

REPORT**DATE ISSUED:** December 3, 2008**REPORT NO:** HCR 08-133**ATTENTION:** Chair and Members of the Housing Commission
For the Agenda of December 8, 2008**SUBJECT:** Execution of the Moving to Work Agreement and Submission of Annual Plans**REQUESTED ACTION:**

Authorize the President and Chief Executive Officer (CEO) or designee to execute the Amended and Restated Moving to Work Agreement and submit the proposed Moving to Work plans to the Department of Housing and Urban Development (HUD).

STAFF RECOMMENDATION:

1. Authorize the CEO or designee to execute the attached Moving to Work Agreement.
2. Approve the submission of the proposed Annual Moving to Work Plans for January 1, 2009 through June 30, 2009 and July 1, 2009 through June 30, 2010 and additional HUD-requested information.

DISCUSSION:

The purpose of the Moving to Work (MTW) program is to give public housing authorities the flexibility to design and test various approaches for providing and administering housing assistance that achieves at least one of the objectives below:

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

The initiatives in the Annual MTW Plans reflect these goals and implementation will begin when HUD executes the MTW Agreement. The Amended and Restated MTW Agreement is a standard agreement used by all MTW agencies and includes statutory authorizations, funding arrangements and annual plan and reporting requirements.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On November 21, 2008 and December 2, 2008 the Housing Commission and Housing Authority respectively authorized the Housing Commission to submit an application and the Annual MTW Plans to HUD for reactivation of the Agency's status as a MTW site.

FISCAL CONSIDERATIONS

MTW is not a funding program; it allows the agency to use its existing revenues with significantly more discretion than current Housing Choice Voucher and Public Housing regulations. The amount of assistance the Housing Commission presently receives from HUD for housing assistance will not be affected by participation in the MTW Program. It may allow use of funding from the Section 8 and

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Public Housing reserves which are not available for program use at this time. In addition, there may be cost savings from pooling all HUD funds into one block grant fund as well as reduced administrative costs that will make it feasible to assist more households with the same level of funding.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The MTW standard agreement has been posted for a public comment period of 30 days. To date, no comments have been received.

ENVIRONMENTAL REVIEW:

This activity does not fall within the definition of "project" under the California Environmental Qualities Act (CEQA) Guidelines Sections 15060(c)(3) and 15378. This activity is exempt from National Environmental Policy Act (NEPA) under §58.34(a)(2) information and financial services and §58.34(a)(3) administrative and management activities.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

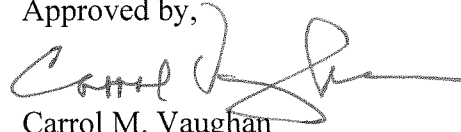
If approved, the MTW program will affect current and future Section 8 and Public Housing participants and owners. The intended impact of this program is to streamline family and agency administrative obligations and help families gain education, training and skills and to assist with upward mobility. As a group, elderly and disabled families will not be adversely affected by the MTW program.

Respectfully submitted,



Jeff Davis,
Director, Rental Assistance Programs

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Attachment 1: Amended and Restated Moving to Work Agreement

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

SAN DIEGO HOUSING COMMISSION

RESOLUTION NO. _____

ADOPTED ON DECEMBER 8, 2008

WHEREAS, the San Diego Housing Commission has been authorized by the San Diego Housing Authority to submit a Moving to Work application for status reactivation; and

WHEREAS, on December 8, 2008 the San Diego Housing Commission Board of Commissioners authorized the President and Chief Executive Officer (CEO) to execute the Amended and Restated Moving to Work Agreement; and

WHEREAS, on December 8, 2008 the San Diego Housing Commission Board of Commissioners approved the submission of the proposed Annual Moving to Work Plans for January 1, 2009 through June 30, 2009 and July 1, 2009 through June 30, 2010 and additional Department of Housing and Urban Development (HUD) requested information to HUD; and

BE IT FURTHER RESOLVED, that the CEO of the San Diego Housing Commission or his designee is hereby authorized to execute all necessary Moving to Work documents, including the MTW agreement, required to implement and operate the Moving to Work program.

I HEREBY CERTIFY that the abovementioned is true and correct as passed and adopted by the San Diego Housing Commission, of the City of San Diego, California on December 8, 2008.

Vote: Yeas -
 Nays -
 Absent -

By: _____
Deputy Secretary

Amended and Restated Moving to Work Agreement

This Amended and Restated Moving to Work Demonstration Agreement (Restated Agreement) is entered into on this ___ day of ___ by and between the United States of America through the U.S. Department of Housing and Urban Development (HUD) and the [Name of Public Housing Authority] (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, on [the ___ day of ___], HUD and the Agency executed an MTW Agreement, and on [the ___ day of ___], HUD and the Agency executed an MTW Amendment, and on [the ___ day of ___], HUD and the Agency executed an MTW Extension, (collectively known as the Original MTW Agreement) governing the terms and conditions under which HUD authorizes the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Restated Agreement, which hereby amends and replaces any Original MTW Agreement between HUD and the Agency; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

I. Statutory Authorizations

- A. This Restated Agreement amends and replaces the Original MTW Agreement between HUD and the Agency. This Restated Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Restated Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
 - 1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
 - 2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
 - 3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Restated Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Restated Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Restated Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: Appropriations Acts,

competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this Restated Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Restated Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Restated Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Restated Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Restated Agreement does not apply to Section 8 assistance that is required:
 - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
 - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

¹ Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

² The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Restated Agreement.

III. Rent Reform Initiatives

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

IV. Evaluation

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
 1. The Agency is in compliance with this Restated Agreement.
 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Restated Agreement; and
 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Restated Agreement.

V. Amendments and Continuation of Activities

- A. Amendment of this Restated Agreement. This Restated Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Restated Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Restated Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

- C. Continuation of Activities.

1. Not later than one year prior to expiration of this Restated Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Restated Agreement that the Agency wishes to continue beyond the expiration of the Restated Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Restated Agreement.

The extended features shall remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
 1. Operating Fund subsidies
 - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
 - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 2. Capital Funds and Other Grants
 - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
 - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.

- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
 - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
- (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
 - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Restated Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

VII. Administrative Responsibilities

A. Annual MTW Planning and Reporting.

1. Annual MTW Plans

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Restated Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
 - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
 - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
 - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act³;
 - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
 - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

³ Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Restated Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
 - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
 - f. All HUD forms and other reporting mechanisms required by this Restated Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Restated Agreement.

VIII. Termination and Default

- A. If the Agency violates this Restated Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Restated Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Restated Agreement:
 - 1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
 - 2. Material misrepresentation in the application process that led to the Original MTW Agreement or this current Restated Agreement;
 - 3. Use of funds subject to this Restated Agreement for a purpose other than as authorized by this Restated Agreement;
 - 4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Restated Agreement;
 - 5. Material breach of this Restated Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
 2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
 3. Change the method of payment to the Agency;
 4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
 5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Restated Agreement;
 6. Suspend the MTW waiver authorization for the affected activities;
 7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
 8. Require reimbursement by the Agency to HUD for amounts used in violation of this Restated Agreement;
 9. Reduce/offset the Agency's future funding;
 10. Terminate this Restated Agreement and require the Agency to transition out of MTW;
 11. Take any other corrective or remedial action legally available; and/or
 12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Restated Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Restated Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.

HOUSING AUTHORITY OF

BY: _____

ITS: _____

Date: _____

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: _____

ITS: Assistant Secretary

Date: _____