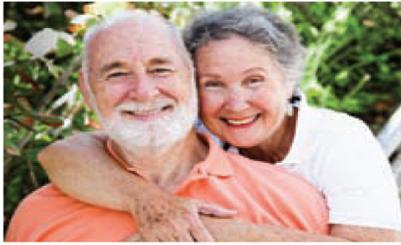


Fairfax County Redevelopment and Housing Authority



THRIVE

Total Housing Reinvention for Individual Success, Vital Services and Economic Empowerment



Draft Application for Designation as a Moving-to-Work Agency

MTW Plan

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B. Overview of the Agency’s MTW goals and objective for the year, including new and ongoing MTW activities.

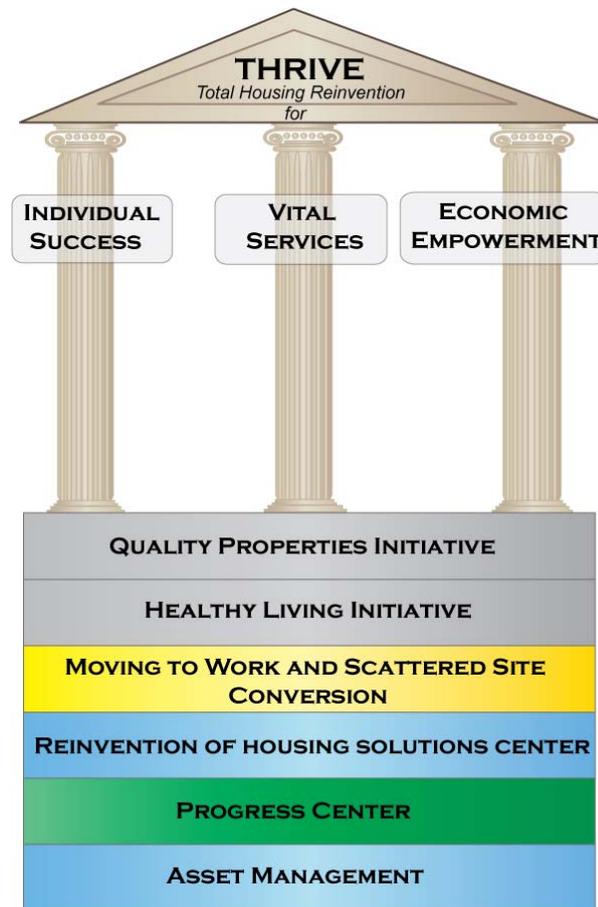
Reinventing Housing: Moving to Work and the THRIVE Initiative in Fairfax County, Virginia

The Fairfax County Redevelopment and Housing Authority (FCRHA) serves one of the most dynamic and diverse jurisdictions in the nation, and is uniquely positioned – both in terms of past performance and community capacity – to implement Moving to Work (MTW). The FCRHA envisions MTW as the keystone of its THRIVE Initiative – **Total Housing Reinvention for Individual Success, Vital Services and Economic Empowerment.**

THRIVE is an overall effort by the FCRHA to ensure that its customers achieve the greatest level of self-sufficiency of which they are capable, while at the same time ensuring the financial viability of its portfolio of affordable housing properties and creating cost efficiencies for its federal programs.

It is the goal of the FCRHA MTW Plan that every person and family in our programs do more than survive, we want them to thrive. The Plan is designed to ensure that individuals and families are provided not only affordable and attractive housing, but are connected to services and support that help them succeed and become self-sufficient.

In addition to providing housing options, the MTW Plan – as part of the THRIVE Initiative – will link households to services and programs offered by other Fairfax County human services agencies and community non-profit organizations. Such programs will support the concept of self-sufficiency ranging from personal money management, job training, language skills, and health services to perhaps even homeownership.



The FCRHA provides a continuum of affordable housing ranging from rental vouchers and Public Housing; to moderately priced rental apartments and townhouses; all the way to affordable programs for homeownership. Each person or family fits somewhere along this continuum and it is the goal of THRIVE and the FCRHA's MTW Plan to help individuals find the right fit based on income and need – helping them progress along the continuum to self-sufficiency.

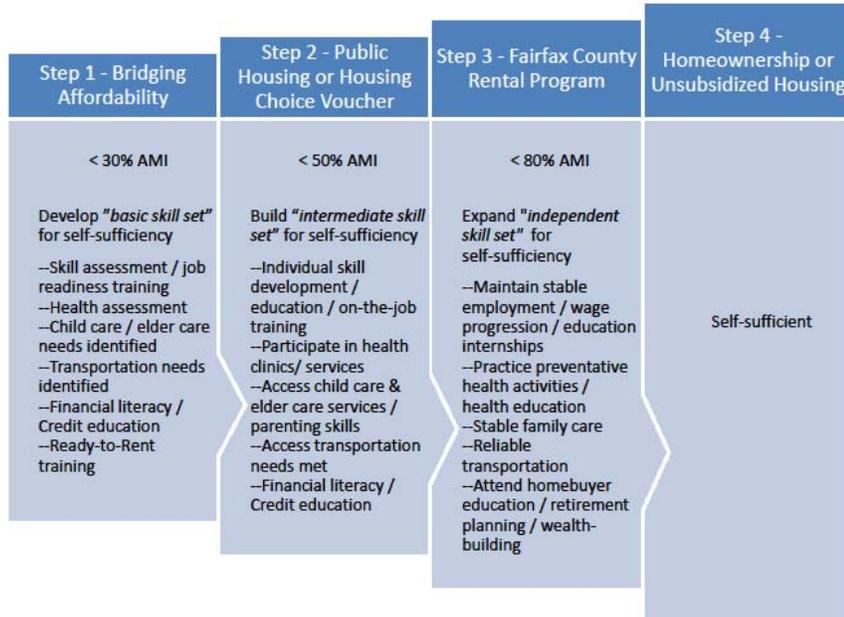
The Housing Continuum provides the right housing at the right time, based on a household's income and skill set – and allows participating households to move through the different steps of the continuum as they become more self-sufficient. The four steps in the continuum – Bridging Affordability, Housing Choice Vouchers and Public Housing, the Fairfax County Rental Program and Homeownership/Market Rental Housing – provide a range of housing types and subsidy levels, each tied to the attainment of certain self-sufficiency skills.

- **Step One**, the county's Bridging Affordability rental subsidy program, is designed to serve extremely low-income households earning 30 percent of the Area Median Income (AMI) and below, including those who are homeless. In Step One/Bridging Affordability, participating households will focus on building basic self-sufficiency skills such as job readiness and financial literacy; they will receive "ready to rent" training, and receive services aimed at addressing basic self-sufficiency barriers, such as identifying child/elder care needs and assessing health needs.
- **Step Two**, the federal Public Housing and Housing Choice Voucher programs, will be used to serve extremely and very-low-income households (earning 50 percent of AMI and below) that need work on attaining an intermediate self-sufficiency skill set. Participants in Step Two will receive services designed to provide individual job skill development, address transportation needs, and ensure ongoing participation in health care services.
- **Step Three**, the local Fairfax County Rental Program (FCRP), serves low and moderate income households (earning 80 percent of AMI and below) working toward an independent skill set, who are able to maintain stable employment, are participating in preventative activities, and are pursuing financing education such as retirement planning and homebuyer training.
- **Step Four** is homeownership or unsubsidized rental housing – self-sufficiency. At Step Four, individuals and families will be considered self-sufficient. To ensure long term success, the FCRHA is engaging private landlords to offer initial discounts on their market rate housing as a way to ease the transition.

Households can enter the continuum at any step, based on their skills and individual needs, and directly progress through the continuum to any step. Households will receive an individual assessment by FCRHA staff to determine what step in the continuum is right for them. For example, and homeless family that enters Step One/Bridging Affordability can progress directly to Step Three/FCRP if their skills and income increase sufficiently to do so. Similarly, a household may enter Step Three/FCRP directly if their income and skills allow.

THRIVE Housing Continuum

A Stepped Approach that Provides Work Incentives, Service Supports, and Permanent Housing



Note: Elderly/disabled households may choose their level of participation in many aspects of the THRIVE/MTW program.

The MTW designation would allow the FCRHA to exponentially expand the scope and impact of the THRIVE Initiative. The FCRHA, consistently recognized by HUD as a high-performing public housing agency, proposes to use the flexibility that comes with the MTW designation to:

- 1) Create a **housing continuum** that seamlessly couples the county's *local and federal* housing programs and establishes skills-based benchmarks to move customers toward the greatest level of self-sufficiency they are able to attain.
- 2) Expand its already **strong community partnerships** with non-profit organizations to provide self-sufficiency services ranging from "ready-to-rent" training, to job readiness, through homebuyer education and beyond.
- 3) Reduce the regulatory burden both on staff and customers, to allow a greater focus on **people – not paperwork**. Steps such as moving to biannual re-certifications will permit FCRHA staff to concentrate on facilitating access to self-sufficiency services and opportunities, such as job training and higher education.
- 4) **Align housing resources with community needs**, consistent with the county's recently-adopted "Housing Blueprint".

A number of critical components of the THRIVE Initiative are already in place or underway:

The PROGRESS Center: This new unit, staffed by dedicated professionals with a broad array of cross-cutting skills, provides crisis intervention for residents, access to self-sufficiency programs and resource, and coordinates the FCRHA's Section 3 compliance. The PROGRESS Center would be expanded under MTW.

Asset Management Division: Established in response to HUD's asset-based management requirements, this new division provides professional management for the "business" aspects of the FCRHA's federal Public Housing and local Fairfax County Rental Program (FCRP) portfolio – critical in this time of diminishing resources.

Housing Solutions Center: The FCRHA is also in the process of reinventing the public "face" of its housing programs, making its housing application process more customer-driven and geared toward finding holistic affordable housing solutions – not just processing paperwork.

Quality Properties and Healthy Living Initiatives: The FCRHA plans to implement two other initiatives to enhance property maintenance and healthy living choices for residents.

MTW will allow the FCRHA to significantly enhance the impact it has on its customers and the community as a whole. For the FCRHA's residents, the benefits include:

- **Less intrusion, less paperwork:** Most customers will only need to go through the full recertification process every other year, instead of annually. Elderly and disabled families on a fixed income will only need to recertify every three years.
- **Saving for the Future:** Residents and voucher participants may have an opportunity to have a portion of their income increases go into a savings account instead of paying more rent, giving them an opportunity to save for goals including education, buying a home or retirement.
- **Opportunities to Grow:** Customers will be provided the services they need to pursue opportunities, such as finding a better job, more education, and English language skills.
- **Focusing on Customer Needs:** FCRHA staff will be able to spend less time on paperwork and verifications and more time focusing on our customers. This new relationship will help customers in setting their own goals and in connecting them to the right services and support networks.
- **Rebates for Good Housekeeping:** Customers who maintain their homes well help reduce the maintenance costs to the FCRHA. Good housekeepers will be rewarded with a rebate at the end of each year.
- **New Options for Persons with Special Needs:** Residents who have a disability or are elderly may choose their level of participation in many aspects of the THRIVE/MTW program.
- **A Path to Recovery:** For customers with health problems or substance abuse issues, or those with disabilities, the FCRHA's THRIVE/MTW program will provide a connection to

services from other county agencies and non-profit organizations – services aimed at helping with recovery and being successful in housing.

- **Getting on the Road to Self-Sufficiency:** The FCRHA will work with residents to move them from dependency on public subsidies and programs to becoming self-sufficient. THRIVE/MTW will assist residents every step of the way through services, resources and support. The goal will be to move ahead in every aspect of life – most especially in housing. The goal is to have the FCRHA's customers move along the housing continuum from deeply subsidized housing (the local rental subsidy program, Housing Choice Voucher and Public Housing) on to moderate priced housing (the Fairfax County Rental Program) and eventually on to market rate rental housing or homeownership.

The FCRHA's Housing Continuum will move customers toward self-sufficiency and, for those who are able, serve as a gateway to homeownership and market rental housing. By fostering self-sufficiency, attrition will create new opportunities for households with the greatest needs to be served; households moving off of the program will have enhanced skills that make them – and our community – economically stronger.

The designation of the FCRHA as an MTW agency will result in an even stronger partnership between the Authority and HUD:

- **Leverage:** The MTW designation will allow for further leveraging of federal resources by greater access to local services and housing programs. The Bridging Affordability program, a locally-funded rental subsidy program intended to serve as the first step in the FCRHA THRIVE Housing Continuum - brings more than \$4 million to the table each year in rental subsidies. The current Bridging Affordability contract is expected to leverage nearly \$7 million in non-profit services and rental housing over three years. In addition, as part of the THRIVE Housing Continuum, the FCRHA will provide access to the Fairfax County Rental Program for households moving off of the federal programs as they achieve greater self-sufficiency.
- **Replicability:** The THRIVE model is one that can be replicated by other PHAs and communities around the country. First, the concept of moving to less frequent recertifications as a means to provide a greater focus on serving people is common among MTW agencies. PHAs that also operate local rental housing and tenant subsidy programs can replicate the Housing Continuum by creating a gateway into the federally-subsidized programs, and a “soft landing” as they move off those programs and toward self-sufficiency.
- **Cost Effectiveness:** The THRIVE model relies on a local program Bridging Affordability – as a gateway to ready families to be responsible tenants and to start their path to self-sufficiency. Bridging Affordability provides services and other supports, allowing households to maximize to increase household income; move through the housing continuum, and make available deep-subsidy housing resources for new low-income families.

A well-grounded approach consistent with HUD's MTW goals

This application is the result of many years of working to re-invent how the FCRHA manages its federal and local housing programs, to make them more customer –friendly, sustainable, and, most critically, focused on moving to self-sufficiency.

The FCRHA's MTW Goals and Objectives

The FCRHA's MTW approach addresses the three mandatory MTW statutory goals and additional objectives, which include:

- Achieving greater cost effectiveness in the use of federal resources;
- Increasing housing choice for eligible low-income families;
- Giving incentives for 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;
- Piloting rent policies that will encourage self-sufficiency and assure accurate reporting of income;
- Leveraging local and federal resources to serve the same or larger number of families while preserving, transforming, and revitalizing Public Housing; and
- Changing or eliminating existing local preferences to better align resources with community needs.

The FCRHA's First-Year Activities under MTW:

- Create a gateway to the federal programs for those at the first step of the FCRHA Housing Continuum, using the Fairfax County Bridging Affordability Program.
- Develop a basic skill set for self-sufficiency including skills assessment/job readiness training; health assessment and services referrals; transportation needs identified; training in basic financial literacy and credit education; and ready-to-rent training.
- Utilize an assessment tool for all participating MTW households and match them to the right fit for housing assistance and services.
- Renew existing partnerships with the Northern Virginia Workforce Investment Board and its affiliate, SkillSource, Inc. for job training and placement.
- Expand existing partnerships with non-profits, such as Northern Virginia Family Service, for job readiness training.

- Expand partnerships with the Fairfax-Falls Church Community Services Board (CSB) and the Fairfax County Health Department for mental and other health services, clinics and education.
- Undertake an alternate rent strategy that will allow participating residents to establish escrow accounts using a portion of rising income for this purpose, as an incentive for wage progression and increasing self-sufficiency.
- Imbed the Progress Center model for all FCRHA operated federal programs.
- Reduce frequency of reexaminations to allow more staff time to be devoted to helping families set goals and connecting them with services
- Eliminate mandatory Earned Income Disregard
- Streamline Housing Choice Voucher and Public Housing inspection processes that will encourage good housekeeping by providing rebates
- Institute a work requirement for all non-exempt families in Public Housing and Housing Choice Voucher programs
- Design and evaluate a rent reform controlled study
- Moving to Work block grant evaluation
- Dispose of scattered site Public Housing units to an FCRHA-affiliated entity and implement project-based Section 8 assistance at those units to facilitate rehabilitation needs of the units, deconcentrate poverty, and streamline management efficiencies at those widely-dispersed units.

See Section V for detailed explanations of each activity.

Fairfax County: A sound investment of HUD's first MTW designation in the Commonwealth of Virginia.

About Fairfax County: With a population of 1,081,726¹, Fairfax County is the most populous jurisdiction in Virginia, and is a rapidly urbanizing, highly diverse community. Fairfax County has a high median income but also a high cost of living, particularly housing. The county has a comparatively strong job market thanks in part to its proximity to the national capital. However, Fairfax County is a community with many housing needs.

In spite of the slow pace of the economic recovery, Fairfax County remained one of the highest cost areas for housing in the nation in 2011. The county has more than 55,000 people living below the poverty level – more than the entire population of 103 of Virginia's 134 jurisdictions.² According to the Virginia Tech Center for Housing Research, Fairfax County has an affordable housing gap of more than 28,000 units for low- and moderate-income renters.

According to the 2010 US Census Bureau American Community Survey, there were an estimated 78,662 households in Fairfax County earning less than \$50,000 per year, or about 48 percent of the area median income for a family of four of \$103,100. In Fairfax County, the National Low Income Housing Coalition's Out of Reach 2011 report found that the annual salary needed to afford a two-bedroom apartment at the HUD Fair Market Rent



¹ US Census Bureau: "QuickFacts"; 2011 population estimate.

² US Census Bureau: "QuickFacts; 2011 poverty estimate; 2009 population estimates.

(FMR) of \$1,461 was \$58,440 – nearly 60 percent of the Area Median Income for a family of four. According to the report, a minimum wage earner would have to work nearly four full time jobs to afford a two-bedroom unit at the FMR in Fairfax County.

The recent decrease in housing prices associated with the recession may have relieved some of the pressure in the sales market; however, tighter credit standards, a continued reasonably healthy job market and above average housing prices compared to the rest of the country continue to make Fairfax County a profoundly challenging housing market for low- and moderate-income working households. This is particularly true for new entrants into the housing market who are coming to pursue new jobs in Fairfax County. Based on job growth and housing data prepared by the Center for Regional Analysis at George Mason University, it is estimated that Fairfax County will need approximately 50,206 net new housing units affordable to low and moderate income working households earning up to approximately 120 percent of the Area Median Income.³ This gap in housing affordability can affect the ability of employers, including the county, to attract employees crucial to the health and safety of the community, as well as to the county's continued economic success. (**Note:** The GMU Center for Regional Analysis is Fairfax County's program evaluation partner for its MTW application.)

As of September 2011, the total unduplicated households (families and individuals) on the waiting list for the county's three principal affordable housing programs – the federal Housing Choice Voucher and Public Housing programs, and the local Fairfax County Rental Program – was 12,113. There are additional households on the waiting lists for homeless shelters and Fairfax-Falls Church Community Services Board services.

Affordable housing has enjoyed significant support in Fairfax County in recent years, including a substantial investment of local dollars by the Board of Supervisors. Fairfax County has made significant investments of local dollars in the preservation and production of affordable housing and rental subsidies. This has been particularly the case over the last eight years, as the stock of privately-owned subsidized units and non-subsidized rental housing with modest rents in the County has been declining due to owners repositioning their properties in the market, prepaying their federally subsidized mortgages, and other factors. In response to these conditions, the Board of Supervisors created an Affordable Housing Preservation Initiative, with a goal of preserving 1,000 units. The centerpiece of this initiative was the creation of a local affordable housing fund, which has produced more than \$123 million for affordable housing preservation, development and rental subsidies. The county's Preservation Initiative has preserved more than 2,400 units of affordable housing since 2004.

About the FCRHA: The Fairfax County Redevelopment and Housing Authority has a long history of successful innovation and creativity. The FCRHA, established in 1966 following a voter referendum, has been recognized nationally for its innovative approaches to affordable housing through numerous awards.

³ George Mason University, Center for Regional Analysis, *"Housing the Region's Future Workforce: Policy Challenges for Local Jurisdictions"*, October 2011

The FCRHA provides a diverse array of affordable housing programs.

The FCRHA operates three principal affordable housing programs: the federal Public Housing and Housing Choice Voucher programs, and the Fairfax County Rental Program. The following describes the FCRHA's recent (Fiscal Year 2011) performance with these programs:

- Housing Choice Voucher Program: Average household income served in FY 2011 was \$20,032, or approximately 21% of AMI for average family size of three. Most new households leasing earn approximately 30% AMI. A total of 3,537 vouchers are authorized; a total of 9,103 individuals were housed in FY 2011. HUD High Performer.
- Public Housing Program: Average household income served in FY 2011 was \$22,334, or approximately 23% of AMI for average family size of three. Most new households leasing earn approximately 30% AMI. The FCRHA operates 1,060 Public Housing units; a total of 2,839 persons were housed in FY 2011. HUD High Performer.
- Family Self-sufficiency Program:
- Fairfax County Rental Program
 - **Multifamily**: Includes rental property owned by the FCRHA and developed with funds other than Public Housing or Housing Choice Voucher funds, such as Low Income Housing Tax Credits (LIHTC). FCRP generally serves working households with incomes slightly higher than those households living in Public Housing and or participating in the Housing Choice Voucher program. Housing managed under the FCRP include multifamily housing, magnet workforce housing for police, firefighters, FCPS teachers and bus drivers, housing for families, single persons, seniors, and supportive housing for special populations. The FCRP generally serves a range of household incomes from the low teens up to 80% of AMI, depending on the program component and the property. Average household income served in FY 2011 was \$36,290, or approximately 38% of the Area Median Income (AMI) for average family size of three. There are a total of 1,929 multifamily units and 19 residential studio units in the FCRP; a total of 5,578 persons were housed in FY 2011.
 - **Senior Housing**: Includes eight independent senior living properties included in the Fairfax County Rental Program and the two assisted living facilities. Average income served in FY 2011 in assisted living was \$16,783, or 23% of AMI for a family of one. The average in independent living was \$17,121, or 23% of AMI for a family of one. The FCRHA owns a total of 112 beds of assisted living, and 504 independent living units.

The average household income served in these programs in Fiscal Year 2011 was \$25,905, or approximately 27 percent of the Area Median Income (AMI) for a family of three; this meets the federal definition of "extremely low income".

Fairfax County's new "**Bridging Affordability**" program, which began operation in FY 2012, is a locally-funded rental subsidy provided to income-eligible households who are either 1) homeless; or 2) on one of the county's waiting lists for affordable housing. The program was

Each year, with the leadership of the FCRHA, the community develops specific metrics for each goal and allocates resources to accomplish those metrics. Most of the resources invested through the Blueprint are managed by or derived from the FCRHA, including the Housing Choice Voucher and Public Housing programs.

The Housing Blueprint represents a consensus on priorities in Fairfax County, and has become the common “housing language” of the FCRHA, elected officials, advocates and the public. In FY 2011, Fairfax County’s Housing Blueprint was selected for two national awards: the 2011 National Association for County Community and Economic Development (NACCED) Award of Excellence and the 2011 National Association of Counties (NACo) Achievement Award.

- **Innovation in Resident Supportive Services and Self Sufficiency Programming – The PROGRESS Center:** The Fairfax County Department of Housing and Community Development (HCD), under the guidance of the FCRHA, established the *Partnership for Resident Opportunities, Growth, Resources and Economic Self-Sufficiency (PROGRESS) Center* - a resource to assist some of the most vulnerable tenants of and applicants to Fairfax County affordable housing programs and to assist others achieve self-sufficiency. The PROGRESS Center houses the Resident Opportunities and Supportive Services (ROSS) and Family Self Sufficiency (FSS) programs, among many other activities. Staffed by existing employees with a rich background and experience in HUD housing programs and human services, the PROGRESS Center’s approach includes:
 - **Intervention** to address difficult resident crises and client issues;
 - **Collaboration** with human services agencies and non-profits to coordinate needed services and assistance;
 - Efforts to give residents who may be facing eviction **a second chance** by showing them practical ways to resolve their issues and linking them to ongoing supportive services;
 - **Job training** and placement opportunities;
 - **Connections** to the local community college and other educational resources; and
 - **Special supportive services** such as Earned Income Tax assistance, financial literacy and budgeting classes, healthy living seminars for seniors, summer lunch programs and, community gardens.

Fairfax County is blessed with a wide range of human service agencies and non-profit organizations which offer a wealth of programs and resources. As comprehensive as the network is, it can be complex and daunting to a resident who may be overwhelmed by their language skills, health, and time or transportation barriers. The PROGRESS Center takes an innovative approach to self-sufficiency and housing success in the way it “connects the dots” by linking residents in crisis with existing supportive services. Service Coordinators at the PROGRESS Center connect the resident to appropriate supportive services, sometimes by just smoothing the way and other times by hand-holding the client. This approach saves money in that the FCRHA does not need to re-create existing services, but rather tap into them in the most effective and efficient manner.

For example, the FCRHA’s PROGRESS Center typically becomes involved in a resident’s life at the request of property managers, housing specialists, and occasionally finance

when an issue is identified. In most cases, the presenting problem is non-payment of rent, however as Service Coordinators work with the resident, there are many other contributing factors that emerge. Service Coordinators work to address each of these issues to stabilize the family and help preserve their housing.

The PROGRESS Center helps individuals in need of employment and better job skills to access the resources of the SkillSource Group, Inc. – the job training and placement services arm of the local Workforce Investment Board. The FCRHA also taps into the hiring power of its contractors and other vendors by imposing and encouraging hiring requirements under the Section 3 program. The PROGRESS Center provides outreach and training to local contractors and vendors.

When a tenant faces a mental health crisis, the PROGRESS Center not only has an experienced mental health worker on staff, but can quickly access the mobile crisis team of the Community Services Board (CSB). The PROGRESS Center also works routinely with the residents and their CSB caseworkers. Through a close relationship to Northern Virginia Family Services, families who experience trauma or are in need of counseling and mental health treatment services can be referred to Multicultural Human Services for ongoing comprehensive care.

The PROGRESS Center also facilitates training for FCRHA staff on critical skills and topics that help to provide better customer service. Trainings have included a simulation in the life of families and individuals in poverty, resources for elderly and disabled populations, and identifying and working with hoarders.

The Family Self-Sufficiency Program is a structured approach to helping individuals and families succeed with an emphasis on transitioning out of subsidized housing. Participants are prepared for graduation through regular case management, progress assessments, and resource coordination. FSS coordinates with the Northern Virginia Community College for education and job training opportunities and has a direct link to the Fairfax County homeownership programs, helping FSS graduates to qualify for the County's affordable homeownership programs and reach the American Dream. Through a wide variety of other community partnerships, FSS is able to provide participants with services such as:

- Credit counseling and budget preparation;
- Computer literacy and keyboarding;
- GED and ESL training;
- Job readiness and skills training;
- Entrepreneurship and small business creation;
- Health and wellness services; and
- Basic needs referrals.

The list of innovative and creative partnerships managed by the PROGRESS Center and is long and wide reaching. There are recreation programs through the Neighborhood Community Services agency, including computer training, teen clubs and after-school programs – many of which are facilitated on our Public Housing properties. There are

programs for seniors, including some native language programs. There are services for victims of domestic violence; mentoring programs for children and a variety of other opportunities and assistance, all designed to create a supportive environment that encourages independence, resourcefulness and self-sufficiency among FCHRA residents.

The partnerships and resources managed and coordinated by the FCRHA's PROGRESS Center are a unique and capacity, and will play an essential role in implementing MTW and the Housing Continuum in Fairfax County.

- **Innovation in Mixed Finance Transactions – A Historical Review:** The FCRHA has been a leader in mixed finance transactions for the past 20 years. The high cost of housing development in Northern Virginia compelled the FCRHA to creatively seek creative ways to mix a variety of financing sources in order to achieve quality housing that is affordable.

While the FCRHA is a public housing authority, the Authority's portfolio has expanded beyond the federal Public Housing Program. The Authority owns 1060 Public Housing units and another 2564 units of housing funded through a diverse array of other programs. The Authority is the managing general partner for 994 units of Low Income Housing Tax Credit (LIHTC) housing; owns and operates 194 units under FHA 236 financing; and 1,134 units of bond-financed housing.

The FCRHA is a local housing finance agency with extensive experience in issuing tax exempt bonds. The FCRHA has financed \$567,862,000 in bonds, funding both for-profit and non-profit developers of housing. The FCRHA is creative in combining the county's HOME and CDBG allocations along with project-based vouchers to fund the "gap" and to ensure that the lowest income levels are proportionately served in each project. In the 1990's, the FCRHA was one of the first PHAs in the country to undertake mixed finance projects which combined Public Housing and LIHTC. One of these properties preceded the HOPE VI program and may have laid the groundwork for that program. Both properties continue to operate today.

In 2005, Fairfax County established a local affordable housing preservation fund, then known as the "Penny for Affordable Housing Fund" because the annual allocation was equal to one cent of the real estate tax rate. The Penny Fund was the centerpiece of Fairfax County's Affordable Housing Preservation Initiative. In total this fund has produced over \$123 million affordable housing. The county set a goal to preserve 1000 units of affordable housing at a time when the real estate market was intense and affordable housing was being lost to speculators and condo conversions. The FCRHA not only achieved the 1000 unit goal, but surpassed it, preserving over 2400 units of affordable housing as of the end of FY 2011. One of the most innovative Penny Fund endeavors was the purchase of a 670 unit development, Wedgewood Manor, in Annandale, Virginia. The FCRHA used the Penny Fund along with government bonds to purchase this significant resource. The FCRHA entered into a long term payment agreement with the County which covers the debt service on the property. The cash flow generated from the property's operations is subsequently dedicated to funding a rental subsidy program for the homeless and disabled.

The FCRHA has been a leader in public/private partnerships. By joining forces with private for-profit partners, the FCRHA has been able to develop affordable assisted living for seniors and affordable workforce housing. One of the most exciting projects is the upcoming Residences at the Government Center project – a 270 unit development being built by a private developer on public land adjacent to county headquarters. The FCRHA was instrumental in providing the land through a ground lease and expects to finance the project through tax exempt bonds and 4% tax credits. Other impressive public/private partnerships are anticipated, including the redevelopment of The Crescent Apartments at Lake Anne in Reston, Virginia. The FCRHA will provide land through a ground lease and will allow the existing 180 units at the site to be redeveloped as approximately 900 units of residential, urban scale housing. This transaction will involve FCRHA financing, Low Income Housing Tax Credits, a ground lease, potential land consolidation and a mix of other financing tools.

It should also be noted that the Housing Blueprint, discussed in detail earlier, helps to guide the county's investment of affordable housing development funds, ensuring that the county's limited housing resources go to address the community's priorities.

- **Innovation in Creating New Housing Programs with Federal Resources – *The Partnership for Permanent Housing Program*:** Fairfax County's Partnership for Permanent Housing (PPH) was a well-structured, successful model for moving homeless households into permanent housing while at the same time creating a foundation of sustainable self-sufficiency. The objective of PPH was to assist homeless families living in shelters address challenges that can prevent them from attaining stable housing and self-sufficiency with the ultimate goal of moving participating families into homeownership. PPH served as a component to Fairfax County's overall Plan to Prevent and End Homelessness within ten years.

PPH was designed to assist 25 households move from homelessness into homeownership within a five-year period. Case management and other services are provided to the families along with rental subsidy which is provided through federal HOME-funded Tenant Based Rental Assistance (TBRA) vouchers and Housing Choice Vouchers. All homeless families living in Fairfax County in either homeless shelters or transitional housing programs were eligible to apply for PPH.

Similar to the FCRHA's planned approach to MTW, the PPH program was designed to provide a comprehensive array of services to participants, provided both by county staff and a network of non-profit organizations, with the goal of moving households toward self-sufficiency. PPH included many of the same supportive service elements included in the FCRHA MTW approach:

- **Case management** – participating families meet regularly with their case manager, often weekly or as the needs of the families dictate;
- **Financial education** classes such as Out of Poverty, Credit Smart, VHDA Homeownership education. Out of Poverty is a program with a curriculum that is

- taught by trained staff at Reston Interfaith and New Hope Housing. The program is geared towards serving individuals whose lives are habituated and sustained in poverty, assisting those clients to break unhealthy habits and develop new ones.
- **Credit Smart**, a financial literacy curriculum developed by Freddie Mac, is offered by a number of community organizations including Reston Interfaith, Our Daily Bread, the Northern Virginia Urban League, and the Fairfax County Department of Housing and Community Development.
 - Virginia Housing Development Authority (VHDA) **homeownership education** was developed by the VHDA and is delivered by certified VHDA Homeownership volunteer trainers, many of whom are lenders.
 - **Budgeting** and **credit repair** guidance;
 - Eligibility for Fairfax County's First Time Homebuyers Program;
 - Virginia **Individual Development Accounts** (VIDA);
 - In-kind resources from non-profits, such as Education Institute, backpacks, school supplies, employment searches.

Fairfax County's Partnership for Permanent Housing program won a National Association of Redevelopment and Housing Officials (NAHRO) Award of Merit in 2009. Lessons learned from this effort will be an important foundation for the FCRHA MTW Plan.

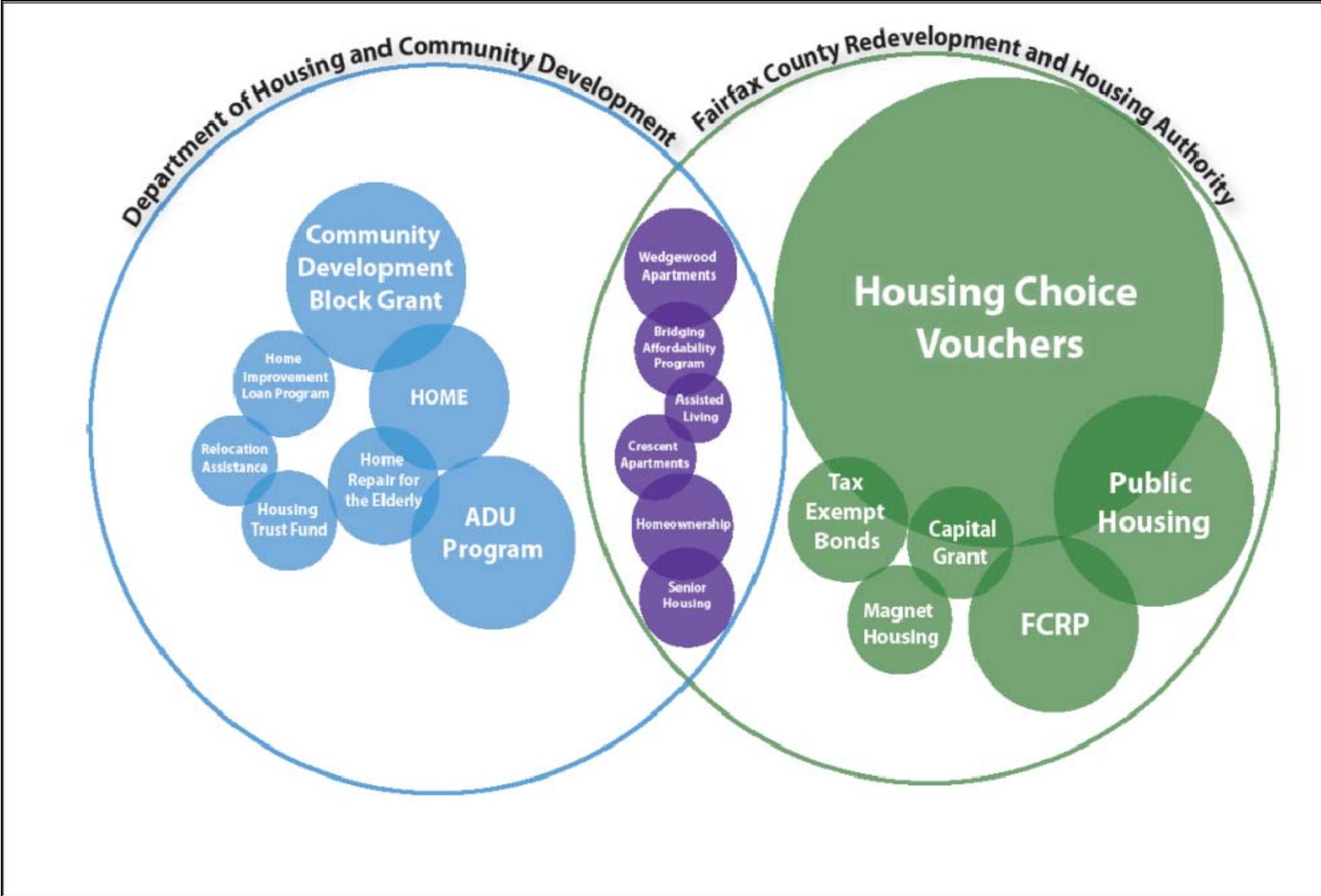
- ***Innovation in Local Land Use – Fairfax County Workforce Housing Policy and Affordable Dwelling Units Program:***

- Workforce Housing Policy: Created in 2007 by the Board of Supervisors, with the leadership and guidance of the FCRHA, Fairfax County's Workforce Housing policy is a proffer-based incentive system designed to encourage the voluntary development of new housing affordable to a range of moderate-income workers in Fairfax County's high-rise/high-density areas. The county's Comprehensive Plan provides for a density bonus of up to one unit for every workforce unit provided by a developer, with the expectation that at least 12 percent of units in new developments be affordable or workforce housing. The Workforce Housing policy also provides for the administrative tools for the long-term administration of proffered workforce units, and addresses issues such as unit specifications, price and financing controls, covenants and occupancy. As of the end of FY 2011, approximately 1,286 Workforce Dwelling Units (WDU) had been committed by private developers in rezoning actions approved by the Board of Supervisors. A total of 14 rental workforce units had been constructed as of the end of FY 2011. Fairfax County's Workforce Housing Program was selected as winner of the Virginia Housing Award for the Best Housing Program in 2008.
- Affordable Dwelling Unit Program: In addition to the Workforce Housing policy described above, the county also has an Affordable Dwelling Unit (ADU) program, adopted in 1990 as part of the Zoning Ordinance. The ADU program, which is administered jointly by the FCRHA and the county, requires developers of certain housing developments to set aside up to 12.5 percent of the units as affordable housing (6.25 percent for multifamily rentals) in return for additional density granted at the time the development is built. The FCRHA has the right to acquire one-third of the ADUs for

sale and to lease up to one-third of the rental units. The remaining units are sold or rented to moderate income households. As of January 2012, a total of 2,448 units (1,112 rentals and 1,336 for-sale condominiums) have been produced under the ADU program; the FCRHA has acquired 147 of the for-sale units, which are maintained as permanent affordable rental housing.

Fairfax County and the FCRHA: A unique partnership

The Fairfax County and the FCRHA have a unique and highly-effective partnership that has allowed our community to create synergies and achieve outcomes such as those discussed above. From land use planning to the use of federal Community Development Block Grant (CDBG) and HOME Investment Partnership program funds to the management of the Public Housing and Housing Choice Voucher programs, Fairfax County and the FCRHA work closely together to maximize the creation of affordable housing opportunities in our community. The FCRHA is a separate political entity from the county under state law, endowed with powers to provide housing, make loans and perform other functions that the county does not have. The close relationship between the county and the FCRHA, however, makes for a seamless delivery of affordable housing programs and development. The county provides financial oversight, cash management, legal counsel, procurement, insurance, personnel, and other valuable assistance and services to the FCRHA. The county's Department of Housing and Community Development (HCD) acts as administrative staff to the FCRHA; the County Executive is the Executive director of the FCRHA, and the Director of HCD is the Assistant Secretary.



II. General Housing Authority Operating Information

A. Housing Stock Information

Housing Stock Information - Public Housing	
(1) Number of public housing units at the beginning of the year	1,060
(2) General description of any planned capital expenditures by development	Property: Greenwood Apartments (AMP 5) Planned expenditures: \$596,010 for replacement of kitchen cabinets, tops, and appliances out of total Capital Grant Fund of \$1,457,258
(3) Description of any new public housing units to be added during the year by development	None
(4) Number of public housing units to be removed from the inventory during the year by development specifying the justification for the removal	The FCRHA plans to dispose of 209 scattered site PH units in our first year as an MTW agency and implement project-based Section 8 assistance at those units to facilitate rehabilitation needs of the units, deconcentrate poverty, and streamline management efficiencies at those widely-dispersed units (see table below for details on 209 units). While this would remove the units from the PH inventory, it will not decrease our total housing inventory.

AMP	Property Locations	Number of Units
AMP 1 VA019000001	Scattered Site	36
AMP 2 VA019000002	Scattered Site	40
AMP 3 VA019000003	Scattered Site	12
AMP 4 VA019000004	Scattered Site	16
AMP 5 VA019000005	Scattered Site	36
AMP 8 VA019000008	Scattered Site	48
AMP 9 VA019000009	Scattered Site	21
TOTAL Units		209

Public Housing

The following chart summarizes the number of Public Housing units available as of the beginning of the MTW plan year. We have numerous scattered site properties, so the chart is broken down by bedroom sizes of the properties in each AMP. The property name is indicated in the AMPS that contain just one property.

AMP	Property Information	Number of units	Eff	1 BR	2 BR	3 BR	4 BR
AMP 1 VA019000001P	Scattered sites	118	32	38	22	26	
AMP 2 VA019000002P	Scattered sites	88			44	38	6
AMP 3 VA019000003P	Scattered sites	108			4	93	11
AMP 4 VA019000004P	Scattered sites	110		2	23	79	6
AMP 5 VA019000005P	Scattered sites	174		52	108	14	
AMP 6 VA019000006P	Kingsley Park	107			54	53	
AMP 7 VA019000007P	Rosedale Manor	96		27	56	13	
AMP 8 VA019000008P	Scattered sites	95		10	57	28	
AMP 9 VA019000009P	Scattered sites	102			27	58	17
AMP 10 VA019000010P	Tavenner (Tax credit)	12			6	6	
AMP 11 VA019000011P	West Glade (26 tax credit)	50			15	21	14
TOTALS		1060	32	129	416	429	54

Housing Stock Information – Housing Choice Voucher	
(5) Number of MTW Housing Choice Voucher units authorized	2991
(6) Number of non-MTW HCV units authorized	546- These include the allocations for Mainstream/NEDS (100), FUP (170), VASH (48), Tenant Protection (203) and Homeownership (25)
(7) Number of HCV units to be project-based during the Plan year, including a description of each separate property	We expect to convert 209 Public Housing units to project-based assistance. In addition, 42 project based vouchers will be competitively awarded to an agency/agencies that will use the units to house homeless families and individuals/persons with disabilities.

Housing Choice Voucher

The following chart summarizes the Housing Choice Voucher (HCV) maximum allocations by voucher type.

VOUCHER TYPE	#
Regular vouchers	2698
NEDS/Mainstream	100
FUP	170
Project-based	293
VASH	45 (includes 10 that were just awarded in March 2012)
VASH Project Based	3
Tenant Protection	203
Homeownership	25
TOTAL ALLOCATION	3,537

Other Available Housing

In addition to Public Housing and HCV, the Fairfax County Redevelopment and Housing Authority (FCRHA) also provides housing through the locally-funded Fairfax County Rental Program (FCRP). There are over 1,929 multi-family units and 504 units for seniors operated under the FCRP. FCRHA also owns and operates 19 Single Room Occupancy (SRO) units.

B. Leasing Information, Planned - this information is estimated and may be subject to change during the Plan year

Leasing Information	
Anticipated total number of MTW PH units leased in the plan year:	830 (makes allowance for no more than 2% vacancy rate). This figure accounts for the planned 209 Public Housing that we plan to dispose of in our first year.
Anticipated total number of non-MTW PH units leased in the Plan year	None
Anticipated total number of MTW HCV units leased in the Plan year	3200. This figure accounts for the planned 209 additional HCV units disposed/converted from Public Housing.
Anticipated total number of non-MTW HCV units leased in the Plan year	546
Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH)	No potential difficulties in leasing units in either program are anticipated
Number of project based vouchers in-use at start of plan year	293

C. Waiting List Information

Waiting List Information	
<p>Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged)</p>	<p>Elimination and/or change of preferences; merging of “area” based PH wait lists into just one list.</p> <ul style="list-style-type: none"> • Currently the following local preferences are applied to our PH and HCV wait lists: <ol style="list-style-type: none"> 1. Rent Burden Preference- household pays more than 30% of gross monthly income for rent and utilities or earns less than 50% of area median income. 2. Work Preference- head of household or spouse employed, attending school/job training or combination of both for at least 30 hours per week; OR meets HUD definition of being handicapped or disabled; OR is 62 years of age or older; OR is the primary caretaker of a disabled dependent. 3. Residency Preference- lives, works, or has been offered employment in Fairfax County. <p>Points are assigned to each preference and applicants who meet all three preferences are placed at the top of the list by date of application. Remaining applicants are then placed according to the number of points and date of application. Eliminating or changing the preferences will decrease the administrative burden of administering the wait list and will allow for a wider cross-section of applicants to be served.</p> <ul style="list-style-type: none"> • Currently the PH wait list is divided into three separate lists by geography. Applicants can apply to any list according to the area of the county in which they wish to live. <p>Merging the three lists in to one will again reduce the administrative burden required to maintain three separate lists which will in turn increase efficiency in wait list management</p>
<p>Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s)</p>	<p>PH and HCV waiting lists have been closed for several years in an effort to reduce the applicants on the list to a manageable number. The goal is to reduce the list to a number that will establish a reasonable expectation that any person who applies will be called in to determine eligibility within 24 months of application submission Analysis of prior year leasing data will be used to determine the appropriate number of applicants that should be maintained on each list to meet that goal and the date(s) the lists will re-open. There are currently 4,468 applicants on the PH wait list and 1,102</p>

	applicants on the HCV wait list.
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III. Non-MTW Related Housing Authority Information

A. List planned sources and uses of other HUD or other Federal Funds (excluding HOPE VI)

A description of each of these initiatives follows this table.

Funding Source/Use	Amount
Veterans Affairs Supportive Housing (VASH)	\$542,184
Tenant Protection/Enhanced Vouchers	\$2,638,629
Family Unification Vouchers (Pre 2008)	\$1,265,097
Family Unification Vouchers (Fiscal Years 2008 and 2009)	\$1,265,097
Non-Elderly Disabled/Mainstream Vouchers	\$1,265,097
Homeownership Vouchers	\$253,019
Public Housing and Housing Choice Voucher Family Self Sufficiency Programs	\$138,000
ROSS Service Coordinator Program	\$160,000
TOTAL	\$7,527,123

B. Description of Non-MTW Activities Proposed by Agency

Following is a description of the programs not included in the MTW program:

Funding Source	Description of Program
Veterans Affairs Supportive Housing (HUD-VASH)	48 vouchers combining HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs at its medical centers and in the community.
Tenant Protection/Enhanced Vouchers	203 vouchers are tenant protection/enhanced vouchers. These vouchers were issued because the tenants were impacted by termination, opt-out or pre-payment of a multifamily assisted development or a property

Funding Source	Description of Program
	disposition action.
Family Unification Vouchers (Pre 2008)	70 Family Unification Program Vouchers are made available to families for whom the lack of adequate housing is a primary factor in the separation, or threat of imminent separation, of children from their families or in the delay in the discharge of the child, or children, to the family from out-of-home care. FUP vouchers are also made available to youths ages 18 to 21 who left foster care at age 16 or older who lack adequate housing.
Family Unification Vouchers (Fiscal Years 2008 and 2009)	100 Family Unification Program Vouchers are made available to families for whom the lack of adequate housing is a primary factor in the separation, or threat of imminent separation, of children from their families or in the delay in the discharge of the child, or children, to the family from out-of-home care. FUP vouchers are also made available to youths ages 18 to 21 who left foster care at age 16 or older who lack adequate housing.
Non-Elderly Disabled/Mainstream Vouchers	100 Mainstream Vouchers awarded in 1998 made available to provide assistance to persons with disabilities.
Homeownership Vouchers	25 Homeownership Vouchers—provided to families to move toward homeownership.
Public Housing and Housing Choice Voucher Family Self Sufficiency Programs	Two family self-sufficiency coordinators serve 125 families in Public Housing and Housing Choice Vouchers programs.
ROSS Service Coordinator Program	Two service coordinators assist Public Housing residents who are in crisis or who need assistance to connect to Fairfax County services so that they can maintain their stable housing.

In Fiscal Year 2013, the Fairfax County Redevelopment and Housing Authority (FCRHA) will continue to apply for funds/programs to further the Authority’s goals and the US Department of Housing and Urban Development’s (HUD) priorities and goals. For example, should HUD release Notices of Funding Availability (NOFA), the FCRHA will apply for renewal Public Housing and Family Self Sufficiency Program grants and ROSS Service Coordinator Program grant, as well as for Non-elderly Disabled Vouchers, Family Unification Vouchers, and the Section 3 Coordinator Program grant

When the FCRHA does apply for these programs, the programs are designed to meet HUD’s strategic goals, including job creation, affirmatively furthering fair housing, and capacity building and knowledge sharing. For example, all of the programs mentioned above are partnerships with many Fairfax County agencies and non-profit organizations. Regularly, regarding our mutual clients, we meet to share

knowledge with our various partners, as well as ultimately increase each other's capacity to serve our clients.

IV. Long-term MTW Plan. Describe the Agency’s long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.

The Fairfax County Redevelopment and Housing Authority’s (FCHRA) application for designation as a Moving to Work agency is directly tied to an agency-wide shift in how we serve the Fairfax County community. As the families in our housing programs require more assistance in achieving self-sufficiency and more service supports to maintain their housing stability, the FCRHA is transitioning from a model that ensures families can “survive,” to one that partners with them to provide opportunities to “thrive.” Our concept for THRIVE is a:

Total
Housing
Reinvention Initiative for
Individual Success,
Vital Services, and
Economic Empowerment

The FCRHA’s MTW application is the latest component in our THRIVE foundation, which includes efforts already completed (the creation of our PROGRESS Center – *Partnership for Resident Opportunities, Growth, Resources, and Economic Self Sufficiency*), underway (the establishment of a new Asset Management division and the reinvention of our Housing Solutions Center), and planned (Moving to Work application; disposal of scattered-site Public Housing units to Section 8 subsidy; a Quality Properties Initiative; and a Healthy Living Initiative).

The development of this MTW application is based both on the principles of THRIVE and the required goals of the MTW program:

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

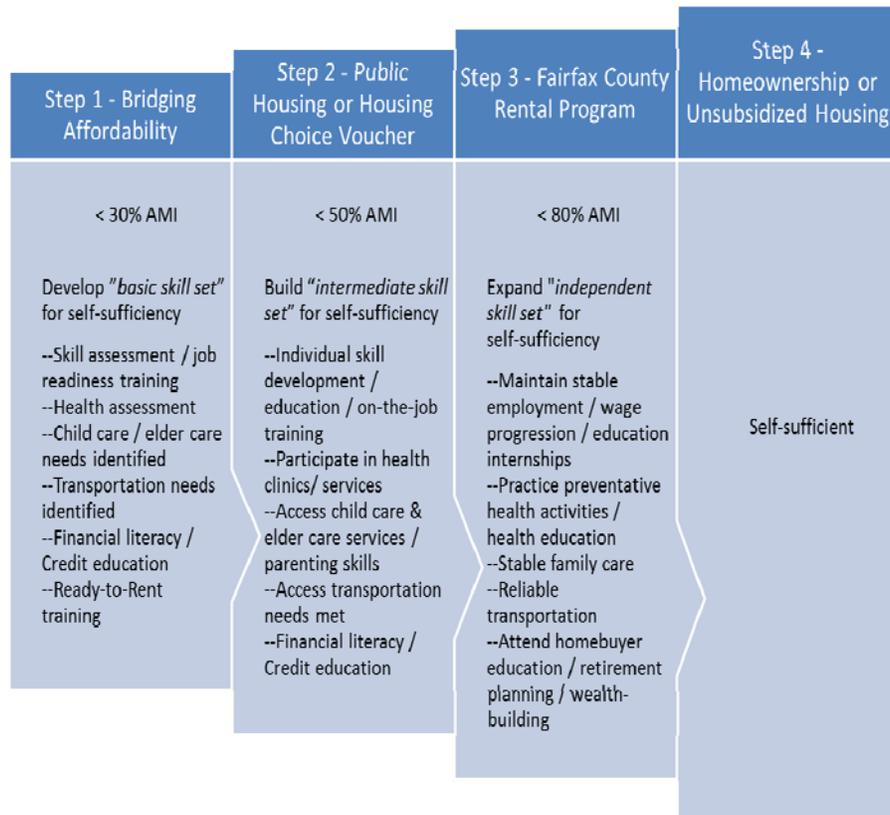
Reinvention

The FCRHA is a High Performing agency that has successfully combined its *federal housing programs* – 3,537 Housing Choice Vouchers and 1,060 Public Housing units – with *local housing resources* – Bridging Affordability, the Fairfax County Rental Program (FCRP), homeownership programs, etc. – in a way that provides housing opportunities to a wide-range of populations throughout the county. However, two barriers have prevented the FCRHA from creating housing solutions that meet the unique needs of

the Fairfax County community while continuing to allow new families to access our system:

1. An inability to link our housing programs together so that families can move through a housing continuum.
2. Overly restrictive HUD requirements in federal programs that require staff to focus more on *paper than people*.

With the flexibility offered in the MTW program, we plan to develop a THRIVE housing continuum that creates a stepped approach to provide work incentives, service supports, and permanent housing. Low-income families in Fairfax County will have opportunities to access self-sufficiency “skill sets” based on their level of need and their position in the continuum. Additionally, they will be expected to take advantage of self-sufficiency tools provided by the FCRHA, such as escrow accounts and educational opportunities that will help them advance through the continuum and create new housing openings for families waiting for housing.



Unlike the FCRHA’s current intake process, where families apply to a specific housing program when the waiting list is open, we envision a system where families will apply instead for affordable housing. Based on an objective self-sufficiency skills assessment tool and household income, the family will be given the opportunity for housing in the continuum. The first stage of this reinvention from separate housing programs to a seamless housing continuum with an emphasis on building skills and progressing

toward self-sufficiency, will focus on (1) the county's Bridging Affordability program and (2) implementing common-sense administrative changes to achieve cost efficiencies in our federal housing programs.

In the first year of our designation as an MTW agency, the FCRHA will establish a connection between the county's Bridging Affordability program (see Exhibit A for a full description of Bridging Affordability) and the other steps in the housing continuum. Staff will work closely with the nonprofit partners that manage Bridging Affordability to identify households that are prepared to move to another step. That decision-making process will be based on a number of factors, including but not limited to, the household's participation in Bridging Affordability and the resources made available by nonprofit partners; an assessment of the household's self-sufficiency needs and income; and the housing resources available within the continuum. In years two through five (FY 2014 – FY 2018) of our designation, we will move from our current system where households apply for specific programs when the waiting lists are open for those programs, to a system where households apply for "THRIVE housing." Potential participants in the continuum will submit an application for housing, attend an interview where they complete a self-sufficiency assessment and income determination, and be placed in the appropriate step of the housing continuum. Rather than have separate waiting lists for thousands of people who may wait years for a housing opportunity, we plan on conducting random selections of prequalified applicants within each step as those resources are available. Due to the incredibly high demand for affordable housing in Fairfax County and the limited resources available,⁴ we believe that a random selection of applicants within each step will ensure families wait no longer than one to two years⁵ for the appropriate housing resource.

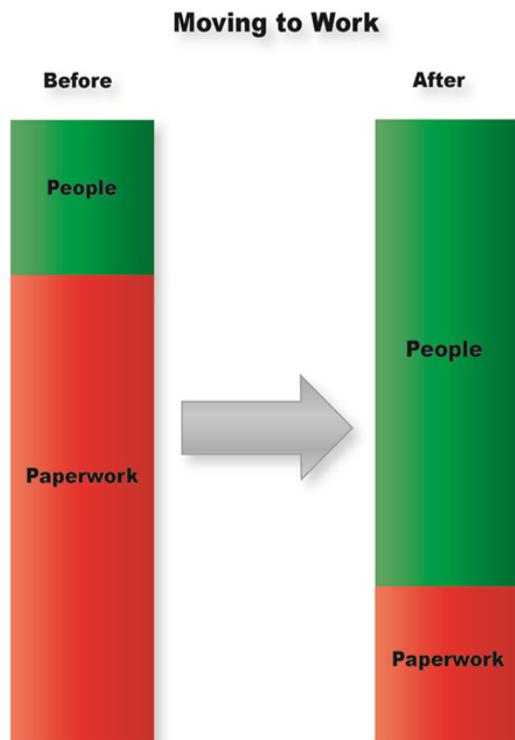
Although Step Four of the THRIVE Continuum is categorized as either homeownership or unsubsidized housing, the FCRHA is already exploring an opportunity to partner with private landlords to pledge a number of rental units for households in the THRIVE continuum. Since the number of units reflects vacancy, the owners would be generating additional revenue at rental rates affordable to households in the general income range of Step Four. While providing a small discount, this approach would help ease the transition from assisted to market-rate housing. This concept was developed by a for-profit member of the FCRHA's THRIVE Community Advisory Committee and we will continue to explore leveraging this potential resource and recruiting other interested partners.

⁴ With a population of over 1,000,000 people, Fairfax County has less than 5,000 federal housing rental resources available. By comparison, neighboring Montgomery County, MD has less than 1,000,000 people and over 7,500 federal housing rental resources. The County of Contra Costa, CA, with a comparable population to Fairfax County, has nearly 8,000 federal resources.

⁵ The Department of Housing and Urban Development's *Housing Choice Voucher Program Guidebook* (http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11748.pdf) recommends that a "reasonable" wait for assistance not be more than 12 to 24 months.

Individual Success

We understand that success does not always necessarily mean financial wealth or an advanced degree, although these are certainly desirable goals for most people. The FCRHA serves families whose definition of success is as varied as the conditions in which they enter our housing programs. For example, up to 50% of our annual admissions in the Housing Choice Voucher and Public Housing programs are reserved for homeless individuals and families. These households may be experiencing multiple conditions such as mental illness, substance abuse, and domestic violence. Although success for these families certainly can include financial independence and educational attainment, for most, short-term success will be focused on stable housing and wrap-around services. On the other end of the spectrum, the FCRHA serves families whose children have grown up in Public Housing and have taken advantage of some of the best public schools in the country to secure good jobs. These families may have achieved their definition of success and are now prepared to advance to the next step of the THRIVE housing continuum – our Fairfax County Rental Program or homeownership – in order to free a housing resource desperately needed by another extremely-low income family. In fact, the FCRHA has shown its ability to partner with other Fairfax County human service agencies and nonprofit organizations to successfully transition homeless individuals and families to homeownership through its Partnership for Permanent Housing (PPH) program (see page 16).



The FCRHA has traditionally had a strong focus on compliance with federal regulations – a focus that has made the FCRHA a consistently high performing agency. However, the regulatory requirements associated with the Housing Choice Voucher and Public Housing programs – and the associated investment of staff time – has prevented the FCRHA from having resident self-sufficiency as a primary focus. A majority of staff time is spent on process-related functions like ensuring recertifications are completed on time, income and assets are verified, and Public Housing residents are complying with community service requirements. While the FCRHA will continue its commitment to program compliance, the MTW designation will allow the FCRHA to dedicate a majority of staff time on *people not paperwork*. This is as a significant shift in both how we

utilize valuable staff time and how we interact with our clients. In the first year of our designation as an MTW agency, the FCRHA will begin working with all families on self-sufficiency assessments and goal-setting. We will build on our experience with the Family Self-Sufficiency (FSS) program to create Individual Development Plans (IDPs) for all families and begin the process of reorganizing our staff structure and caseloads to create a system that supports goal achievement and strategies for success. In years two through five (FY 2014 – FY 2018) of our designation, we will tie the achievement of individual success in a meaningful way to opportunities for advancement in the THRIVE housing continuum.

Vital Services

Over a third of the families in the FCRHA's Housing Choice Voucher and Public Housing programs are elderly or disabled, and we expect that trend to continue with an aging population and an increased demand for rental units with accessibility features for households with disabilities. We work closely with the Fairfax-Falls Church Community Services Board (CSB) to place homeless disabled households in our federal programs. Our working preference, which by law must be extended to households that meet HUD's definition of being disabled or handicapped, has provided many housing opportunities to the disabled community. Additionally in Fiscal Year 2011, the Fairfax County Board of Supervisors (BOS) allocated over \$4 million to fund the new Bridging Affordability program, which is intended to provide housing and services to families as a bridge to permanent housing. The first award of this program was made to a collaborative of nine non-profit organizations led by Northern Virginia Family Service (NVFS), and 10% of the funds are committed to CSB-service eligible families (those with or at risk of developmental delay, intellectual disabilities, mental illness, and alcohol or drug use or dependency), and 10% of the funds are committed to households with physical or sensory disabilities. NVFS's program will provide long-term rental subsidies along with self-sufficiency skills and training, to over 300 families during a three-year period. Bridging Affordability is the first step in the THRIVE housing continuum.

The FCRHA's focus with the Vital Services component of THRIVE will be threefold:

1. *Relieving* vulnerable households from burdensome processes like annual recertifications. The FCRHA in its first year as an MTW agency will require that families on fixed incomes undergo a recertification *every three years*. We have found that seemingly routine functions, like collecting documentation and attending interviews can trigger significant disruptions in the lives of families that may have difficulty understanding FCRHA forms, locating transportation to ensure timely arrival at recertifications, etc.
2. *Identifying* already-available resources that can lead to vital service provision. We plan on using the network of resources already mobilized by our PROGRESS Center, and combined with the administrative relief requested in our application, refocus our staff on *people not paperwork*.

3. *Collaborating* with other Fairfax County human services agencies such as the Department of Family Services and the Fairfax-Falls Church Community Services Board; and nonprofit providers to expand the landscape of vital services resources.

In the first year of our designation as an MTW agency, the FCRHA will work primarily on the first two parts of our Vital Services component – relieving staff and families from administrative burdens and identifying already-available service resources. Although FCRHA staff does a commendable job in linking families with potential services, a majority of staff time is spent on processing interim and annual recertifications. We believe that relief from required annual recertifications will allow our staff to work one-on-one with families to identify barriers to self-sufficiency as well as benefits that they may not be accessing. Through this more regular interaction with families in the THRIVE continuum, staff and our partners will leverage benefits specifically tailored to the needs of individual families:



Since the development of Fairfax County’s Housing Blueprint in Fiscal Year 2011, the FCRHA has shifted its emphasis to residents with the greatest need, including

individuals and families who are homeless, those with low to extremely low incomes, those with disabilities and low-income seniors. As a result of that shift and additional Fairfax County resources allocated to a ten-year Plan to Prevent and End Homelessness, all human service agencies have recognized the call to provide services and housing together in an approach that holistically addresses residents with the greatest need. As such, we will strengthen our partnerships within this effort and use the administrative relief provided by our MTW designation to become more actively involved in identifying resources for families needing vital services.

In years two through five (FY 2014 – FY 2018) of our designation, we will focus on the third part of our Vital Services component – *collaborating* with other Fairfax County human services agencies such as the Department of Family Services and the Fairfax-Falls Church Community Services Board; and nonprofit providers to expand the landscape of vital services resources. A significant piece of this strategy will be the creation of a Housing Support Services Blueprint (HSSB). Fairfax County human services agencies are building upon the success of the FCRHA’s award-winning Housing Blueprint in developing a planning tool for designing and implementing services related to obtaining and maintaining housing and it will seek to:

- Identify the costs of particular services and outcomes that can be used to measure those services
- Set a framework for establishing service priorities in an environment of limited resources
- Create an accurate picture of the human services landscape
- Identify best practices
- Create common language and common understanding around the concept related to “housing with supportive services”
- Create a foundation on which the future of services that support people in obtaining and maintaining housing can be built

The FCRHA will coordinate closely with staff developing the Housing Support Services Blueprint to ensure families in our housing continuum have access to all services to which they are eligible.

Economic Empowerment

Economic conditions in Fairfax County create a challenge for very-low and extremely-low income families unlike most areas throughout the country. Not only is Fairfax County one of the most highly educated counties in the country⁶, it is also one of the most expensive in terms of cost of living. The National Low Income Housing Coalition’s *Out of Reach* report finds that the Washington –Arlington-Alexandria DC-VA-MD HMFA is the tenth most expensive jurisdiction in the United States, as an hourly wage \$28.96 (or \$60,237 per year) is required to afford a rental unit at the Two-Bedroom Fair Market

⁶ As of 2010, 56.1% of Fairfax County residents had a bachelor’s degree, the eighth highest percentage in the country by county. Source: 2010 American Community Survey.

Rent (FMR)⁷. Additionally, the proportion of households spending 30% or more of their income on housing in the county has risen over the past decade. In 2009, nearly 46% of the county's renters and 29% of the county's homeowners were spending 30% or more of their income on housing. In comparison, only 32% of renters and 20% of homeowners spent 30% or more of their income on housing in 2000.⁸ The combination of a highly-skilled and highly-educated workforce and unaffordable housing creates a dynamic of nearly-unachievable self-sufficiency for very-low and extremely-low income families.

Although we recognize that as a housing authority we are limited in our ability to minimize the impact of these economic conditions, we believe that through our MTW designation, we have a unique opportunity to assist our families with becoming economically empowered and achieving self-sufficiency. The FCRHA aims to achieve this goal by:

1. A rent reform study that builds savings, provides supportive services, and prepares families for the private rental/ownership market.
2. Self-sufficiency assessments for all families in the THRIVE housing continuum
3. Self-sufficiency skill-sets that are tailored to the steps in the housing continuum
4. Leveraging resources already available in Fairfax County to emphasize "soft skills" that are necessary to gain employment
5. Education opportunities, including job training and college degrees, in partnership with local universities and employers
6. Additional opportunities in the THRIVE housing continuum as families increase their income

In the first year of our designation as an MTW agency, we will design a rent reform study that while limited in scope, we believe has the potential to be replicated for all families in the housing continuum and nationwide. As mentioned in the Individual Success section of our Long-Term MTW Plan, we will also require that all families in our programs undergo a self-sufficiency assessment that will determine what skill deficiencies may be preventing them from achieving self-sufficiency. Lastly, we will expand upon existing partnerships with organizations such as the Northern Virginia Workforce Investment Board to determine already-available resources as well as gaps in the capacity to provide families with more job preparedness skills. Fortunately we have years of experience in our Family Self-Sufficiency program that we can draw on, and our PROGRESS Center is well connected with organizations throughout Fairfax County.

In years two through five (FY 2014 – FY 2018) of our designation, as we make the transition to an application process where families apply for "housing" not housing programs, families will be placed in the housing continuum step most appropriate to

⁷ National Low Income Housing Coalition. *Out of Reach 2012*. <http://nlihc.org/sites/default/files/oor/2012-OOR.pdf>.

⁸ Fairfax County Department of Neighborhood & Community Services. *Behind the Headline: Trends and Implications for County Residents*. http://www.fairfaxcounty.gov/demogrph/pdf/behind_the_headline.pdf.

their self-sufficiency set and their income level (subject to available housing resources at the time). For example, as shown in the THRIVE housing continuum, families below 30% AMI and without a “basic skill set” may be best suited for our Bridging Affordability program. In that program they will be connected to a nonprofit partner that can provide case management, the family will receive at least two years of rental assistance, and will be on the path to increase their income, expand their skill set, and move to the next step in the continuum. Some members of our THRIVE Advisory Committee have stated that a lack of soft skills like proper hygiene, appropriate attire and professional resumes are more significant job barriers than education and job experience. We will ensure that our self-sufficiency assessments and our resulting skill sets reflect that distinction.

Although our rent reform study will initially be limited to a select group of program participants, in years two through five we will evaluate the possibility of expanding the savings component to a larger group of participants. We also plan to create a reward such as a rent credit or rebate for households that demonstrate good housekeeping upon staff inspection. Perhaps most importantly, we will work on building partnerships throughout Fairfax County that can lead to additional education and job opportunities for our families. We will reach out to trade schools; universities such as George Mason University and Northern Virginia Community College; and employers such as the INOVA Health System to explore mutually-beneficial partnerships. In fact, our THRIVE Advisory Committee recommended targeting careers that are directly related to the challenges faced by working families in our housing programs. For example, Fairfax County’s Office for Children has an Institute for Early Learning that “facilitates the professional development of individuals working with young children through responsive, educational training opportunities related to early care and learning.” This type of opportunity presents a fascinating approach to job training in careers linked to low-income self-sufficiency challenges. Affordable child care can be a significant barrier to working families and providing opportunities to mitigate that challenge through workforce development is a strategy the FCRHA will explore throughout our MTW designation.

This section of the Plan describes the FCRHA's anticipated activities in Year 1 and, separately, Years 2 through 5 which may require specific HUD approval as part of the MTW designation. However, it is important to view the activities requiring HUD approval in the context of the overall efforts that are anticipated as part of this plan – components that do not necessarily require HUD approval. Specifically, the establishment of Bridging Affordability as the gateway and first step into the FCRHA Housing Continuum is essential to the success of the FCRHA's overall MTW Plan. Other such activities include but are not limited to expanding partnerships with our non-profit community and the county's other human service agencies, and embedding the FCRHA's PROGRESS Center model – with its focus on services, crisis intervention and self-sufficiency - as part of all federally-funded housing activities.

The following describes how our THRIVE vision fits within the goals of an MTW program, and distinguishes between what we intend to accomplish in our first year as an MTW agency and our plan through Fiscal Year 2018. Activities listed under “Years Two through Five” build upon initiatives and goals described earlier in the THRIVE long-term vision section.

MTW Goal 1: Reduce Cost and Achieve Greater Cost Effectiveness in Federal Expenditures

Year One (FCRHA Fiscal Year 2013 - Described in detail in Section V. Proposed MTW Activities)

1. Reduce frequency of tenant recertifications to biennially for all families and triennially for families on fixed incomes
2. Eliminate Mandatory Earned Income Disregard (MEID) policy
3. Streamline inspections for Housing Choice Voucher units
4. Streamline unit inspections for Public Housing residents
5. Institute a work requirement for all non-exempt families in the Public Housing and Housing Choice Voucher programs
6. Design and evaluate a rent reform controlled study
7. Design the Detailed MTW Block Grant Evaluation

Years Two through Five (FCRHA Fiscal Years 2014-2018)

1. Develop our Healthy Lifestyles Initiative.

The Healthy Lifestyles Initiative is another component of THRIVE that will provide families with education resources related to proper diet, exercise options, and preventive health tools. We envision creating community gardens at our Public Housing sites, working with families on healthy living through their Individual Development Plans, and bringing healthy exercise opportunities to youth in the housing continuum.

2. Remove families from waiting lists when housed in the housing continuum.

As we transition from a system where families apply to housing programs to a system where they apply to “THRIVE housing,” we will remove families from one of our federal housing waiting lists when we have housed them elsewhere in the continuum. Our housing resources are too scarce and valuable to allow families to continue to take a spot on a waiting list for housing when they are already in an affordable, permanent housing situation. We will also remove families from our lists if they have been removed from another list due to criminal activity or owing debts to other public housing authorities.

3. Design and implement utility allowance simplification.

As families in the Housing Choice Voucher receive a voucher and begin their search for a unit, the multiple variations of utility allowances possible for any given unit makes it difficult to determine a unit’s eligibility for the program. The back and forth between families, landlords and staff in determining the correct utilities in the unit, whether the allowances are accurate, and how it impacts the contract rent is overly burdensome. We will begin to simplify this process, perhaps by using a flat utility allowance by bedroom size.

4. Use technology to streamline business process.

The regulatory relief achieved through our MTW designation will allow us to further explore efficiencies that can be achieved through our technology systems, including Yardi, our database management system. We will look into conducting reexaminations by mail or online and using more paperless technology like bar code documents for scanning.

5. Increase our ability to maintain our scarce housing resources.

We believe that our housing resources, particularly our Housing Choice Vouchers, should be utilized in Fairfax County as much as possible. We will request that families utilizing a project-based voucher reside in that unit for two years before exercising their portability right, rather than the current one year requirement. As we expand opportunities for families to build savings through escrow accounts, partially through investments by the FCRHA, we will only allow families to port out of Fairfax County with those savings accounts under certain circumstances, like a family emergency. In order for more families to have access to our resources, we will only allow a voucher to be transferred from one household member to another in the case of a family break-up.

MTW Goal 2: 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

Year One (FCRHA Fiscal Year 2013 - Described in detail in Section V. Proposed MTW Activities)

1. Reduce frequency of tenant recertifications to a biennial cycle for all families and triennial for families on fixed incomes
2. Eliminate Mandatory Earned Income Disregard (MEID) policy
3. Institute a work requirement for all non-exempt families in the Public Housing and Housing Choice Voucher programs
4. Design and evaluate a rent reform controlled study

Years Two through Five (FCRHA Fiscal Years 2014-2018)

1. Implement reforms in HUD's Family Self-Sufficiency (FSS) Program.

We have found that the FSS program discourages higher-income families from participating and taking advantage of the FSS savings component because families only begin to escrow after an earned income increase. Families entering the program at zero income can maximize their savings at a greater rate than working families, and so we will consider implementing a minimum rent contribution before families can escrow. Additionally, we will not allow participating families to withdraw funds from their escrow accounts in the first twelve months of participation so they can build up their balances and we can reinforce the basic skills of budgeting and goal-oriented saving. Any changes to the FSS program will be consistent with any competitive funds received pursuant to a NOFA, if those funds are not permitted to be included in the MTW block grant.

2. Leverage supportive service capacity.

Although the regulatory relief we can achieve through MTW will allow staff to focus more on people and less on paperwork, we will need the expertise of other human service agencies and our nonprofit partners to ensure families have access to the support they need to achieve self-sufficiency. We believe that our rent reform controlled study will offer a model for service provision that can be replicated throughout the housing continuum, but we will also explore other opportunities to expand the capacity of nonprofits to work with our families, including using savings achieved through combining our operating, capital, and voucher funds.

3. Define soft and hard triggers in the housing continuum.

We want to give families opportunities to move through our housing continuum as they increase their self-sufficiency skills and their income. That flow through the continuum will be achieved through a combination of incentives and requirements. “Soft triggers” could include an offer for a unit further along in the continuum if a family requests to make that next step, if they have achieved a goal in their IDP, or if their caseworker assesses them as ready for the next step, or a combination of these factors. “Hard triggers” could include a required move if the family’s income increases to a level where they are eligible for the next step, if their assets reach a level where they can afford a down payment, if they have accessed the savings in their escrow account multiple times, or a combination of these factors.

4. Expand HUD’s Public Housing community service requirement.

The FCRHA agrees in principle with HUD’s requirement that families participate in community service if they are not working, elderly, disabled, etc. In fact, we plan to expand this requirement to Housing Choice Voucher participants. While maintaining consistency with the statutory requirements, we would like to expand the community service and work requirements for all program participants, and include them in a family’s IDP as a way to encourage work and community participation.

5. Partner with local banks to assist families in establishing savings.

Although our initial escrow savings approach is limited to families in our rent reform controlled study, we recognize the connection between saving and achieving self-sufficiency. We will work with local banks to solicit competitive savings rates for our families as well as innovative programs that may encourage the value of building a nest egg.

MTW Goal 3: Increase Housing Choices for Eligible Low-Income Families

Year One (FCRHA Fiscal Year 2013 - Described in detail in Section V. Proposed MTW Activities)

1. Change local preferences and wait list policies
2. Design the Detailed MTW Block Grant Evaluation

Years Two through Five (FCRHA Fiscal Years 2014-2018)

- 1. Create admissions preferences in FCRHA housing programs for families in the THRIVE continuum.**

Many of the FCRHA's programs, like the Fairfax County Rental Program and the First-Time Homebuyers Program, have waiting lists. As we transition from a system where families apply to housing programs to a system where they apply to "THRIVE housing," we will adjust the requirements of those programs to ensure that THRIVE families have a preference for admission.

- 2. Coordinate THRIVE housing resources with public transportation locations.**

The U.S. Department of Housing and Urban Development has recognized the nexus between transportation and affordable housing through its partnership with the U.S. Department of Transportation and the EPA. This issue is particularly relevant in Fairfax County, which covers nearly 400 square miles and is recognized as one of the most congested areas in the country. As we achieve more flexibility in our affordable housing delivery through the MTW designation, we will pursue housing development near public transportation locations and encourage Housing Choice Voucher and Bridging Affordability participants, who have access to units through the county, to consider leasing near public transportation.

- 3. Expand FCRHA affordable housing resources through the MTW Block Grant.**

A key requirement of an MTW program is – to continue to assist substantially the same total number of low-income families under the demonstration as would have been served had the PHA not participated in MTW. We are confident that we can serve more families through the flexibility of the MTW Block Grant. The fungibility feature of the block grant fits perfectly with the goals of our housing continuum and we expect to achieve significant cost efficiencies which will allow for the development and acquisition of more affordable housing.

4. Establish partnerships with community organizations to administer vouchers for under-served populations.

Through Fairfax County's Housing Blueprint, housing resources are being repositioned to serve citizens with the greatest need, particularly homeless individuals and families and households with special needs. At the same time, organizations serving these groups are experiencing dramatic funding cuts and/or insufficient housing resources. For example, the Fairfax-Falls Church Community Services Board (CSB), which assists individuals with intellectual disabilities, mental illness, and substance abuse disorders, estimates that over 1,100 additional affordable housing units are needed over the next five years to serve their clients⁹. By comparison, the Fairfax County Office to Prevent and End Homelessness (OPEH) identified 2,982 individuals who were homeless and in need of permanent affordable housing in Fiscal Year 2011¹⁰. We plan on using our MTW flexibility to allow agencies such as these to administer an allocation of our housing resources to serve their clients.

5. Project-base scattered-site Public Housing units.

The FCRHA plans to utilize 209 scattered-site Public Housing units to implement project-based Section 8 assistance at those units, which will facilitate rehabilitation needs, deconcentrate poverty, increase housing choice, and streamline management efficiencies at those widely-dispersed units.

⁹ Fairfax-Falls Church Community Services Board. *Forging a Path Homes: 2011 Housing Needs Report*. <http://www.fairfaxcounty.gov/csb/reports/housing-report.pdf>.

¹⁰ Fairfax County Office to Prevent and End Homelessness. *Ending Homelessness in the Fairfax-Falls Church Community: Snapshot 2011*. <http://www.fairfaxcounty.gov/csb/reports/housing-report.pdf>.

EXHIBIT A. DESCRIPTION OF BRIDGING AFFORDABILITY PROGRAM

The Bridging Affordability Program, developed as part of Fairfax County's award-winning Housing Blueprint, is a unique partnership between local government and nonprofit organizations that provides housing assistance and service supports to low-income households throughout the county. Designed through a collaborative effort of non-profit organizations, community advocates, the Fairfax County Redevelopment and Housing Authority (FCRHA), Fairfax-Falls Church Community Services Board (CSB), and the Office to Prevent and End Homelessness, Bridging Affordability focuses on providing low-income households, specifically the homeless and households on affordable housing waiting lists, with housing subsidy and services to achieve self-sufficiency.

In Fairfax County Fiscal Year (FY) 2011, the Fairfax County Board of Supervisors allocated \$4.1 million to be used to fund Bridging Affordability in the form of either rental subsidies or capital funds for acquisition. The funds were made available in a competitive request for proposals (RFP) process that was limited to nonprofit organizations in Fairfax County. In June 2011, nearly \$4 million in rental subsidy funds were awarded to Northern Virginia Family Service (NVFS) to begin the first Bridging Affordability project.

Northern Virginia Family Service is one of the most impactful nonprofits in Fairfax County and is leading a collaborative of eight other nonprofits to provide rental subsidies and services to over 300 low-income families over a three-year period. Other partners in the NVFS Collaborative are Alternative House, FACETS, Good Shepherd Housing and Family Services, New Hope Housing, Reston Interfaith, Shelter House, United Community Ministries and Volunteers of America Chesapeake. Funds awarded by Fairfax County, along with nearly \$6.6 million in leveraged resources from the Collaborative, will serve homeless individuals and families, those with disabilities, as well as households currently on the waiting lists for Fairfax County's housing programs. The Collaborative also partners with the Fairfax-Falls Church Community Services Board in a commitment to provide \$564,000 of its total award to households with or at risk of developmental delay, intellectual disabilities, mental illness, and alcohol or drug use or dependency. Additionally, the Collaborative has reached out to other community partners in a commitment to provide \$313,000 of its total award to serve households with physical or sensory disabilities.

In the first year of its MTW designation, the FCRHA will build on the Bridging Affordability program design and begin to extend it to other steps in the housing continuum. We will also establish a connection between Bridging Affordability and our other housing programs so that Bridging Affordability families that have shown a commitment to attaining self-sufficiency have an opportunity to access the next steps in the housing continuum. We will work with the NVFS Collaborative and other nonprofit partners to maintain and adapt each family's supportive services as they move to new steps in the continuum.

V. Proposed MTW Activities: HUD approval requested

2013-1 Proposed MTW Activity—Reduction in Frequency of Reexaminations

- A. **MTW Initiative Description:** Annual Reexaminations will be reduced from annually to once every two years for each public housing and housing choice voucher family. Reexaminations for families on fixed incomes (SSI, SSDI) will be conducted every three years. FCRHA proposes to disregard all interim increases, an increase in income between annual reexaminations, until the next scheduled biennial or triennial reexamination. FCRHA proposes reducing frequency of interim decreases, a reported decrease in income, to one during a calendar year and no interim decreases during the first six months after initial occupancy. This will provide an incentive for all families, including elderly families and people with disabilities who wish to be employed, but are currently discouraged from increasing their income due to the requirement that they must report all income increases. This currently results in an increase in their share of rent or payment to the landlord.

The FCRHA, through this activity, will reduce the regulatory burden both on the participant families and staff to allow a greater focus on people—not paperwork. This activity will allow staff to concentrate more on facilitating self-sufficiency services for program participants, such as job training, higher education, and employment. This activity is designed to ensure that families are connected to services and opportunities that support them in becoming self-sufficient. The Fairfax County Office to Prevent and End Homelessness (OPEH) uses the HUD Homeless Management Information System (HMIS) to track the self-sufficiency and demographic information of homeless families. Data from HMIS is used to support case management of subsidized families in the partnerships the FCHRA has with non-profit organizations through its Bridging Affordability Program, Partnership for Permanent Housing, Transitional Housing, Project Homes, and Special Needs Homeless initiatives. HMIS is the required HUD system for tracking homeless metrics.

During the first 12 months of MTW implementation, the FCRHA will work with OPEH in an effort to coordinate ongoing data collection from HMIS for purposes of tracking self-sufficiency from initial entry into FCRHA housing programs to exit from the programs. Self-sufficiency categories pertinent to subsidized housing include Credit, Income, Employment, Shelter, Adult Education, and Family Relations. Category levels move from level 1 (In crisis) to 2 (Vulnerable), 3 (Stable), 4 (Self-Sufficient), and 5 (Thriving). The goal will be to move families further along the continuum from where they were first assessed.

- B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to assist families achieve economic self-sufficiency.

C. **Anticipated Impacts:** Several long-term impacts are anticipated from this policy change:

1. This policy is projected to significantly reduce staff time dedicated to reexaminations, since they will be conducted every two or three years instead of annually;
2. As a result, staff will have more time to assist families in connecting to self-sufficiency activities such as credit repair, budgeting, job training/educational assistance, and life skills improvement (either through enrolling more families in the Family Self-Sufficiency programs or connecting with other human services agencies that provide these activities);
3. Families will experience lower levels of stress and anxiety associated with not being able to set aside savings for retirement, college educations, or other self-sufficiency plans rather than have it captured immediately in increased rents or payments to landlords;
4. Families may move further along the self-sufficiency matrix relating to income, employment, credit worthiness, and other indicators.

A possible short-term impact may be a temporary reduction in rental revenue or increase in HAP to landlords.

D. **Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:**

Baselines:

1. In Calendar year 2012, FCRHA staff spent approximately 10,930 hours conducting HCV annual and interim income reexaminations. On average, each staff person has an average caseload of 300 families and spends an average of three hours per annual reexamination and one hour per interim reexamination. Based on an average salary, the total annual HCV cost to perform reexaminations is \$412,592 in salaries alone.

In Calendar year 2012, FCRHA staff spent approximately 3579 hours conducting Public Housing annual and interim income reexaminations. On average, each staff person has an average Public Housing and Fairfax County Rental Program caseload of approximately 280 families, and spends approximately the same amount of time on annual and interim reexaminations as the HCV staff. Based on an average salary, the total annual Public Housing cost to perform reexaminations is \$134,190 in salaries alone.

2. Housing specialists currently provide referrals to other Fairfax County human services agencies, but conduct no on-going self-sufficiency activities with families. The FCRHA has two grant-funded positions for Family Self-Sufficiency activities targeting public housing and housing choice voucher families with a caseload of 50 families each. Currently, 100 families in the FCRHA's public housing and housing choice voucher program participate in self-sufficiency activities.

3. In calendar year 2012, 93 HCV families requested a rent reduction within six months of their move-in date.

In the Public Housing program, 20 families requested a rent reduction within that same time period.

4. The average adjusted annual income of HCV families at their 2012 annual reexaminations was \$16,314 and average rent/TTP payment was \$411 per month. Approximately half of the HCV families reported an increase in gross income, with an average increase of just over \$4500; and about a fourth of the HCV families reported a decrease in gross income, with an average decrease of nearly \$4000.

In the Public Housing (PH) program, the average adjusted annual income of PH families at their 2012 annual reexaminations was \$18,770 and average rent/TTP payment was \$471. Thirty percent of the PH families had a decrease in adjusted annual income, with an average decrease of \$3,300 per year; nearly one fourth had no change in adjusted annual income; and 46% had an increase in adjusted annual income, with an average increase of \$5254 per year.

Benchmarks: In the first twelve months of MTW implementation, the following benchmarks have been established:

1. Reducing reexamination staff time by 40%.
2. Increasing participation in Family Self Sufficiency programs by 25 families. Connecting another 50 families to participate in self-sufficiency classes.
3. Elimination of all interim increases, and interim decreases six months after initial occupancy.
4. If revenue losses or HAP increases significantly exceed administrative savings, an analysis will be completed to determine if a more frequent schedule should be implemented, and under what circumstances (for example, if a family member goes from part-time to full-time employment or gains employment upon completion of a degree or job-training course.)

- E. **Data Collection Process and Proposed Metrics:** Average Income and/or TTP/rent payments will be monitored as will HUD EIV reports. A new sampling will be taken by the Program Director or designee to determine the new average time used to complete a reexamination every two or three years. A financial report will be established to evaluate rental revenue and HAP impact. Also, an analysis of program violations will be performed to determine any impacts on non-compliance due to less frequent review of program requirements. FCRHA staff will work closely with the Office to Prevent and End Homelessness to gain further access to the Homeless Management Information Systems (HMIS) to monitor a family's progress on the Family Self-Sufficiency Matrix. Category levels move from level 1 (In crisis) to 2 (Vulnerable), 3 (Stable), 4 (Self-Sufficient), and 5 (Thriving). The goal will be to move families further along the continuum from where they were first assessed in categories of Income, Employment, Credit, Adult Education, Family Relations,

Transportation, and Health Care, Physical, and/or Mental Health, as appropriate for each family.

F. **Authorization Cited:** Sections C.4 and D.1 of Attachment C of the Amended and Restated MTW Agreement.

G. **Rent Reform Information:**

1. **Board Approval of Policy:** Not applicable at this time.

2. **Impact Analysis:**

A.1 Intended Impacts of the Rent Reform

Exhibits B-1 and B-2 illustrate a potential format the FCRHA will use to identify the expected impacts of proposed MTW activity one on families and the FCRHA.

Exhibit B-1: Intended Impacts of Rent Reform Initiative on Participating Households

Anticipated Impacts of Activity One for Participating Households		
Expected Effect of Activity 1	Measure	Data Source(s)
Increase work effort— <ul style="list-style-type: none"> • Increase proportion of working families • Increase average income from employment 	<ul style="list-style-type: none"> • Proportion of working families • Family Employment earnings • Family gross income 	<ul style="list-style-type: none"> • FCRHA data base • PIC
Maintain stable rent burden	<ul style="list-style-type: none"> • TTP/monthly adjusted income • TTP/monthly gross income 	<ul style="list-style-type: none"> • FCRHA data base • PIC
Increase self-sufficiency efforts— <ul style="list-style-type: none"> • Enrollment in Family Self Sufficiency Program (FSS) • Attendance at credit, budgeting, job training, education courses • Improvement in self-sufficiency indicators (Credit, Income, Employment) 	<ul style="list-style-type: none"> • Number of FSS families enrolled/escrowing funds • Certificates of course completion • Ratings on self-sufficiency matrix 	1) FCRHA data base and PIC 2) Fairfax County Coordinated Services Planning ADAPT system 3) Homeless Management Information Systems (HMIS) self-sufficiency matrix

Exhibit B-2: Intended Impacts of Rent Reform Initiative on the FCRHA

Anticipated Impacts of Activity One for the FCRHA – HCV Program		
Expected Effect of Activity 1	Measure	Data Source(s)
Reduce staff time devoted to annual and interim reexaminations	<ul style="list-style-type: none"> • Staff time • Labor costs 	FCRHA data base
Maintain stable family incomes	<ul style="list-style-type: none"> • Average Housing Assistance Payments • TTP/monthly gross income 	FCRHA Administrative/Financial Records
Increase staff self-sufficiency efforts— <ul style="list-style-type: none"> • Enrollment of Families in FSS • Monitoring of HMIS self-sufficiency matrix and activities 	<ul style="list-style-type: none"> • Number of FSS families enrolled/escrowing funds • Certificates of course completion • Ratings on self-sufficiency matrix 	1) FCRHA data base and PIC 2) Fairfax County Coordinated Services Planning ADAPT system 3) Homeless Management Information Systems (HMIS) self-sufficiency matrix

A.2 Measuring Impacts of Proposed MTW Activity 1.

Exhibits B-3 and B-4 illustrate a potential format the FCRHA will use to compare the key impact indicators for the year before the rent reform was implemented to each subsequent year to assess the impacts of the rent reform initiative. The exhibit will be completed separately for Public Housing and Housing Choice Voucher programs. The detail in Exhibit B-3 may be used to assess impacts by type of household, to ensure that the rent reform initiative does not have disparate impacts for protected classes of families.

Exhibit B-3: Impacts of Rent Reform Initiative for Families

Impacts on Families – HCV Program												
	All HH		Elderly HH		Disabled HH		Race of Head of Household					
							White		Black		Asian	
Measure from FCRHA data base and PIC	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE
Number of Families served												
Average gross income (annual)												
Average adjusted income (annual)												
Number of Families employed												
Income by source												
Average TTP (Total Tenant Payment)												
Average TTP/gross income (rent burden) shown as a %												
Average TTP/adjusted income (rent burden) shown as a %												
Number of families enrolled in FSS												
Number of FSS families escrowing funds												
Number of FSS families with credit repair, budgeting, education goals												

Exhibit B-3: Impacts of Rent Reform Initiative for Families (continued)							Impacts on Families – HCV Program					
	All HH		Elderly HH		Disabled HH		Race of Head of Household					
	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	White		Black		Asian	
	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE	As of FYE before Activity 1 was implemented	Current FYE
Measure from HMIS Self-Sufficiency Matrix Rating of level 1 (In crisis) to 2 (Vulnerable), 3 (Stable), 4 (Self-Sufficient), and 5 (Thriving)												
Average Credit Repair Rating												
Average Employment Rating												
Average Income Rating												
Average Adult Education Rating												
Average Transportation Rating												
Average Family Relations Rating												

Exhibit B-4: Impacts of Rent Reform Initiative for the FCRHA

Impacts on the FCRHA – HCV Program			
Measure from Administrative Data	As of last FYE before Activity 1 was Implemented	Current FYE	Difference
Total HAP by month			
Staff time devoted to rent calculation			
Staff time devoted to Family Self-Sufficiency activities			
Labor costs devoted to rent calculation			
Labor costs devoted to Family Self-Sufficiency activities			

Since it is possible that the average rent burden reported in Exhibit B-3 could mask instances of excessive rent burden, the FCRHA may record the number of households with rent burdens in various categories to determine whether Proposed MTW Activity 1 results in some households paying more than 40 percent of income toward rent under the revised policy. To do this, the FCRHA would report the distribution of rent burden in categories, such as those in Exhibit B-5.

Exhibit B-5: Current FY End Distribution of Rent Burden, all households

Range	# of Households with TTP as a % of Gross Income	# of Households with TTP as a % of Gross Income
0-10%		
10.1-20%		
20.1-25%		
25.1-30%		
30.1-35%		
35.1-40%		
Over 40%		
\$0 Income		
Total	<i>Note: Should equal # of households in first row of Exhibit B-3</i>	<i>Note: Should equal # of households in first row of Exhibit B-3</i>

3. **Annual Reevaluation of Rent Reform Initiative:** Average Income and/or TTP/ rent payments will be monitored as will HUD EIV reports. A new sampling will be taken by the Program Director or designee to determine the new average time used to complete a reexamination every two or three years. A financial report will be established to evaluate rental revenue and HAP impact. Also, an analysis of program violations will be performed to determine any impacts on non-compliance due to less frequent review of program requirements. FCRHA staff will work closely with the Office to Prevent and End Homelessness to gain further access to the Homeless Management Information Systems (HMIS) to monitor a family's progress on the Family Self-Sufficiency Matrix. Category levels move from level 1 (In crisis) to 2 (Vulnerable), 3 (Stable), 4 (Self-Sufficient), and 5 (Thriving). The goal will be to move families further along the continuum from where they were first assessed in categories of Income, Employment, Credit, Adult Education, Family Relations, Transportation, and Health Care, Physical, and/or Mental Health, as appropriate for each family.
4. **Hardship Case Criteria:** All families will be subject to FCRHA's MTW Hardship Policy. See Appendix A.
5. **Transition Period:** The FCRHA plans to implement this activity in our first year of designation as a MTW agency by HUD.
6. **Documentation of Public Hearing:** Not applicable at this time.

2013-2 Proposed MTW Activity—Eliminate Mandatory Earned Income Disregard (EID) Calculation

- A. **MTW Initiative Description:** As a companion measure to the reduction in frequency of reexaminations, the FCRHA will eliminate the Earned Income Disregard (EID) calculation. HUD regulations specify that an assisted Public Housing family is eligible for EID when an unemployed or under-employed family member obtains a job or increases their wages. In the HCV program EID only applies to family members with disabilities. Any income increase attributable to employment is fully excluded from the family's income calculations for a 12-month period and is 50% excluded from calculations for the following 12 months. All earned income increases are then fully included in rent calculations following the 24-month phase-in period. EID also allows that if there are periods of unemployment after EID has started, the full or partial exclusion of wages may be allowed for a maximum time limit of 48 consecutive months. In addition, the EID qualifications are very specific and significantly limit those who may be eligible for the allowance. There are EID qualifications based on minimum wage, participation in job-training or self-sufficiency programs, and TANF thresholds.

The FCRHA is proposing to eliminate the HUD-mandated EID calculation. FCRHA is proposing a policy in MTW Activity 1 to not calculate income increases between regular reexaminations (which occur biennially or triennially for MTW families). This policy allows all families to benefit from increases in income that occur between their regular reexaminations, which can be up to three years away in some cases. The infrequent application of the EID calculation becomes negligible when applied under the FCRHA's proposed activities, which propose excluding calculation of increases from income between reexaminations. For most HCV EID-eligible families the reexaminations would be every three years. Once eligible, the tracking of EID and the process to exclude all or half of the earned income increases for a specific time period can be very complicated and prone to error. In addition, eliminating the EID calculation will provide an incentive for all families, including persons with disabilities who wish to be employed, but are currently discouraged from increasing their income due to the requirement that they must report all income increases.

- B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to assist families achieve economic self-sufficiency by:
- Eliminating an additional calculation and tracking system;
 - Reducing staff time needed to calculate an individual participant's income and EID exclusions; and
 - Allowing staff more time to assist families in ensuring they are truly better off by coordinating with local partners on self-sufficiency efforts such as credit repair, budgeting, and prioritizing savings for family needs.

C. **Anticipated Impacts:** Long-term impacts anticipated from this change include the following:

1. This policy is projected to decrease the staff time required to calculate a family's rent portion and will reduce the likelihood of errors associated with calculating potential income exclusions.
2. These time savings will allow staff to provide higher quality, one-on-one service to families.
3. The policy will also be easier for program participants to understand.

The FCRHA does not anticipate any participants to be adversely affected by this activity as most eligible individuals will be realizing savings through the FCRHA's proposed reexamination and interim policies. It will be simpler for families to understand what income will be counted for rent and when with the elimination of EID calculations. Families will also be better able to plan for savings, retirement, college educations, or other self-sufficiency plans without the stress and anxiety it causes for families to document and gather income information, often with little gains in rent receipts or reductions in Housing Assistance Payments (HAP) to landlords.

Possible short-term increase in rental revenue or decrease in HAP to landlords.

D. **Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:**

Baselines:

1. Staff time spent calculating and tracking the EID calculation in FY 2012;
2. In coordination with OPEH on HMIS data, the family's average rating on the Income, Employment, and Credit categories;
3. In FY 2012, there were 35 Public Housing participant and 17 voucher participants eligible to receive the EID calculation; and
4. The number of EID eligible families with non-payment of rent issues in FY 2012.

Benchmarks: In the first twelve months of MTW implementation, the following benchmarks have been established:

1. Elimination of all staff time spent calculating and tracking the EID calculation;
2. The families' average ratings on the Income, Employment, and Credit categories should improve from the previous scores;
3. 0 households will receive the EID calculation; and
4. As this activity is implemented, the FCRHA may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks. If there is a negative impact on EID-eligible adults with regard to payment of rent, an analysis will be completed to determine if a change in the activity should be implemented, and under what circumstances.

E. Data Collection Process and Proposed Metrics:

As mentioned in the prior activity, during the first full year as an MTW agency FCRHA staff will work closely with the Office to Prevent and End Homelessness to gain further access to the Homeless Management Information Systems (HMIS) to monitor a family's progress on the Family Self-Sufficiency Matrix. Category levels move from level 1 (In crisis) to 2 (Vulnerable), 3 (Stable), 4 (Self-Sufficient), and 5 (Thriving). The average difference in levels from where the family initially began in the Income and Credit categories of HMIS will be monitored with a goal to move families further along the continuum.

F. Authorization Cited: Sections C.11 and D.1 and D.2 of Attachment C of the Amended and Restated MTW Agreement and waives certain provisions of Section 8(o)(1), 8(o)2, 8(o)3, 8(o)7, 8(o)10, and 8(o)(13)(H)-(I) of the U.S. Housing Act of 1937 and 24CFR 982.508, 982.503, and 982.518, as necessary to implement FCRHA's Proposed MTW Plan.

G. Rent Reform Information:

1. **Board Approval of Policy:** Not applicable at this time.

2. **Impact Analysis:**

There are currently 35 PH residents that are either in the initial year (100% exclusion), phase-in year (50% exclusion) or are on "hold" (currently no exclusion due to loss of income but still within the 48 month time period). This represents 3% of all PH households. The total amount of earned income currently being excluded is \$258,198. While this represents a potential increase in PH payments to HCD of approximately \$77,459 (30%), this increase will be offset by the proposed MTW Activity of reducing the frequency of reexaminations.

There are currently 17 HCV residents in the initial or phase-in year or on hold. This represents less than 1% of our total voucher allocation. While this measure would result in a slight decrease in HAP to landlords, the decrease would be negligible due to the low percentage of EID households and the proposed reduction in frequency of reexaminations.

3. **Annual Reevaluation of Rent Reform Initiative:**

As this activity is implemented, the FCRHA may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks. If there is a negative impact on EID-eligible adults with regard to payment of rent, an analysis will be completed to determine if a change in the activity should be implemented, and under what circumstances.

4. **Hardship Case Criteria:**

See Appendix A for proposed FCRHA Hardship Exemption Policy allowing families to claim interim decreases.

5. **Transition Period:** The FCRHA plans to implement this activity in our first year of designation as a MTW agency by HUD.

6. **Documentation of Public Hearing:** Not applicable at this time.

2013-3 Proposed MTW Activity—Streamlined Inspections for Housing Choice Voucher (HCV) Units

- **MTW Initiative Description:** HUD regulations currently mandate that housing authorities inspect every HCV unit at least annually to ensure it meets Housing Quality Standards (HQS). While the FCRHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all HCV families, the FCRHA believes it can achieve this outcome more cost-effectively through a new rating system for HCV property owners. Over the course of the MTW demonstration, the FCRHA will develop an inspection process that evaluates both owners and program participants. Applicants/Current Participants must:
 1. Attend a mandatory HQS course conducted by the FCRHA Inspection staff. Classes will be offered on a regular basis so that applicants may sign up for and attend a course after their initial eligibility interview and prior to the voucher briefing. A certificate of successful completion will be provided to those applicants/participants demonstrating their knowledge of HQS to be presented to the eligibility housing specialist in order to receive a voucher. And
 2. Participants must receive a certificate of good housekeeping as part of their annual HQS inspection. And
 3. No requests for special/complaint inspections that result in a determination by the inspector that the HCV participant was at fault.

HCV participants who meet all of the above criteria will be given all or a portion of their last month's TTP. A financial analysis will be conducted to determine the annual cost of this incentive based on available HAP and Administrative fee reserves.

HCV owners/landlords will also be rated on multiple factors, including:

1. The owner/landlord must attend a mandatory HQS course conducted by FCRHA inspection staff. Classes will be offered on a regular basis and in conjunction with existing landlord outreach efforts.
2. The unit must successfully pass the prior year's HQS inspection;
3. No serious complaints reported by third parties or voucher participants that result in a determination by the inspector that the landlord was at fault. (A serious complaint is defined as one that would cause the unit to fail HQS); and
4. Certification of the owners knowledge of HQS requirements after the unit meets or exceeds HQS standards without comment, i.e. no minor or serious HQS issues.

This rating will be used to determine the nature and frequency of future inspections.

During year one of its participation in MTW, the FCRHA will begin overhauling its existing inspection process into a streamlined, cost-effective approach that aggressively enforces HQS at the most at-risk/problematic properties, while reducing

inspection frequency at high-quality properties. Additionally, the agency already provides landlord outreach to owners on a quarterly basis and will begin using some of these sessions to train landlords on the requirements of HQS inspections. The FCRHA will also start inspecting its own units with voucher participants. Currently, HUD requires an outside contractor to perform such inspections. This results in a higher cost to the agency than when its own staff conducts inspections. Also, outside contractors have not been as customer focused, timely, or responsive on follow-up inspections as FCRHA staff.

Initial steps planned for the first MTW year for all privately owned and partner-based HCV units include:

- Notifying owners of the opportunity to attend a course on HQS requirements. A randomly selected inspection of units owned by service provider partners or owners who have 10 or more HCV units will be conducted. If the random sample passes inspection on the first attempt, the owner will be given the opportunity to self-certify that the remaining units also meet HQS standards and no further inspections will be performed in that year unless a complaint inspection is requested by the family, landlord, or other third parties. Although some units may not be inspected every year, every unit must meet HQS at all times while under contract.
- Implementing a written self-certification process for the correction of minor fail items for owners with excellent HQS performance. Minor fail items are those that pass the unit with comment.
- Implementing an inspection schedule based on geographic clustering of units within specified locations in Fairfax County.

The FCRHA also plans to begin inspecting its own project-based HCV properties, also following the geographic location based schedule. These strategies will result in considerable cost- and time-savings, while reducing traffic congestion, improving air quality, and reducing travel time.

- **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures.
- **Anticipated Impacts:**
 1. This policy is projected to generate significant staff time savings by eliminating follow-up inspections for minor fail items and geographically inspecting units and reducing travel time.
 2. This will allow time to be redirected to more landlord and community outreach and resident/participant service programs.
 3. It will also allow staff to focus its efforts on the most at-risk units.
 4. Cost savings of 25% are anticipated by reducing outside contractor costs and shift more responsibility to residents to ensure adequacy of the unit in which they live.

There may be more HQS issues during subsequent second-year inspections.

- **Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:**

Baselines:

1. The average amount of time spent on an annual HQS inspection
The number of units receiving an annual HQS inspection in FY 2012
2. The number of units receiving complaint/special inspections in FY 2012
The number of owners/landlords attending FCRHA inspection courses
The number of applicant/participant families attending HQS courses
3. The number of units receiving minor fail violations in FY 2012
The number of units failing HQS in FY 2012
4. Contractor cost of conducting HQS inspections in FY 2012
TTP credited to families in FY 2012 for good housekeeping and HQS knowledge was \$0.

Benchmarks: In the first twelve months of MTW implementation, the following benchmarks have been established:

1. Average time spent on HQS inspections and number of units inspected will decrease by 10% without adversely affecting inspection results.
 2. The number of units receiving complaint/special inspections will decrease by 10% in year one and by 5% each year thereafter up to a maximum 20% reduction.
The number of owners/landlords attending FCRHA inspection courses will increase by 10%.
The number of applicant families attending the mandatory HQS course will be 100%.
 3. The number of units receiving minor fail violations will decrease by 10%. The number of units failing HQS will decrease by 10% in year one of this MTW activity.
 4. Contractor costs will be eliminated.
Reimbursement of one month's TTP to families for successfully meeting the requirements and maintaining their units to required standards will increase from \$0 to less than 5% of monthly HAP.
- **Data Collection Process and Proposed Metrics:** The FCRHA will pull the data needed from its financial invoices and data base. To evaluate the success of this activity, the FCRHA will track the number of inspections conducted and requests for special/complaint inspections, and the percentage of failed HQS inspections, separately for annual inspections and inspections where an annual inspection was not done in the previous year. Metrics for the above baseline measures will be collected every year after the activity is implemented.

- **Authorization Cited:**

- Section D.5 of Attachment C of the Amended and Restated MTW Agreement;
- Section D.7 d of Attachment C of the Amended and Restated MTW Agreement;
- Section D.1 of Attachment C of the Amended and Restated MTW Agreement;

2013-4 Proposed MTW Activity—Streamlined Unit Inspections for Public Housing (PH) Residents

- A. **MTW Initiative Description:** HUD regulations currently mandate that housing authorities inspect every PH unit at least annually to ensure it meets Uniform Physical Condition Standards (UPCS). While the FCRHA intends to uphold HUD's high standards of decent, safe, and sanitary housing maintained in good repair for all PH families, the FCRHA believes it can achieve this outcome more cost-effectively by rewarding tenants who consistently maintain the unit in excellent condition, thus performing less frequent inspections for those families.

Over the course of the MTW demonstration, the FCRHA will develop an inspection process for families based on the following factors:

1. The applicant/participant family has attended a mandatory UPCS inspection course. For applicant families, this course will be provided on a regular basis so that, between the time the family is called in for an eligibility interview and offered a PH unit, the family will have attended and successfully passed the inspection course provided by the FCRHA Inspection staff. Participant families will be provided the opportunity to attend these mandatory courses at regular property meetings on or near their units (at larger FCHRA PH properties that can accommodate larger groups).
2. The family has a record of two consecutive excellent inspection ratings, including good housekeeping certification; and
3. No serious complaints reported by third parties (a serious complaint is defined as one that would cause the unit to fail UPCS by the fault of the PH tenant).

PH participants who meet all of the above criteria will be given a rebate of their rent or TTP for the last month of their current lease. A financial analysis will be conducted to determine the annual cost of this incentive based on available operating reserves. Participants that have a unit that fails UPCS through their fault will have their unit inspected a second time within the year by the property manager to ensure compliance with UPCS.

During year one of its participation in MTW, the FCRHA will begin overhauling its existing inspection process into a streamlined, cost-effective approach that aggressively enforces UPCS at the most at-risk/problematic units, while reducing inspection frequency for units maintained in excellent condition. Additionally, the agency through its quarterly property meetings with residents will begin using some of these sessions to train them on the requirements of UPCS inspections.

- B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures.

C. **Anticipated Impacts:** The following long-term impacts are anticipated:

1. This policy is projected to generate staff time savings by eliminating annual inspections for public housing families who keep well-maintained units.
2. PH participants will be better informed as to the requirements for maintaining their units to meet good housekeeping standards. It is also anticipated that there will be a reduction in the unit turnover costs as there may be fewer damages in the unit at turnover time.
3. This will allow time to be redirected to efforts at the most at-risk units.
4. Cost savings by reducing damage and turnover costs and shifting more responsibility to residents are anticipated to be adequate to cover the costs of providing rent reduction rewards for those who maintain their units in good condition. Units that fail UPCS will be inspected bi-annually.

D. **Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:**

Baselines:

1. The average amount of time spent on an annual inspection in FY 2012.
The number of units receiving an annual UPCS inspection in FY 2012.
2. The number of units receiving an award for good housekeeping during their annual inspection in FY 2012.
3. The number of units failing their annual inspection in FY 2012.
The number of families requiring follow up meeting with property managers or 21-30 day notices of lease non-compliance for failure to maintain unit appropriately.
4. The average cost of unit turnaround in FY 2012.
The cost of providing rent rebates for exceptional housekeeping and unit maintenance.

Benchmarks:

1. FCRHA estimates this activity will decrease staff time and the number of unit inspections performed by 10% annually.
2. The number of applicant and participant families attending mandatory UPCS/housekeeping training will be 100%.
There will be an increase in the number of families receiving an excellent rating on their inspection by 10% in the first year of this activity.
3. There will be a corresponding decrease in the number of units failing UPCS inspections due tenant fault by 10% in the first year of this activity.
There will be a decrease in the number of 21-30 day notices for lease non-compliance due to poor housekeeping.
4. The average unit turnaround cost will decrease by 5% in the first year of this MTW activity.

It is anticipated that the savings from unit turnaround costs and inspection reductions will cover the ..cost of providing rent rebates for exceptional housekeeping.

- E. **Data Collection Process and Proposed Metrics:**FCRHA will pull the data needed from its data base. To evaluate the success of this activity, the FCRHA will track the number of inspections conducted and the number of failed and excellent inspection ratings. Metrics for the above baseline measures will be collected every year after the activity is implemented.
- F. **Authorization Cited:** Section C.9 of Attachment C of the Amended and Restated MTW Agreement, Simplification of Property Management Practices, which waives certain provisions of Section 6(f) of the 1937 Act and 24 CFR 902, Subpart B.

2013-5 Proposed MTW Activity—Institute a Work Requirement for all non-exempt families in Public Housing and Housing Choice Voucher Programs

- A. **MTW Initiative Description:** The FCRHA's working preference, one of four preferences we administer in the Public Housing and Housing Choice Voucher programs, does not necessarily result in any long-term self-sufficiency for the families as there is no HUD mandate to continue the employment once on either of the federal programs. While families will often gain employment in order to meet the preference, there is no incentive to retain employment once on the subsidy. In the public housing program, community service is required for any adult family member who is not employed or otherwise exempt from the activity. While that has some impact of motivating able-bodied family members to sustain employment, it does not have the full impact of a work requirement. As community case managers, the Department of Family Services VIEW staff, and shelter and other homeless services staff work with families to develop a self-sufficiency plan, including employment services. Continuing working with families once in the program to maintain that employment will be an activity that FCRHA staff will be able to support—especially in light of other efficiencies gained from other proposed MTW activities.

FCRHA is proposing that families who meet the work preference through 30 hours per week of employment (i.e. are not a full-time student, elderly, a person with disabilities, or the sole caretaker of a disabled family member) be required to continue to work 30 hours a week once on the program. While families will be permitted to attend job training, earn a GED, or enroll in higher education courses for 30 hours per week to meet the work requirement, those activities will be capped after four years. Currently, HUD regulations put no limit in the amount of time a full-time student may have excluded income. Similar to the requirements for Free Application for Federal Student Aid (FAFSA), an adult family member will be granted a maximum of four years for education or job training as a full-time student eligible for the student deduction. After four years, while still able to pursue job training or education, income for that member will no longer be excluded. Similar to HUD regulations, there will be no age limit on this provision. That way, single parents who have not had the opportunity to seek post-secondary education or job training may still be granted the opportunity for full-time student status with the income exclusion for up to four years.

In instances where employment is being sought, but does not yet reach the 30-hour per week requirement, families will be referred to and required to work with The SkillSource Group, Inc (SSG). The FCRHA has a Memorandum of Agreement with SSG to identify opportunities for Public Housing residents and other low- and very low-income persons in Fairfax County that enhance and create workforce development initiatives on behalf of employers, jobseekers, and workers throughout the region through the following activities:

- Assess clients and recommend job readiness/job training/job apprenticeship opportunities;
- Assist clients eligible for Workforce Investment Act training funds with identifying potential funding for these training services;
- Assist the FCRHA to set up a pre-apprentice program for large construction contracts utilizing FCRHA funds;
- Post job opportunities of contractors/subcontractors utilizing HUD funds at SSG centers; and
- Notify Section 3 qualifies individuals of job opportunities with contractors/subcontractors required to meet Section 3 goals.

SSG is a non-profit entity of the Northern Virginia Workforce Investment Board with a mission to:

- Prepare youth for today and tomorrow's workforce;
- Find ways to accommodate adults with disabilities in the workplace;
- Help new Americans find their way to meaningful employment as they work through cultural and language challenges;
- Identify available financial resources to assist in re-training and skill development opportunities; and
- Keep families strong through the self-esteem of a livable wage that will support families and enable participation in society.

B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to assist families achieve economic self-sufficiency. In encouraging education and job training skills, it is expected that family income will rise over time.

C. **Anticipated Impacts:** The following long-term impacts are anticipated from this policy change:

1. An increase in family income, tenant payments to landlords (and a resulting decrease in HCV HAP) and an increase in public housing rent and revenues. There may also be a positive impact on the community and neighbors.
2. An increase in the number of families with earned income.
3. An improvement in families' average scores for Income, Credit, Employment, and Education indicators from the self-sufficiency matrix in HMIS.

There may be a temporary reduction in adjusted family income as families opt for education and job training initially with a goal to increase job skills and, consequently, income in the long-term.

D. Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:

Baselines:

1. The average family adjusted income in FY 2012.
The average HCV Total Tenant Payment (TTP) and Public Housing rent in FY 2012.
2. The number of families with earned income in FY 2012.
3. The average family score for Income, Credit, Employment, and Education indicators available from the self-sufficiency matrix in HMIS.

Benchmarks:

1. A benchmark of increasing adjusted family income and average TTP/rent in the long term by 10% has been established.
2. The number of families with earned income will correspondingly increase by 10 percent in the long term.
3. Among working families, average self-sufficiency scores will improve due to job training, education, and employment over time.

E. **Data Collection Process and Proposed Metrics:** A new sampling will be taken by the Program Director or designee to determine the new average income for MTW families. A financial report will be established to evaluate rental revenue and HAP impact.

F. **Authorization Cited:** Section E of Attachment C of the Amended and Restated MTW Agreement, Authorization Related to Family Self Sufficiency.

G. Rent Reform Information:

1. **Board Approval of Policy:** Not applicable at this time.
2. **Impact Analysis:** During the FCRHA's first year of designation as an MTW agency, we will implement the working requirement, and with the assistance of George Mason University, begin to analyze the impact of the policy for all families in our programs.
3. **Annual Reevaluation of Rent Reform Initiative:** As this activity is implemented, the FCRHA may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks. If there is a negative impact on non-exempt families with regard to payment of rent, an analysis will be completed to determine if a change in the activity should be implemented, and under what circumstances.
4. **Hardship Case Criteria:** Existing policy for the work preference establishes that elderly families, persons with disabilities, and the sole adult care taker of a disabled family member meet the work requirements.
5. **Transition Period:** The FCRHA plans to implement this activity in our first year of designation as a MTW agency by HUD.
6. **Documentation of Public Hearing:** Not applicable at this time.

2013-6 Proposed MTW Activity – Design and Evaluate a Rent Reform Controlled Study

- A. **MTW Initiative Description:** Within two years of our designation as an MTW agency, the FCRHA—in cooperation with George Mason University—will design, implement, and evaluate an alternate rent strategy for households in our THRIVE continuum. Variations in tenant rent calculations can provide important opportunities to create incentives for working families in Fairfax County’s Housing Choice Voucher and Public Housing programs. Furthermore, a random assignment experiment of our alternate rent strategy can provide clear-cut evidence of the effectiveness of such modifications which could benefit other PHAs on a national scale.

The statute requiring Housing Choice Voucher and Public Housing families to pay 30% of their adjusted income is well-established and understood; however, we have found that it can create a disincentive for achieving self-sufficiency. In our experience through interactions with participants in our programs, there is a feeling that any increase in household income results in an increase in rent. The FCRHA has attempted to mitigate this by excluding certain types of increases in income from a required interim reexamination. Nevertheless, a pervasive sense remains among participants that there is a penalty in the form of increased rent, if they increase their income.

The FCRHA has developed an alternate rent strategy concept for incentivizing families to increase their income through:

1. A simplified approach to calculating a family’s adjusted income by (1) continuing to exclude income directly related to achieving self-sufficiency, such as income from training programs and student financial assistance, and (2) utilizing a “self-sufficiency” deduction based on family composition to replace all existing deductions. This self-sufficiency deduction will be based on costs associated with working while raising a family in Fairfax County, including child care expenses, transportation costs, health insurance expenses, and taxes.
2. Conducting income recertifications every two years so families can take advantage of income increases without a resulting rent increase;
3. A reduction in the family’s share of rent (less than 30% of adjusted income) during the first two years of participation in the controlled study, with incremental increases in the family share every two years thereafter;
4. A proportion of the family share invested in an escrow savings account that can be accessed as families achieve self-sufficiency goals in their Individual Development Plans (IDPs); and a proportion of the family share appropriated for the cost of self-sufficiency services such as debt management classes, credit counseling, and job training provided by Fairfax County nonprofit partners;

5. An increasing proportion of the family share toward savings every two years, with the proportion leveling at 6%.

The development of the specific self-sufficiency deduction, as well as the appropriate proportions of the family share dedicated to rent, savings and self-sufficiency services will be determined by the FCRHA with assistance from the George Mason University Center for Regional Analysis. A potential source for the self-sufficiency deduction is the local self-sufficiency standards developed by the Wider Opportunities for Women organization in partnership with the Virginia Department of Human Services. After establishment of the self-sufficiency deduction, which will vary by family composition, the appropriate proportion of the family share that will be dedicated to rent, as well as the proportions that could be appropriated to savings and services, will depend on an analysis of how those changes will affect the FCRHA's average Housing Assistance payments (HAP) in the Housing Choice Voucher program and the rental income that could be expected in the Public Housing program. The FCRHA will work with George Mason University's Public Policy Center for Regional Analysis to conduct a sensitivity analysis that balances the amounts needed by families to accumulate savings and pay for services, with the reduction in income the FCRHA could afford without reducing the number of families we can serve or jeopardizing the sustainability of our Public Housing properties.

George Mason will also ensure that the rent reform controlled study meets research standards by the assignment of participants to treatment and control groups. We anticipate that this study will be limited to Bridging Affordability participants who will be entering our federal housing programs (HCV and Public Housing). All working families moving from Bridging Affordability to our federal programs will be randomly assigned to treatment and control groups; elderly and disabled households will be excluded from this study. This approach fits hand-in-hand with a key activity in our first year as an MTW agency – establishing a connection between Bridging Affordability and our federal programs.

- B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to assist families achieve economic self-sufficiency and section 3 of the Request for Applications under the MTW, Rent Reform Control Study.
- C. **Anticipated Impacts:** We believe that this alternate rent strategy will have several benefits, including:
 - Reduced rent in the first two years of the family's participation in the THRIVE continuum
 - Building of a savings "nest egg" that families can access as they achieve self-sufficiency goals
 - The continuation of self-sufficiency services provided by nonprofit partners as families move from Bridging Affordability into the study

- Preparation of families for rent increases they could expect in unassisted housing

D. Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:

Baselines:

- The average amount of savings per family upon entering the THRIVE housing continuum
- Percent of income spent on rent

Benchmarks:

When families are selected for the rent reform controlled study, we will verify the amount of savings they have accumulated prior to entry into the THRIVE continuum. The increase in savings we expect every two years will depend on the proportion of the family share that will be invested in an escrow savings account. In the first year of our designation as an MTW agency, we will complete a sensitivity analysis to determine the proportion of the family share that will be invested. When we have determined that amount, we will set benchmarks for savings over the duration of the study. Similarly, families in the study will begin their participation paying less than 30% of their adjusted income in rent. We expect that their rent burden will decrease between that time and when they are recertified in 24 months, as we will not capture any income increases over that time period. Based on our sensitivity analysis and the incremental increases in the family share at recertifications (every 24 months), we will set benchmarks for the percent of income spent on rent for families in the study.

E. **Data Collection Process and Proposed Metrics:** In Year One (FY 2013) of our designation, we will design the study and determine (1) the new “self-sufficiency” deduction, (2) the amount of the incremental increase in the family share every 24 months, (3) the proportion of the family share appropriated for savings, and (4) the proportion of the family share appropriated for the cost of self-sufficiency services. That study design will inform the metrics we propose to measure the effectiveness of our approach and how we will collect the necessary data.

F. **Authorization Cited:** Section C.11 and D.2 of Attachment C of the Amended and Restated MTW Agreement.

G. Rent Reform Initiative Information:

1. **Agency’s Board approval of policy:** Not applicable at this time.

2. **Impact Analysis**

The FCRHA will work with George Mason University to develop a methodology to measure the impacts we expect – rent burdens less than 30% of income in the first 24 months of participation; a greater savings rate among families in the study than other families in our federal housing programs; greater ability to improve self-sufficiency through partnerships with nonprofit

partners; and a greater ability to absorb rent increases due to clear expectations of when those increases will occur and savings accounts that will allow for unexpected changes in family circumstances.

The FCRHA also anticipates an impact for our database management system – Yardi, and for staff in managing a new rent structure. We will analyze those impacts on an ongoing basis and attempt to mitigate any technology problems using technical assistance provided by Yardi, and any staff training problems with ongoing training.

3. Annual Reevaluation of Rent Reform Initiative

The FCRHA will reevaluate the components of our study regularly, but at least annually, and make adjustments as necessary.

4. Hardship Case Criteria

No hardship case criteria would be needed for this activity in year one of implementation. We will develop hardship criteria based on the specifics of our alternate rent strategy, which will be designed in the first year of our MTW designation.

5. Transition Period

The FCRHA's rent reform controlled study will be designed in the first 12 months of our MTW designation, and will be implemented in the first 24 months of our designation.

6. Documentation of Public Hearing: Not applicable at this time.

2013-7 Proposed MTW Activity—MTW Block Grant Evaluation

- A. **MTW Initiative Description:** In its first year as an MTW agency, the FCRHA, together with its evaluation partner, George Mason University, will design a method to measure and evaluate those aspects of the MTW block grant that result in quantifiable outputs. The county will use block grant funds to more efficiently allocate resources to identified local housing priorities.

The Fairfax County Board of Supervisors adopted a “**Housing Blueprint**” in 2010 which established the county’s affordable housing policy direction for FY 2011 and beyond. The Housing Blueprint reflects the philosophy of the Board that affordable housing is a continuum ranging from the needs of the homeless to first-time homebuyers. Included in this range are the diverse housing needs of hard-working, but low paid families; senior citizens; persons with physical or mental disabilities; and the workforce across Fairfax County. The goals and priorities needs set forth in the Housing Blueprint were the product of the input gathered through the process of bringing together County officials and staff, representatives from the non-profit community and for-profit development sector, and the citizens of Fairfax County. The consensus among the parties establishing the housing priorities for the next 10 years is that affordable housing priorities have changed and that the emphasis should shift to those with the greatest need. The housing goals established for the next 10 years in the Housing Blueprint are:

- To end homelessness in 10 years
- To provide affordable housing options to those with special needs
- To reduce the waiting lists for affordable housing by half in 10 years
- To produce workforce housing sufficient to accommodate projected job growth

Consistent with the Housing Blueprint, the philosophy driving the County’s MTW Plan is that the FCRHA can best address the diverse needs of the community by pooling all resources at its disposal to fund priority needs. Combining funds into a block grant gives the county flexibility to dedicate resources where they are most desperately needed.

- B. **MTW Statutory Objective:** The block grant supports the MTW statutory objectives to
- Reduce cost and achieve greater cost effectiveness; and
 - Increase housing choice
- C. **Anticipated Impacts:** The County anticipates that the flexibility afforded the agency to combine funds in an MTW block grant will result in cost savings and administrative efficiencies that can be used to provide improved services to program participants.

- D. **Baseline and Benchmarks:** During Year One the county will work with George Mason University to set the baselines, proposed benchmarks and identify the metrics which will be used to evaluate the block grant.
- E. **Data Collection Metrics and Protocols:** The evaluation will take into consideration both the efficiencies and the costs associated MTW flexibilities and, at minimum, will include:
- Linking programs in the THRIVE continuum,
 - Reducing frequency of recertification and interim re-examinations,
 - Operating savings accounts,
 - Providing self-sufficiency services, and
 - Operating our rent reform controlled study
- F. **Authorization Cited:** Section 3 of the Request for Applications under the Moving to Work Demonstration Program, Statutory Requirements and Eligible Applicants, (2) Detailed MTW Block Grant Evaluation.

2013-8 Proposed MTW Activity – Convert Scattered-Site Public Housing Units to Project-Based Section 8 Assistance

- A. **MTW Initiative Description:** The FCRHA owns and operates 209 Public Housing units that are considered “scattered” or within properties not wholly-owned by the FCRHA. Generally these are townhouse units that operate within homeownership association covenants. In the first year of our MTW designation, we plan to dispose of these units to an FCRHA-affiliated entity and we will request to convert them to project-based Section 8 assistance to allow for more efficient management of those units and create the possibility of designating them for occupancy by special populations like the elderly or persons with disabilities. We request MTW flexibility to project base these Public Housing units without a local competitive process.
- B. **MTW Statutory Objective:** This addresses the MTW statutory objective to reduce costs and achieve greater cost effectiveness in Federal expenditures and to increase housing choice for eligible low-income families.
- C. **Anticipated Impacts:** We believe converting these units will have several benefits, including:
- More cost-effective and efficient management of these scattered units
 - A requirement of Housing Quality Standards (HQS) inspections for those units, consistent with the over 3,000 Housing Choice Vouchers that we manage
 - More housing choice for residents as they will have access to a tenant-based voucher after a certain period of time
 - More housing resources potentially dedicated to special population groups such as the elderly or persons with disabilities.
- D. **Baselines, Benchmarks, Outcome Metrics, Anticipated Schedules:**

Baselines:

1. The FCRHA has 3,537 Housing Choice Vouchers that allow participants to reside anywhere in Fairfax County.
2. Although the FCRHA has agreements with other Fairfax County human service agencies to “reserve” units for special population groups, no Public Housing units are designated for elderly or disabled families.

Benchmarks:

1. 209 additional families will have access to the portability feature offered by a tenant-based voucher.
2. The FCRHA will work with its partners to determine if and how many of these 209 units could be designated for special population groups.

E. **Data Collection Process and Proposed Metrics**: The FCRHA will be able to collect all of the data to measure this activity from our financial statements and management reports.

F. **Authorization Cited**: From Standard MTW Agreement, Attachment C, Statement of Authorizations, Sections:

D. 7. a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion.

G. **Rent Reform Initiative Information**: Not applicable.

VI. Ongoing MTW Activities: HUD approval previously granted

Not applicable.

VII. Sources and Uses of Funding

A. List planned sources (Operating, Capital, HCD) and uses of MTW funds

Planned sources (Operating, Capital, HCV) and uses of MTW funds	
SOURCES	
Operating Subsidy	\$ 2,691,388
Capital Fund Program	\$ 2,106,807
Housing Choice Vouchers	
Housing Assistance Payments	\$ 36,349,429
Administrative Funding	\$ 2,888,975
Portability Program Recovered Costs & Fees	\$ 4,329,524
Miscellaneous Revenue - Fraud, Investment	\$ 51,932
TOTAL	\$ 48,418,055
USES	
Operating Subsidy	\$ 2,691,388
Capital Improvements	\$ 1,660,096
Operations	\$ 208,788
Administrative Expense	\$ 237,923
Housing Choice Vouchers	
Housing Assistance Payments	\$ 36,349,429
Portability HAP	\$ 4,120,730
Administrative Funding - Personnel	\$ 2,606,683
Administrative Funding - Operating	\$ 544,115
TOTAL	\$ 48,419,152

Planned sources and uses of HCV Non - MTW funds **	
SOURCES	
Housing Choice Vouchers	
Housing Assistance Payments	\$ 6,688,019
Administrative Funding	\$ 531,549
Portability Program Recovered Costs & Fees	\$ -
Miscellaneous Revenue - Fraud, Investment	\$ 9,555
TOTAL	\$ 7,229,123
USES	
Housing Choice Vouchers	
Housing Assistance Payments	\$ 6,688,019
Portability HAP	\$ -
Administrative Funding - Personnel	\$ 479,610
Administrative Funding - Operating	\$ 100,113
TOTAL	\$ 7,267,742

* HCV HAP Reserve balances become additional source of funding as required.

** Non-MTW includes: NEDS/Mainstream, Homeownership, FUP (pre 2008), FUP (FY08/09), Tenant Protection, and VASH

B. List planned sources and uses of State or local funds;

In addition to the federal Housing Choice Voucher and Public Housing programs, the FCRHA receives an annual allocation of local funding to operate Fairfax County’s Bridging Affordability program. The Fairfax County Rental Program (FCRP) is funded by a mix of federal and local funds. These funds will not be used for implementation of the FCRHA’s MTW activities in the first year of our MTW designation.

C. If applicable, list planned sources and uses of the COCC;

Planned sources and uses of the COCC	
SOURCES	
Asset Management Fee Revenue	\$ 120,360
Property Management Fees	\$ 749,282
Bookkeeping Fees	\$ 88,969
Front-line Fees	\$ 83,014
Capital Grant Administrative Fees	\$ 237,923
TOTAL	\$ 1,279,548
USES	
Salaries and Benefits	\$ 654,219
Property Cost (Home office)	\$ 277,260
Dues and Fees	\$ 3,383
Expendable Equipment	\$ 8,910
Office Supplies	\$ 11,832
Phone	\$ 46,190
Postage and Printing	\$ 20,294
Staff Training	\$ 30,779
Maintenance Expense	\$ 33,182
Maintenance Vehicle Expense	\$ 8,060
Others	\$ 185,439
TOTAL	\$ 1,279,548

D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the deviations and the reasons therefore; and

The FCRHA is not using a cost allocation system that differs from the 1937 Act requirements.

E. List or describe use of single-fund flexibility, if applicable, describe uses across traditional program lines or special circumstances in support of an MTW activity.

As described in Section V. of the FCRHA’s MTW Plan, we plan on using the single-fund flexibility available through our MTW designation to operate our THRIVE housing continuum and fund housing priorities identified in Fairfax County’s Housing Blueprint. In the first year of our MTW designation, the FCRHA expects to work with George Mason University to set the baselines, proposed benchmarks and identify the metrics which will be used to evaluate the block grant, and begin to determine how and the extent to which the single-fund flexibility can fund priorities in the Housing Blueprint.

F. List reserve balances at beginning of the Plan year.

Projected Cash and Reserve Balances Cash	
Public Housing Cash	
Operating Cash	\$ 6,448,140
FSS Escrow	\$ 286,724
Total	\$ 6,734,864
COCC	
Operating Cash	\$ 316,661
Total	\$ 316,661
Housing Choice Voucher	
Net Restricted Assets	\$ 4,379,931
Net Unrestricted Assets	\$ 2,287,497
FSS Escrow	\$ 332,714
Total	\$ 7,000,142

G. In Plan Appendix, provide planned sources and uses by AMP.

See Appendix C. Planned Sources and Uses by AMP

VIII. Administrative

A. Resolution signed by the Board of Commissioners, or other authorized PHA official if there is no Board of Commissioners, adopting the Annual MTW Plan Certifications of Compliance (provided at the end of this Attachment B)

Not applicable at this time.

B. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable

The evaluation efforts tied to this proposal will build on the existing literature and MTW experiences of other PHAs, but will also be coordinated with the Results – Based Accountability (RBA) framework being implemented throughout the Fairfax County human services system. RBA, based on the work of Mark Friedman in *Trying Hard Is Not Good Enough*, provides a common approach to measuring results. RBA starts by considering the ends or results targeted by a particular policy or program (specific conditions of well-being for children, adults, families and communities) and then shifts the conversation from what is being done (means) to what should be done (ends) in order to answer the question: is anyone better off?

Fairfax County human services agencies have adopted the Results-Based Accountability (RBA) framework to measure impact across the system, foster joint accountability, and collectively strengthen programs and services. Key components of RBA include measuring “how much” work is done; “how well” work is completed; and whether customers are “better off” as a result of efforts. The RBA framework will enhance communications and help the human services system understand where greater involvement is needed to improve customer outcomes. In addition, RBA will help inform interactions with other Fairfax County agencies (e.g., the Economic Development Authority and Fairfax County Public Schools); other organizations that share in the delivery of human services, but do not necessarily receive County resources for those services; and organizations that provide in-kind resources in the delivery of human services.

From the RBA perspective, success in the provision of human services is related to moving services in the desired direction. In today’s economic environment, fewer available resources require targeted and more efficient delivery of programs and services. In this framework, evaluation is not an end in itself, but a means to moving toward desired policy outcomes. RBA requires evaluation to determine the impact services are having on the clients, but just as importantly, it also requires a

clear articulation of the intended outcomes of the services. Through coordination across the entire human services system, RBA seeks to maximize the County's overall return on investments.

Consistent with the County's MTW Plan, RBA will foster an evaluation perspective that will link proposed activities to the countywide human services system. For example, FCRHA's first year activities under MTW emphasize establishing a connection between the county's Bridging Affordability program and the other steps in the housing continuum. As part of this effort, the FCRHA will work primarily on relieving staff and families from administrative burdens and identifying already-available service resources. Potential outcome measures, developed through the RBA approach, could include determining whether families are able to save more of their income, access services they were eligible for but unaware of, or increase their level of education. Moving through years two through five, the RBA framework will then be used to evaluate the MTW activities within the context of the six results targeted by the County human services system as a whole:

1. Affordable housing
2. Healthy people
3. Connected Individuals
4. Positive living for older adults and individuals with disabilities
5. Economic self-sufficiency
6. Successful children and youth

It should also be noted that the planned evaluation efforts have implications for national housing policy and programs. Despite the level of affluence found in many parts of Fairfax County, there are real housing needs in the County. As outlined in section I. B. of this MTW Plan, the County has more than 55,000 people living below the poverty level and presents a challenging housing market for low- and moderate-income working households. This is particularly true for new entrants into the housing market who are coming to pursue new jobs in Fairfax County. Moreover, the County's diverse population with a large concentration of recent immigrants, provides a unique opportunity to implement and evaluate housing policy today in an environment that will be increasingly common as the nation's demographic profile changes in the future.

Approach

In our evaluation of the proposed activities we will turn to two units at George Mason University, which has its main campus in Fairfax County, VA: The Center for Regional Analysis (CRA) and the Center for Social Science Research (CSSR).

Center for Regional Analysis, School of Public Policy

The Center for Regional Analysis provides research and analytical services to local governments, non-profits and businesses in the Washington region focusing on economic, housing, demographic, transportation, and fiscal trends and forecasts.

The Center's staff conducts regular research on the performance of the Washington area economy, issues regular reports on the region's housing and demographic conditions, and participates in local meetings and conferences sponsored by governments, non-profit organizations, chambers of commerce and like organizations.

The Center for Regional Analysis has become the "go-to" organization for economic, demographic and housing data and analysis within the Washington and Baltimore regions and is cited locally and nationally as the source of information for the media, research scholars, and investors interested in understanding the Washington area's economy. The Center posts research reports, presentations, data and other information on its website (cra.gmu.edu.) This ready availability of research and analysis and the Center's location within George Mason University have made the Center for Regional Analysis the primary source of public information about the region.

The CRA effort will be led by Professor Lisa Sturtevant, whose primary areas of research include housing, demographics, economic development, and residential mobility and migration. Professor Sturtevant is the head of the new Center for Housing Policy research based within CRA at the School of Public Policy. The CHPR's mission is to provide high quality research on the links between housing policy and the economy in the Commonwealth of Virginia and the Washington DC Metropolitan Area.

The Center for Social Science Research, College of Humanities and Social Sciences

CSSR is a multidisciplinary research center within the College of Humanities and Social Sciences at GMU. Established in 1987 as the Northern Virginia Survey Research Laboratory, the center draws on faculty from various disciplines—sociology, anthropology, public policy, psychology, communication, and others—who bring their expertise to bear on some of the most pressing social, behavior, and political problems facing contemporary society. CSSR provides a platform that brings together social science theories and methods to conduct state-of-the-art research on important social problems and basic social science questions. Studies conducted by the center employ a range of quantitative and qualitative research methods including survey research, focus groups, interviews, analysis based on leading social indicators, and the exploration of virtual world environments.

CSSR works closely with local governments, schools, and non-profit organizations around the D.C. metro/northern Virginia area. CSSR specializes in collaborative research, more specifically in community based/participatory research, which cultivates a space that allows academics and stakeholders to work together towards common community goals and actively engages stakeholders in the entire research process.

CSSR's ongoing collaboration with a broad range of County organizations will serve the overall evaluation efforts by helping to coordinate the MTW evaluation effort with those of other elements of the County human service system. In addition, CSSR's experience with primary data collection using both quantitative and qualitative methods, within a community based/participatory research perspective, fits well with the RBA emphasis on getting "the story behind the numbers." The aim here is to understand the conditions and causes that set the stage for quantitative measures and do so in a manner that is accessible to the public at large.

The CSSR effort will be led by Professor James C. Witte, Director of CSSR. His primary areas of research include survey research, the development and use of Internet-based tools for social science research, and the impact of information and communication technologies on society and immigration.

Appendix A. Fairfax County Redevelopment and Housing Authority (FCRHA) Proposed Hardship Policy for MTW Activities

FCRHA's Hardship Policy addresses the following proposed MTW activities:

1. Rent Reform Initiatives, including increases in minimum rent; and
2. Reduction of Rent Reduction Requests to after first six months following initial occupancy and no more than once per calendar year thereafter.

1. Increases in Minimum Rent

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

In order to qualify for a hardship exemption, a family must meet at least one of the following criteria:

- The family would be evicted because it is unable to pay the minimum rent;
- Loss of employment due to reduction in work force or closure of the place of employment where employment income loss is not covered by severance pay or separation benefits; or
- A death has occurred in the family and the family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

Families who meet the criteria listed above must submit their request in writing via mail, fax, or email to their FCRHA Housing Services Specialist, stating both the reason for the hardship and its expected duration. Requests will be considered on a case-by-case basis and weighed against other local resources available to the family.

Families granted a hardship exemption to the increase in minimum rent will continue to pay pre-reform minimum rent (subject to FCRHA or HUD changes) until their next re-examination of income, at which time the family will be subject to the rent reform initiative.

2. Elimination of Rent Reduction Requests for Six (6) Months Following Initial Occupancy and limit of one request every 12 month period.

In order to qualify for a hardship exemption, a family must experience a long-term loss of income (90 days or longer) due to circumstances beyond the family's control.

Examples of such circumstances include:

- A medical condition that prevents an adult family member from working when loss of employment is not covered by paid medical benefits;
- Loss of employment due to reduction in work force or closure of the place of employment where employment income loss is not covered by severance pay or separation benefits; or
- Families that experience an increase in medical expenses, such that these expenses exceed 15% of gross income.

Families who meet the criteria listed above must submit their request in writing via mail, fax, or email to their FCRHA Housing Services Specialist, stating both the reason for the hardship and its expected duration. Requests will be considered on a case-by-case basis and weighed against other local resources available to the family.

Families granted a hardship exemption will be allowed to receive an interim income decrease following FCRHA's standard policies and procedures. No more than one such exemption will be granted to any given family during the six months following initial occupancy or more than once in a 12-month period thereafter.

Appendix B. Documentation of Public Hearing

Not applicable at this time.

Appendix C. Planned Sources and Uses by AMP

	VA019000001	VA019000002	VA019000003	VA019000004	VA019000005	VA019000006	VA019000007	VA019000008	VA019000009	VA019000010	VA019000011	VA019000012	VA019000009	Total
Net Tenant Rental Revenue	511,060	459,637	670,282	642,581	764,603	591,344	461,620	436,799	536,345		0	0		5,074,271
Tenant Revenue - Other	7,914	30,587	24,061	33,657	34,896	26,406	18,023	30,645	47,478					253,667
Total Tenant Revenue	518,974	490,224	694,343	676,238	799,499	617,750	479,643	467,444	583,823	0	0	0	0	5,327,938
HUD PHA Operating Grants	497,580	206,176	289,802	494,159	414,027	284,304	276,539	264,076	393,683	77,637	354,628			3,552,611
Capital Grants	320,657	29,658	36,108	61,602	632,382	43,575	134,063	16,999	130,223					1,405,267
Other Government Grants														0
Investment Income - Unrestricted	3,421	2,530	3,104	3,189	4,999	5,391	2,787	2,758	2,930					31,109
Other Revenue	3,320	1,151	2,461	16,633	4,580	11,737	9,033	11,139						60,054
Total Revenue	1,343,952	729,739	1,025,818	1,251,821	1,855,487	962,757	902,065	762,416	1,110,659	77,637	354,628	0	0	10,376,979
Administrative Salaries	58,818	5,718	(1,826)	78,043	30,133	25,995	(1,824)	19,977	34,026	9,826	1,324			260,210
Auditing Fees	6,002	4,439	5,448	5,600	8,777	5,448	4,893	4,843	5,145					50,595
Management Fee	179,054	65,365	81,687	201,046	130,440	98,413	72,226	82,243	76,731					987,205
Book-keeping Fee	10,546	7,786	9,646	9,818	15,435	9,540	8,595	8,542	9,061					88,969
Advertising and Marketing	31,093			27,583										58,676
Employee Benefit contributions - Administrative		1,577	198		12,387	8,159	612	7,387	12,408	3,207	440			46,375
Office Expenses	230			11		1,307								1,548
Legal Expense	3,113	3,358	3,964	989	2,209	29,336	1,844		5,357					50,170
Travel														0
Allocated Overhead														0
Other	(25,098)	13,613	32,628	23,674	26,505		14,391	7,389	6,614					99,716
Total Operating - Administrative	263,758	101,856	131,745	346,764	225,886	178,198	100,737	130,381	149,342	13,033	1,764	0	0	1,643,464
Asset Management Fee	14,280	10,560	12,960	13,320	20,880	12,960	11,640	11,520	12,240					120,360
Tenant Services - Salaries														0
Relocation Costs									6,501					6,501
Employee Benefit Contributions - Tenant Services														0
Tenant Services - Other	36,814	349	610		209	114	141		1,292					39,529
Total Tenant Services	36,814	349	610	0	209	114	141	0	7,793	0	0	0	0	46,030
Water	43,031	23,624	56,321	51,346	69,118	56,089	50,545	23,109	45,278					418,461
Electricity	115,136	93,189	93,288	89,542	163,025	152,931	53,898	70,527	79,562					911,098
Gas	14,756	11,905	78,093	62,079	27,268	10,439	58,631	31,233	61,390					355,794
Other Utilities Expense														0
Total Utilities	172,923	128,718	227,702	202,967	259,411	219,459	163,074	124,869	186,230	0	0	0	0	1,685,353
Ordinary Maintenance and Operations - Labor	249,916	182,514	215,394	187,751	384,897	181,061	181,566	163,094	225,295					1,971,488
Ordinary Maintenance and Operations - Materials and Other	10,650	21,555	29,425	23,886	43,750	36,352	24,289	8,182	21,890					219,979
Ordinary Maintenance and Operations Contracts	637,488	187,498	319,328	232,038	296,661	226,027	230,843	128,027	230,526					2,488,436
Employee Benefit Contributions - Ordinary Maintenance	79,071	54,198	68,995	185,648	128,337	55,069	61,366	63,642	63,677					760,003
Total Maintenance	977,125	445,765	633,142	629,323	853,645	498,509	498,064	362,945	541,388	0	0	0	0	5,439,906
Other General Expenses				12,866				1,021		64,604	352,864			431,355
Compensated Absences		(1,741)	25,540	(35,337)	(12,646)			(5,855)	(1,558)					(31,597)
Payments in Lieu of Taxes														0
Bad debt - Tenant Rents	3,280	4,209	4,436	896	(539)	183	(3,151)	17,123	22,005					48,442
Bad debt - Mortgages														0
Bad debt - Other														0
Severance Expense														0
Total Other General Expenses	3,280	2,468	29,976	(21,575)	(13,185)	183	(3,151)	12,289	20,447	64,604	352,864	0	0	448,200
Total Operating Expenses	1,468,180	689,716	1,036,135	1,170,799	1,346,846	909,423	770,505	642,004	917,440	77,637	354,628	0	0	9,383,313
Excess of Operating Revenue over Operating Expenses	(124,228)	40,023	(10,317)	81,022	508,641	53,334	131,560	120,412	193,219	0	0	0	0	993,666
HAP Portability-In														0
Depreciation Expense	132,767	131,824	299,354	259,397	205,989	228,510	92,152	60,545	345,693					1,756,231
Dwelling Units Rent Expense														0
Total Expenses	1,600,947	821,540	1,335,489	1,430,196	1,552,835	1,137,933	862,657	702,549	1,263,133	77,637	354,628	0	0	11,139,544
Excess (Deficiency) of Total Revenue Over (Under) Total	(256,995)	(91,801)	(309,671)	(178,375)	302,652	(175,176)	39,408	59,867	(152,474)	0	0	0	0	(762,565)

