **No difference between the new and old process**  
34% (26) **No opinion**

**12. Do you have any comments or suggestions regarding the new Rent Simplification process?**

- Positive response** (6 respondents), including "much more clear", "good program", "wonderful"
- Suggestions** (4 respondents) "I want a statement with all my figures", "don't institute in state developments", "not satisfied", "the process is too difficult, worse than income tax"
- Communication** (3 respondents), including, "I didn't get a flyer", "received a notice but didn't pay attention", "other tenants say it's great"
- Rent increase** (3 respondents), including "it raised my rent"
- Unaware** (2 respondents)
- Deductions** (2 respondents), including "need deductions for prescriptions and co-pay", "no more medication discounts"
- No change** (1 respondent), including "it seems the same"

**RESIDENT COUNCIL**

**13. In the past year, have you participated in any meetings or activities sponsored by your development's Resident Council?**  
N=252

46% (116) Yes  
54% (136) No  
1% (3) No Response

**14. Do you have any comments or suggestions you would like to make to CHA about your apartment or development?**

**General Comments**

- Resident is satisfied/happy (13 respondents) including "it's a great, great place to live"
- Do a better job
- I don't like it here and I never will
- Create more community, start a monthly newsletter
- Do more to improve the inside of the apartment than the outside

**Resident Council**

- Development does not have a Resident Council (2 respondents)
- Resident did not know if there was a Resident Council
- Council has fallen apart
- President of the council should participate more
- Very well headed up, chairman is doing an excellent job
- Resident is busy working and cannot attend

**Management**

- Should have an interpreter on-site to translate
- Some office staff have a bad attitude and approach
- Manager is wonderful, she is interested in us
- It's like talking to walls, people don't do anything

**Rent**

- Free rent would be nice
- Needs more information about Rent Simplification Program

**Maintenance**

**General Repairs/Maintenance**

- Repairs are done adequately and efficiently
- Roof needs repair, it is leaking
- Faster maintenance
- Don't spend money where it is not needed, i.e. community room painting and foyer floor

**Mold**

- Mold is the number one problem

**Cleaning/Trash**

- Back area is dirty; kids leave trash and are rude
- Involve residents in clean up of the entry way and hallways (rotate each month)

**Flooring**

- Flooring is discoloring and needs to be upgraded
- Floors never got done
- Resident would like a darker shade of floor covering

**Parking/Grounds**

- Resident would like to use the end yard
- Resident would like two assigned parking spaces

**Speeding**

- Reduce speed limit around the block

**Heat/Ventilation/AC/Plumbing**

- Baseboard heaters are falling down
- Heat needs improvement

**Windows/Doors**

- Outside door does not stay locked
- Windows need to be replaced (2 respondents)
- Windows don't latch
- Windows need improvement (2 respondents)
- Windows are drafty
- Hallway front door is broken

**Lighting**

- Dark outside
- Need lighting in the parking lots, it has been requested three times
- Need brighter lights outside

**Painting**

- Resident would like new paint (4 respondents)
- Doors need painting

**Amenities**

- Resident would like central air conditioning
- Resident would like Direct TV
- Resident would like satellite TV

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## Cambridge Housing Authority

## Annual Report FY 2007

- Resident loves the porch
- Need storage units

### Kitchen/Bathroom

- Resident would like a new gas stove
- Fix the bathroom

### Rodents/Insects

- Exterminate roaches, mice and rats, dumpsters are an invitation for rodents
- Skunks and opossums are a problem
- Rats (2 respondents)
- Mice (2 respondents), including "mice are a major problem"

### Smoke

- Smoking in the hallways creates a bad odor

### Doors/Lock

- Doors are left open

### Social Services/Programs

- Resident would like more male activities or programs for male interests
- Need help for single mothers, including classes
- Have more activities that bring people together so that they can get to know each other
- More activities; communicate with tenants more
- Bingo program
- Meet more often so that residents are better informed
- Welcome party years ago was nice, it had music, food, activities
- Not possible for everyone to attend these activities

### Noise

- Resident cannot sleep in the summertime because of noise
- Teenage kids and gangs are too loud

### Apartment Size

- Need larger apartment (3 respondents)
- Closet space; balconies

**Security/Safety**

- Need more security, residents break the rules and they need to be enforced
- Resident would like more police around during summertime
- Need more security
- Hire a grounds person for kids, especially in the evenings
- Get rid of gangs, impose curfews
- Need windows to be secure, get guns and drugs out

**ENGLISH PROFICIENCY**

**15. Is English the primary language of all members of your household?**

N=250

70% (175)	Yes
30% (75)	No
2% (5)	No Response

**15A. If "no", do you need CHA to translate documents and other materials into your primary language?**

N=72

28% (20)	Yes
72% (52)	No

**15B. If "no" do you need an interpreter to be present when you communicate with CHA staff?**

N=70

24% (17)	Yes
76% (53)	No

**15C. Do you have a friend or family member who could interpret for you?**

N=64

59% (38)	Yes
41% (26)	No

**15D. Please list any CHA program or activity in which a household member, who needs translation or interpreting services, is currently participating.**

- Family and relatives translate
- Resident would like an interpreter when meetings and activities are sponsored by CHA
- Everything

**15E. Please specify your primary language:**

N=74

61% (45)	Creole
19% (14)	Spanish
7% (5)	Amharic
4% (3)	Bengali
4% (3)	Portuguese
3% (2)	Chinese
1% (1)	Urdu
1% (1)	Gujarati & Hindu

**and ethnic origin:**

N=72

63% (45)	Haiti
7% (5)	Ethiopia
7% (5)	Dominican Republic
4% (3)	Bangladesh
3% (2)	China
3% (2)	Guatemala
>1% (1)	South America
>1% (1)	Columbia
>1% (1)	El Salvador
>1% (1)	Ecuador
>1% (1)	Spain
>1% (1)	Puerto Rico
>1% (1)	Cape Verde
>1% (1)	Ukraine
>1% (1)	Pakistan
>1% (1)	India

**REASONABLE ACCOMODATIONS**

**16. Do you or any member of your household need accommodations due to physical or psychiatric disabilities in order to enjoy equal access to CHA programs and services?**

N=255

11% (28)      Yes  
 89% (227)    No

**16A. If "yes", please answer the following questions:**

	YES	NO
Did you experience any difficulties related to this disability during the admission process? N=28	21% (6)	79% (22)
After admission, have you experienced any difficulties related to this disability when dealing with CHA Staff or maintenance personnel? N=27	22% (6)	78% (21)
Due to the nature of this disability, have you experienced any difficulties related to the use of your apartment, your building, or other CHA facilities? N=27	19% (5)	81% (22)
Have you ever requested a change to your apartment to improve your physical access and/or your ability to communicate, which was neglected or unreasonably denied by CHA? N=27	15% (4)	85% (23)
Have you ever requested that CHA change a policy or procedure to accommodate this disability? N=25	12% (3)	88% (22)

**16B. If you responded "yes" to any of the above questions relating to your disability, please explain:**

- Resident has requested electronic entrances to the management office and trash building; CHA is processing the request
- When taking a shower the resident has nothing to hold onto
- Resident is allergic to mold and has requested to move away from the storage unit or have CHA clean the unit

- Resident requested grab bars for the tub. Resident believes that the Property Manager should have taken care of the request; however, the resident was referred to the legal department. The request was granted, but resident was dissatisfied with the process. Resident’s current request for a trash shoot is taking a long time.
- Resident has difficulty communicating with the staff and would like another pet
- Banging of the doors bothers the resident’s migraines
- Resident was told she would be evicted if her rent was not paid; however, she paid 4 months of rent in 1 month. Resident has difficulty remembering because of seizures and when she leaves her key on the counter she is being charged to be let in.
- Resident would like a new stool for the tub
- Resident suffers from mental illness; resident believes that others think she is on drugs

**OTHER**

**13. Do you or any member of your household own a computer?**

N=255

40% (103)	Yes
60% (152)	No

**14. Do you have access to the internet in your home?**

N=250

42% (106)	Yes
58% (144)	No
2% (5)	No Response

## ■ Appendix Nine: FY 2006 Financial Audit

A full copy of the FY 2006 Financial Audit was attached to this Report and delivered to the U.S. Department of Housing and Urban Development for review.

Full copies are available for review upon request.

## INDEPENDENT AUDITOR'S REPORT

The the Board of Commissioners  
Cambridge Housing Authority:

We have audited the accompanying financial statements of the Cambridge Housing Authority as of and for the year ended March 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Cambridge Housing Authority, as of March 31, 2005, were audited by other auditors whose report dated November 30, 2005 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Housing Authority as of March 31, 2006, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2006 on our consideration of the Cambridge Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (continued)

The Management's Discussion and Analysis contained on pages 3 through 21 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Cambridge Housing Authority taken as a whole. The accompanying schedule of expenditures of federal awards contained on page 59 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The accompanying Schedule of Capital Fund Program Costs and Advances, Schedule of ROSS Program Costs and Advances and Financial Data Schedule contained on pages 63 through 80 is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

November 15, 2006  
Hazlet, New Jersey



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■ Appendix Ten: Certificates and Board Authorizations

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EXTRACT OF THE MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF COMMISSIONERS OF THE  
CAMBRIDGE HOUSING AUTHORITY  
WEDNESDAY, MAY 30, 2007 5:30 P.M.

MEMBERS PRESENT: JACQUELINE F. ADAMS, CHAIRPERSON  
JOHN RAMOS, VICE-CHAIRPERSON  
WARREN R. MCMANUS, TREASURER  
JAMES G. STOCKARD, JR., ASSISTANT TREASURER

MEMBERS ABSENT: GERARD J. CLARK, MEMBER

ALSO PRESENT: GREGORY RUSS, EXECUTIVE DIRECTOR  
GLORIA LEIPZIG, OPERATIONS DEPARTMENT  
GEORGE GANNON, OPERATIONS DEPARTMENT  
PRANITA AMARASHINGHE, ADMINISTRATION & POLICY  
JOSHUA MEEHAN, ADMINISTRATION & POLICY  
REEMA KHAN, ADMINISTRATION & POLICY  
SAMANTHA MARTIN, RECORDING SECRETARY

MTW FY 2007 ANNUAL REPORT

**MOTION:** Mr. Stockard moved that the Cambridge Housing Authority Board of Commissioners:

- A. Approval of the Moving To Work Deregulation Demonstration Program FY 2007 Annual Report
- B. Authorize any technical corrections and changes to the documents, and
- C. Authorize the submission of the final Report to the U. S. Department of Housing and Urban Development,

pursuant to the memorandum from Pranita Amarashinghe to Gregory Russ, Executive Director, dated May 21, 2007. Mr. Ramos seconded the motion, which upon being put to vote, was passed unanimously.

Attest  
Seal



Gregory Russ, Executive Director

**GENERAL CERTIFICATE**

I Gregory Russ, do hereby certify as follows:

1. I am the duly appointed, qualified and acting Secretary of the Cambridge Housing Authority (herein called the "Local Authority"). In such capacity, I am custodian of its records and am familiar with its organization, membership and activities.
2. The proper and current corporate title of the Local Agency is the Cambridge Housing Authority.
3. The Local Authority was duly created, pursuant to the authority of the Constitution and statutes of the Commonwealth of Massachusetts General Laws, Chapter 121B, and was duly organized on the ninth day of December, 1935; and since the date of its organization, the Local Agency has continued to exist without interruption in the performance of its public corporate purposes.
4. The names and dates of the election or appointment, and the dates of the beginning of the Local Agency and of its principal officer are as follows:

NAME AND OFFICERS	DATE OF APPOINTMENT OR ELECTION	DATE OF COMMENCEMENT OF TERM	DATE OF EXPIRATION OF TERM
Jacqueline F. Adams			
Member	04-26-1995	01-27-2003	09-30-2007
Chairperson	01-10-2007		01-09-2008
John Ramos			
Member	06-08-2005	06-08-2005	01-11-2010
Vice-Chairperson	01-10-2007		01-09-2008
Warren R. McManus			
Member	09-12-1982	10-10-2007	09-30-2011
Treasurer	01-10-2007		01-09-2008
James G. Stockard, Jr.			
Member	01-21-1974	10-17-2003	11-11-2008
Assistant Treasurer	01-10-2007		01-09-2008
Gerard J. Clark			
Member	03-14-1974	04-01-2004	05-06-2009

5. Each of the above-mentioned officers required to do so has duly taken and filed his/her oath of office and each of them legally required to give bond or undertaking has filed such bond or undertaking in form and amount as required to give bond and is otherwise duly qualified to act in the official capacity above designated, and each is the acting officer holding the respective office or offices stated beside his/her name.
6. None of the above-mentioned officers is ineligible to hold or be disqualified from holding under the provisions of applicable law, the respective office, specified above, which he/she holds.

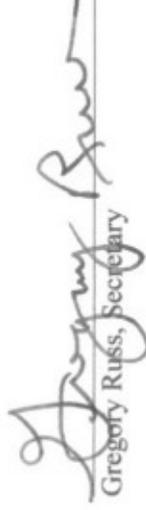
7. None of the above-named Members is an officer or employee of the City of Cambridge.
8. Since June 30, 1972, there have been no changes in or amendments to the Chapter, by-laws, ordinance, resolutions, or proceedings of the Local Agency, with respect to:
  - (a) The time and place of and other provisions concerning regular meetings of the Local Agency and the business which may be taken up at such meetings;
  - (b) The provisions concerning the calling and holding of special meetings of the Local Agency and the business which may be taken up at such meetings;
  - (c) The requirements concerning a quorum;
  - (d) The manner in which the charter or by-laws of the Local Agency may be amended;
  - (e) The requirements regarding the introduction, passage, adoption, approval, and publication of resolutions, ordinances, or other measures, relating to the approval and execution of contracts and the authorization, award, execution, or issuance of bonds, notes or other obligations of the Local Agency;
  - (f) The officers required to sign, countersign, or attest contracts, bonds, notes, or other obligations of the Local Agency;
  - (g) The officer of the Local Agency; or
  - (h) The seal of the Local Agency;

except as follows:

**N O N E**

9. The seal impressed below, opposite my signature, is the duly adopted, proper and official corporate seal of the Local Agency.

IN WITNESS WHEREOF, I have hereunto set my hand and the duly adopted official seal of the local agency, this 31st day of May 2007.

  
Gregory Russ, Secretary

(Seal)

**CERTIFICATE OF RECORDING OFFICER**

I, Gregory Russ, the duly appointed qualified and acting Secretary of the Cambridge Housing Authority, do hereby certify that the attached extract from the Minutes of the Special Meeting of the Board of Commissioners of the Cambridge Housing Authority held on May 30, 2007, is a true and correct copy of the original on file and of record insofar as they relate to the matters set forth in the attached extract and is a true and correct copy of a motion adopted at such meeting and on file and of record.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said Cambridge Housing Authority, this 31st day of May 2007.

  
Gregory Russ, Secretary

(Seal)

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