

TABLE OF CONTENTS

SECTION I

Message from the President / CEO

SECTION II

Executive Summary

SECTION III

MTW Success

SECTION IV

Revitalization Program

SECTION V

Quality of Life Initiative

SECTION VI

Project-Based Rental Assistance as a Development Tool

SECTION VII

Housing Choice Program

SECTION VIII

Asset Management

SECTION IX

Human Development

SECTION X

Corporate Support

SECTION XI

MTW Benchmarking Study Update

Creating the Atlanta Blueprint

Since 1994, AHA has envisioned and created a new “blueprint” for providing affordable housing opportunities in amenity-rich, mixed-income communities that are economically integrated places where people from all walks of life can live, learn, work and play. AHA’s blueprint also envisions restoring human dignity and a strong sense of personal responsibility and empowerment through long-term strategic investments in families and the adoption and implementation of policies that serve to mainstream families into a culture of education, work and building economic independence and self-reliance. Powered by the innovation afforded under its Moving to Work Agreement with HUD, AHA has been able to exponentially implement and refine its blueprint by setting forth a new paradigm of delivery of the affordable housing resource in Atlanta and igniting the human potential of AHA-assisted families.

Leveraging the lessons learned from our HOPE VI, mixed-income revitalization program and closely adhering to our five guiding principles in the development of our MTW Agreement, AHA has learned a number of additional meaningful lessons which have proven to be essential in advancing the Atlanta blueprint. These lessons learned are:

All real estate is local. The Local Control afforded under AHA’s MTW Agreement is essential and provides it with the flexibility to be innovative and responsive in real-time to local housing needs –AHA’s MTW Agreement has afforded AHA greater local control in developing policies, business processes and strategies to meet the affordable housing needs in the City of Atlanta and has enabled AHA to be more nimble in taking advantage of the dynamic Atlanta real estate market. As a result, AHA has been able to:

- (1) Expand the availability and quality of affordable housing seamlessly in high quality, market competitive mixed-income communities; and in other desirable neighborhoods throughout the City.
- (2) Align our policies and business processes to attract and establish long-term relationships with great private sector developers, real estate owners and landlords who apply private sector principles and business practices that support the quality of life, sustainability and viability of the living environments.
- (3) Make substantial strategic investments in families (without regard to program boundaries) based on household needs. AHA has also been able to adopt policies and align its business processes to encourage and support long-term partnerships with the foundation community and established community-based service providers with the shared goals of enabling AHA-assisted households to achieve family success; engage in life-long education, participate in the work force and achieve higher levels of income and upward mobility.

AHA's MTW Agreement has removed the barriers associated with federal housing regulations that are outdated, fail to incent private sector participation and private investment and apply a "one-size fits all" approach - AHA's MTW Agreement has enabled AHA to align its policies, business processes and practices with the goal of leveraging private sector investment and incenting participation in long-term public/private partnerships utilizing private sector business principles. Through public/private partnerships, AHA is able to do more with less and to achieve better operating efficiency and effectiveness and substantially better outcomes for AHA-assisted households.

MTW Single Fund minimizes the "silo" affect associated with the administration of housing programs –A flagship of the MTW program has been the ability to combine Low Income Operating Funds, certain Capital Funds and Housing Choice Voucher funds to create a single fund to implement eligible MTW activities as set forth in AHA's MTW Business Plan, as updated and amended on an annual basis. This single-fund approach removes most of the requirements tied to the individual subsidy programs and allows AHA to take a business approach and be more entrepreneurial in its decision-making and operations. Amidst limited and diminishing federal subsidies, AHA has been able to (1) make informed business decisions and deploy the funds to meet the affordable housing needs in the Atlanta community based on the goals, objectives and outcomes set forth in AHA's MTW Business Plan; (2) invest in human development services and supportive services programs that uniformly serve AHA-assisted households without regard to the subsidy program boundaries; and (3) use MTW funds to operate an efficient and well-run diversified real estate company with a public mission and purpose.

The need to continue AHA's MTW Agreement (without further changes) is essential to its continued success and long-term financial viability. AHA recently signed, after protracted negotiations, its amended and restated MTW Agreement with HUD in November 2008 and a second amendment in January 2009. Each of the MTW Program, generally, and AHA's MTW Agreement, in particular, represents a thoughtful, responsible and trailblazing shift for local housing agencies to be more business-centric in their operations and practices while retaining their public purpose and mission. The attempt to establish a revised set of federal regulations and requirements that "tweak" the same old practices and achieve the same bad outcomes is not the answer. The old model is sociologically and spiritually obsolete. We can and must continue to end the practice of concentrating the poor—it is detrimental and destructive.

As you review this report, it is our hope that AHA's demonstrated successes and lessons learned as a participant in the MTW Program will continue to contribute to the conversation of the merits of continuing and expanding the MTW Program. We know that through thoughtful and responsible de-regulation and innovative community building strategies, local housing agencies

all over America can continue to facilitate healthier economically integrated environments for the benefit of our low-income citizens.

(THE POWER OF
INNOVATION)

The Atlanta Blueprint

EXECUTIVE SUMMARY

Atlanta Housing Authority (AHA) continues to make great progress under the Moving to Work (MTW) Demonstration toward achieving its Vision of Healthy Mixed-Income Communities. This FY 2009 MTW Report responds to the priorities and activities captured in AHA's FY 2009 MTW Annual Plan, which represents the sixth year of AHA's participation under the Moving to Work Demonstration. This MTW Report captures the outcomes and accomplishments AHA has realized for the period ending June 30, 2009.

AHA has envisioned and created a new "blueprint" for providing affordable housing opportunities and for restoring dignity and a strong sense of personal responsibility and empowerment. Powered by the innovation afforded by MTW, AHA has been able to exponentially implement and refine its blueprint by setting forth a new paradigm of delivery of affordable housing and igniting the human potential of AHA-assisted families.

Amended and Restated MTW Agreement

During FY 2009, in response to HUD's decision to expand and extend the MTW Demonstration period, AHA and HUD negotiated and executed an Amended and Restated MTW Agreement. On November 13, 2008, AHA and HUD executed AHA's Amended and Restated MTW Agreement. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement (collectively, the "Amended and Restated MTW Agreement"), which clarified and expanded AHA's ability to use MTW Funds outside of Section 9 and Section 8 of the U.S. Housing Act of 1937, as amended ("1937 Act"). The Amended and Restated MTW Agreement re-affirmed, in all material respects, all of the authorizations set forth in Appendix A of the Original MTW Agreement and includes these authorizations in Attachment D. AHA has all of the authorizations needed from HUD under the Amended and Restated MTW Agreement to implement the activities described in AHA's FY 2009 MTW Annual Report.

AHA'S FY 2009 PRIORITY ACTIVITIES

During FY 2009, AHA's organizational priorities continued to be aligned around six major Priorities and the organization's Corporate Support. The following highlights these priorities and the Annual Report further describes outcomes and accomplishments achieved over the course of FY 2009.

Revitalization Program – AHA and its various private sector development partners are engaged in “community building” projects with the goal of creating healthy and economically sustainable mixed-use, mixed-income communities.

Quality of Life Initiative – The Quality of Life Initiative (QLI) was designed to empower households in 12 AHA-owned obsolete and distressed public housing developments, which include 10 family communities and two senior highrises, to relocate to higher quality, less impacted communities. Combined, these developments provide housing to approximately 3,000 households. Affected households continue to receive coaching and counseling services for a 27-month period to support the successful resettlement of families and facilitate connections to mainstream resources that support family success.

Project Based Rental Assistance as a Development Tool – AHA continues to utilize Section 8 project based rental assistance as a development tool to further the goals of (1) facilitating housing opportunities for families in healthy mixed-income communities; (2) facilitate the development of housing for the elderly; and (3) facilitate the development of supportive services housing for persons with disabilities and other transitional housing. AHA enters into renewable ten-year rental subsidy agreements with procured private sector owners for an agreed percentage of units in upscale, multi-family rental developments.

Re-engineering the Housing Choice Voucher Program – AHA has designed and implemented a number of local reforms to its Housing Choice Voucher Program so that a housing choice voucher can be an effective resource for accessing high quality housing in economically integrated neighborhoods. In addition, AHA will continue to re-engineer the Housing Choice Voucher Program Administration, including redesigning business systems, implementing technology solutions, improving customer service delivery to participants and landlords and refining participant and landlord policies and procedures.

Asset Management – AHA continues to develop and evolve its systems, processes, procedures and human resources to create a comprehensive and integrated asset management capacity, with an emphasis on external business relationship management and technology-oriented solutions. Asset Management also drives policy development, exercising the authority under AHA’s MTW Agreement, which further supports the agency’s on-going priority activities.

Human Development – AHA continues to make targeted investments and strategic linkages to connect AHA-assisted household to human development and community-based service providers to ensure healthy outcomes with the goals of (a) economically independent families; (b) educated children; and (c) self-sufficient elderly and persons with disabilities.

AHA also speaks to a number of on-going organizational initiatives under Corporate Support which include:

- ***AHA’s Local Asset Management Program (LAMP)*** – the LAMP outlines the cost accounting system under which AHA will operate.
- ***Longer-Term Hold Communities*** – This priority focuses on improving the quality of the facilities of the remaining AHA-owned public housing developments (longer-term hold communities) and developing a more extensive expertise in housing and supportive services for the elderly and persons with disabilities that reside in these properties. AHA will invest more than \$18 million in American Recovery and Reinvestment (ARRA) funds in these properties with the goals of improving the quality of the dwelling units, building envelop and the energy efficiency, environmental quality and sustainability of the developments.

Immediately following this Executive Summary is the MTW Success section. This section includes a series of charts that highlight some of AHA’s accomplishments in alignment with the three MTW Statutory goals. Following these charts is an “At a Glance” overview of a number of key innovations or reforms AHA has implemented as a result of its participation in the MTW Demonstration. These reforms exercise the authorizations in AHA’s Amended and Restated Moving to Work Agreement and make reference to the Agreement provisions enabling the reform.

MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Need to eliminate deteriorated, distressed and obsolete public housing developments located in isolated pockets of poverty 	<ul style="list-style-type: none"> ▪ MTW gives AHA the flexibility to combine its operating subsidies, capital funds and Housing Choice Program Funds creating a single authority-wide funding source (MTW Funds) to be used for MTW Eligible Activities, which includes new construction, reconstruction or moderate or substantial rehabilitation of housing 	<ul style="list-style-type: none"> ▪ Creation of healthy mixed-income communities with a seamless affordable component 	<p>REVITALIZATION PROGRAM</p> <ul style="list-style-type: none"> ▪ Total units produced, as of June 30, 2009, associated with AHA's six revitalization projects: <ul style="list-style-type: none"> - 966 market rate rental units - 442 Tax Credit rental units - 1,160 Public Housing w/Tax Credit - 915 Tax Credit with PBRA - 114 Market Rate for-sale homes - 115 Affordable for-sale homes ▪ Premier designated housing developments completed: <ul style="list-style-type: none"> - Columbia Senior Residences (senior-only) - Atrium at Collegetown (senior-only) - Gardens at Collegetown (supportive services housing for persons with special needs) <p>(See Revitalization Priority for more information on AHA's revitalization activities)</p>
<ul style="list-style-type: none"> ▪ Lack of quality service enriched affordable housing for elderly, persons with disabilities and other special needs populations 	<ul style="list-style-type: none"> ▪ MTW allows AHA to invest MTW Funds into privately owned development deals 	<ul style="list-style-type: none"> ▪ Supports the creation of service enriched, affordable housing by private sector Owners and developers for persons with special needs to include the homeless and persons with mental and developmental disabilities 	<p>PROJECT BASED RENTAL ASSISTANCE</p> <ul style="list-style-type: none"> ▪ Increased housing opportunities through AHA's Project Based Rental Assistance program with private sector developers/Owners. Numbers include units committed, or under executed PBRA Agreements at June 30, 2009: <ul style="list-style-type: none"> - 1,309 PBRA family - 3037 PBRA senior; and, <p>PBRA units in service enriched housing:</p> <ul style="list-style-type: none"> - 388 PBRA Homeless - 68 PBRA Mental Health - 113 PBRA Other Special Needs ▪ (See PBRA as a Development Tool Priority for more information on AHA's PBRA program and Asset Management Priority for more information on AHA's PBRA site-based administration)



MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Need to eliminate deteriorated, distressed and obsolete public housing developments located in isolated pockets of poverty ▪ Limited availability of subsidy for supportive services and programs that equip families to be successful in the mainstream 	<ul style="list-style-type: none"> ▪ MTW gives AHA the flexibility to combine its operating subsidies, capital funds and Housing Choice Program Funds creating a single authority-wide funding source (MTW Funds) to be used for MTW Eligible Activities, which includes relocation and demolition ▪ AHA can use its MTW funds on programs that assist people participating in educational and self-sufficiency programs 	<ul style="list-style-type: none"> ▪ AHA is relocating approximately 3,000 families from 12 distressed, obsolete public housing communities to better quality living environments where families have a “choice” in where they desire to live. Additionally, the 12 distressed communities will be demolished once relocation is complete ▪ MTW Funds allows for the provision of customized, individual family coaching and counseling for at least 27-months which helps relocating families develop plans for success and supports their adaptation and connection with their new community ▪ Enables AHA to institute higher tenant standards which makes landlords and property owners willing to work with AHA-assisted households 	<p>QUALITY OF LIFE INITIATIVE</p> <ul style="list-style-type: none"> ▪ Phase II of AHA’s Quality of Life Initiative (QLI) on target with successfully relocating approximately 3,000 households from seven, distressed public housing communities. ▪ Status of relocations at June 30, 2009: <ul style="list-style-type: none"> - Bowen Homes 100% relocated (535 affected households) - Bankhead Courts 100% relocated (337 affected households) - Thomasville Heights 97% complete (323 affected households) - Herndon Homes 46% complete (248 affected households) - Hollywood Courts 80% complete (187 affected households) - Roosevelt House Highrise 35% complete (228 affected households) - Palmer House Highrise 32% complete (220 affected households) ▪ All QLI impacted households are receiving 27 months of coaching and counseling services through procured Human Development Service providers <p>(See Quality of Life Initiative Priority for more information on AHA’s relocation efforts under QLI and supportive services programs)</p>



MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Poor image and acceptance of Housing Choice Voucher Program in local communities ▪ Poor quality units in high impacted neighborhoods participating in the program ▪ Need to establish rent policies that protect participants in the Housing Choice Voucher Program from rent burdens that inhibit their access to quality housing opportunities 	<ul style="list-style-type: none"> ▪ AHA is authorized to create its own Housing Choice Voucher Program standards, business practices and procedures using private real estate market principles and practices ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining approval from its board and HUD 	<ul style="list-style-type: none"> ▪ Reform of AHA's Housing Choice Voucher program enhances acceptance of the program by experienced property owners and landlords, thereby improving the availability of quality units in healthy mixed-income communities. It also provides participants a competitive edge in competing and securing rental opportunities in quality living environments 	<p>REENGINERRING THE HOUSING CHOICE VOUCHER PROGRAM</p> <ul style="list-style-type: none"> ▪ Successfully implementing Leasing Incentive Fee (LIF) for households impacted by relocation – LIF pays landlords a one-time non-refundable fee in consideration of their agreement to lease units selected by relocating families ▪ Implementing Atlanta-centric, Fair Market Rent payment standards that better align with various submarkets in Atlanta's rental market, encouraging participation from landlords in low-impacted areas ▪ Implemented 30% of Adjusted Income policy – this policy stabilizes total tenant payments to not exceed 30% of adjusted income for rent and utilities – allows families to secure great housing choices while minimizing the rent burden <p>(See Re-engineering the Housing Choice Voucher Program Priority for more information on AHA's Housing Choice reforms)</p>



MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Section 8 and 9 of the 1937 Act carry inconsistent regulations with respect to use of subsidy for self-sufficiency programs ▪ Low workforce participation by AHA-assisted households and minimal participation in self-sufficiency programs 	<ul style="list-style-type: none"> ▪ MTW gives AHA the flexibility to combine its Operating, Capital and Housing Choice Funds creating a single authority-wide funding source, "MTW Funds", which is not bound by programmatic requirements tied to individual subsidy programs ▪ AHA is authorized to adopt a work/program participation requirement for all AHA-assisted households as a condition of receiving subsidy assistance 	<ul style="list-style-type: none"> ▪ AHA can use MTW funds to contract with service providers for the provision of workforce preparation and placement, educational and other self-sufficiency programs that uniformly serve AHA-assisted households ▪ Increased workforce participation, skills and educational development and access to enhanced supportive services to assist families' transition to employment and training 	<p>HUMAN DEVELOPMENT</p> <ul style="list-style-type: none"> ▪ At June 30, 2009, 62 percent of targeted AHA-assisted households were in compliance with the work/program participation requirement ▪ Families not in compliance with work/program participation requirement and were in deferment status (i.e. termination of assistance is deferred) were connected to Human Services and Client Services Counselors who assisted families in getting connected to needed resources. ▪ Five top referrals and numbers served during FY 2009: <ul style="list-style-type: none"> - Employment Placement (3,416) - Supportive Services (2,680) - Health Services (822) - Youth Programs (554) - Employment Preparation and Retentions Services (495) ▪ Human Development and support service providers provided coaching and counseling services to 3,875 families impacted by QLI and revitalization activities <p>(See Human Development Priority for more information on AHA's human development services and self-sufficiency programs)</p>

MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Lack of accountability and responsibility on the part of the tenant to pay their fair share of rent 	<ul style="list-style-type: none"> ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, and public hearing, and obtaining AHA Board and HUD approval 	<ul style="list-style-type: none"> ▪ Requires tenants to make contributions toward rent, while minimizing rent burdens that adversely affect family disposable income 	<p>CORPORATE SUPPORT The following are policies and initiatives in place that apply to all AHA-assisted households (unless exempted from the requirement):</p> <ul style="list-style-type: none"> ▪ 30% of Adjusted Income Policy- This policy stabilizes total tenant payments to not exceed 30% of adjusted income for rent and utilities ▪ Rent Simplification Policy – AHA developed a larger standard deduction for individuals, dependents, seniors and persons with disabilities for determining adjusted annual incomes (\$750 per dependent and \$1,000 for elderly/disabled households) in order to calculate the assisted households’ contribution toward rent ▪ Minimum Rent of \$125 (elderly and disabled households exempt) - 90.1% of remaining targeted households in AHA’s Public Housing Program and 80.6% of targeted households in the Housing Choice Voucher Program paid rents greater than or equal to the Minimum Rent ▪ Work/Program participation requirement -62% compliance rate <p>(See AHA’S Statement of Corporate Policies and Statement of Housing Choice Policies under Corporate Support for more on AHA’s rent policies and reforms)</p>
<ul style="list-style-type: none"> ▪ Rent penalties for seniors on fixed incomes, who choose to work part-time or on a temporary basis 	<ul style="list-style-type: none"> ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining AHA Board and HUD approval 	<ul style="list-style-type: none"> ▪ Seniors on fixed income permitted to have additional earned income without rent penalty 	<p>CORPORATE SUPPORT</p> <ul style="list-style-type: none"> ▪ AHA continued the implementation of the Elderly Income Disregard policy <p>(See AHA’S Statement of Corporate Policies and Statement of Housing Choice Policies under Corporate Support for more on AHA’s rent policies and reforms)</p>



MTW STATUTORY GOAL THREE: REDUCING COST AND ACHIEVING GREATER COST EFFECTIVENESS ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Reduced federal funds 	<ul style="list-style-type: none"> ▪ MTW gives AHA the flexibility to combine its Operating, Capital and Housing Choice Funds creating a single authority-wide funding source, (MTW Funds), and use for MTW eligible activities 	<ul style="list-style-type: none"> ▪ AHA is able to fund and administer vital MTW reforms with MTW funds uniformly to AHA-assisted households which reduces program redundancy and builds greater administrative efficiencies ▪ For all of its priority activities outlined in the MTW Annual Report, AHA has been able to do more with less by leveraging its funds with private sector investment (Revitalization, PBRA, Housing Choice), achieve better operating efficiencies (Corporate Support, Asset Management, Housing Choice and QLI) and achieve substantially better outcomes for AHA-assisted households (Human Development) 	<ul style="list-style-type: none"> ▪ Uniformly implementing policies, programs and requirements among AHA-assisted households (except exempted households) to include the Minimum Rent, work/program compliance, human development and support services and mainstream self-sufficiency activities with AHA service providers and partners ▪ AHA continues to achieve the organizational priorities in its FY 2009 Annual MTW Plan (CATALYST Implementation Plan) – These priorities are: <ul style="list-style-type: none"> - Revitalization Program - Quality of Life Initiative - Project Based Rental Assistance as a Development Tool - Re-engineering of the Housing Choice Voucher Program - Asset Management - Human Development - Corporate Support <ul style="list-style-type: none"> ○ Financial Operations ○ Longer-term hold communities ○ Corporate Policies ○ Human Resource Development ○ AHA’s Communication Plan <p>(See respective sections of the 2009 MTW Annual Report for a full discussion on accomplishments and outcomes for these organizational priorities)</p>

*Atlanta Housing Authority
Moving to Work Reforms and Innovations At-a-Glance*

Use of MTW Funds

MTW Agreement Provision: Attachment D, Section V. – Single Fund Budget with Full Flexibility
 Second Amendment, Section 2. – Use of MTW Funds
 Second Amendment, Section 3. – Reinstatement of “Use of MTW Funds” Implementation Protocol

- **Use of MTW Funds** – AHA is able to combine its low income operating subsidy, capital funds and Housing Choice Voucher funds into a single, authority-wide fund, which may be used for MTW Eligible activities as defined in AHA’s Restated MTW Agreement and the FY 2010 MTW Annual Plan. AHA may use these funds, for among other things, to expand quality, affordable housing in healthy mixed-income communities, support self-sufficiency programs for Public Housing and Housing Choice-assisted households and to improve its operations (financial and other). (Statutory Goals 1, 2 and 3)
- **Gap Financing** – AHA intends to use its MTW Funds for gap financing to support the financial closings of mixed-income rental communities that serve low-income families (earning less than 80% of area median income) to include Tax Credit, Project Based Rental Assisted-units and Public Housing Assisted-units. Alleviates the challenges in identifying investors and funders for proposed real estate development projects. (Statutory Goals 1 and 2)
- **Use of MTW Funds in Affordable Residential with Private Owners** – Use MTW Funds to invest in residential properties owned by private entities to facilitate the creation of mixed-income communities by supporting the development or rehabilitation of housing units that are affordable to low-income families. Leverages public/private investment to expand quality affordable housing. (Statutory Goals 1 and 2)

Atlanta Housing Authority
Moving to Work Reforms and Innovations At-a-Glance

Housing Choice Voucher Program

MTW Agreement Provision: Attachment D, Section VII – Establishment of Housing Choice Voucher Program

- **30% of Adjusted Income** – In order to preserve housing affordability for participants of the Housing Choice Voucher Program, the total tenant payment of participants, unless subject to AHA’s minimum rent, will be no more than 30% of the household’s monthly adjusted income for rent and utilities. Especially important is the fact that this initiative ensures that the financial arrangement of former public housing families who relocated using Housing Choice vouchers will be no different than the financial arrangement they had as public housing residents. (Statutory Goals 1 and 3)
- **Atlanta Payment Standards** – AHA implemented the AHA Payment Standards as an alternative to HUD’s Fair Market Rents. A third-party firm with a specialty in real estate market analysis conducted an independent study and identified seven major submarkets in the City of Atlanta. The study team mapped the submarkets and their corresponding market equivalent rent levels in developing the AHA Payment Standards. This reform reduces the barriers Housing Choice participants have in conducting their housing search by providing them with additional financial leverage and improved access to quality housing of their choice in lower poverty neighborhoods with great amenities. (Statutory Goals 1 and 2)
- **Rent Reasonableness** – AHA is developing a more sophisticated, professional and independent rent reasonableness process, which will be managed by AHA’s Asset Management Group. The Asset Management Group will develop a database of rents in the various submarkets, review independent market studies and analyze trends in Atlanta market rents so that the information used to assess proposed contract rents will be market-based and current. (Statutory Goal 2)
- **Leasing Incentive Fee** – Established to attract landlords and private owners in making housing available to low-income families in healthy mixed-income communities. In private markets, owners of Class A real estate often require security deposits and application fees to defray the costs of processing an application for an apartment. In response, AHA designed the Leasing Incentive Fee in order to eliminate these requirements as obstacles. This fee gives families greater leverage in being competitive to secure quality housing in the private market. (Statutory Goal 1)
- **Enhanced Inspection Standards** – Establishes interim and annual inspection “checkpoints” for enforcing both the landlords and participants’ responsibility in property upkeep and for re-evaluating neighborhood quality. This supports the need for improved accountability and responsibility of the participant and the landlord and works to improve the image and acceptance of the Housing Choice Program in communities. (Statutory Goals 1, 2, and 3)
- **Section 8 Voucher for Homeownership** – Allows qualified participants in the Housing Choice tenant-based program to use their voucher for mortgage payment assistance. Facilitates participants’ upward movement from renting to homeownership. (Statutory Goals 1 and 3)
- **Project Based Rental Assistance (PBRA) Site Based Administration** – Operates as a distinct and separate program from the Housing Choice tenant-based program and moves from the PHA-managed model under the traditional Housing Choice Project Based Voucher Program. Allows AHA to enter into long-term PBRA Agreements with owner entities of quality multifamily rental developments (which include developments for the elderly and persons with disabilities) whose professional management companies have the full responsibility of administering all aspects of PBRA eligibility, admissions and occupancy at the property level.

Atlanta Housing Authority
Moving to Work Reforms and Innovations At-a-Glance

Expanding Housing Opportunities

MTW Agreement Provision:	<p>Attachment D, Section V. – Single Fund Budget with Full Flexibility</p> <p>Attachment D, Section VII. – Establishment of Housing Choice Voucher Program</p> <p>Attachment D, Section VII, B. – Simplification of the Process to Project-Base Section 8 Vouchers</p> <p>Attachment D, Section VIII, C. – Simplification of the Development and Redevelopment Process</p>
---------------------------------	--

- **Revitalization Program** – To further facilitate AHA’s development and redevelopment activities with private sector development partners and leverage public and private resources, AHA is able to develop and adopt its own policies and procedures to determine and control major development decisions, to include replacing HUD’s Total Development Cost (TDC) limits. This streamlined and simplified process allows AHA to be more nimble and responsive in a dynamic real estate market in the creation or rehabilitation of mixed-income communities. (Statutory Goals 1 and 2)
- **Developing Alternative & Supportive Housing Resources** – Using its single fund budget authority, AHA is able to create or facilitate with private sector developers, service enriched housing for seniors and persons with disabilities. This addresses the lack of affordable, supportive housing to allow these populations to age in place. (Statutory Goals 1 and 2)
- **Quality of Life Initiative** – Enables AHA to relocate families from 12 large, isolated, distressed and obsolete public housing developments to better quality housing in the mainstream. Residents have the opportunity to select living environments that are equipped with desired amenities and neighborhood resources. (Statutory Goals 1, 2 and 3)
- **Project-Based Rental Assistance as a Development Tool** – AHA uses PBRA as a financial incentive and financing tool by providing a renewable rental subsidy to private sector developers and owners to commit a percentage of units as affordable in quality multifamily developments. PBRA also enhances developers and owners’ competitive applications for the State’s Low Income Housing Tax Credits Program for the provision of affordable rental housing. Enables AHA to leverage Federal funds with other public and private investment to expand the affordable housing resource. (Statutory Goals 1 and 2)
- **Housing Choice Voucher Program** – AHA established its own Housing Choice Program to facilitate improved housing options for low-income families in better communities and neighborhoods. Works to improve the quality of “choice” for families in low-poverty and mixed-income environments. (Statutory Goals 1 and 3)

Atlanta Housing Authority
Moving to Work Reforms and Innovations At-a-Glance

Corporate Support

MTW Agreement Provision: **Attachment D, Section V.** – **Single Fund Budget with Full Flexibility**
 Attachment D, Section VII., C. – **Demonstration Program on Project-based Financing**
 First Amendment, Section 6 – **Local Asset Management Within MTW**

- **Maximizing the Power of Technology** – AHA will use its MTW Funds to link its information technology, financial, procurement, data and its business system infrastructure into an integrated data-centric environment. This overarching strategy will improve AHA’s ability to use data as intelligence to inform and improve its business decisions. AHA will create a comprehensive, integrated and relational database that will empower the organization to be more strategically focused on business systems integration and the corresponding linkages that will make AHA a 21st Century real estate business enterprise. (Statutory Goal 2)
- **Sustaining Mixed-Income Investments** – To sustain and preserve investments in mixed-income communities, AHA will use its authority under the Restated MTW Agreement to substitute the public housing operating subsidy at AHA-sponsored mixed-income, mixed-finance communities for— renewable Project Based Rental Assistance. This initiative will support the long-term sustainability, economic viability and market competitiveness of the AHA-sponsored mixed-income communities. (Statutory Goal 2)
- **Innovative Subsidy Strategies** – Sustains viability of AHA’s longer-term hold Affordable communities by substituting the Section 9 operating subsidy for— renewable Project Based Rental Assistance. Similar to the investment strategy above, AHA will be able to design and implement a financing strategy to leverage private resources to continue to improve the physical structures and quality of the environment. (Statutory Goal 2)
- **Local Asset Management Program** – Defines how AHA has designed its Local Asset Management Program, including project-based property management, budgeting, accounting and financial management of AHA-owned public housing assisted properties and public housing assisted units in mixed-income communities, and the other aspects of its business operations, based on AHA’s Business Plan. AHA’s Local Asset Management Program is more comprehensive in scope than HUD’s asset management requirements. (Statutory Goal 2)

REVITALIZATION PROGRAM

During FY 2009, AHA, in partnership with private sector developers, continued with the transformation of six conventional public housing developments into market competitive, mixed-use, mixed-income

communities. The six revitalization projects underway are Capitol Homes, Carver Homes, Grady Homes, Harris Homes, McDaniel Glenn and Perry Homes. Repositioning AHA's public housing developments has involved any one or combination of the following strategies: (1) major revitalization using HUD funds (HOPE VI and other public housing development funds, including Replacement Housing Factor Funds and MTW Funds) as seed capital and AHA-owned land as equity to attract private sector developer participation and private investment; (2) major revitalization using Project Based Rental Assistance and the value of AHA-owned land as equity to attract private sector developer participation and private investment; (3) sale of AHA-owned land (including land swaps); (4) land banking; and/or (5) acquisitions.

AHA's revitalization efforts support AHA in achieving its vision of "Healthy Mixed-Income Communities" utilizing a "community building" strategy. By working with private developers, the local school system and community stakeholders, developments are being restored back into the fabric of the surrounding community. The revitalized communities incorporate both rental and homeownership production and include neighborhood amenities such as early learning centers, quality retail and commercial development, recreational facilities, green space and higher performing neighborhood schools. Additionally, based on the need for high-quality rental housing for seniors, all of the revitalization plans include newly developed, high quality rental housing for seniors that are exquisite and desirable living accommodations that promote independent and active living.

As part of the larger picture of AHA's comprehensive development program, when these six master plans are complete, AHA and its private development partners will have created 16 mixed-use, mixed-income communities, leveraging over \$300 million in HOPE VI, MTW and public housing development funds producing over \$4 billion in new investments in once distressed and economically disinvested neighborhoods. Additionally, a better than 10 to 1 leverage ratio of

AHA and its private development partners will have achieved a better than 10-to-1 leverage ratio through the creation of 16 mixed-use, mixed income communities; leveraging over \$300 million in HOPE VI , MTW and public housing development funds producing over \$4 billion in new investments in once distressed and economically disinvested neighborhoods.

private to public investment will be achieved. The table and master plans that follow, sets forth the residential components of AHA's Revitalization Program.

Housing Production For Active Revitalization Programs: Units Completed To Date	For Sale Unit Mix		Rental Unit Mix			
	Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/Public Housing Assist.	Tax Credit w/PBRA
Capitol Gateway (Capitol Homes)						
Units in Master Plan	360	141	168	100	138	233
Units Completed Total	54	65	168	100	138	233
Units Completed in FY 2009	7	30	0	0	0	0
The Villages at Carver (Carver Homes)						
Units in Master Plan	67	284	207	165	329	150
Units Completed Total	0	0	207	165	329	150
Units Completed in FY 2009	0	0	0	0	0	0
West Highlands (Perry Homes)						
Units in Master Plan	610	176	258	90	228	124
Units Completed Total	60	33	258	90	228	124
Units Completed in FY 2009	0	0	0	0	0	0
Auburn Pointe (Grady Homes) Excluding University						
Units in Master Plan	34	35	167	70	143	248
Units Completed Total	0	17	25	0	38	61
Units Completed in FY 2009	0	0	25	0	38	61
CollegeTown (Harris Homes)						
Units in Master Plan	290	99	196	68	250	175
Units Completed Total	0	0	126	40	180	166
Units Completed in FY 2009	0	0	38	0	102	76
Mechanicsville (McDaniel Glenn Homes)						
Units in Master Plan	203	81	206	100	294	213
Units Completed Total	0	0	182	47	247	181
Units Completed in FY 2009	0	0	132		131	65
Grand Total						
Units in Master Plan	1,564	816	1,202	593	1,382	1,143
Units Completed Total	114	115	966	442	1,160	915
Units Completed in FY 2009	7	30	195	0	271	202

Capitol Gateway Site Plan (Capitol Homes Revitalization)

- In walking distance to Georgia State Capitol
- Neighborhood linear park and water feature
- Master plan includes 639 mixed-income rental and 501 on site mixed-income single-family homes
- Infrastructure and streetscape improvements
- Partnership with State to create a State government mall/plaza
- Reconstituted Cook Elementary as a technology-themed school
- Neighbors the rehabilitated Martin Luther King Towers which provides supportive housing for persons with disabilities
- \$156 MM on-site investment when completed
- \$202 MM surrounding neighborhood investment
- Private Sector Development Partners: Integral Development, LLC and Urban Realty Partners

With the multifamily rental portion fully completed during FY 2008, the focus of the on-going revitalization is homeownership development, as supported by favorable market conditions. Discussions are underway to form a partnership with the State of Georgia to develop a State government mall as part of a potential land swap. The mall would bring full connectivity to Capitol Gateway, the State Capitol and neighboring government buildings, enhancing the community's position as a live/work/play community.



- Located within City's Pryor Road Redevelopment Corridor
- Master Plan includes 851 mixed-income rental and 351 on site single-family for-sale homes
- Exclusive senior mid-rise development with beautifully appointed amenities and accommodations
- State of the art YMCA and Atlanta Braves Foundation baseball academy developed by YMCA of Metropolitan Atlanta chapter, in partnership with Butler Street YMCA
- Surrounded by three enhanced public schools to include the New Schools at Carver – features four schools of discipline: Early College, Arts, Health Science and Research, and Technology
- Infrastructure and streetscape improvements
- \$219 MM on-site investment when completed
- \$168 MM surrounding neighborhood investment
- Private Sector Development Partners: The Integral Group LLC and Russell New Urban Development LLC

With the multifamily rental portion of the development fully completed, the focus of the on-going revitalization is homeownership and retail development, as supported by favorable market conditions.

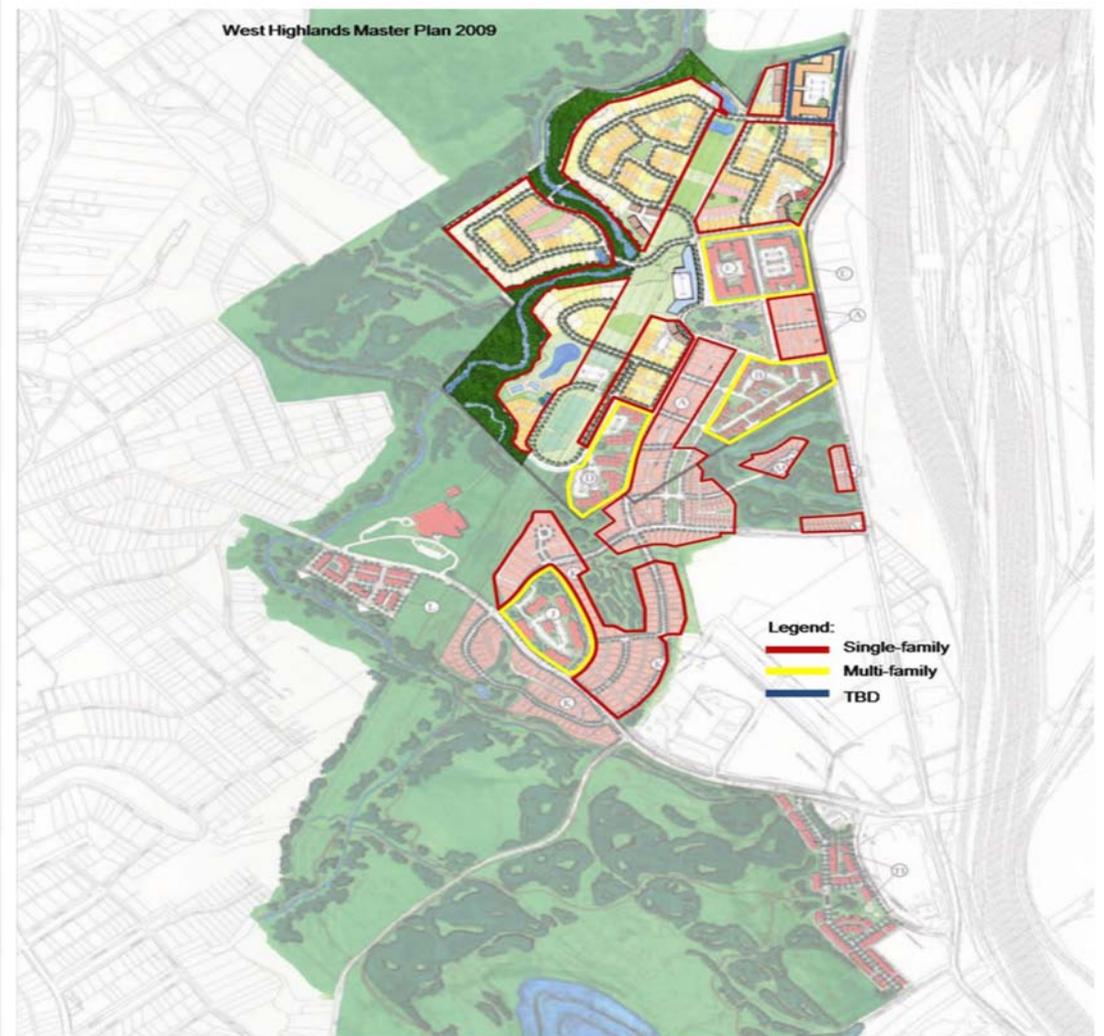
The Villages at Carver Site Plan (Carver Homes Revitalization)



West Highlands at Heman E. Perry Boulevard Site Plan (Perry Homes Revitalization)

- Expansive 200-acre master planned development
- Master Plan includes 700 mixed-income rental and 786 mixed-income single-family for-sale homes on and off-site
- Features a Town Center park with an amphitheatre, pavilion, water feature, greenspace and play areas
- Independent living senior mid-rise development nestled adjacent to Town Center park and single family homes
- Will include 25,000 square feet of commercial development in a park-like setting with abundant greenspace and walking trails
- \$250 MM on-site investment when completed
- \$291 MM surrounding neighborhood investment
- Private Sector Development Partners:
Columbia Residential LLC and Brock Built LLC

With the multifamily rental portion of the development fully completed during FY 2008, the focus of the on-going revitalization is homeownership development, as supported by favorable market conditions.



CollegeTown at West End Site Plan (Harris Homes Revitalization, which includes the revitalization of John O. Chiles Senior Highrise and John O. Chiles Annex)

- Neighbors the historic Atlanta University Center comprised of five historically black colleges and universities
- Master Plan includes 689 Mixed-income rental and 389 mixed-income on-site and off-site single family for sale homes
- Includes the Veranda and the Atrium at CollegeTown – two premier senior developments and The Gardens at CollegeTown which provides service enriched housing for persons with special needs.
- Includes the 26 units of supportive housing for mentally and developmentally disabled at The Gardens at CollegeTown
- New infrastructure, streets, sidewalks, streetscapes and greenspace to include the development of the Pond at Dean Rusk – a scenic water feature and park adjacent to the development
- \$234 MM on-site investment when completed
- \$102 MM surrounding neighborhood investment
- Private Sector Development Partners: The Integral Group, LLC and Real Estate Strategies, Inc.

In FY 2009 as part of the master plan, construction was completed on 190-unit renovation of John O. Chiles Senior Highrise as an elderly-only rental community (renamed Atrium at CollegeTown), and the 26-unit renovation of John O. Chiles Annex (renamed The Gardens at CollegeTown) for families with special needs. Predevelopment work began on Ashley CollegeTown II, a multifamily rental community, with closing anticipated in FY 2010. Homeownership development is planned as supported by favorable market conditions.

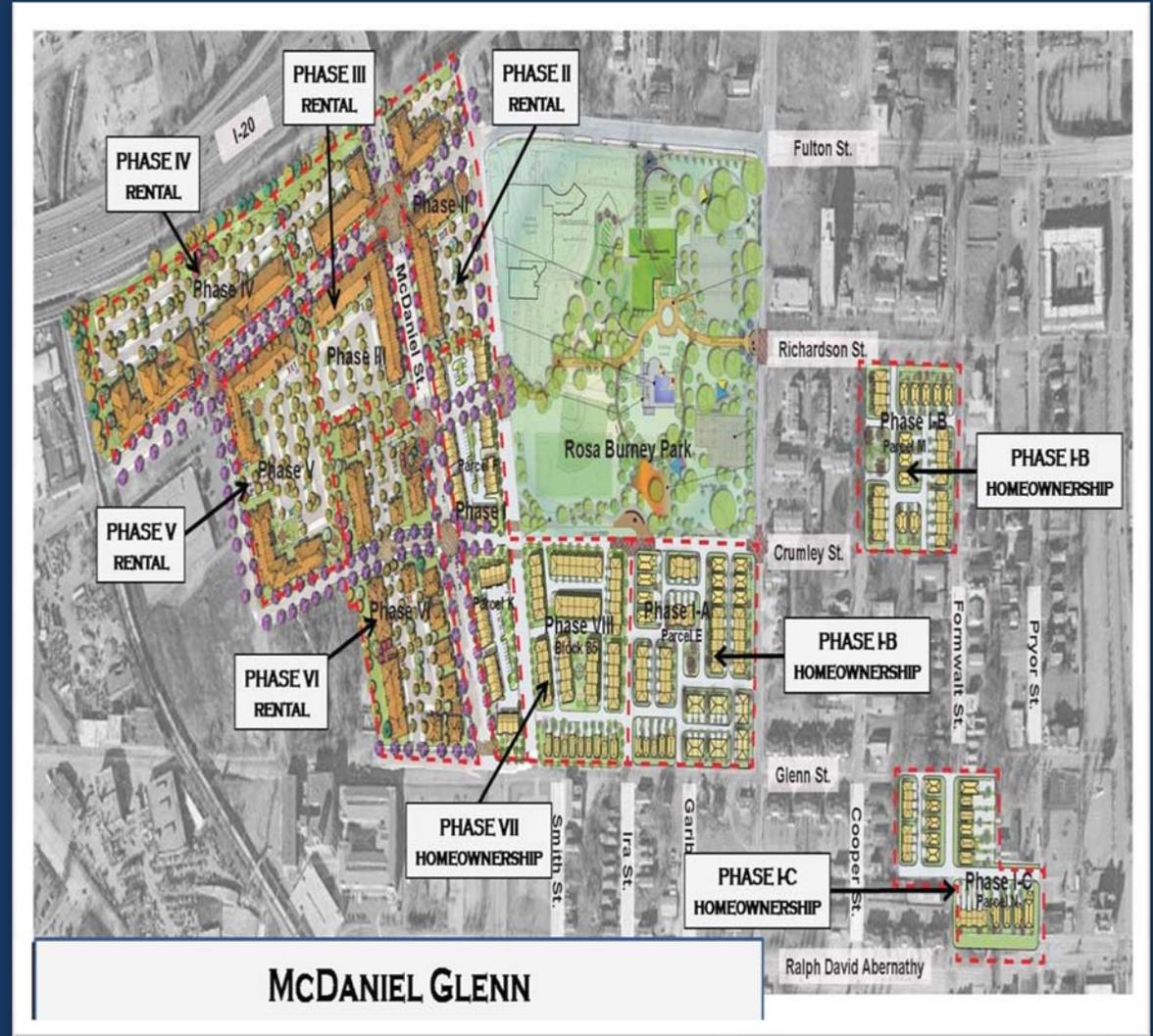


THE POWER OF INNOVATION

- Incorporates principles of “New Urbanism” to create a walkable, mixed-use, mixed-income community
- Master Plan includes 813 mixed-income rental and 284 mixed-income single family for sale homes
- New infrastructure, streets, sidewalks
- Completed 155-unit Designated Housing development – Columbia Senior Residences
- Adjacent to Dunbar Park and Dunbar Elementary
- \$184 MM on-site investment when completed
- \$64 MM surrounding neighborhood investment
- Private Sector Development Partners: Columbia Residential LLC, Summerdale Mechanicsville CDC (SUMMECH), Resource Health Care of America (RHA)

657 rental units were completed as of FY 2009, with 156 remaining as part of a new on-site rental phase added to the master plan. Pending an award of tax credits in fall 2009, closing is anticipated in 2010. Homeownership development is planned as supported by favorable market conditions.

Mechanicsville Site Plan (McDaniel Glenn Revitalization which includes the revitalization of McDaniel Glenn Annexes and Martin Luther King Jr. Senior Highrise)



Other Repositioning Activities

Acquisitions – During FY 2009, AHA affiliates acquired a total of 23.6 acres, including 7.3 acres known as 2000 Perry and 15.5 acres known as the Georgia Power Utility Right-of-Way to support the revitalization of Perry Homes; 0.35 acres to support the revitalization of Harris Homes; 0.25 acres to support the revitalization of Grady Homes and 0.20 acres to support the revitalization of University Homes.

Permanent Designated Housing – AHA, in partnership with private sector developers, will continue to develop designated housing for seniors and persons with disabilities. During FY 2009, the development of Columbia Senior Residences, a 155-unit, Elderly Only, facility was completed as part of the McDaniel Glenn Revitalization Plan. Two additional designated housing communities were completed during FY 2009, as part of the Harris Homes Revitalization Plan. These communities are the Atrium at CollegeTown (formerly John O. Chiles Highrise) which is comprised of 190 independent living units and The Gardens at CollegeTown (formerly John O. Chiles Annex) a 26-unit supportive services housing for persons with mental or developmental disabilities.

Affordable Assisted Living Demonstration – During FY 2009, AHA partnered with the Northwest Georgia Housing Authority (NWGHA) to examine strategies for developing affordable assisted living opportunities for low income seniors and persons with disabilities. AHA procured a skilled and knowledgeable contractor with a strong track record in establishing affordable assisted living communities around the nation. AHA and NWGHA established a task force that worked with the contractor to examine various assisted living issues and models to draft a proposal for submission to the State of Georgia Department of Human Services. AHA plans to submit the proposal to the State in early FY 2010.

Homeownership Programs – AHA is re-engineering its homeownership programs to assist families in achieving their goals of financial independence and homeownership. As a part of each revitalization master plan, for-sale single family homes are being developed at various price points on the economic spectrum. Given the current conditions in the financial and real estate market, AHA and its private sector development partners have slowed and/or deferred the development of for-sale units until such markets improve. AHA's goal is to position qualified families, some of whom graduated from AHA assistance programs, to take advantage of these opportunities. AHA works with neighborhood Community Development Corporations, financial

institutions, public entities, and other private sector participants to create additional homeownership opportunities. Additionally, AHA maintains strategic relationships with a number of housing counseling providers to connect potential homeownership clients or participants to homeownership services. An important component added to the homeownership counseling curriculum is foreclosure prevention counseling to help prevent foreclosures due to unemployment or other economic conditions.

Given the adverse housing market conditions being experienced in the Atlanta market and nationally, homeownership development proceeded cautiously, as supported by market studies and the private sector financial investments necessary for long-term sustainability. For FY 2009, 38 homeownership units were constructed and closed by AHA development partners or by other off-site builders, and mortgage down payment assistance was provided as part of the following HOPE VI revitalization projects:

HOPE VI Community	New Community Name	Homeownership Development/Closings
Capitol Homes	Capitol Gateway	37 (off-site development) 30 – closed (affordable) 7 – closed (market rate)
Grady Homes	Auburn Pointe	1 (off-site affordable development)
TOTAL		38 (off-site development) 31 – closed (affordable) 7 – closed (market rate)

HOPE VI Down Payment Assistance Homeownership Program – The HOPE VI Down Payment Assistance Homeownership Program continues to be a very active part of AHA’s homeownership activities and operates in partnership with local government to increase homeownership opportunities for first time home buyers. This program provides subordinate loans to low-and moderate-income first time home buyers to reduce the principal amount of their first mortgage.

Homeownership Self Sufficiency Program (HSS) – During FY 2009, as part of the grant close-out, AHA began phasing out the HSS Program to create a seamless approach to homeownership activities. The remaining 19 participants in this program will continue to be assisted in attaining financial independence and self-sufficiency, and to purchase a home, if desirable and feasible.

Housing Choice Homeownership Program – Given its MTW authority, AHA is re-structuring the Housing Choice Voucher Homeownership Program to better align with the current industry standards and lending practices and is refining its program policies, procedures and criteria for participants. AHA is seeking HUD approval for some latitude and flexibility to raise the eligibility selection standards to promote long-term successful homeownership. The mainstay of the program is the availability of the Housing Choice (Section 8) Voucher for homeownership mortgage assistance for eligible participants.

QUALITY OF LIFE INITIATIVE

Using its authority under the Amended and Restated MTW Agreement, AHA has improved its financial position as a result of changing the composition and mix of its portfolio and demolishing AHA-owned distressed and obsolete public housing developments, thereby substantially reducing the operating and capital costs associated with managing these troubled properties.

The Quality of Life Initiative (QLI) is one of AHA’s strategies for transforming the delivery of affordable housing. Under QLI, AHA is giving families opportunities to relocate from obsolete and distressed public housing to higher quality communities with desirable amenities. Approximately 3,000 households in 12 targeted AHA-owned developments are benefiting from QLI. The 12 targeted communities include 10 family communities: Bankhead Courts, Bowen Homes, Englewood Manor, Herndon Homes, Hollywood Courts, Jonesboro North, Jonesboro South, Leila Valley, Thomasville Heights and U-Rescue Villa; and two senior highrises, Palmer House Highrise and Roosevelt House Highrise. HUD approved the demolition of all of the targeted QLI communities. AHA has used its MTW Funds to pay for QLI-related activities including relocation, demolition and human development services. The following describes activities AHA has implemented using its MTW authority and funds supporting QLI.

During FY 2009, all Phase I QLI properties listed in the Phase I Relocation Schedule below were demolished. The demolition of one Phase II property, Bowen Homes, began in June 2009.

Phase I Relocation Schedule					
Property	Affected Households	Start Date	End Date	Status	Percentage Relocated from Property
Englewood Manor	310	7/31/2007	2/29/2008	Completed	100%
Jonesboro North	98	7/31/2007	1/31/2008	Completed	100%
Jonesboro South	150	8/6/2007	1/31/2008	Completed	100%
Leila Valley	115	4/18/2007	11/30/2007	Completed	100%
U-Rescue Villa	71	7/31/2007	1/31/2008	Completed	100%
TOTAL	744*				

*702 households relocated successfully. 42 households were either evicted, deceased, or skip moved without notifying AHA.

The chart below shows the status of QLI- related relocations under Phase II as of the end of FY 2009:

Phase II Relocation Schedule					
Property	Affected Households	Start Date	Scheduled End Date	Status	Percentage Relocated from Property at 6/30/09
Bowen Homes	535	7/1/2008	8/31/2009	Completed 5/31/09	100%
Bankhead Courts	337	8/1/2008	7/31/2009	Completed 6/30/09	100%
Thomasville Heights	323	8/1/2008	7/31/2009	Relocation Underway	97%
Herndon Homes	248	1/1/2009	12/31/2009	Relocation Underway	46%
Hollywood Courts	187	1/1/2009	12/31/2009	Relocation Underway	80%
Roosevelt House Highrise	228	5/1/2009	2/28/2010	Relocation Underway	35%
Palmer House Highrise	220	5/1/2009	2/28/2010	Relocation Underway	32%
TOTAL	2,153				

Supporting Activities

Responsible Relocation – AHA’s Relocation staff assists relocating families with the resources they need to make informed choices about where they elect to move. These choices include moving to private rental communities with a limited percentage of Section 8 project-based rental assistance; utilizing tenant based vouchers for private market rental units of their choice; or in the case of relocating seniors or persons with disabilities, they can also choose to move into one of AHA’s remaining 11 highrise communities.

As shown in the Phase II Relocation chart above, Phase II relocations began during FY 2009 and the moves are being completed on-time or ahead of schedule. AHA projects that Phase II relocations of the family communities will be completed by third quarter FY 2010.

Human Development and Support Services – One of AHA’s most important lessons learned is that substantial investment must be made in families relocating from public housing projects. The families have been isolated from the mainstream and, as a result, they need assistance to adapt and connect with their new communities. The families, working with the professional family specialists, develop plans for success, focused on issues, to better prepare the families to be successful in their new school environment and in the workforce. AHA has contracted with professional human development firms to provide customized, individual family coaching and

counseling services to QLI impacted households for a period of at least 27 months. There were 2,420 families assisted during FY 2009, with much of the assistance beginning prior to the families' relocation.

Pre-Relocation Client Education – AHA and a number of its Service Provider Network (SPN) partners have provided a variety of educational training and seminars for QLI impacted households, both in advance of their move and post-relocation to provide information and resources to facilitate a successful move and transition into their new communities. The SPN is a network of established Atlanta-area service providers that are committed to connecting AHA-assisted households to employment, training, educational and other mainstream resources. These seminars included understanding the Housing Choice Voucher Program, tips and tools for ensuring a successful move, and utility seminars to educate families on managing their utility expenses and energy conservation. Also, during FY 2009, AHA and a number of its Service Provider and Human Services Partners conducted an Empowering Your S.E.L.F. (Self-sufficiency, Empowerment, Living environment and Focus) for Success conference, in which 562 AHA-assisted clients participated (*See the Human Development Priority for a further description of S.E.L.F.*) Among other activities conducted during this day-long event, the following three interactive workshops were provided:

Workshop 1. Community Standards and Responsibilities – *This workshop focused on the importance of taking personal responsibility for managing the home, household members and guests, ensuring peaceful enjoyment with neighbors and family success in new neighborhoods.*

Workshop 2. Education – the Great Equalizer – *This workshop covered how education is key to the success of families in achieving their goals and dreams, and the importance of attaining more educational opportunities for self and being more involved in the education of their children.*

Workshop 3. Problem Solving and Decision Making for Personal Success – *This workshop covered approaches for facing challenges and problem solving as well as a dialogue on the importance of making good choices for family success.*

During FY 2010, AHA will continue with on-going S.E.L.F. training to reinforce the concept of empowerment and self-improvement.

Good Neighbor Program – AHA's Good Neighbor Program (GNP) is an instructional program designed to provide guidance to AHA-assisted families on the values, roles and responsibilities associated with being a good neighbor. In collaboration with AHA, The Alonzo A. Crim Center

for Urban Educational Excellence at Georgia State University (GSU), designed the curriculum, training modules and provides the instruction to participants of the program. During FY 2009, AHA and GSU revised the program curriculum to focus on increased interaction and training of the participants while expanding the S.E.L.F concept of empowerment and self-improvement. Beginning in FY 2010, participants will be required to obtain a certification in one of the following areas:

- Conflict Resolution and Problem Solving
- Community Expectations – *It takes a Village*
- Valuing Life-Long Education

Completion of the certification will require participants to take several courses over a period of time, as opposed to a one-day training session to promote a lasting impact on participant.

Leasing Incentive Fee – To further facilitate the success of families competing in the private market for housing, AHA developed the Leasing Incentive Fee (LIF) as a means to encourage owners to lease quality, affordable, market rate housing in lower poverty areas to AHA-assisted households. The LIF is a one-time, non-refundable fee paid by AHA to owners in consideration for their agreement to lease units selected by relocating families through the tenant-based Housing Choice program. Households impacted by QLI have been able to use the LIF, which in turn, has alleviated participant out-of-pocket costs for security deposits, application fees and other fees typically required as part of the move-in process.

Activities located in other Sections of the Annual Report

Due to the comprehensive nature of the following activities and their application above and beyond the QLI priority, the description and FY 2009 outcomes for **Customer and Community Relations** and **Enhanced Housing Marketing** are described in other sections of this Annual Report. Customer and Community Relations is located under the Human Development priority and Enhanced Housing Marketing is located under the Re-engineering the Housing Choice Voucher Program Priority.

PROJECT-BASED RENTAL ASSISTANCE AS A DEVELOPMENT TOOL

Leveraging its MTW Authority, AHA has been able to use PBRA as an incentive to expand the development of quality, affordable housing in mixed-income communities by attracting local Atlanta real estate development professionals.

The Project-Based Rental Assistance (PBRA) priority is a strategy of AHA to further expand the availability of quality, affordable housing in market quality, mixed-income communities in Atlanta by entering into renewable ten-year rental subsidy agreements with private sector owners for an agreed percentage of units in upscale multi-family rental developments. Rental Subsidy makes those rental units affordable to income eligible households. Unlike the Housing Choice tenant-based voucher program where the rental subsidy follows the voucher holder in the event they should move, PBRA stays with the property ensuring the affordability of rental units and fostering the sustainability of the multi-family development over the term of the PBRA Agreement. The long-term nature of the subsidy agreements makes such agreements financeable.

During FY 2009, AHA continued implementing several models of the PBRA Priority to expand the number of affordable units available to families, the elderly and persons with disabilities. Using a competitive process to ensure the quality of PBRA projects, AHA issues a Request For Proposals (RFP) from experienced developers/owners of multi-family rental developments. For those proposals chosen in accordance with the PBRA selection criteria, AHA issues a conditional PBRA commitment to the developer/owner. Upon delivery of the project in accordance with the approved proposal and terms and conditions of the PBRA commitment, AHA and the developer/owner enter into a long-term PBRA Agreement. The PBRA Agreement may be renewed by AHA after its initial term if certain conditions are met. The following describes FY2009 outcomes for the various PBRA program models.

Project Based Rental Assistance inside of Mixed-Income Communities – This model solicits private developers and owners interested in reserving a percentage of their multi-family rental units as affordable for at least 10 years through AHA’s PBRA program.

As of June 30, 2009, the following shows the number of PBRA Agreements executed and committed that provide housing to income eligible families and elderly persons:

Category	# of Units under PBRA Agreement	# of Units Committed*
Families	855	454
Elderly	1,769	1,268

* These numbers include units under construction or where a commitment letter has been issued

Project Based Rental Assistance Special Needs Demonstration (formerly referred to as PBRA Homeless Demonstration and PBRA Mental Health Demonstration) – This demonstration program solicits proposals from owners/developers who can ensure the delivery of housing and supportive services to persons with special needs residing in their properties. Examples of persons with special needs include persons who are homeless, who have completed transitional programs, and persons with mental or developmental disabilities. The following shows the total number of units executed or committed under this demonstration as of June 30, 2009:

Category	# of Units under PBRA Agreement	# of Units Committed**
Homeless	305	83
Mental Health	0	68
Other Special Needs	56	57

** These numbers include units under construction or where a commitment letter has been issued

Project Based Rental Assistance Regional Expansion Program –In response to requests from other housing authorities in metropolitan Atlanta and their private sector development partners, AHA has agreed, to pursuant to an Intergovernmental Agreement with the local housing authority and/or local government within those jurisdictions as required, authorizing AHA to administer its PBRA program in that jurisdiction.

To address this, AHA has implemented the Regional Expansion Program where AHA negotiates Intergovernmental Agreements to operate its PBRA program in neighboring jurisdictions. These Intergovernmental Agreements are complex and require extensive negotiation and discussion with the participating jurisdiction. So far, AHA has executed two Intergovernmental Agreements; one with Fulton County Housing Authority and the second with Union City Housing Authority.

See the Asset Management and Policy Development section of the Report for a description of AHA’s Project Based Rental Assistance Site Based Administration.

RE-ENGINEERING THE HOUSING CHOICE VOUCHER PROGRAM

Utilizing its MTW flexibility, AHA continues to transform its Housing Choice Program to:

- Improve its financial and administrative processes
- Create incentives for families
- Develop greater acceptance of the program in Atlanta communities and neighborhoods

AHA's reform of its tenant-based Housing Choice Voucher Program is designed to develop a world-class operation with the end goal of offering AHA- assisted clients viable, quality and affordable housing choices in lower poverty impacted, amenity-rich neighborhoods. The reform of this program is centered around:

- Enhancing and expanding its relationship with the private market through creative outreach to landlords to improve the quality of the product for AHA-assisted clients
- Reducing the financial and administrative burden of managing the program
- Creating incentives for families to achieve and maintain economic independence
- Increasing mutual accountability of AHA, the participants and landlord/property owners

Using its MTW authority, AHA has been able to design and implement reforms to its Housing Choice Voucher Program so that income eligible families can use housing choice vouchers to live in lower poverty impacted, amenity-rich neighborhoods, while continuing to pay no more than 30% of their adjusted income towards rent and utilities. At fiscal year end, AHA had 12,402 units under its Housing Choice Program, which included vouchers that have been ported, and have not been absorbed by the receiving jurisdiction.

Under AHA's FY 2009 MTW Plan (CATALYST Implementation Plan), the re-engineering of the Housing Choice Voucher Program continues with the focus on redefining the operational framework for the program. The following reflects the change in supporting activities as well as outcomes for these activities during FY 2009.

Housing Choice Supporting Project – Participant Services – Beginning in FY 2009, Housing Choice Operations organized the Participant Services group as a strategic approach to enhance its service delivery to applicants and participants. This group administers the full life-cycle of

functions from participant relationship management to waitlist administration and processing; intake eligibility and screening; voucher issuance and briefing; management of program moves, portability transactions, annual re-certification, referral to human services development; and participant compliance, hearings and terminations.¹ The following reflect two policy changes implemented by AHA that improve customer service delivery and provide incentives to assisted households:

- **30% of Adjusted Income** – AHA adopted the policy described below in FY 2008, and began full implementation of this policy during FY 2009. This policy was implemented to stabilize total tenant payments to not exceed 30% of adjusted income for rent and utilities in recognition of the financially fragile situation of low-income families and to alleviate the degree of rent burdens. This policy is a decisive shift from the previous practice which allowed participants to pay up to 40% of their adjusted income for the initial lease term and the ability to pay an even higher percentage of adjusted income upon renewal. AHA also desired to maintain the same financial arrangement for families being relocated from public housing projects using Housing Choice vouchers. Moving forward, AHA will conduct an annual rent impact analysis to examine and monitor the impact of this policy.
- **Rent Simplification** – During FY 2008, AHA adopted a policy permitting AHA to develop standard deductions for determining adjusted annual incomes in order to calculate the participant’s portion of rent. The intent of the policy is to facilitate greater operating efficiency and improve customer service and relationship management by eliminating the costly and labor-intensive burden of collecting and verifying receipts for unreimbursed expenses for allowable deductions. This policy was adopted across all AHA programs including PBRA, Affordable Communities, Mixed-Income Communities and Housing Choice.

During FY 2009, AHA developed a larger standard deduction for individuals, dependents and seniors and persons with disabilities, i.e. \$750 per dependent and \$1,000 for elderly/disabled households. The elimination of the time and labor intensive determination of unreimbursed expenses and development of increased amounts of standard deductions were approved by the Board and AHA began implementation in FY 2009. Similar to the policy above, an annual rent impact analysis will be conducted to monitor the impact of this policy.

¹ AHA’s Housing Choice Waiting List is currently closed and is not receiving any new applicants.

AHA has established a Catastrophic Hardship Policy for AHA-assisted families who believe that they have been impacted by a catastrophic situation. A catastrophic situation is a critical, life changing event, sudden in occurrence and devastating in magnitude, resulting in financial and/or health-related limitations and complications from which the anticipated recovery period would be long-term and unpredictable in nature.

Participant Relationship Management – During FY 2009, Housing Choice established and conducted the first meeting of its Participant Advisory Board. This Advisory Board, made up solely of Housing Choice participants, was established to have a represented voice for the participants in the program. Several representatives of this Board are well versed in serving, having formerly served as resident planning committee members associated with AHA’s HOPE VI revitalization projects. This group will meet at least quarterly, and as needed to discuss matters related to the program. Also, Housing Choice began the development of a customer service survey for participants that is scheduled to be released during FY 2010. This survey is intended to gauge customer satisfaction levels among participants and will be used as an evaluative tool for improvements in customer service delivery as needed.

Housing Choice Supporting Projects – Landlord Services – With the intent to move to a private sector business model, the Landlord Services group is designed to enhance and build relations with prospective and current owners/landlords who interface with the tenant-based voucher program. The Landlord Services group is responsible for landlord relationship management, housing marketing and outreach, landlord briefings and certification and landlord communication.

The following reflect several reforms implemented by AHA that incentivizes the relationship with landlords and utilizes private sector principles for establishing, negotiating and controlling rents. These reforms are intended to further promote deconcentration of poverty, expand and broaden affordable housing opportunities, and attract and retain quality landlords/owners in mixed-income neighborhoods.

- **Leasing Incentive Fees** – The Leasing Incentive Fee (LIF) was developed in 2007 as a means to encourage owners to lease market-quality rental housing to AHA-assisted households impacted by relocation. The LIF is a one-time, non-refundable fee paid by AHA to owners in consideration for their agreement to hold and lease units, on a priority basis, that have been selected by relocating families. As a benefit to the families, the LIF gives them a competitive edge in securing great housing options. During FY 2009, families who relocated under the

QLI initiative, both in Phase I and Phase II were able to take advantage of the LIF.

- **Rent Reasonableness** – AHA believes that rent reasonableness determinations of rental housing units leased under the Housing Choice Voucher Program must be thoughtful and in line with market equivalent rents for the market area of any assisted unit. To this end, AHA began the re-engineering of its Rent Reasonableness Process during FY 2009, in order to improve the development and control of contract rents using Atlanta-centric comparables within AHA-defined submarkets. As a service to the Housing Choice Operations department, AHA's Asset Management and Policy Development (AMPD) group procured services from YARDI/Social Serve to assist AHA in collecting, reviewing and analyzing market data to support the accuracy and integrity of rent reasonableness determinations. During FY 2010, AMPD will implement a new rent reasonableness system to provide validated, quality market data to support the consistency and stabilization of Housing Choice contract rents that are in-line with the rental market.
- **Payment Standards** – In tandem with its work in making rent reasonableness determinations, AHA also determined that in order to maximize the use of the Housing Choice program, it must use a local market strategy for determining Payment Standards. Using its MTW Authority, AHA has moved from the use of HUD's Fair Market Rents, and established its own locally driven Fair Market Rents based on submarkets in the City of Atlanta and the equivalent market rents in those submarkets. During FY 2009, AHA's Payment Standards were updated, and moving forward, AHA will further refine its Payment Standards with the establishment of AHA's rent reasonableness system.

Additionally, to further landlord relationship management during FY 2009, AHA established and conducted two meetings of its Landlord Advisory group. In the upcoming fiscal year, AHA will conduct a customer service survey for landlords to also inform and educate Housing Choice staff on ways to enhance the AHA/landlord relationship.

Housing Choice Supporting Projects – Housing Assistance Payments Contracting – As a part of the Housing Choice re-engineering, the Housing Assistance Payments Contracting group was organized with a focus on the complete life cycle of services necessary to execute a HAP contract with eligible landlords. This includes receiving property owner/landlord applications, landlord and unit eligibility, requests for tenancy approval processing, QLI/relocation interface, rent determinations and adjustments, HAP Contract development and administration, landlord re-certifications and landlord terminations.

Beginning in late FY 2009 and continuing into FY 2010, AHA will make a number of revisions to its form of HAP contract. A first step in this process is enhancements to AHA's Housing Choice Operating Systems, converting and activating the Housing Choice Business Modules to Oracle E-Business Suite. This conversion will be completed by August 2009, and will be followed by Phase II enhancements to the following modules: ports, 50058, pre-contract tracking. Additionally, AHA began making changes to the Property Owner Application, HAP contract and Request for Tenancy Approval documents to create greater efficiencies in information gathering and streamlining the process through automation.

Enhanced Real Estate Inspection Systems – During FY 2009, AHA began the comprehensive restructuring of its enhanced real estate inspections systems with a focus on streamlining requirements for greater efficiency and establishing qualitative standards, including site and neighborhood standards, for units participating in the Housing Choice program. One procedural enhancement to the inspection process was “Pass with Comment”. This procedure was implemented to enable inspectors to not fail a unit based on minor and/or cosmetic deficiencies. Since implementing this procedural change, 194 units have passed AHA inspections standards that would have otherwise failed due to minor deficiencies. In addition, AHA implemented a limit of two inspections on the number of re-inspections it would conduct on units that failed its initial inspection.

Housing Choice Supporting Projects – Financial and Business Operations – Foundational to AHA's Housing Choice Operations is its Financial and Business Operations, which manage the support functions of the department as well as the community building aspects of the program. The following highlights key activities implemented during FY 2009.

Port Administration – During FY 2009, AHA began exploring innovative strategies for re-creating port administration into a seamless mobility strategy for its Housing Choice participants in the metropolitan Atlanta area. These strategies included, but were not limited to, a web-based ports communications and management module, intergovernmental agreements with metropolitan Atlanta Public Housing Authorities, paperless invoicing, MTW policy consistency across counties and leveraging resources. During FY 2010, AHA will continue this work and implement key components as determined.

Housing Choice Operating System – Underway, during FY 2009, was a major Housing Choice system conversion from DDI (Data Directions Inc.) to Oracle E-Business Suite. This conversion is the first step in moving toward the consolidation of a number of localized databases and

programs to one comprehensive relational system. As mentioned earlier, this conversion is scheduled to “go live” in August 2009 and will be a first step in making further enhancements to Housing Choice system modules. Additionally, in an effort to move to a paperless environment, AHA is testing the use of an Oracle-based Records Management System. The goal is to transition in the new system during FY 2010, and based on its functionality, this system could set a standard for use by the entire agency.

ASSET MANAGEMENT & Policy Development

Asset Management & Policy Development makes a significant contribution toward the design and implementation of reforms utilizing the authority under AHA's MTW Agreement that have a positive impact on operational efficiencies, effectiveness and accountability, policies and enhanced business relationships with AHA's private sector partners.

Asset Management & Policy Development (AMPD) provides strategic oversight and financial management of AHA's assets, real estate investments and external business relationships related to those assets. In addition, AMPD serves AHA in the areas of policy development, research and evaluation. AMPD facilitates and manages organizational imperatives with respect to the management and facilitation of AHA's business relationships with the owner entities of AHA-sponsored mixed-income communities in coordination with their professional management companies; private sector developers and owners of quality multifamily rental properties after the execution of Project Based Rental Assistance (PBRA) Agreements, which commences the operational phase of those properties; compliance monitoring activities for the Real Estate Management Division; AHA's business relationship with Georgia HAP Administrators, Inc. in the performance of fee-based contract administration; policy development and advisement; and oversight of the MTW Benchmarking Study and other program evaluation and research activities in coordination with local universities and contracted organizations. AMPD, in collaboration with Legal, Finance, Real Estate Development and Acquisitions, Information Technology, Real Estate Management and Housing Choice Operations, supports and drives the seamless delivery of AHA's repositioning, revitalization and investment strategies with the various owner entities and private owners. AMPD is charged with the responsibility of ensuring the continued viability and market competitiveness of AHA's portfolio of real estate partnerships and holdings while preserving AHA's investments in affordable housing.

The following section provides updates on AMPD's FY 2009 outcomes with respect to various priority activities that support the organization's mission.

Supporting Activities

Project Based Rental Assistance Site Based Administration – As part of the authorizations under AHA's MTW Agreement, AHA developed its own local program for providing Project Based Rental Assistance (PBRA) in order to incent private developers and owners, selected through a

competitive procurement process, to develop private sector multifamily rental communities with an affordable component of rental units supported by PBRA assistance.

PBRA Site Based Administration acknowledges the importance of the relationship between the property management agent and the residents of multifamily rental communities. Instead of AHA intervening in this relationship at the property level, AHA and the owner enter into a long-term PBRA agreement that permits the owner and its professional management company to administer the PBRA-assisted units. Subject to AHA audit and compliance reviews conducted by AMPD, all administrative and programmatic functions carried out in connection with admission and occupancy procedures and related policies for PBRA-assisted units are the responsibility of the owner and its professional management company. In addition to its oversight role, AMPD processes payment applications submitted by each property on a monthly basis to ensure that approved PBRA subsidies are paid in a timely manner.

During FY 2009, AMPD with the assistance of other AHA departments developed and implemented the Asset Management Portal (“Portal”), a web-based communication tool for AHA, owners and property management agents to provide information and transfer data. The Portal provides both AHA-sponsored mixed-income multifamily rental properties and PBRA-assisted multifamily properties a direct interface with AHA to exchange relevant property information; provide HUD form-50058 documentation and fulfill other MTW reporting requirements; and submit payment applications for approved subsidy payments. At fiscal year end, AMPD had trained property management staff on the Portal and, through the Portal, was interfacing with 63 mixed-income and PBRA-assisted multifamily properties.

Private Sector Innovation – The purpose of this supporting activity is to inform owners of AHA-sponsored mixed-income multifamily rental properties and PBRA-assisted properties of the regulatory and statutory relief available to them under AHA’s Amended and Restated MTW Agreement, and how this relief can be utilized in an intentional manner to improve operating efficiencies, on one hand, and plan for long-term sustainability strategies, on the other. An ancillary component of this activity initiated during FY 2009 involved the drafting of a comprehensive policy document that will articulate AHA’s overarching policies relating to CATALYST work/program requirements, Section 504/ADA compliance, site-based administration and strategies associated with MTW-related policies. AHA seeks to be an articulate partner recognizing and respecting the business realities confronting each professional management company, whether in a mixed-income multifamily rental community or a PBRA-

assisted property, with respect to developing procedures specifically directed at property operations with the overall objective of complying with AHA's policies while managing the property in accordance with their own property management policies. AMPD works with AHA's strategic partners using AMPD's portfolio management staff to ensure that this objective is achieved in a collaborative and effective manner according to the obligations AHA and its partners have under applicable legal and financial agreements.

Sustaining Mixed-Income Investments – AHA, a diversified real estate company with a public purpose and mission must examine and plan for the long-term viability and sustainability of the mixed-income assets and other investments it manages in its portfolio, whether in its role as a lender, ground lessor, subsidy provider, partner and/or sponsor. In order to sustain its mixed-income investments, AHA is exploring alternative subsidy strategies that will represent a strategic departure from the traditional operating subsidy breakeven approach that both time and experience have proven to be ineffective in sustaining the Section 9-assisted units in AHA sponsored mixed-income rental properties. During FY 2009, AHA reevaluated its Section 9 operating subsidy approach and revised the methodology for calculating operating subsidy consistent with the terms of the standard Regulatory and Operating agreement. In doing so, AHA developed and implemented a methodology for its mixed-income investments that tied Section 9 operating subsidies to the actual costs of operating Section 9-assisted units.

Innovative Subsidy Strategies for AHA's Affordable Communities Providing Housing for Seniors and Residents with Disabilities – AHA continues to explore viable alternative subsidy strategies at its longer-term hold Affordable Communities, which provide housing for seniors and residents with disabilities. AHA believes that such communities would benefit from a strong and stable source of operating income that would support their long-term viability and sustainability.

Streamlining Property-Level Operations – The central focus of this initiative is to streamline operating procedures at the property level by examining the various regulatory requirements that are attached to financing and funding development activities. During FY 2009, AHA, the Georgia Department of Community Affairs (DCA) and Atlanta Development Authority (ADA) were in the planning stage of developing a Memorandum of Agreement which will outline protocols for sharing of information among the three agencies relating to tax credit, bond and other compliance reviews performed by those agencies. Additionally, by the end of FY 2009 AHA was finalizing the development of internal controls and compliance procedures for the PBRA program. These procedures, AHA's Business Process Review, will be implemented in FY

2010 and will apply to both AHA-sponsored mixed-income rental communities and PBRA-assisted properties will assess the operation and administration of the properties pursuant to the various legal, financial and program-related agreements between AHA and the respective owner entities. Site reviews and physical inspection protocols will be a part of the Business Process Review.

Fee Based Contract Administration – AHA continues to serve as a subcontractor for Georgia HAP Administrators, Inc., a Performance Based Contract Administrator under contract with HUD, conducting management and occupancy compliance reviews of privately-owned FHA-insured multi-family rental properties that receive HUD project-based Section 8 subsidies. AHA performed management and occupancy reviews for 7,490 units in the City of Atlanta and Fulton County during FY 2009.

AHA used a portion of the unrestricted fees generated as a subcontractor to support its scholarship program – Atlanta Community Scholars Award. This scholarship program is discussed in more detail in the Human Development section of this Annual Report.

Mark to Market Program – AHA continues to hold the contract on this program through its sunset in September 2011. As a HUD designated Participating Administrative Entity, AHA conducts multifamily asset restructurings throughout the state of Georgia, assessing the best restructuring strategy for the property to ensure the asset will remain viable. AHA did not receive any asset assignments for restructuring during FY 2009.

Oversight of Turnkey III Assets – During FY 2009, AHA closed out its Turnkey III Homebuyers Program. The final Turnkey III Annual Contributions Contract was closed out with the disposition of the last two lots, which have been transferred to AHA’s real estate owned portfolio for later development as homeownership for low-income families. Funds generated from the sale of Turnkey III lots that were held in escrow were transferred to an AHA affiliate to be used in support of AHA activities for low-income families not connected to the Turnkey III program. AHA’s independent audit for FY 2009 will include a certification that the Turnkey III program was closed out.

Policy Development and Research – AMPD works with various universities and researchers who conduct critical research in accordance with AHA guidelines. Evaluations of HOPE VI revitalization activities, either underway or concluded during FY 2009, included the evaluation of the revitalization of Grady Homes conducted by Georgia Institute of Technology; the

evaluation of the revitalization of McDaniel Glenn conducted by Emory University; and the evaluation of the revitalization of Capitol Homes completed by Clark Atlanta University in FY 2009. In other FY 2009 research, AMPD and Atlanta Public Schools are finalizing a data sharing agreement to study school participation, and Emory University's Rollins School of Public Health is studying health-related issues that may impact public housing residents. Finally, AHA engaged an economist with Georgia State University's Andrew Young School of Policy Studies to examine the economic impact of AHA's revitalization program on the City of Atlanta.

HUMAN DEVELOPMENT

The ability to combine HUD funding for use on MTW Eligible activities has been instrumental in the success of AHA's self-sufficiency efforts. It allows AHA to make targeted investments and implement programs and activities consistently and uniformly across its Public Housing and Housing Choice programs. This was not feasible prior to MTW.

The Human Development priority has been germane to AHA's efforts in providing assisted households with a network of resources and support that afford a pathway to economic self-sufficiency and an improved quality of life. AHA accomplishes this by facilitating strategic investments and linkages for AHA-assisted households to help address and solve the problems that serve as obstacles to persons achieving self-sufficiency and success in the workforce and in mainstream America. Clients are connected to mainstream resources coupled with counseling and support to ensure healthy outcomes with the goals of:

- economically independent families
- educated children
- self-sufficient elderly and disabled persons

During FY 2009, AHA invested more than \$18 million for its Resident Services and Human Development activities to further facilitate a number of initiatives, programs and community engagement activities with local service providers and stakeholders. The following describes these supporting activities and respective outcomes.

Supporting Activities

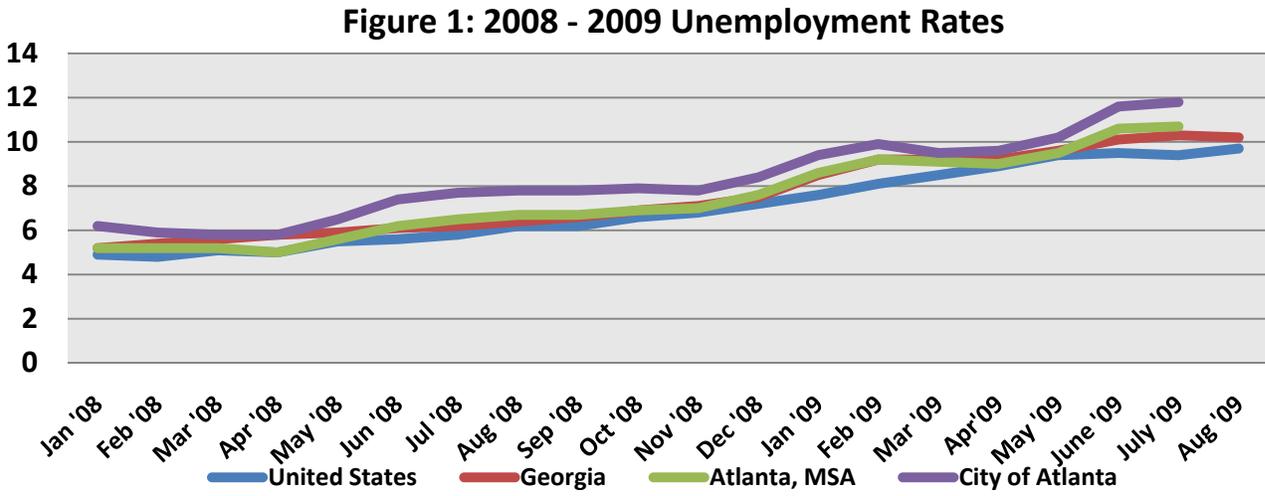
Work/Program Participation Requirement –

As illustrated in the chart, AHA's work/program participation policy requires that (a) at least one non-elderly, non-disabled adult household member (between the age of 18-61 years) maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled adults maintain work or participation in a combination of school, training and part-time employment as a condition of the household

CATALYST Compliance Meanings	
Full-time Worker	<ul style="list-style-type: none"> • Employed for 30 or more hours per week
Participation in an approved program	<ul style="list-style-type: none"> • attending an accredited school as a "full-time" student • participating in an approved "full-time" training program • attending an accredited school as a "part-time" student, AND successfully participating in an approved "part-time" training program
Part-time Job and Part-time Program Participant	<ul style="list-style-type: none"> • Employed as a part-time employee (at least 16 hours) AND successfully participating in an approved training program • Employed as a part-time employee (at least 16 hours) AND successfully participating in an accredited school as a "part-time" student

receiving and maintaining subsidy assistance.

Figure 1 illustrates rising unemployment trends from January 2008 to August 2009 for Georgia, the Atlanta Metro region, and the City of Atlanta, which have been consistently higher than the national unemployment rates. By the end of FY 2009, the US unemployment rate peaked at 9.5, while Georgia's unemployment rates exceeded the national rate, peaking in the double digits: the City of Atlanta - 11.8; Atlanta Metro region - 10.7 and Georgia - 10.3.



Source: Bureau of Labor Statistics

The steady rise in unemployment has contributed to the decline in AHA's family work/program compliance benchmark, which dropped from 71 percent in FY 2008 to 62 percent in FY 2009. For the remaining households that did not meet the work/program compliance requirement (38 percent) the personal circumstances of each household is reviewed and, when appropriate, the household's work compliance standing is placed in a deferment status provided the household is cooperating with AHA and participating in a training and/or education program. This status means that termination of assistance is "deferred" for a specified period of time and allows AHA and its human service providers an opportunity to examine families' personal circumstances and provide more intensive assistance in connecting them to needed resources.

Examples of prevailing circumstances by which a deferment is offered:

1. At least one target household member is working full-time at 30 or more hours per week, but the remaining target household members are not compliant.
2. All target household members are working, but not at the full-time equivalent of 30 or more hours.
3. All target household members are attending training or school full-time and there is no

target household member working full-time.

4. A target household member is self-employed and working full-time, but not earning a gross income amount equivalent to the income earned working full-time at the federally mandated minimum wage rate.
5. A target household member was working full-time and recently became unemployed through no fault of their own.
6. A target household member is temporarily disabled or experiencing a verified short-term disability.
7. A target household member, who is not disabled, is not able to maintain a job due to physical or mental health issues.
8. A target household member not employed because he or she is a caregiver for a household member who has a disability.
9. A target household is impacted by AHA Quality of Life-related relocation.

All of the non-compliant households relocating under AHA's Quality of Life Initiative (QLI) were placed in deferment status for a year to allow time for these households to transition and get settled in their new living environments. Additionally, because of the effects of the downturn in the economy and high unemployment rates, AHA is sensitive to this and is proactively working with families, through its human development service providers to make sure the housing subsidy is not terminated when families experience circumstances beyond their control.

Connections to the Service Provider Network (SPN) – AHA continued to implement its referral system that connects AHA-assisted families to services provided through the Service Provider Network (SPN). This referral system includes contracted Human Service providers and on-staff Client Services Counselors (see Human Development and Support Services narrative below). During FY 2009, the following list the top five referrals made by Human Development providers and Client Counselors:

- Employment Placement – 3,416
- Supportive Services – 2,680
- Health Services – 822
- Youth Programs – 554
- Employment Preparation and Retention Services – 495

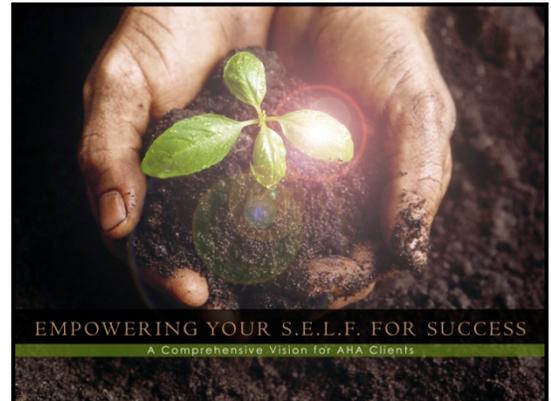
Service Provider Network – AHA continues to manage the SPN as a resource for AHA-assisted families. During FY 2009, AHA along with its Human Services providers and a number of SPN partners conducted a day-long “Empowering Your S.E.L.F for Success” conference where 562 AHA-assisted households participated. The comprehensive training uses the acronym S.E.L.F to describe its goals for clients:

S*elf-sufficient individuals and families focused on building generational wealth*

E*ducation to improve the quality of life for you and your children*

L*iving Environment building on self-pride, program compliance and becoming productive citizens*

F*ocus on life-long learning and continuous self-improvement*



Participating partners included Integral Youth and Family Project, Families First, Atlanta Workforce Development Agency, Columbia Residential, Lincoln Property Company, Empire Board of Realtors, Atlanta Public Schools, Georgia State University, Atlanta Area Technical College, 100 Black Men of Atlanta and Atlanta Police Department. The interactive breakout sessions focused on three topical areas:

1. Community Standards and Responsibilities
2. Education – The Great Equalizer
3. Problem Solving and Decision Making for Personal Success

Additionally, during FY 2009 the SPN formed a Grant Consortium to collaboratively identify and pursue funding opportunities that benefit AHA-assisted households. One grant was awarded to a partner, Fulton-Atlanta Community Action Authority in the amount of \$614,000 for the Youthbuild Program. Three additional grant proposals (focused on early learning, family health and services for seniors) were submitted between March and May 2009 and are awaiting response.

AHA also held a Senior Wellness and Resource Fair and a Seniors Farmers Market where over 300 AHA-assisted seniors participated at each event. At the Senior Wellness and Resource Fair, 26 providers and elected officials participated offering an array of resources to include 30-minute Empowerment Session, health screenings and fitness and nutrition education. The Senior Farmer's Market was a quality of life event for seniors and persons with disabilities. AHA had a number of key sponsors participating to include local City Council Members, AARP, Wal-Mart, Kroger, Jason's Deli, Carlyle's and Atlanta Food Bank. The event was set up similar to an open-air Farmer's Market and AHA-assisted participants were able to take home fresh produce at no cost and participate in a number of activities.

AHA continues to operate its highly structured Good to Great (G2G) GED Program in partnership with Atlanta Metropolitan College, Atlanta Technical College, and Atlanta Public Schools (all SPN partners) enabling committed participants to be deferred from the work requirement for as long as it takes for them to obtain their GED – no matter their grade level upon entry into the program. At Fiscal Year-end 2009, 117 had enrolled in the program. This program differs from conventional GED programs in that it has stringent program and participation requirements, participants receive materials and supplies, transportation assistance, coverage of GED testing fees and other support services. Evening classes are designed to offer participants more flexibility in their attendance schedule.

CATALYST Resource Guide – AHA continues to distribute the CATALYST Resource Guide to tenants, which provides information on a multitude of services including educational, literacy, family, employment and training, homeownership counseling, childcare, and services for seniors and persons with disabilities. The Resource Guide was last updated during FY 2008 to include more than 200 local community organizations. It continues to be distributed as needed during the Housing Choice re-certification process, to households that are non-compliant or in deferment status, to families in QLI-impacted communities and to seniors and persons with disabilities residing in AHA's high-rise communities.

Human Development & Support Services – AHA decided several years ago that a critical component to the relocation process was to work with affected households so that families could make successful transitions and would have an opportunity to work through any barriers to family or individual success. AHA agreed that such an investment in families would occur over a number of years so that families would have a continuum of support during pre- and post-relocation. During FY 2009, Human Development and Support Services' providers Integral

Youth and Family Project and Families First continued this support to 1,455 families impacted by revitalization and 2,420 families impacted by QLI. Additionally, AHA's on-staff Client Services Counselors provided coaching and counseling services and assistance to 524 participants in AHA's Housing Choice program who are not impacted by QLI or revitalization activities.

During FY 2009, a mass mailing of a Client Satisfaction Survey was sent to all clients receiving Human Services. As of the end of FY 2009, responses were coming in. AHA plans to tabulate the results and review and analyze findings during FY 2010. The survey results will be used as a tool to gauge client satisfaction and to enhance the human service delivery model.

Atlanta Community Scholars Awards (ACSA) – Launched in 2003, the Atlanta Community Scholars Awards (ACSA) is an AHA initiative which provides post secondary scholarships to eligible AHA residents to attend the college, university or technical school of their choice. The United Negro College Fund (UNCF) has partnered with AHA to provide fiscal oversight for grants and gifts received for ACSA and scholarship disbursements to awardees. During FY 2009, 17 deserving AHA-assisted youth received a total of \$29,785 in scholarships and are attending colleges and universities across the southeast including Alabama State University, Valdosta State University, University of Georgia, Emory University, Morehouse College, Spelman College, Berry College, Georgia Southern University, University of West Georgia and Clayton State University. Additionally, AHA employees contributed \$15,900 to ACSA and AHA provided an \$11,000 corporate match using unrestricted funds. A total of 53 scholarships have been awarded since ACSA's inception with average awards at \$1,832. Scholarships are renewable as long as participants continue to meet eligibility requirements.

Customer and Community Relations Center (CCRC) – AHA continues to manage customer and community relations which includes access to a dedicated phone line (1-888-AHA-4YOU) that allows the public to voice their concerns and compliments regarding AHA-assisted families in their neighborhoods. Involving the community is integral to the success of the CCRC and AHA4YOU. Both provide an opportunity to connect with the community to include Neighborhood Planning Units (NPU's), Community and Neighborhood Associations, local government officials and staff and other interested parties. During FY 2009, CCR staff participated in 29 community sponsored meetings, particularly in communities where there is a significant presence of Housing Choice participants or where there is a heightened level of issues or complaints from the community. AHA received and followed-up on 606 calls, which is a decrease of 30% from the calls received and responded to during FY 2008.

Good Neighbor Program II – AHA’s Good Neighbor Program (GNP) is designed to coach and prepare AHA-assisted families to live and blend into the communities where they live and help them to understand as well as value their roles and responsibilities as good neighbors. The GNP II training curriculum is based on feedback from the training provider (Georgia State University), re-occurring community concerns and AHA observations. New Participant Certification requirement was developed during FY 2009, with implementation scheduled for first quarter FY 2010. Participants will be required to take a series of interactive training and receive a certification in one of the following areas:

- Conflict Resolution and Problem Solving
- Community Expectations: *It Takes a Village*
- Valuing Life Long Education

Placed-Based Supportive Services Strategy Pilot – AHA, in collaboration with a number of partners, continued the implementation of a placed-based pilot referred to as the NORC (Naturally Occurring Retirement Community) Project at three AHA high-rises: Marian Road, Piedmont Road and Cheshire Bridge Highrise as part of a 2007 ROSS grant award to the Atlanta Regional Commission’s (ARC) Division on Aging. NORC is a national program model that focuses on equipping adults to age in place and building the capacity of the community to support them in that process. The NORC places a strong emphasis on resident involvement with priorities set by residents and new initiatives capitalize on the economy of scale created by the concentration of individuals with similar needs. The primary partners on this pilot include ARC, AHA, Visiting Nurse Health System, Piedmont Hospital, Jewish Family and Career Services, Jewish Federation of Greater Atlanta and Private Management Companies that manage the targeted high-rise communities (Lane Management, The Habitat Company and IMS Management Services)

Based on lessons learned from the NORC, during FY 2009, an ARC Collaborative including Grady Hospital, Fulton County, Visiting Nurses, Jewish Family and Career Services, Peachford and Northside Hospitals began developing a protocol document to address the proper handling of residents with disabilities living in any of AHA’s high-rise communities. This protocol document addresses service provisions, emergency response and critical care for this population. The protocol is slated to be finalized and ready for implementation by second quarter of FY 2010.

In addition, AHA has been in discussions with several prominent Atlanta universities: Emory University, Georgia State University and Mercer University to create a Health and Wellness Field Practicum. The respective universities' schools of Nursing and Social Work, AHA and several NORC partners are collaborating on this initiative to be implemented during FY 2010. The Practicum is intended to be an extension of the expiring ROSS grant to continue connecting AHA-assisted seniors and persons with disabilities to resources to help maintain their independence and prevent premature institutionalization and/or homelessness.

Rapid Response Foreclosure Team – During FY 2009, AHA continued with its Rapid Response Team to expeditiously respond to AHA-assisted clients in the Housing Choice program affected by foreclosures. The Rapid Response Team assists affected households by providing relocation assistance and other support to include moving assistance, temporary lodging and assistance with identifying and securing a new place to live. AHA assisted 609 clients, 83 percent or 503 clients of which were affected by foreclosures and the remaining 17 percent or 106 families were impacted by natural disasters or other “emergency” situations. For foreclosures, the number served during FY 2009 is a 28% decrease from FY 2008; however, the number of families impacted by other emergency situations almost doubled from the prior year. AHA’s Housing Choice and Resident Services departments work coordinately to streamline the process for addressing foreclosure and emergency moves and refined its policies and procedures to diminish the number of occurrences, to the extent that it is within their control.

CORPORATE SUPPORT

Using its MTW flexibility and Single Fund Authority, AHA continues to make enhancements to improve its internal business operations and processes to create a more viable and sustainable business enterprise with a focus on excellent customer service delivery.

Using its MTW flexibility, AHA continues to make business enhancements to improve the ongoing operations and economic viability of the agency and AHA-owned communities. These activities include, but are not limited to, enhancements to AHA policies, business systems, technology, financial reporting and analysis which are captured in the following supporting activities.

Supporting Activities

Asset Management Under the New Operating Subsidy Rule (includes AHA's Project Based Accounting and Fee-for-Service Methodology) – AHA continues to evolve and refine its project based accounting and management system by designing and implementing a new Cost Allocation Plan. This approach will enhance AHA's ability to capture and report all costs associated with the operation of the cost objectives identified. The Cost Allocation Plan was designed to meet the requirements of MTW Agreement and the requirements of the revised OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments to provide improved financial reporting for each cost objective. AHA also developed and submitted in its FY 2010 MTW Annual Plan to HUD a Local Asset Management Program (LAMP) which outlines the cost accounting system under which AHA will operate. The LAMP outlines:

- Project-based Budgeting and Accounting
- Cost Allocation Approach
- Classification of Costs and Cost Objectives
- AHA's Fee for Service

Contingent on HUD's approval of AHA's 2010 MTW Annual Plan, AHA will implement the Local Asset Management Program during FY 2010.

Financial Operations (includes discussion on Low Income, Housing Choice and Capital Fund related Income and Housing Choice Budget Utilization Benchmark) – AHA’s MTW Agreement authorizes the agency to combine its low-income operating funds, MTW Housing Choice Voucher funds and capital funds (including certain development funds) into a Single Fund (MTW Funds). When so combined, the individual funds lose most of their programmatic restrictions and requirements and may be used to implement the projects and activities under the auspices of its MTW Agreement and as set forth in AHA’s MTW Annual Plan, as amended annually by its MTW Annual Implementation Plan. These projects and activities constitute AHA’s “MTW Eligible Activities.” AHA’s MTW Housing Choice Budget Utilization benchmark under the MTW Agreement requires that the expenditure of fiscal year Housing Choice annual budget allocation for MTW vouchers utilized for MTW eligible activities be greater than or equal to the target benchmark of 98%. During FY 2009, AHA exceeded this benchmark by utilizing 100% of its Housing Choice budget allocation for MTW eligible activities.

AHA has also created its own project based housing choice initiative using the authority under the MTW Agreement. Through this initiative, AHA no longer uses AHAP and HAP Agreements but, instead, uses a Project Based Rental Assistance (PBRA) Agreement. As an innovative subsidy strategy using flexibility granted under its MTW Agreement, AHA uses MTW Funds to support one of AHA’s MTW Priority Initiatives, PBRA as a Development Tool, with the goal of (a) facilitating housing opportunities for families in healthy mixed-income communities; (b) facilitating the development of housing for the elderly; (c) facilitating the development of supportive services housing for disabled persons and other transitional housing; and (d) expanding housing opportunities in areas of low poverty. Using a competitive process to ensure the quality of PBRA projects, AHA issues a request for proposals to experienced developers/owners of multi-family rental developments. For those proposals chosen in accordance with the PBRA selection criteria, AHA issues a conditional PBRA Commitment Letter to the developer/owner.

And lastly, since July 1, 2003, the effective date of AHA’s MTW Agreement, 100% of AHA’s HOPE VI Vouchers and 66% of its Tenant Protection Vouchers have met their one year anniversary and are now part of AHA’s MTW Voucher authorization. AHA will, however, continue to report the number of participants whom initially received HOPE VI and Tenant Protection vouchers in the VMS report until they leave the program.

Replacement Housing Factor (RHF) Funds – Although the MTW Agreement identifies RHF funds as a component of AHA’s MTW Single Fund, AHA and HUD enacted a Replacement Housing Factor Fund protocol outlining its use of these funds. In FY 2007, AHA submitted to HUD its RHF plan which accumulated RHF awards from Federal Fiscal Years (FFY) 2003-2007. Subsequently, AHA has developed a plan of action for expenditure of RHF funds for Grady, McDaniel Glenn, Perry, and Harris revitalization projects. AHA will submit a revised FFY 2003-2007 RHF plan to HUD in the near future.

Procurement Enhancements – During FY 2008, AHA completely reorganized its procurement functions and department to expand the breadth of its acquisition activities, streamline operations, increase efficiency and enhance quality control. During FY 2009, AHA examined its purchase and spending patterns for goods and services ≤ \$5,000 and developed an approach to better manage agency-wide repeat purchases of certain goods and services and controlling associated costs. Additional enhancements included revising and streamlining the key solicitation process for acquisitions under \$100,000 and the redesign and streamlining of the purchase orders process to increase speed of approvals and provide more efficient contract administration.

Longer-Term Hold Communities

By September 30, 2010, AHA will have successfully completed the relocation and demolition phases of its family communities as part of its QLI program, at which date, AHA will close the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects. The two senior highrises, Palmer House and Roosevelt House, are scheduled to complete relocation and demolition activities by January 2011. As part of this strategic shift, during FY 2009, AHA moved to give priority focus, on improving the quality of the facilities at the remaining AHA-owned public housing developments (i.e. longer-term hold properties) and developing more extensive expertise in housing and supportive services needs of elderly and persons with disabilities. The longer-term hold properties include 11 highrise buildings which provide housing for elderly and young disabled persons and two small family developments (Westminster – 32 units and Martin Street Plaza – 60 units). AHA will use its MTW authority to reposition these longer-term hold properties and strategically invest capital resources to improve the quality of life of its residents. AHA will also use approximately \$18.5 million of its \$26.5 million allocation of American Recovery and Reinvestment Act (ARRA) formula Capital Funds for rehabilitation of its longer-term hold properties. The following reflect activities

conducted as part of the on-going management of the longer-term hold properties and reflect priorities to improve the viability, community safety, code compliance and quality of life enhancements for seniors and persons with disabilities.

Utility Allowance Waiver – During FY 2009, AHA examined the cost/benefit of its excess utility billing program for the highrise communities. AHA’s analysis found that administrative costs outweighed the collected revenue and subsequently elected to discontinue the program beginning in FY 2010. During FY 2010, AHA will assess the effects of this change and implement supplemental resident education forums for encouraging energy conservation behaviors.

Energy Management Initiative (formerly Energy Performance Contracting) –AHA is committed to improving the energy conservation and efficiency of its facilities while at the same time enhancing the quality of living environments provided to its residents. The energy management initiative takes a holistic and comprehensive approach to energy management as a component of AHA’s asset management strategy for its longer-term hold communities. AHA commissioned an energy audit for the AHA-owned public housing assisted properties that was completed in June 2008. The recommendations of the energy audit that are cost effective will be implemented beginning in FY 2010 with a portion of the ARRA formula Capital Funds. These improvements will create communities that are more energy efficient while also improving the quality of life through enhanced living conditions.

Enhanced Accessibility Initiative – AHA has long been committed to meeting the special needs of persons with disabilities. To AHA works directly with applicants and program participants to assist them effectively with their particular disability-related needs. Through AHA’s Enhanced Accessibility Initiative, AHA has provided significant assistance to persons with disabilities to help them participate in and benefit, in a meaningful manner, from AHA programs and facilities.

AHA has designated a team of real estate management professionals, the Accessibility Team, to advance the Enhanced Accessibility Initiative. The Accessibility Team includes a highly qualified Section 504/ADA Coordinator who coordinates AHA’s compliance with applicable disability laws, tracks progress toward reasonable accommodations and reasonable modifications requests and provides guidance to AHA staff, property managers and AHA families about a wide variety of disability-related issues.

AHA has updated its guiding policy documents, including the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments and the Statement of Policies

Governing the Housing Choice Tenant-Based Program, to make sure that persons with disabilities are aware of AHA's fair housing responsibilities, their rights to request reasonable accommodations and their rights to dispute any denial of a reasonable accommodations request.

AHA educates applicants and program participants about AHA's commitment to provide reasonable accommodations and reasonable modifications. AHA includes specific references to their right to make such requests in leasing applications, on its website, in its policy documents and in other written and verbal communications. AHA also provides regular training, by a nationally recognized fair housing expert, to AHA and property management agents so that they can better assist persons with disabilities.

To make it easier for applicants and program participants to get their requests approved quickly, AHA has simplified the process for requesting reasonable accommodations. AHA developed easy to use forms to assist in submitting requests and securing verification of the need for requests. Because the process has been simplified, AHA staff and its agents are better able to approve and comply with requests quickly. AHA provided a significant number of reasonable accommodations and reasonable modifications during FY 2009, including approval of live-in aides, providing alternative forms of communication, waiving transfer fees, making physical modifications to units specifically tailored to the needs of particular residents and making accessibility improvements to leasing offices and parking lots.

AHA is particularly proud of its significant investment to increase the number of fully accessible units that meet the Uniform Federal Accessibility Standards (UFAS units) in AHA-sponsored public housing-assisted communities, including mixed-income Signature communities and AHA longer-term hold communities. AHA is ahead of schedule in the construction of the additional UFAS units AHA committed to develop in the Voluntary Compliance Agreement it executed with HUD in 2007. As of the end of FY 2009, AHA completed the construction of a total of 143 UFAS units, 83 of which were constructed and certified in FY 2009 alone. In addition, AHA has implemented well-organized procedures and tracking mechanisms, including the centralized database of persons who require UFAS units, to ensure that UFAS units are being most effectively used by persons with disabilities who require their features. AHA has also worked with landlords participating in the Housing Choice program to make accessibility modifications to their units to meet the needs of Housing Choice participants with physical disabilities.

For residents relocating from AHA-owned communities impacted by QLI, AHA's Relocation staff and Human Services Counselors work closely with them to identify their family's disability-

related needs and to assist them in securing new housing options that address their particular needs and desires. Additionally, AHA has established relationships with organizations with expertise in the issues affecting persons with physical and mental disabilities. AHA provides families information about these agencies and when requested, connects them with these organizations. These organizations have proven to be a valuable resource for our families with disabilities.

Further, in recognition of the particular housing challenges encountered by persons with mental and developmental disabilities, AHA funded the renovation of The Gardens at CollegeTown (formerly John O. Chiles Annex) to provide 26 units of service-enriched housing for residents with mental and developmental disabilities. Work was completed in FY 2009 as part of the Harris Homes HOPE VI revitalization. The on-site property manager, Integral Management Services, has partnered with the Integral Youth and Family Project, LLC in a pilot program to offer comprehensive intensive supportive services targeted to persons with developmental and mental disabilities. By directly connecting residents with various in-home services and resources, residents will be linked to service providers who can assist with housekeeping and laundry services, medication, activities of daily living including personal care and meals, transportation, health monitoring, care management and therapeutic activities. The Gardens at CollegeTown will serve as a model in developing best practices for service-enriched supportive housing for persons with disabilities.

Enhanced Real Estate Inspection Systems – As part of AHA’s efforts to improve physical conditions at its properties, AHA has developed a system of primary and secondary real estate inspections to provide an integrated assessment of the physical condition of each property. Inspection types include Rental Integrity Monitoring (RIM) review, asset control and risk assessment, enhanced Uniform Physical Conditions Standards (UPCS) and Real Estate Assessment Center (REAC) inspections, security, major systems and elevator preventative maintenance. AHA has enhanced its quality assurance (QA) inspections process for its longer-term hold properties by adding a supplemental inspection for all UFAS certified units. Through its integrated inspections system, AHA will continue to inspect the communities several times a year with a focus on each of the priority inspection areas at least once per year.

Video Call Down Systems – By September 30, 2009, AHA’s obsolete family properties will be vacant as part of its QLI initiative. The video call down systems at these properties will be kept in place until demolition starts at which time the cameras and equipment will be removed for

redeployment to other AHA properties. AHA's longer-term hold communities will primarily utilize the video and recording capabilities of these systems. Additionally, the community safety programs focus for AHA's senior/disabled communities will include improved resident services activities and community workshops to increase resident awareness. Each site will have a security officer to monitor site controls and handle visitor access management during non-business hours. The security guards are augmented with a video camera and recording system that is focused on the building site, building entrances and selected common area spaces.

4 to 1 Elderly Admissions Policy at AHA's HighRise Communities – AHA continues to implement strategies at its highrise communities to address the complex social issues associated with mixing seniors and young disabled persons. AHA commenced implementation of a 4:1 elderly/almost elderly admissions policy at its highrise communities as of March 1, 2006. This admissions policy allows the Private Management Companies (PMCOs) to admit 4 elderly (62 and older) or almost elderly (55-61) residents on the waiting list before admitting a non-elderly disabled resident until such time as an optimal mix of elderly/almost elderly and non-elderly disabled residents is reached for the community. During FY 2009, all AHA highrise communities continue to implement the policy and most properties are closing in on the 4:1 split.

Enhanced Business Systems – To ensure consistency and uniformity of information and handling of AHA's policies and operating procedures for staff at the property level, during FY 2008, AHA rolled out the PMCO Occupancy Guidebook and fully trained the PMCO staff. All of AHA's longer-term hold properties continue to follow the procedures described in the guidebook.

Comcast Cable Partnership – AHA, in partnership with Comcast Cable, the cable franchise for Atlanta, has established two primary cable information channels at each of its highrise communities. One channel serves as a "security" channel and is dedicated to security cameras at various locations within each community enabling residents to monitor their own community. The other channel serves as an "information channel" and provides a mechanism to broadcast information and announcements for residents such as health information, alerts, fire prevention education, and management announcements. In addition to its regular programming and announcements, during FY 2009, AHA aired AHA's FY 2010 MTW Annual Plan public hearing notice and taped public hearing for notification and viewing by the residents.

Corporate Policies Governing Eligibility, Occupancy and Program Administration

Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (Statement of Corporate Policies) – The Board of Commissioners last adopted Revision Four of AHA’s Statement of Corporate Policies or SCP on April 30, 2008 after conducting a properly advertised and noticed public hearing held on April 15, 2008. The revised Statement of Corporate Policies was included in AHA’s submission of its FY 2010 MTW Annual Plan (CATALYST Implementation Plan) to HUD on April 15, 2009. The SCP was last updated to clarify established policies and revise existing language, as appropriate, to ensure consistency in rent and occupancy policies governing the public housing and Housing Choice Voucher programs.

Statement of Policies Governing the Housing Choice Tenant-Based Program (Statement of Housing Choice Policies) – The Board of Commissioners adopted Revision Seven of the Statement of Housing Choice Policies on September 3, 2008, to elevate one of AHA’s special programs, Housing Choice Homeownership Program, to have its own policy statement in the Statement of Housing Choice Policies. This policy statement is consistent with the discussion of AHA’s Comprehensive Homeownership Program covered in the FY 2009 MTW Annual Plan, FY 2008 MTW Annual Report and public hearing held in April 2008. The revised Statement of Housing Choice Policies was included in AHA’s submission of its FY 2010 MTW Annual Plan (CATALYST Implementation Plan) to HUD on April 15, 2009.

As part of these policy documents, AHA continues to implement the following initiatives and policies which applies to clients across all programs:

- **Violence Against Women Act (VAWA)** – The *Violence Against Women and Department of Justice Reauthorization Act of 2005* (Public Law No: 109-162) promulgates requirements in the law that serve and protect the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. AHA developed administrative procedures for its Public Housing and Housing Choice programs. AHA and its Private Management Partners continued with its implementation during FY 2009.
- **Elderly Income Disregard** – On October 1, 2004, AHA implemented an income disregard for the Public Housing and Housing Choice programs for employment income earned by elderly residents or elderly participants on fixed income. AHA continued to implement this income disregard as part of its routine operations during FY 2009. Also, AHA conducted a rent impact analysis on this policy in FY 2009. The Elderly Income

Disregard policy did not have a negative impact on elderly participants in either the public housing or Housing Choice program. In fact, 92 percent or more of the elderly in these programs were on fixed income only (no additional employment income) and therefore were not subject to the policy. The rent impact analysis for the Elderly Income Disregard is included in the FY 2009 MTW Annual Report Appendices book.

- **\$125 Minimum Rent** – Effective October 1, 2004, AHA raised its minimum rent from \$25 to \$125 under its Public Housing and Housing Choice programs. Households on fixed incomes, where all members are either elderly or disabled, are exempt from the minimum rent increase and their total tenant payment continues to be based on 30 percent of their adjusted gross incomes. Hardship waivers may be granted under certain limited circumstances, on a case-by-case basis, based on criteria established in AHA’s SCP or Statement of Housing Choice policies. AHA conducted a Rent Impact Analysis of its minimum rent policy for both the public housing and Housing Choice Programs. The minimum rent policy did not have a negative impact on families. Over 80 percent of households in both programs paid rents at or above the minimum rent. The rent impact analysis for the Minimum Rent is included in the Annual Report Appendices book.
- **30% of Adjusted Income** – AHA adopted this policy in FY 2008, and began its full implementation during FY 2009. This policy was implemented to stabilize total tenant payments to not exceed 30% of adjusted income for rent and utilities in recognition of the financially fragile situation of low-income families and to alleviate the degree of rent burdens. This is a decisive shift from the previous practice which allowed participants to pay up to 40% of their adjusted income for the initial lease term and the ability to pay an even higher percentage of adjusted income upon renewal. Moving forward, AHA will conduct an annual rent impact analysis to examine and monitor the impact of this policy.
- **Rent Simplification** – During FY 2008, AHA adopted a policy permitting AHA to develop standard deductions for determining adjusted annual incomes in order to calculate the participant’s portion of rent. The intent of the policy is to facilitate greater operating efficiency and improve customer service and relationship management by eliminating the costly and labor-intensive burden of collecting and verifying receipts for unreimbursed expenses for allowable deductions. During FY 2009, AHA developed a larger standard deduction for individuals, dependents and seniors and persons with disabilities, i.e. \$750 per dependent and \$1,000 for elderly/disabled households. The elimination of the time

and labor intensive determination of unreimbursed expenses and development of increased amounts of standard deductions were approved by the Board and AHA began implementation in FY 2009. Similar to the policy above, an annual rent impact analysis will be conducted to monitor the impact of this policy.

- **Work/Program Participation Policy** – Established in FY 2005, AHA’s work/program participation policy requires at least one adult (age 18-61, excluding elderly and disabled persons) in the household to work full-time at least 30 hours per week and all other adults in the household to be either work or program compliant.

Enhanced Relocation Procedures and Database Enhancements – During FY 2009, AHA continued to refine and streamline its relocation procedures and Consolidated Relocation Management System (CRMS) database in order to enhance operational efficiency, client services, tracking and reporting, and to ensure compliance with applicable HUD regulations. Improvements made to the existing system included new/added features and reporting capabilities to include:

- Replacement Housing Factor Payments Claim Form
- Split Head of Household Functionality
- Relocation Staff Progress Report
- Initial Inspection Report Relocation Zip Code
- Exception Report
- Atlanta Public Schools Report
- Payment Summary Checklist

System enhancements improve reporting and work efficiency of Quality Assurance Services team and Relocation team leads.

Develop Re-occupancy Process – During FY 2009, AHA improved the functionality and reporting of CRMS to more effectively track clients re-occupancy associated with AHA’s revitalization activities. The redesigned module provides a complete historical tracking of clients for Quality Assurance Services team and Real Estate Development project managers to monitor re-occupancy at the revitalized communities. The system also provides an improved reporting component.

Organizational Initiatives – AHA continues to evaluate and re-define programs, systems and processes in an effort to build the organizational human resource capital necessary to successfully carry out its Business Plan. The intended focus is on positioning AHA as a high performing, diversified real estate company with a public mission and purpose. Beginning in FY 2009 and into FY 2010, Human Resources will be working with AHA leadership to develop the “people strategy” needed to support this positioning. This priority will be implemented in phases in conjunction with the organizational assessment process to be conducted in FY 2010. Human Resources will work with the CEO, procured business consultants and key business unit leaders to define the people strategy, organizational structure and change management initiatives to support AHA’s continued transformation to a diversified real estate enterprise.

As part of its Communication Plan, AHA has procured The Alisias Group, an Atlanta-based public relations firm, to manage media relationships at the national, state and local levels; manage certain external community relationships; develop innovative approaches to positive and consistent messaging to AHA-assisted households, local state and national political bodies and stakeholders; and manage the development of AHA’s CATALYST collateral materials. This work includes developing CATALYST fliers, pamphlets, brochures and materials that are designed to inform, educate and motivate AHA-assisted families towards success. This communication strategy continues to be a part of AHA’s targeted investment in Human Development activities and further engages community stakeholders, elected officials and the public on the work of AHA.

Permanent Designated Housing – This activity has been moved from under Corporate Support to the Revitalization Priority and is discussed in detail in that section of this Annual Report.

MTW BENCHMARKING STUDY UPDATE

AHA's Revitalization Program and Quality of Life Initiative ("QLI") and the statutory and regulatory relief afforded by AHA's MTW Agreement have had a significantly positive impact on assisted families. As a

result of these programs and statutory and regulatory relief, the composition and mix of AHA's portfolio have intentionally changed. As AHA has demolished its distressed and obsolete public housing, it has applied for and received Housing Choice Vouchers to support the relocation of affected households and to replace a significant portion of the demolished housing units that are not otherwise replaced through the Revitalization Program. Under AHA's MTW Agreement, AHA has leveraged its Housing Choice Voucher funds through innovative and creative partnerships and relationships with private sector developers and owners to create additional mixed-income communities and to reposition AHA to be a more nimble and strategic provider of affordable housing in healthier mixed-income communities. From 1994, when AHA initiated its Revitalization Program through June 30, 2008, AHA's Housing Choice Voucher funds have increased approximately 400%. During this same period, AHA has demolished approximately 10,000 distressed and obsolete public housing units.

Faced with the continuing deterioration of its obsolete public housing projects; escalating crime associated with concentrated poverty in these housing projects; the costs of managing and repairing these obsolete housing projects outpacing the associated revenues; and an increasing demand by AHA-assisted households and Atlanta citizens for better living conditions, AHA accelerated the pace of its strategic plan to end concentrating low-income households in distressed and obsolete housing projects through QLI. AHA successfully accomplished the relocation of affected households from the first phase of QLI (i.e. Leila Valley, Jonesboro South, Jonesboro North, U-Rescue Villa and Englewood Manor) and substantially completed the demolition of those housing projects. During the same period, HUD had approved the demolition of Bowen Homes, a housing project in the second phase of QLI, and AHA was engaged in the relocation of affected households from Bowen Homes. After July 1, 2008, the beginning of AHA's 2009 fiscal year, HUD approved the second phase of QLI demolition applications for Bankhead Courts,

EuQuant found that AHA has made significant progress in utilizing the statutory and regulatory relief granted under its MTW Agreement. In its June 30, 2010 report, EuQuant will examine the impact of QLI, will also investigate the effectiveness of other policies that have been designed to benefit assisted families.

Herndon Homes, Hollywood Courts, Thomasville Heights, Palmer House Highrise and Roosevelt House Highrise. Relocation of affected households at all of these housing projects, except Palmer House and Roosevelt House, commenced and was underway. General relocation activities at Palmer House Highrise and Roosevelt House Highrise commenced in May 2009. See the QLI section of the MTW Annual Report for a detailed discussion of this priority.

By September, 2010, AHA will have closed the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects. The two senior high-rises, Palmer House and Roosevelt House, are scheduled to complete relocation and demolition by January 2011. After this time, AHA will own 11 senior high-rise buildings and two small family public housing-assisted developments – Martin Street Plaza (60 units) and Westminster Apartments (32 units), all of which are located in economically integrated neighborhoods. Each of these communities will continue to be owned by AHA and comprehensively managed by professional private management firms in accordance with AHA’s goals, objectives and financial resources. During the next three years, AHA intends to use the authority under its MTW Agreement to reposition these properties with the goal of substantially improved quality of life, with increased emphasis on supportive services for elderly and persons with disabilities.

The preceding summary, in highlighting AHA’s progress under MTW, emphasizes the importance of understanding the positive impact of AHA’s MTW statutory and regulatory relief. EuQuant, formerly Boston Research Group, is continuing its research in benchmarking that progress through the next fiscal year. Since the interim report, which reported EuQuant’s findings through June 30, 2006, there have been significant changes in AHA’s strategies to accelerate QLI activities, enter into different partnership strategies and arrangements like Project Based Rental Assistance, realign its administrative structure by forming a dedicated asset management function and implement new policies that benefit assisted families. With that understanding, it is also important to examine EuQuant’s major findings as EuQuant continues its research and lays the groundwork for its final report for the period ending June 30, 2010. To this end, Dr. Thomas D. Boston prepared the following progress report.¹

¹ *Dr. Thomas D. Boston is a Professor of Economics at Georgia Institute of Technology and President of EuQuant, Inc.; an Atlanta based economic and statistical consulting company. Dr. Boston is a graduate of Cornell University where he received a Ph.D. Degree in Economics. His research centers on the economics of entrepreneurship, public housing, and community development. He is the former President of the National Economic Association, past editor of The Review of Black Political Economy and past Senior Economist to the Joint Economic Committee of Congress. Dr. Boston has published research, working papers and monographs on public housing assistance including a recent article, "The Effects of Revitalization on Public Housing Residents," in the Journal of the American Planning Association (Autumn 2005, vol. 71. no. 4).*

Moving to Work Benchmarking Study Progress Report

This progress report provides an overview of EuQuant's research of AHA's initiatives and activities under the Moving to Work (MTW) Demonstration Program. In early 2004, AHA engaged EuQuant, formerly Boston Research Group, to provide three research reports benchmarking AHA's progress and effectiveness in utilizing its statutory and regulatory relief as an MTW agency under the MTW Agreement. EuQuant has issued two reports, a baseline report as of June 30, 2004 which was released in 2006 and an interim report as of June 30, 2007 which was released in 2008. The final report in this series will be issued in the fall of 2010 for the period ending June 30, 2010.

In the time between EuQuant's interim report and this progress report, HUD approved AHA's Amended and Restated MTW Agreement which extends the term of AHA's MTW Agreement, as amended and restated through June 30, 2018. The MTW Agreement may be automatically extended for additional terms provided AHA performs in compliance with its MTW Agreement and with HUD's consent. . In addition, as stated in the preceding section, AHA has made significant changes in its MTW strategies. Among its new strategic initiatives are the following: the Quality of Life Initiative (QLI), strategic partnerships and arrangements such as its Project Based Rental Assistance, and the realignment of its administrative structure by forming a dedicated asset management function. The benefits to families associated with these new initiatives will be examined by EuQuant in their final report.

The major findings of EuQuant's ongoing MTW Benchmarking Study are listed here.

1. In 1995, 47% of assisted households lived in public housing developments, 33% used Housing Choice vouchers and 20% lived in properties primarily serving the elderly. By 2007, only 15% of households lived in public housing developments while 57% used Housing Choice vouchers, 9% lived in new mixed-income revitalized communities, 18% lived in properties primarily serving the elderly, and 2% lived in project based rental assisted properties.
2. To measure neighborhood quality, the study used a Community Attribute Index (CAI). This is a multi-dimensional metric that contains 15 variables that best describe the characteristics of neighborhoods. The variables were grouped under the following categories: economic opportunity, poverty status, educational attainment, housing and population characteristics, family stability and crime. The study found that the large scale relocation of families from

public housing developments to mainstream market rate housing (using the Housing Choice tenant-based voucher program), to mixed-income communities and to project based rental assisted properties allowed families to live in better neighborhoods. In those neighborhoods assisted families received higher quality housing services and gained access to opportunities that enhanced their upward mobility. As a result, voucher recipients and residents of mixed-income communities displayed significant improvements in self-sufficiency. In contrast, families who relocated from one public housing development to another development experienced the smallest improvement in neighborhood quality and attained the lowest increase in economic self-sufficiency.

3. AHA's Revitalization Program did not cause assisted families to lose housing assistance. To examine this, EuQuant employed a quasi-experimental research design in which we established a control group (that consisted of assisted families who lived in six public housing developments that were not revitalized) and a treatment group (that consisted of assisted families who lived in six public housing developments that were revitalized into mixed-income communities). The groups had similar characteristics in 1995. We measured the difference in attrition rates over time in order to determine if they varied significantly between the groups. Families were tracked longitudinally and observations were recorded in 1995, 2001, 2004 and 2007. The research results showed that there was no statistically significant difference in attrition between the control group and the treatment group. Therefore, families affected by revitalization (the treatment group) did not experience a greater loss of housing assistance than did families who were not affected by revitalization.
4. EuQuant examined Atlanta Public School 3rd and 5th graders whose families received AHA housing assistance. Students whose families lived in market rate housing (with the assistance of voucher) and students whose families lived in mixed-income communities performed significantly better in school when compared to children who lived in public housing developments. A regression analysis revealed that school quality (as measured by the performance of all students in the school) explained 44.0% of the variation in how students performed on a national standardized test. The conclusion is the housing opportunities created by Housing Choice vouchers and the mixed-income communities gave students access to better performing schools. Once enrolled, the children in these two housing categories performed better in comparison to children whose families lived in public housing developments.

5. A Benefit-Cost analysis found that the net benefit to society of the initial 13 phases of mixed-income developments sponsored by AHA was \$1.6 billion. The analysis considered the fixed costs of constructing each mixed-income development phase and the on-going operating costs and revenues. Other non-financial benefits and costs associated with mixed-income communities in comparison to public housing developments were monetized. These included the net benefit of living in better quality housing, reducing crime and improving school quality. The average net social benefit of each revitalized mixed-income community was \$123 million and the benefit-cost ratio was 1.58 to 1.
6. It is generally believed that assisted families who use Housing Choice vouchers or those who live in mixed-income communities are more highly motivated toward self-improvement than are families who live in public housing developments. We used an advanced statistical procedure to control for this selectivity bias. Having done so, we found that households in the Housing Choice voucher program had an average gain in household income that was \$1,427 greater than the household income of identical households who lived in public housing. Likewise, the average gain in household income of households who lived in mixed-income communities was \$2,915 greater than the household income of identical households who lived in public housing developments.

Forward Outlook to 2010

As stated above, EuQuant found that AHA has made significant progress in utilizing the statutory and regulatory relief granted under its MTW Agreement. In its June 30, 2010 report, EuQuant will examine the impact of QLI, AHA's priority initiative to "end the practice of concentrating households in obsolete, distressed and dysfunctional large family public housing projects." We will also investigate the effectiveness of other policies that have been designed to benefit assisted families. Included among these other policies are the following: the 30% of adjusted income limit on the total amount assisted families pay for rent and utilities; AHA Payment Standards (which are not tied to HUD's Fair Market Rents but are instead tied to the market conditions in defined submarkets in the City of Atlanta); rent simplification measures; and the growth of Project Based Rental Assistance. Of course, EuQuant will continue to update and examine the progress AHA-assisted families are making towards greater self-sufficiency.