

DRAFT AMENDMENT TO CHA'S FY2010 MTW ANNUAL PLAN

Chicago Housing Authority (CHA) submitted its FY2010 Moving to Work (MTW) Annual Plan – Plan for Transformation Year 11 (FY2010 MTW Annual Plan) to HUD on October 16, 2009. CHA determined the need to amend portions of text in the FY2010 MTW Annual Plan to reflect both newly proposed and revised MTW activities, as well as anticipated dispositions for the current year. The following constitutes a detailed list of additional activities for which CHA seeks HUD's approval.

SECTION II GENERAL HOUSING AUTHORITY OPERATING INFORMATION

Number of Public Housing Units to Be Removed from the Inventory during the Year

Non-Dwelling Property to be Removed

In addition to removing public housing units from inventory in FY2010, CHA also anticipates non-dwelling property to be removed through either demolition or disposition activity.

Non-Dwelling Property to be Removed through Demolition Activity in FY2010			
IL Number	Development	Address	Property Description
IL00222222P	Robert Taylor Homes	5120 S. Federal St.	Taylor Boy's and Girl's Club
IL002002100	Altgeld Gardens	941 E. 132nd Pl.	Library
IL002002000	Altgeld Gardens	901 E. 132nd St.	Phillis Wheatley Day Care

Property to Be Removed Through Potential Disposition Activity in FY2010						
IL Number	Development	Northern Boundary	Southern Boundary	Eastern Boundary	Western Boundary	Type of Disposition
IL002089000	Cabrini Extension South	Wendell Street	Chicago Avenue	Sedgwick Avenue	Hudson Street	99-year Ground Lease or Fee Simple Transfer
IL002092000	William Green Homes	Clybourn Avenue	Division Street	Cleveland Avenue	Halsted Street	Fee Simple Transfer
IL002033000	Madden Park	37th Street	37th Place	Ellis Avenue	Cottage Grove Avenue	99-year Ground Lease or Fee Simple Transfer
IL002034000	Washington Park (6215 S. Wabash Ave.)	61st Street	63rd Street	Alley West of Michigan Avenue	Wabash Avenue	Land Swap
IL002093000	Henry Horner Homes	Lake Street	Alley North of Washington Boulevard	Damen Avenue	Leavitt Street	99-year Ground Lease or Fee Simple Transfer

Property to Be Removed Through Potential Disposition Activity in FY2010				
IL Number	Building	Development	Address	Type of Disposition
IL002022000P	Cotter Boys' & Girls' Club	Lathrop Homes	2915 N. Leavitt St.	Long Term Lease
IL002039000P	Yancy Boys' & Girls' Club / Center for New Horizons	Washington Park	6225-45 S. Wabash Ave.	Long Term Lease
IL002093000P	Major Adams Community Center	Horner / West Haven	125 N. Hoyne Ave.	Long Term Lease
IL002017000P	Abraham Lincoln Center	Ida B. Wells / Oakwood Shores	3858 South Cottage Grove Ave.	Long Term Lease
IL002037000P	Taylor Park - Firman House (Chicago Park District)	Robert Taylor Homes	41 W. 47th St.	Long Term Lease
IL00222222P	Vacant Land	Robert Taylor Homes	5120 S. Federal St.	Sale/Purchase Option Pending

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Lease-Up Information- Housing Choice Voucher Program

Anticipated Changes to the Housing Choice Voucher Wait List

In FY2010, CHA anticipates updating the HCV Wait List to allow applicants who currently are on the HCV wait list to select a Working Family preference. Through the issuance of a survey, CHA seeks to determine which applicants are electing to be included in the Work Family Preference group. Those applicants selecting the preference will be obligated to provide verification of their work status at time of final eligibility determination. CHA is making this preference available in furtherance of the MTW Statutory Objective, which promotes incentives to encourage low-income families attain self-sufficiency. (Refer to CHA's HCV Administrative Plan for more information on the Working Family Preference.)

SECTION V: NEWLY PROPOSED MTW ACTIVITIES – HUD APPROVAL REQUESTED

30-Year PBV Contract Commitments

To facilitate the expansion of affordable housing opportunities through use of Project-Based vouchers, CHA proposes to enter into Project-Based Voucher HAP contracts for an initial term between 15 and 30 years subject to the availability of funding. This activity will assist developers to obtain better financial terms and help to ensure the long-term availability of quality affordable housing. The activity is a slight variation of the HUD regulations that provide for a 15-year contract term with an extension of up to 15-years, for a combined total contract commitment up to 30 years.

MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
30-Year PBV Contract Commitments	1) Increase Housing Options	Zero CHA PBV developments have contract terms between 15 and 30 years.	1) Number of PBV developments that obtain favorable financing due to contract terms between 15 and 30 years. 2) Number of units with PBV assistance in development that have contract terms between 15 and 30 years.	Number of units with PBV assistance that are counted as expanded affordable housing opportunities.	Attachment C, Section D (2) b.	N/A

Funding Supportive Services for Project-Based Voucher Program

CHA proposes to approve rents that include both the cost of the rental subsidy and the cost of support services. Such rents would be limited to supportive housing developments where an owner providing supportive services loses or is unable to obtain the funding to provide the supportive services, and has exhausted all other options. CHA will include the costs of the supportive services in the rent to owner amounts. Such funding will enhance housing opportunities for families that

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without such services will not be able to sustain lease compliance and therefore run the risk of becoming homeless.

MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
Funding Supportive Services for Project-Based Voucher Program	1) Increase Housing Options 2) Increase Self-Sufficiency	Zero CHA units with PBV assistance provide supportive services that are funded by CHA.	Increase the number of units assisted by PBVs that provide services funded by CHA.	Number of CHA units with PBV assistance that provide supportive services funded by CHA.	CHA is concurrently seeking an amendment to the Amended and Restated MTW Agreement, which would provide authorization for this MTW activity.	N/A

PBV Rent Increase Policy

CHA seeks authorization to have the flexibility to grant properties that use CHA Project-Based Vouchers an annual rent increase based on a formula. In such cases, CHA will explore using Table 1 Contract Rent (highest cost utility included) annual adjustment factors (AAFs) published by HUD in the *Federal Register* as the cap for rent increases subject to rent reasonableness. This rent increase will facilitate favorable financing by providing assurance that annual rent increases will be available to support the cost escalation factors in financing packages for the developments.

MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
PBV Rent Increase Policy	Increase Housing Options	Zero PBV developments with cost escalation rent increases in either AHAP or HAP.	Three PBV developments with cost escalation rent increases in AHAP or HAP.	1) Number of PBV developments that have cost escalation rent increases in AHAP or HAP. 2) Number of PBV developments that receive favorable financing based on this rent increase policy.	Attachment C, Section D (2) a.	N/A

Subsidy Layering Reviews

CHA proposes that HUD approve the State of Illinois, the City of Chicago, or other qualified independent entities such as a non-profit financing agency for the purpose of subsidy-layering reviews. Under this proposal, CHA would not be required to submit documentation to HUD to approve subsidy-layering and could rely on the reviews conducted by the City, State, or other independent entity such as a non-profit financing agency. This activity would reduce the redundancy of such reviews while ensuring the prevention of excessive governmental subsidy.

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MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
Subsidy Layering Reviews	Reduce Costs	The number of subsidy layering reviews that would have to be completed by HUD during FY2010.	Reduce the number of subsidy layering reviews conducted by HUD during FY2010.	Number of subsidy layering reviews conducted by HUD.	Attachment C, Section D (7) a.	N/A

PBV Inspections

CHA proposes to reduce the number of inspections required prior to lease-up of Project-Based Voucher developments that are new construction or substantial rehabilitation. In cases involving such properties, CHA will consider issuance of a Certificate of Occupancy by the City of Chicago as evidence of the property's compliance with Housing Quality Standards.

MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
PBV Inspections	Reduce Costs	Number of PBV units ready for occupancy in FY2010.	Reduce the number of CHA inspections of PBV units at initial occupancy.	Number of Inspections.	Attachment C, Section D (7) d.	N/A

Elimination of Assets in Rent Calculation

CHA proposes to further reduce its program administrative costs by eliminating the collection of asset information as a component of the participant reexamination process. Under this approach, staff resources will be better utilized by tracking and managing participant information that has a more relevant impact on the program.

MTW Activity	Statutory Objective	Baseline	Benchmark	Measurement	Authorization	Hardship Exemption
Elimination of Assets in Rent Calculation	Reduce Costs	In FY2009, it took an average of 20 minutes or \$7.26 to calculate assets per participant reexamination.	In FY2010, CHA anticipates conducting 17,899 reexaminations. By eliminating the calculation of assets during this process, CHA seeks to save \$129,946.74 dollars and 4,620 hours of staff time.	Reduction in staff time and cost to process reexaminations.	Attachment C, Section D, Paragraph 2(a). Attachment C, Section D, Paragraph 3(b).	N/A

SECTION IV: LONG TERM MTW PLAN

Give Incentives to Families with Children where the Head of Household is Working, is Seeking Work, or is Preparing for Work By Participating in Job Training, Educational

Programs, or Programs that Assist People to Obtain Employment and Become Economically Self-Sufficient.

HCV Work Requirement

Over the next two years CHA will be creating the parameters for and policy behind a work requirement to be applied in CHA's HCV Program. CHA aims to fully implement a work requirement for all work-eligible HCV Program participants commencing in FY2012. This work requirement, similar to that in CHA's public housing program, would carve out exemptions for elderly and disabled program participants. Moreover, individuals seeking work, but unable to find work, may be eligible for safe harbor if the participant can provide evidence of their effort to engage in employment related activities. Finally, CHA in the spirit of the MTW Demonstration is interested in including job-training, educational activities, and volunteering as part of the definition of a work. The final framework for the work requirement will be introduced in the FY2012 MTW Annual Plan.