



## VISION

Healthy Mixed-Income Communities; Healthy Self-Sufficient Families

## MISSION

Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community.

## GOALS

AHA's business model as a diversified real estate company with a public mission and purpose has positioned us to achieve three goals:

### **Quality Living Environments**

Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.

### **Self-Sufficiency**

Facilitate opportunities for families and individuals to build economic capacity and stability which reduce their dependency on subsidy, ultimately becoming financially independent;

Facilitate and support initiatives and strategies to support great educational outcomes for children; and

Facilitate and support initiatives that enable the elderly and persons with disabilities to live independently with enhanced opportunities for aging well.

### **Economic Viability**

Maximize AHA's financial soundness and viability to ensure sustainability.

## GUIDING PRINCIPLES

In approaching our work, regardless of the funding source, strategy or programmatic initiative, AHA applies the following guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to assure long-term market competitiveness and sustainability of the community and support excellent outcomes for families (especially children), with emphasis on excellent, high-performing neighborhood schools and high quality-of-life amenities, including first-class retail and green space.
3. Create market-rate communities with a seamlessly integrated affordable residential component.
4. Develop communities through public/private partnerships using public and private sources of funding and private sector know-how and real estate market principles.
5. Support AHA-assisted families with strategies and programs that help them achieve their life goals, focusing on financial self-sufficiency and educational advancement of the children with expectations and standards for personal responsibility benchmarked for success.

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Fiscal Year Ended June 30, 2012  
Board Approved October 1, 2012*

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AHA is the largest public housing agency in Georgia and one of the largest in the nation, serving approximately 50,000 people. The U.S. Department of Housing and Urban Development (HUD) has designated AHA as a high-performing public housing agency permitted to operate under the Moving to Work Demonstration Program (MTW). AHA is in its ninth year operating as an MTW agency.

This report highlights AHA's MTW-Eligible activities and priorities identified in the FY 2012 MTW Annual Implementation Plan.

For inquiries, please contact us at 404-892-4700 or [strategy@atlantahousing.org](mailto:strategy@atlantahousing.org)

# Executive Summary

*AHA is in the real estate business—  
leasing, owning, managing, buying, and selling real property. We have a social  
purpose and mission—assisting, supporting, incenting, and inspiring people to  
fulfill their God-given human potential.*



**Renée Lewis Glover**  
President and  
Chief Executive Officer

We live in challenging economic times. Every organization and every family has had to do more with fewer resources. But if necessity is the mother of invention, then adversity is the father of progress.

Because of our strategy over the last 15 years—focused on de-concentrating poverty, relocating families to healthier environments, demolishing the destructive and dysfunctional housing projects, creating mixed-use, mixed-income communities with excellent private sector developers and re-engineering our business systems—AHA is better positioned to face economic headwinds.

Today, AHA is financially sound, a position we work diligently to

maintain. We leveraged our assets and intellectual capital and built a solid business model that has enabled AHA to serve more low-income families today than 15 years ago and in much healthier communities. HUD is encouraging agencies across the country to do many of the things that AHA has done and done well.

## **During this past year we focused on people—our families, our employees, our partners.**

We began FY 2012 thinking we might face constraints and ended with a year characterized by growth and promise. How?

By starting with the individuals and families we serve. The real estate serves a foundational role for individual growth. Ultimately, our purpose

is ensuring that our families have the choice to live in quality environments—homes and neighborhoods—that help them thrive.

Where some saw limited opportunity, AHA channeled the “new normal” of Federal budget deficits and a recessionary economy into innovation and creativity.

## **Transforming the business of helping people**

We take our responsibility of service to the community and the families we serve very seriously. Our MTW Agreement has allowed us to be innovative and engage our partners and stakeholders in local problem-solving. This innovation extends to the back-office operations and the way we do business.

In FY 2011, AHA began a multi-year, comprehensive business transformation to better serve our families and to position AHA as a best-in-class diversified real estate company with a public mission and purpose.

In partnership with Boston Consulting Group (BCG), an international strategy and business consulting firm, we assessed our business model, strategy and operations from five dimensions: processes, policies and procedure, people, technology and data.

During FY 2012 we thoroughly re-engineered the business and began implementing these transformative changes. We identified areas of the business to improve efficiency and effectiveness, save money and improve customer service. Throughout this report, pilot programs and phases of the implementation completed thus far are denoted with this symbol:





# FY 2012 by the Numbers

**21,035** households served

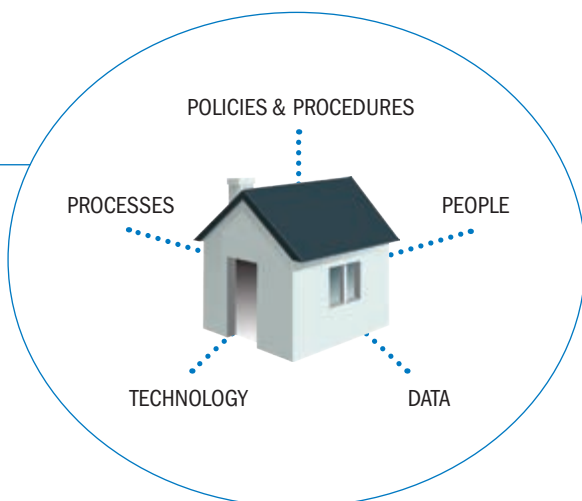
## Business transformation prepares AHA for future innovation

Our first major success was the implementation of the first phase of the Yardi Enterprise Resource Planning (ERP) solution—on-time and as budgeted. As a result, we immediately reduced manual, paper invoice approval processes. By the end of FY 2013, we expect to substantially complete the implementation and begin realizing other long-term efficiencies.

We believe innovation and efficiency are the keys to creating greater opportunities for everyone involved in the business of providing affordable housing options in mixed-income communities.

Armed with flexibility, creativity, business know-how, innovation and great partners, stakeholders and employees, AHA will continue to successfully meet today's and tomorrow's challenges and fulfill our vision.

## AHA's Business Transformation Model



**69%**

of households were work-compliant or deferred with AHA's work/program requirement. Deferred families were supported in a tough economy through their engagement in training and education leading to jobs and self-sufficiency. A culture of work, resiliency and self-reliance has been embraced by our families.

**46**

**students**

were awarded over

**\$100,000**

in scholarships through AHA's Atlanta Community Scholars Award.

**234**

**new affordable rental units**

and 24 new market-rate rentals were completed in FY 2012 in AHA-Sponsored mixed-use, mixed-income communities on the sites of former public housing projects.

**33**

**low-income, first-time homebuyers**

received down payment assistance from AHA.

**9,277**

**households**

(6,878 of whom live in the City of Atlanta)

participated in the Housing Choice Voucher Program and received rental assistance.

**87**

**additional units of Supportive Housing**

in quality developments were made available by private owners that provide housing and Wraparound Services for vulnerable groups such as homeless persons, veterans, and persons with mental or developmental disabilities. Additionally, we maintained our commitment to the Regional Commission on Homelessness and the United Way by providing housing for

**546**

**formerly homeless individuals or families.**

**62%**

of residents of AHA-Owned Residential Communities are crossing the digital divide using new computer rooms and services—evidence of the success of AHA's Aging Well initiatives to improve the quality of life for older and disabled adults.

**\$919,000**

in Federal stimulus funds combined with AHA's MTW Funds, were used to complete renovations to the common areas and exteriors of the 13 AHA-Owned (public housing-assisted) Residential Communities. We also completed

**\$1.8 million**

in repairs and upgrades to select units.

Over the past three years, the Housing Choice Voucher Program reduced its processing cycle times by nearly

**50%**

from 45 days to 24 days from receipt of a landlord's Request for Tenancy Approval (RTA) to contract execution, thus enabling families to lease-up quickly.

# Importance of Moving to Work

## *Meeting Local Needs Using Federal Resources*

In 1996, Congress created the Moving to Work Demonstration Program (MTW Program), which gave the Secretary of HUD authority to negotiate agreements with a few high-performing public housing agencies to demonstrate how more flexibility could lead to better outcomes for low-income families and the broader communities.



The MTW Program recognized three basic principles:

- 1** All real estate is local, and conditions vary widely throughout the nation.
- 2** Local problem-solving based on the needs, aspirations, market and financial realities in the locality (using a strategic planning framework) would yield substantially better results.
- 3** The focus must be on outcomes and not process.

Congress wanted to create an environment that encouraged and demanded innovation, creativity, imagination, efficiency, effectiveness and better outcomes for America's low-income families, cities and counties.

Congress also wanted to demonstrate that with greater flexibility more could get accomplished with the same, or possibly fewer, resources from HUD.

MTW has outperformed Congress's and HUD's expectations, and the MTW Program timeline has been extended and expanded beyond 30 housing authorities. In FY 2012, AHA was one of 35 MTW agencies out of 4,000 public housing authorities in the nation.

Simply put, MTW is the new way of making the HUD programs and funding resources work better in localities and with better results.

### **MTW STATUTORY GOALS**

- > Reduce costs and achieve greater cost effectiveness in federal expenditure.
- > Give 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.
- > Increase housing choices for low-income families.

## *Importance of MTW and Single Fund Authority to AHA*

AHA applied for and was designated as an MTW agency in 2001. After extensive negotiations, AHA executed its MTW Agreement with HUD, in September 23, 2003, effective as of July 1, 2003. Later, AHA was able to retain the unique provisions under its original agreement when it negotiated a 10-year extension with its amended and restated MTW Agreement on November 13, 2008 and further amended it on January 16, 2009.

The MTW Agreement may be automatically extended for additional 10-year periods, subject to HUD's approval and certain agreed-upon conditions.

While regulatory and statutory flexibility are foundational elements of the MTW Program, the Single Fund authority is essential to AHA's financial viability. AHA's MTW Agreement permits AHA to combine its low-income operating funds, Housing Choice voucher funds and certain capital funds into an MTW Single Fund or simply, MTW Funds. These funds are relieved of their statutory and regulatory strictures and may be used for MTW-Eligible activities as set forth in AHA's Business Plan and its Annual Implementation Plan.

AHA's MTW Agreement has enabled AHA to apply private sector business principles to manage resources responsibly and achieve dramatically better outcomes for AHA-assisted households.

The funding flexibility provided AHA under the MTW Agreement is essential to AHA's continued success and long-term financial viability.

## *Goals of MTW*

In keeping with the spirit and intent of the MTW Program's statutory goals, AHA established three overarching goals: Quality Living Environments, Self-Sufficiency, Economic Viability.



To deliver on these three goals, AHA uses its MTW flexibility to focus on local strategies and solutions that will have a positive impact on the families. From the very beginning of AHA's official status as an MTW agency and as it moves forward, AHA has served and continues to serve substantially the same number of families.

## *Innovation using MTW*

The MTW Single Fund is important because after following a rigorous, participatory strategic planning process, AHA can use its MTW Funds for innovative approaches to meet the local needs that grow out of the planning process and as set forth in AHA's MTW Business Plan. With the MTW Single Fund, AHA is able to pursue opportunities that benefit low-income families that are not available to non-MTW agencies.

Unique in this industry, AHA maintains a holistic view of itself as an MTW agency. That is to say, unless otherwise prescribed by Congressional appropriations language, AHA does not separate activities as either MTW or non-MTW. For example, AHA's policy innovations like the work/program requirement are applicable to *all* families across *all* AHA programs, except for elderly and disabled persons. The success that AHA has achieved as an innovator, fulfilling the promise of the MTW program envisioned by Congress, is apparent in a review of AHA's many initiatives. For more detail, see the section on MTW Innovations and Policies.

## *Independent studies of AHA's Atlanta Model*

AHA has engaged multiple third-party, academic researchers in evaluating the effectiveness of the Atlanta Model. All the studies examine various aspects of a common objective: to end the practice of concentrating the poor in distressed, isolated neighborhoods by facilitating the development of healthy mixed-use, mixed-income communities that assist families in achieving self-sufficiency.

For copies of these studies, please visit: [atlantahousing.org](http://atlantahousing.org)

The studies consistently demonstrate that the Atlanta Model is working and has improved the quality of life for low-income families in the City of Atlanta.

- > Families are better-off due to relocation from environments of concentrated poverty.
- > AHA policy changes coupled with investments in families have enabled families to improve their quality of life, income, and access to education.
- > As a direct result of AHA's Strategic Revitalization Program, the City of Atlanta's gross domestic product increased by \$1.67 billion since March 1996.

## *AHA goals align with MTW plan priorities and HUD's MTW goals*

Each fiscal year's accomplishments reflect progressive steps toward making AHA's vision a reality. Over the past nine years as an MTW agency, AHA has creatively used the tools and flexibility afforded by the MTW Agreement to implement housing policy reforms across all programs.

This year, as set forth in the FY 2012 MTW Implementation Plan, AHA focused on eight major priorities which align with goals and address AHA's unique local challenges.

### Alignment of MTW Priorities with AHA Goals

<i>FY 2012 MTW Priorities</i>	<i>AHA Goals</i>		
	<i>Quality Living Environments</i>	<i>Self-Sufficiency</i>	<i>Economic Viability</i>
<b>Communities</b> Advance the Master Plans for AHA-sponsored master-planned mixed-use, mixed-income communities.	*		*
<b>Supportive Housing</b> Evolve AHA's asset management business model.	*		*
<b>Housing Choice</b> Re-engineer the administration of the Housing Choice Voucher Program.	*	*	*
<b>Senior Housing</b> Improve the quality of life at AHA-Owned Residential Communities by greening the properties and increasing efficiencies.	*	*	*
<b>Human Development</b> Advance the human development strategy through strategic partnerships.		*	*
<b>Business Transformation</b> Implement the integrated Enterprise Resource Planning solution.			*
<b>Financial Stability</b> Streamline AHA's operations and strengthen AHA's financial position through new sources of funding and revenue and by managing costs.		*	*
<b>People</b> Leverage AHA's human resources.			*



## *Business Lines & Programs*

**AHA Served**  
**21,035**  
**Households in FY 2012**

*Opening Many Doors to Affordable  
Housing and Self-Sufficient Living*

**5**

different AHA programs give low-income, families, seniors and disabled people an opportunity to live in healthy communities and face a brighter future.

To help families move out of the cycle of poverty and into the mainstream, AHA programs reinforce the importance of working to achieve economic independence and self-sufficiency. All of our programs require that adults, other than the elderly and disabled, have full-time employment or enrollment in job training or school. Our focus is on helping family members of all ages achieve their full human potential.

# AHA At-A-Glance

## MTW Flexibility Allows AHA to Offer a Variety of Housing Programs for Low-Income Families

AHA has evolved into a real estate enterprise that forges local partnerships to build healthy communities and taps local resources to give families the support they need to be successful.



### AHA-Owned Residential Communities 13 communities/1,943 households

These communities use a traditional public housing model to promote independent living. As a result of advancing AHA's Strategic Revitalization Program, since 1994 AHA has demolished or disposed of 30 distressed, obsolete and socially dysfunctional public housing projects. Today, AHA owns 13 public

housing-assisted residential properties, including 11 senior high-rise communities and two small family communities. Residents of the high-rise communities are elderly (age 62 or older), near elderly (age 55-61), and non-elderly disabled adults.

AHA contracts with professional private Property Management Companies (PMCOs) to manage each community and provide on-site human development services in a comprehensive manner in accordance with AHA's goals, policies and priorities.



### Supportive Housing 546 housing units

AHA works with and supports local service providers and owners addressing the needs of at-risk populations: homeless families and individuals; people with mental, physical or developmental disabilities; U.S.

military veterans; at-risk families, youth and other groups enrolled in supportive services programs that require a stable housing arrangement.

AHA's Supportive Housing Policies allow PBRA Agreements with Private Owners who are responsible for providing housing and targeted wrap-around case management and support services.



transformational community-building by:

- > Developing new mixed-income rental at market-rate;
- > Incorporating great recreational facilities;
- > Creating green space and parks;
- > Providing quality retail and commercial services;
- > Supporting the creation of high-performance schools (from preschool to high school).



### Human Development 62 service

Through a network of service providers, and community organizations, AHA facilitates the delivery of services that lead to each family's success and to the market.

These services include job training, disability services, disability services and training, homeownership counseling, mental health services, and supportive services.



## A-Sponsored Mixed-Use, Mixed-Income Communities

communities/4,853 households

Under AHA's Strategic Revitalization Program, AHA has partnered with private real estate developers to create market-rate quality mixed-use, mixed-income, children-centered communities on the sites of former public housing projects. The Master Plans for each site envision

and for-sale units—both affordable and

es and amenities;

l activities; and

ning neighborhood schools (pre-K



## Support Services

providers

strategic partners, service providers, community stakeholders, AHA provides supportive services that enhance access and progression throughout the program stream.

These services include educational services, employment services, life skills training, counseling, childcare, and senior services.



## Mixed-Income Communities Using Project-Based Rental Assistance

4,087 households

Using the flexibility authorized under its MTW Agreement, AHA created and implemented its own Project Based Rental Assistance Program, which streamlines program activities through site-based administration delivered at the property level.

Once a community is developed, AHA and the Owner enter into a PBRA Agreement for a period up to 15 years to provide rental assistance to eligible residents in the PBRA units covered by AHA's commitment.

Designed to incent private real estate developers and owners to develop quality mixed-income communities, the PBRA Program has successfully increased the long-term availability of high-quality new and existing affordable units to low-income families in Atlanta.



## AHA's Housing Choice Tenant-Based Voucher Program

9,277 households (6,878 in City of Atlanta and 2,399 outside Atlanta)

This program offers families the greatest mobility and broadest range of choice in selecting where they live. Using an AHA voucher, families can identify quality housing including apartments and single-family homes anywhere in

the City of Atlanta with the assurance that they will not have to pay more than 30 percent of adjusted income towards their rent. Property owners/landlords of single family homes and apartments manage the properties and enter into landlord/tenant relationships with the families. Families may also choose to use their AHA voucher to move outside the city limits of Atlanta.

# Building Healthy *Communities*



Over the last 18 years, AHA and its private sector development partners have repositioned 16 of its public housing properties into mixed-use, mixed-income communities with a seamless affordable housing component.

To date, AHA's revitalization efforts with private development partners have created 4,797 mixed-income rental units (including AHA-assisted units and tax-credit-only units) and 2,157 market-rate rental units. Two hundred, forty-six affordable single family homes have been sold to low-income families.



Despite the economic recession, real estate market conditions and the availability of funding, AHA and its partners continued to advance phases for the revitalization developments already underway. Highlights of the FY 2012 investments include the following initiatives.

### *Creating mixed-income communities*

In FY 2012, AHA partnerships facilitated completion of 234 affordable rentals and 24 market-rate rental units. AHA also facilitated 33 affordable homes for sale and an additional nine market-rate homes. Many of the rental units are occupied by AHA-assisted families, and the other affordable units are supported through low-income housing tax credits that benefit additional low-income families. Through communities developed and owned by public/private partnerships and managed by excellent private sector management companies, AHA helped to address the City of Atlanta's need for additional high-quality, affordable housing in economically integrated environments.

### *Fostering quality community schools*

AHA's community-building strategy is built on a basic tenet: wherever there are great schools, there are thriving neighborhoods.

AHA has continued its collaboration with Atlanta Public Schools (APS), its private sector development partners and foundations to foster quality, neighborhood public schools and educational opportunities in mixed-income environments. During FY 2012, several of these partnerships yielded significant results.

Drew Charter School, the top-rated neighborhood school near *Villages of East Lake*, was the first charter school in the City of Atlanta. It received approval by the Atlanta Public Schools Board to expand its program through 12th grade. The new Drew Senior Academy supports the "cradle to college" education philosophy. Because of Drew's model as a key success in the community, AHA and other stakeholders provided support for Drew's

application for expansion. A proposed state-of-the-art 200,000-square foot facility will be built on the current Villages of East Lake campus with capacity to eventually house 600 students.

In support of *Centennial Place* Elementary School, AHA and the Integral Group (AHA's

master developer for Centennial Place) further advanced a partnership with the Georgia Institute of Technology. The goal is to enhance Centennial's STEM (Science, Technology, Engineering and Math) curriculum by providing Georgia Tech's faculty expertise and student involvement.

Working in partnership with the Atlanta Public Schools, the Annie E. Casey Foundation, and Sheltering Arms, AHA continued to support the 160+ children enrolled at the world-class Early Childhood Learning Center which serves the *Mechanicsville* community. As part of this ongoing partnership AHA provided financial support to the Early Childhood Learning Center and supported academic excellence at the nearby Dunbar Elementary School.

To further advance community-building efforts at the *Villages of Carver*, AHA completed negotiation of the sale of land to the Atlanta-Fulton Public Library System for construction of a new, state-of-the-art regional library. Bonds have been issued and final plans are expected in FY 2013.



**Thriving neighborhoods have great schools:** AHA, along with other stakeholders, supported Drew Charter School's successful application to expand its campus and program to include grades 9 through 12. Located near the Villages of East Lake community, Drew was named Georgia's 2012 Charter School of the Year. Its rigorous curriculum is based on a model called STEAM (science, technology, engineering, arts, mathematics).

### *Investing in green space and neighborhood improvements*

AHA collaborated with the City of Atlanta, the National Recreation and Park Association (NRPA), National PTA, Playcore, Converse, US Tennis Association, and Integral Development Group to make major improvements to and re-open Selena Butler Park, adjacent to the *Auburn Pointe* community.

Historically significant because it is near Dr. Martin Luther King Jr.'s birth home and gravesite, the park had fallen into disrepair and was closed in 2008. Since the presence of a park is critical to the quality of life for the residents, AHA invested \$800,000 for improvements.

The project was recognized nationally by the NRPA at its annual convention as a model for collaborative, urban park development.



AHA played a key role in collaboration with other organizations to re-open Selena Butler Park, adjacent to AHA's Auburn Pointe community.

### *Offering energy-efficient housing*

Parkside at *Mechanicsville* (Mechanicsville VI phase) was awarded a LEED Silver designation for sustainable design and construction. The first LEED Silver development in AHA's program, this development, located on the site of the former McDaniel Glenn public housing project, includes 132 affordable units and 24 market-rate units.

Other sustainable developments in AHA's portfolio include Ashley at Auburn Pointe, Ashley at CollegeTown II, and Veranda at Auburn Pointe I and II.



Parkside at Mechanicsville uses ENERGY STAR, EarthCraft and LEED-certified sustainable design and construction.

### *Closing out HOPE VI grants*

Nearly 20 years ago, AHA received its first HOPE VI grants to begin its deconcentration strategy and demolition of dilapidated, outdated, and crumbling public housing developments. AHA has leveraged these funds to support development of mixed-use, mixed-income communities that have led to both better outcomes for families and improvements to the neighborhoods.

In addition to the supportive services funded through the grants, AHA used MTW funds to provide coaching and counseling for affected families to improve their quality of life.

In FY 2012, AHA successfully submitted financial close-outs to HUD for its remaining HOPE VI revitalization grants for the former public housing projects at Capitol Homes, Harris Homes, Grady Homes, Carver Homes and Perry Homes. Though the technical grant requirements have been met, AHA will use MTW Funds and other sources to continue to advance the community-building strategies as outlined in the Master Plans for each site.

## *Leveraging public-private partnerships—the Atlanta Model at work*

The financial model for mixed-income, mixed-finance communities is a blend of private sector market principles and public sector safeguards, which have become standard parts of the Atlanta Model. Public/private partnerships are the key ingredient. AHA leverages its special standing under its charter, its goodwill, its land, its MTW Agreement and HUD grants while the private Development Partner leverages its balance sheet, know-how, brand and track record.



The development of Ashley II at Auburn Pointe was funded in part through 9% low-income housing tax credits awarded to AHA's development partner.

In all cases, the partners align their interests so that both parties are focused on the success of the community. A successful mixed-income, mixed-finance community requires a financial structure that allows low-income families to afford the rents without any reduction in the quality of construction or the community's long-term financial viability.

In order to compete for the market-rate renters, the Development Partners build and manage a community with first-class amenities that appeal to the high-end of the market. The private market governs the quality, financial feasibility, and the long-term sustainability of the property, because the disposable income of the market-rate renters dictates the level of private investment the community can attract and sustain.

### **Strategic use of tax credits**

Capital for the project typically includes first mortgage debt and equity from the sale of low-income housing tax credits, both secured by the Development Partner, who signs the debt instruments and provides the guarantees to the investors in the tax credits. In addition, AHA will typically provide a subordinated, cash flow loan which allows the AHA-assisted units to carry no hard debt and which counts in the tax credit basis. Some tax credit equity is also used to pay a portion of the construction costs. An operating subsidy is then provided by AHA to ensure the continued rent affordability for low-income families.

During FY 2012, AHA's Development Partners were awarded 9% low-income housing tax credits for Veranda at *Scholar's Landing* and Ashley II at *Auburn Pointe*. In addition, AHA's Development Partner submitted an application for 9% low-income housing tax credits to develop an affordable, assisted living community for veterans, which will be the first of its kind in the State of Georgia.

## Planning for Choice Neighborhoods grants



In FY 2011 as part of the revitalization of University Homes, AHA applied for and was awarded a \$250,000 Choice Neighborhoods Planning Grant (CNPNG) from HUD for the former University Homes and the surrounding Atlanta University Center (AUC) neighborhood.

In FY 2012, with its development partners and the Atlanta University Center colleges and universities, AHA engaged Urban Collage, a master-planning consulting

AHA's planning approach featured as **best practice** in HUD newsletter April 2012

firm, to facilitate a 12-month planning and community engagement process.

Through more than 20 different meetings, AHA reached out to community stakeholders, including former University Homes residents, who provided insights into the needs, assets and challenges facing the community.

During FY 2013, through the support of the Annie E. Casey Foundation, AHA will hold larger community meetings around “green” sustainable initiatives and health and wellness. The outcome of the CNPG activity will be the development of a Choice Neighborhoods Transformation Plan by December 2012.

As part of the AHA's community engagement efforts, AHA used a \$15,000 grant award from the Annie E. Casey Foundation to develop a CN Micro Grant Program. A review committee awarded nine grants to local groups. While the micro grant award amounts were modest (ranging from \$678—\$3,000), they are expected to create greater leverage for local organizations to expand existing projects that improve the quality of life for youth and older adults residing in the targeted neighborhoods of Vine City, Ashview Heights and the Atlanta University Center.

## Facilitating comprehensive homeownership programs

Using its MTW flexibility, AHA has facilitated affordable homeownership opportunities for low-to-moderate income families throughout Atlanta.

**33 families** in AHA-sponsored communities became new homeowners through the **Down Payment Assistance Program**

**CollegeTown: 13**  
**Mechanicsville: 14**  
**West Highlands: 6**

**Down Payment Assistance**—AHA partnered with the City of Atlanta, Atlanta Development Authority, its master development partners and local lenders to provide down payment assistance to 33 low-to-moderate income, first-time homebuyers purchasing homes within the city of Atlanta.

**Housing Choice Mortgage Payment Assistance Program**—Thirty-three Housing Choice families were selected to participate in homeownership counseling and debt management classes in order to prepare to become homeowners. Two families opted to surrender their vouchers and closed on their new homes in FY 2012 using AHA's Down Payment Assistance.

**Partnership with Atlanta Habitat for Humanity**—As part of its strategic partnership with Atlanta Habitat for Humanity (Atlanta Habitat), AHA co-hosted a homeownership information session for 72 Housing Choice families.

Thirteen families enrolled and are actively participating in Atlanta Habitat's homeownership program. During FY 2012, four families successfully completed Atlanta Habitat's process and have purchased their homes. An additional three families are building their new homes.



## Choice Neighborhoods Micro Grant Recipients

### **Ashview Heights Community Association Corporation**

Building neighborhood pride through street sign toppers and banners marking the Ashview Heights community

### **Atlanta West Economic Development**

Training tools and resource guide for personal money management and financial literacy

### **Morehouse College Community Revitalization Initiative**

Marketing and workshops to establish a Youth Entrepreneurship Club

### **Sisters Action Team, Inc.**

"Healthier Me" spa and wellness workshops

### **TryCope**

Youth leadership development

### **Vine City Civic Association**

Youth/Adult environmental clean-up

### **Vine City Health and Housing Ministry**

Video surveillance system protecting a commercial node and neighborhood park

### **Walking Through the Vine, Inc.**

Neighborhood beautification and urban gardening

### **WeCycle Atlanta**

Refurbished bicycles and cycling classes for youth in exchange for community service



AHA President and CEO Renée Glover and Senior Vice President of Real Estate Development & Acquisitions Joy Fitzgerald present a grant check to WeCycle Atlanta, a program that gives children refurbished bicycles and cycling classes in exchange for community service. The program is part of a larger wellness initiative called: Taking Action to Overcome Obesity.

# Expanding Housing *Opportunities*



During FY 2012, AHA continued to expand the availability of quality, affordable housing within its mixed-income, mixed-use communities and other healthy communities. With AHA's unique Project Based Rental Assistance (PBRA) program, private developers can make market-rate-quality units affordable, often by combining PBRA with Low-Income Housing Tax Credits (LIHTC).

This increases housing opportunities for low-income families (households that earn less than 60 percent of the metropolitan area median income) by closing the affordability gap in areas of low poverty. AHA has also used PBRA to facilitate development of supportive housing for special needs populations.



## Improving long-term financial stability of real estate

AHA continued to explore strategies through AHA's proposed Reformulation Demonstration Program that will improve the long-term financial sustainability of the AHA-Sponsored Mixed-Income Communities that have Section 9 public housing operating subsidy.

This program is designed to sustain and preserve public and private investments in the Mixed-Income Communities by reformulating Section 9 public housing operating subsidy into Section 8 project based rental assistance utilizing AHA's PBRA agreement conceptualized under AHA's MTW Agreement. In FY 2012, HUD acknowledged the importance of AHA's concept for the proposed Reformulation Demonstration Program and worked with AHA to refine the reformulation proposal for Centennial Place.

## Supportive housing for homeless, mental health and special needs populations

AHA, in partnership with private sector developers, continued developing alternative service-enriched housing opportunities for persons with a variety of special needs—homeless persons, persons with disabilities, U.S. military veterans, at-risk families and youth, and other targeted groups who are enrolled in supportive services programs.

**Stable Housing**  
+ **Support Services**  
= **Supportive Housing for Special Needs Populations**

As part of any such development, the owners must enter into an agreement with one or more service providers to provide appropriate wrap-around support services for the targeted population. Often these individuals or families may also have additional case support through a public agency or non-profit.

As of June 30, 2012, there were 546 of these units under current PBRA agreements and another 150 units under commitment, with construction completion and occupancy scheduled in FY 2013. In April 2012, AHA's Board of Commissioners approved a new set of policies that further accommodate supportive service strategies and the unique housing needs of these families. The customized policies and procedures include alternative occupancy arrangements, rent determinations, and rules regarding continuing assistance. During FY 2013 AHA will implement performance standards and tools consistent with the new policies.

### Supportive Housing Programs Assisted by AHA

*As of June 30, 2012*

<i>Community</i>	<i>Primary Population Served</i>
<b>Columbia Tower at MLK Village</b> <b>First Step</b> <b>O'Hern House</b> <b>Villas of H.O.P.E.</b> <b>Welcome House</b> <b>Woods at Glenrose</b>	Homeless adults with a disabling condition such as mental health, developmental disability, or substance abuse
<b>Columbia at Sylvan Hills</b> <b>Pavilion Place</b> <b>Seven Courts</b>	Homeless adults with children
<b>Adamsville Green</b> <b>Gardens at CollegeTown</b>	Persons with disabilities
<b>Odyssey Villas</b>	Homeless families (married with children)
<b>Park Commons HFOP</b>	Homeless grandparents (age 55+)
<b>Park Commons HFS</b>	Homeless elderly adults (age 55+)
<b>Summit Trail</b>	Homeless youth (ages 18-24)

## Reducing homelessness in Atlanta

In response to its commitment to the City of Atlanta, AHA continued to partner with the Regional Commission on Homelessness, the United Way of Metropolitan Atlanta and the Mayor's *Unsheltered No More* initiative to provide housing opportunities for homeless populations.

As a part of its Supportive Housing program, AHA uses PBRA in partnership with private and faith-based owners to support the development or rehabilitation of units for homeless persons. AHA has committed 700 vouchers—over 10 percent of its tenant-based Housing Choice vouchers in Atlanta—to support the Regional Commission's initiatives to end homelessness.

Through various partnerships and voucher programs, described below, AHA used its MTW funds to reduce homelessness in Atlanta.

### AHA Supports Programs for the Homeless



#### Housing and Support for Homeless Youth

##### *Provided through PBRA assistance*

CHRIS Kids at Summit Trail houses and supports up to 50 homeless youth between the ages of 18 and 24.

Many of the youth have aged out of the foster care system, been abandoned, or faced rejection for being lesbian, gay, bisexual or transgender.

During 2011, Summit Trail helped 85 youth, resulting in 87% working or in an educational program, 100% of high school seniors graduated, seven earned a GED, and 95% moved to permanent, stable housing.



#### Housing Vouchers for Veterans

##### *Administered through AHA's Housing Choice Voucher Program*

HUD awarded these special purpose vouchers to AHA for the first time in FY 2012. All 25 HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers have been issued to veterans for housing.

The Veterans Administration provides case management support and AHA has opted to use MTW funds and other sources to provide additional coaching and counseling to improve housing success for veterans and their families.



#### Housing and Support for People with Disabilities

##### *Provided through PBRA assistance*

O'Hern House is a newly renovated supportive community for 76 adults with severe, long-term mental disabilities.

These "hard to serve" individuals that previously resided under bridges and other challenging environments are provided a safe place to live and meals, while working on learning life and social skills. O'Hern provides access to resources needed to lead successful lives.



# Enhancing Customer *Service*



Just as AHA has transformed the delivery of affordable housing opportunities through its real estate development program, AHA is transforming its Housing Choice Tenant-Based Voucher.

Using its MTW flexibility, AHA has developed policies and procedures that enable families not only to choose quality affordable housing in lower poverty neighborhoods, but to interact with AHA more efficiently and conveniently. Sound real estate practices have attracted more property owners/landlords with quality housing to do business with AHA.

Under the Business Transformation Initiative, AHA has instituted private sector real estate principles and an operational discipline necessary to enhance the customer service levels of the participants and landlords while ensuring the long-term sustainability of the program.

### *Piloting program re-design ideas*

In preparation for business transformation initiatives and the transition to the new ERP system, AHA explored several ways to increase customer service, administer Housing Choice vouchers more cost-effectively and increase the accountability on the part of the families.

Most of the changes will be implemented with the ERP system in FY 2013, but one noteworthy change took effect in FY 2012: AHA moved to 100% mail-in recertification. Working families have applauded the convenience, which allows more staff time for families that need assistance with complex personal situations.

AHA has reduced its administrative costs by reducing unnecessary paperwork and processes, and making better market-based determination of rents. Families have felt the effects through the convenience of fewer required visits to AHA offices and faster processing times for requests. Ninety-two percent of participants responding to the annual customer satisfaction survey feel that AHA provides good customer service, an increase over last year.

### **Portability re-engineering**

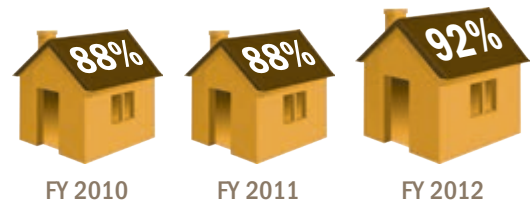
A key feature of the Housing Choice Voucher Program, porting allows a family to use a voucher to move anywhere in the United States where there is a tenant-based Housing Choice voucher program. During FY 2012, for assisted families moving to AHA's jurisdiction, AHA began "administering" (billing the initial public housing authority for the rental assistance) rather than "absorbing" (adding the family to its base and the costs of the rental assistance). By administering, the initiating housing authority reimburses AHA for the rental assistance plus a small administrative fee.

To further professionalize its program, AHA implemented rigorous management of portability

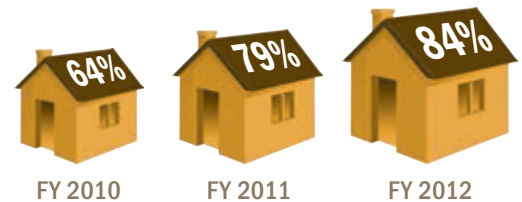
billing and use of vouchers to ensure that participants/applicants maintain their assistance while moving from one jurisdiction to another.

## **Impact of Housing Choice Process Improvements**

### **Customer Satisfaction**



### **Landlord Satisfaction**



### **Processing Times in Days**



### **First-Time Inspection Pass Rate Has Increased**

**37%**

AHA implemented a structured monthly remittance and reconciliation process for public housing authorities that administer vouchers for multiple AHA families who have moved or "ported" to other areas. These processes have resulted in better communication and coordination between AHA and local housing authorities, as well as more accurate and timely payments.

## *Serving vulnerable families*

Recognizing that some families need more support to become self-sufficient, AHA began a new program in FY 2012 for veterans and enhanced its approach to the Family Unification Program.

For the first time, AHA was awarded 25 HUD Veterans Affairs Supportive Housing (HUD-VASH) vouchers, a cooperative program between HUD and the Veterans Administration. All 25 HUD-VASH vouchers have been issued, and AHA is working with the VA to ensure that the veterans obtain housing.

AHA's Family Unification Program (FUP) vouchers provide rental assistance to families under the care of the Fulton County Department of Family and Children's Services (DFCS) who require housing to stay together or come together. AHA re-energized this program by supplementing the DFCS case support with Family Self-Sufficiency coordinators who assist families with housing success.

## *Real estate-centric business approach*

By applying more private sector principles in its operations, AHA continued to professionalize its relationships with landlords. As a result of elevating expectations and standards for professionalism, accountability and a higher quality product, the private sector real estate community has responded in kind. These positive changes have resulted in a higher caliber of units and landlords participating in the program who are attracted to AHA's streamlined way of doing business. By becoming a better and more astute business partner, AHA has begun to reposition the Housing Choice program as an asset in the broader Atlanta community.

## **Multi-family properties**

Recognizing the distinct needs of landlords that own or manage multi-family properties, AHA instituted several processes to professionalize the relationships with the 100 landlords operating multi-family properties consisting of 25 units or more and where AHA has five or more active HAP contracts.

AHA completed multi-family property assessments to establish a baseline of building and site conditions and then developed rent schedules for each property to allow faster processing times for new contracts.



**Pierre Whitsett, 21**, grew up as a foster youth and is a new recipient of an AHA Housing Choice voucher.

He lived in AHA's Thomasville Heights housing project with his mother and five siblings until circumstances caused the Department of Family and Children Services (DFCS) to intervene.

With the help of a dedicated DFCS case worker and the Life Works Independent Living program, he is on his way to success—working and planning to graduate in 2012 from Chattahoochee Technical Institute in accounting.

"I like to describe myself as ambitious," says Whitsett. "My goals are to be my family's first success story and to be an inspiration to other foster kids...like me."

## **Faster processing**

As a result of streamlining and prioritizing information required from landlords, AHA has decreased the cycle time of document submission to contract execution by nearly half to 24 days. This improvement enables families to move-in more quickly to quality housing and reduce the anxiety and uncertainty caused by program moves.

## **Inspections**

During FY 2012, several enhancements to the Inspections process—including automated rescheduling and simplified inspections standards—have improved service levels, AHA's relationships with owners, and ultimately better housing experiences for families. A key indicator of better alignment with business partners, over the last two years, rates of annual inspections that passed on the first-time have increased by 37 percent to 46 percent of units inspected. This accountability by landlords means more stability for families in quality living environments.

# Supporting Aging Well and Independent Living for *Elderly & Disabled*



Helping elderly and disabled adults enjoy independent living while aging in place in their communities is a strategic priority of AHA. In FY 2012, AHA and property management companies (PMCOs) collaborated on a wide range of initiatives to improve both the physical environment and the social interactions that make a community strong and enrich the lives of the people who live there.



### *Capital improvements and upgrades to units*

Under AHA's site-based and private property management business model, the PMCOs managing the 13 AHA-Owned Residential Communities provided comprehensive construction management to complete the last \$919,000 of \$24.9 million in renovations to the common areas and exteriors.

These improvements were funded primarily with the American Recovery and Reinvestment Act of 2009 (ARRA) Funds and AHA's MTW funds. The PMCOs—Lane Company, Integral Property Management and the Habitat Company—began work on an additional \$1.8 million approved by the Board and allocated for unit rehabilitation work to upgrade damaged kitchen cabinets, install new closet doors and replace worn carpet.

### *Saving energy and managing costs*

Working with Johnson Controls, AHA implemented its second energy performance contract (EPC) which combines a \$9.1 million EPC loan with additional MTW funds.

Already AHA has seen savings from the first installations of low-flow faucets and showerheads, toilets and compact fluorescent lights. Through the EPC project AHA has serviced newer HVAC systems in the buildings, replaced the older systems with new more energy efficient systems, and upgraded bathrooms with new sinks and light fixtures. As a result of these improvements and conservation by residents, AHA ended the year \$260,000 under budget for utility costs. This work will continue through FY 2013.

These capital improvements complement and supplement the ARRA renovations begun in FY 2010 and accelerate AHA's ability to continue the physical improvements designed to support delivery of vibrant “aging well” programs for its residents.

#### **Resident Satisfaction**

79% agreed or strongly agreed with the statement:

“The programs, services and activities in my community contributed to improving my overall quality of life.”



### *Building harmony and respect in communities*

One hundred forty-six residents of Juniper and 10th and Marian Road Highrises participated in facilitated engagement sessions designed to increase respect between neighbors through cultural awareness, understanding and communication.

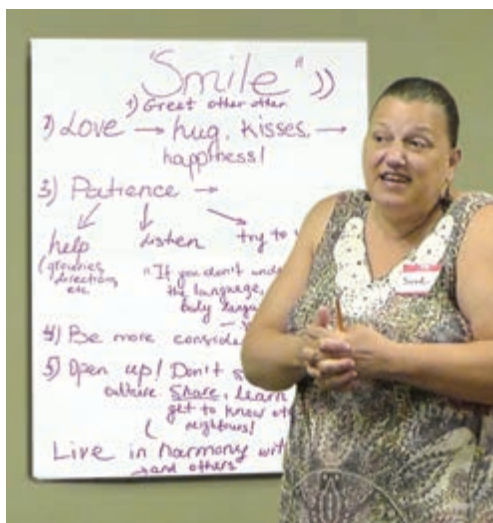
The sessions created a “safe” environment where residents freely voiced their concerns. The sessions covered how to identify “bullying” behaviors, recognizing the impact of positive and negative attitudes, and shifting the “blame game” mindset.

### *Bridging the “digital divide” with Connected Living program*

To improve socialization of older adults in the AHA-Owned Residential Communities, AHA implemented the Connected Living program and web-based portal that allows AHA residents to go online to use email, browse the web, play games, share photos and keep in touch with family and friends. An increasing number of residents are also using the computers for online banking and bill payment.

## Connected Living

Ambassadors play a key role in the program. These staff members of Connected Living are “patient listeners” who work directly with residents, leading discussion groups, computer classes, one-on-one training and open computer café hours. Using a train-the-trainer approach, they also lead a peer training program to champion connection to other residents.



In a “Building Harmony and Respect” session at Marian Road Highrise, residents listed “What I Learned In Kindergarten.” Through this exercise they recognized that they have similar backgrounds and now have the opportunity to “remember” the valuable lessons they may have “forgotten” about living in harmony with others in a community.

In FY 2012, Connected Living Ambassadors conducted over 4,000 small group classes with each resident attending multiple sessions. Based on the number of residents with portal access credentials, 62 percent of residents (1,200 residents) are regularly using online services.

## New Computer Labs

Due to the popularity of the computer labs in the high-rise communities, AHA created computer labs in the two small family communities serving

Using the new **web-based portal** through AHA's Connected Living program,

**62%**

of residents are going online

91 families. AHA customized the interface to include family-friendly links and applications and extended the Connected Living learning model.

All the computer labs in the 13 AHA-Owned Residential Communities are maintained,

monitored and supported centrally by AHA, which ensures that software applications are working and upgraded as needed. This arrangement saves significant costs and time by allowing AHA to leverage its investments across all properties to the benefit of employees and residents alike.

## Growing Urban Community Gardens

In Spring 2012, AHA partnered with Enterprise Community Partners, the Georgia Department of Community Affairs and the Atlanta Regional Commission to develop community gardens at the AHA-Owned Residential Communities. Building on a successful pilot at Peachtree Road Highrise, community gardens are being installed at all 11 high-rise

properties through FY 2013. Training on gardening techniques and administration of the newly formed garden clubs will be offered at each site. This project will further support the goals of independent living, socialization and health and wellness for older adults.



**Isaac Williams, organizer of the Gardening Club at Peachtree Road Highrise**

“Taking care of plants changes your life....The most exciting part of gardening for me is seeing the little plant come up out of the ground after you’ve sown the seeds,” says Williams. With 25 active members and growing, the Gardening Club is contributing to the social, mental and spiritual health of the community.

# Forging Partnerships to Provide *Human Development Services*



Through its network of strategic partners, service providers, and community stakeholders, AHA facilitates the delivery of the supportive services a family needs to be successful and progress into the mainstream of society. All Housing Choice participants and families in AHA-Owned Residential Communities benefit from AHA's human development support services.

AHA's human development strategy is built around distinct goals for three populations:

- > *Families and individuals:* financial independence and resiliency leading to reduced dependency on subsidy.
- > *Children:* educational achievement and advancement
- > *Older adults and persons with disabilities:* independent living and aging well.



### *Supporting financial independence and resiliency*

Though the current economic recession made it difficult for families to obtain and maintain employment, 69 percent of AHA-assisted families across all programs were compliant with AHA's work/program requirement. This figure includes households which were fully compliant and households in which the targeted adults were engaged in a combination of work, school or training (18 percent of families received approved temporary deferments while completing their education or a job training program).

The compliance rate reflects two variables: the effects of a tough economy and the effects of environment. Because lower-wage workers were disproportionately affected by the economic recession, many families found it difficult to obtain and retain full-time employment.

At 58 percent compliance (40 percent working plus 18 percent in school or training), families in the Housing Choice Voucher Program were challenged to find jobs or retrain for new ones. This result reflects the effects of an environment in which families in single family homes often have fewer and less frequent access to support resources.

Because of these needs, in FY 2013, AHA will invest in intensive coaching for non-compliant families who need extra support in obtaining and retaining jobs. Also, as part of the business transformation,

AHA has designed its client services using a case management model to provide greater visibility to barriers to family success and compliance.

#### WORK/PROGRAM REQUIREMENT

As a condition of receiving the housing subsidy:

(a) **one** non-elderly (18 to 61 years old), non-disabled **adult** household member must maintain continuous **full-time employment** (at least 30 hours per week)

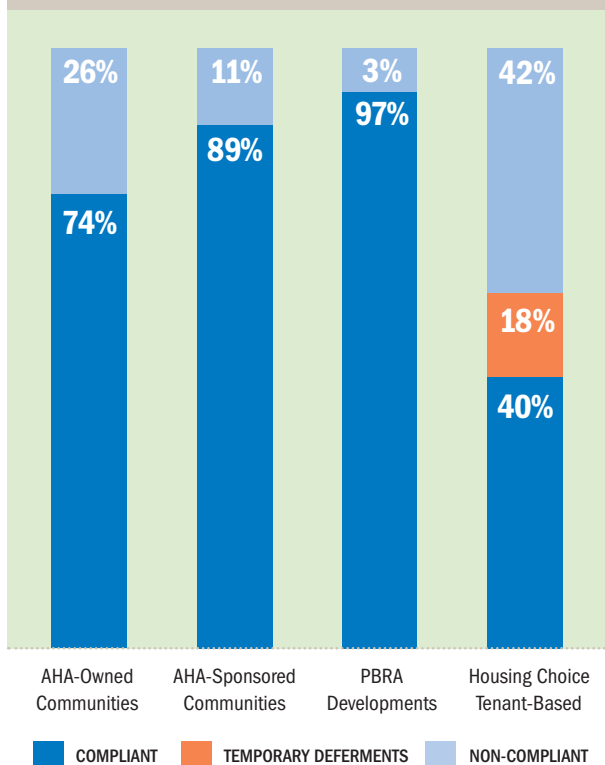
**AND**

(b) **all other** non-elderly, non-disabled **household members** must also maintain employment with a minimum of 30 hours per week or **participate in a combination of a school, job training and/or part-time employment.**

In mixed-income environments, where they are influenced by a culture of work, many AHA-assisted families fare better than they did in the public housing where they formerly lived. In AHA-Sponsored Mixed-Income Communities, compliance with the work requirement among AHA-assisted families was 89 percent.



## Work/Program Compliance by Program



With AHA's site-based administration policies, private property management partners provide support and guidance for assisted families to remain employed. This benefits families as they move toward self-sufficiency and maintains the integrity and viability of the entire mixed-income community.

To further facilitate family success, AHA expended MTW funds for on-staff Client Service Counselors who assisted families with ways to become compliant. Additionally, families were referred to AHA's Service Provider Network partners such as Atlanta Workforce Development Agency, which provided training and services for 1,632 participants in FY 2012.

For those who completed the job readiness programs, 47 percent are now employed full-time and earning 13 percent higher wages on average due to entering industrial fields rather than minimum wage retail and fast food restaurant jobs.

## Connecting to service providers

AHA established the Service Provider Network (SPN) as a resource for AHA-assisted families and individuals to connect to employment, training, educational and other mainstream opportunities. In FY 2012, over 2,900 referrals were made to the SPN comprised of 62 service providers.

## Encouraging educational advancement

In partnership with Literacy Action, Atlanta Metropolitan State College and Atlanta Technical College, AHA's adult literacy program, Good-2-Great (G2G), prepares AHA-assisted adults to earn a General Education Diploma (GED). Since the program's inception in 2007, 185 students have participated in some component of the G2G program—31 completed the GED requirements and 11 graduates of the program have pursued higher education. During FY 2012, 81 students were enrolled.



**Richardine Holmes** quit school at 16 because "love and pressures at home were just too much." Years later, after participating in AHA's adult literacy program, Good-2-Great (G2G), and completing her GED, Richardine hopes to go to college and pursue a degree that will allow her to turn her passion for singing and writing into a career. "If you are knocked down, you've got to get back up. You can't stay on the ground."

*Photo: Courtesy of Jeff Rothman, Atlanta Symphony Orchestra*

## *Aging Well Program*

Designed to encourage independent living and empower older adults to control their own aging process, AHA's Aging Well program creates an environment that allows social engagement opportunities, enhances connections to family, friends and the broader community, and promotes wellness.

In addition to improving the physical environments, AHA has partnered with organizations to provide services to further the goals of healthy, independent living. The computer labs, Connected Living program, and the community gardening programs are described in the section on AHA-Owned Residential Communities.

## *Mental health services*

AHA partnered with the Emory University Fuqua Center for Late Life Depression to provide mental health stabilization services and training. The Fuqua Center trained the PMCO staff on emergency mental health situations and managing crisis situations.

A case manager from the Fuqua Center works directly with residents who may be experiencing personal challenges. On-site Resident Service Coordinators usually refer residents based on

**Depression is not a normal part of aging** observations (i.e., depressive symptoms, decreased physical function) or troublesome behaviors (i.e., verbal outbursts, disturbing others, paranoia).

With growing awareness of the program through health fairs and other means, residents have begun requesting mental health services themselves.

In 2011, the Fuqua Center provided mental health services to 70 AHA residents. Overall, the Fuqua Center documented 114 significant interactions related to treatment for mentally ill residents in 2011.

- > Half of these interactions involved communicating with a resident's healthcare provider or family member.

- > About 25 percent of interactions involved referrals for additional social services or mental health counseling.
- > Another 20 percent included medication checks, counseling, or prescriptions that might not have been addressed otherwise.
- > In six cases, the Fuqua Center directly assisted with hospitalization of a resident who was experiencing a mental health crisis.

In the past year, AHA received fewer complaints from residents of the high-rise communities, and staff have felt better equipped to diffuse issues because of the partnership.



**Amanda Bradley, 18, is a recipient of AHA's ACSA scholarship and attends Harvard University as a Gates Millennium Scholar.**

The idea of going to Harvard to become a lawyer has been her

dream since she was 8 years old. "I don't know why I decided it had to be Harvard, but I just knew it was the best school," she smiled. "My mother raised us to work hard and be the best, so I knew that's where I had to go." Amanda's older sisters, Adrienne and Angela Bradley, are both ACSA recipients, attending Georgia Southern and Savannah State universities.

## *Funding the Atlanta Community Scholars Awards (ACSA)*

In FY 2012, AHA awarded \$51,200 (22 scholarships for 2012/2013 academic year) and \$51,750 (24 scholarships for 2011/2012 academic year) to deserving AHA-assisted youth for post-secondary education. In Partnership with AHA, the United Negro College Fund (UNCF) provides fiscal oversight for grants and gifts given by AHA and its employees, disbursements, and scholarships. The scholarships are awarded by a committee of AHA employees and other community benefactors.

# Strengthening AHA *Operations and Human Resources*



AHA made significant progress in FY 2012 toward launching a new enterprise resource planning (ERP) solution that will make our operations more efficient and allow us to provide even better service to our families and communities.

An integral part of the ERP solution is the transition to the YARDI technology platform, which supports more data-driven, analysis-oriented planning and decision making. The overall impact of the new technology is that it will help drive AHA's evolution as a diversified real estate company with a public mission and purpose.

One of the immediate benefits of the ERP process is the high level of collaboration among different departments and disciplines as teams have worked on re-engineering business processes and designing new processes and workflows to take advantage of the YARDI technology.



### Improved processes

In the current environment, processes require significant time and energy for manually entering, re-entering, validating and reconciling data from various sources and stand-alone spreadsheets. AHA's new ERP solution will vastly improve the business productivity of each employee and of AHA overall, saving millions of dollars annually for the enterprise.

During FY 2012, AHA completed the necessary detailed planning for rollout of the Yardi system for all functional areas including Housing Choice. Every process and procedure was reviewed, and streamlined processes and policies were developed. Software development and configuration will continue in FY 2013, leading to launch of the Housing Choice and Human Development module.

The integrated solution will be implemented in a phased approach with a payback period for the investment estimated at three to four years after full implementation, projected to be substantially completed by June 30, 2013.



### Launched first phase of new ERP solution

After months of hard work to streamline processes, and design and configure the Yardi system to meet AHA needs, AHA launched the Yardi ERP platform, the foundation for all other automation projects. AHA also launched the first module, Finance, Procurements and Grants.

**On-time,  
on-budget  
ERP launch**

**66**  
end users

**350**  
contracts

**In the first month, AHA processed 1,128 invoices, 100 deposits and \$10.8 million in payments.**

The new electronic workflow eliminates walking paper invoices around and getting multiple handwritten signatures. Working in Yardi will save time, paper and money. AHA will also have greater visibility of financial data and transactions in real time. During FY 2013, additional functionality and modules will be deployed throughout AHA.



### Reduced reporting errors

In August 2011, a multi-departmental task force was formed to correct errors in HUD's PIC system. The PIC system stores information such as income and social security numbers for families that receive assistance from AHA. In June 2012, AHA received HUD's Star Designation for having zero discrepancies in reporting of deceased tenants. And for all the reporting metrics combined, AHA reduced the errors from 5,611 to only 451—a 92 percent error reduction! Ensuring the accuracy of data is critical for families, for landlords and partners, and for AHA. This data clean-up also positions AHA for the data migration needed to continue implementation of the other Yardi ERP modules.



**A 92% error reduction in FY 2012** for the resident information reported through the PIC system, earned this team a HUD STAR designation. They were part of a taskforce that made changes to processes and proved the power of teamwork.





## *Increased operational efficiency*

Consistent with the MTW statutory goals, AHA has continued to explore ways to streamline its operations and save costs in providing assistance to families. For every dollar saved, more families can receive assistance and AHA can continue to strengthen its finances and ability to provide future services. A strong financial position also enables AHA to explore innovative solutions to address local needs.

During FY 2012, AHA continued implementing many of the recommendations identified with the business transformation initiative.

### **From Mailroom to Records Management**

As part of AHA's transformation, AHA restructured its traditional mailroom processes to drive more efficiency, to "go paperless," and reduce costs.

#### **Results from streamlining monthly mailing process**

Labor reduction of

**93%**

Time reduction from

**3 days to 1**

One major success was in support of the reengineered recertification process in Housing Choice.

AHA streamlined the monthly mailing process from five people for three days to one person completing the process in

one day—a 93% reduction in labor. AHA expects to realize more costs savings and efficiencies as it rolls out the ERP solution in FY 2013.

### **Leveraging technology investments**

During FY 2012, AHA completed a multi-year strategy to consolidate its communications contracts and services and replace outmoded equipment. All telephone, cable television (for residents in AHA-Owned Residential Communities), and data/Internet services are now managed and controlled centrally.

These changes have resulted in immediate cost savings from volume purchases, and, over time, will result in lower maintenance costs and energy usage. Another benefit of centralization is that AHA can provide greater security and protection of sensitive family, employee and partner information.

## *Building a culture of accountability and performance*

As AHA has evolved as a diversified real estate company with a public mission and purpose, management recognized the need to assess the organizational capabilities and performance systems necessary to fulfill this vision. During FY 2012, AHA developed and implemented a comprehensive people strategy and change management plan using human resource management best practices. The strategy is based on:

- > creating a culture of accountability and results,
- > building bench strength,
- > developing more efficient work processes, and
- > introducing technology systems.



## *New performance management and rewards process*

AHA launched a new performance management system that links every employee's goals to the enterprise goals and vision of AHA. Based on a year-round cycle, each employee creates a personal development plan with measurable goals. Managers provide continuous coaching and feedback. At the end of the year, performance results are linked to pay.

This new system has brought attention to how employees do their work, fostered more collaboration across the organization, and established fair and consistent pay practices.



### *Technology links human resources and payroll processes*

As part of the business transformation initiative, AHA implemented the Workday® tool, a comprehensive software solution which links human resources records, performance management, time tracking, payroll and compensation, talent management and learning systems.

Before this solution, paper-based processes were inefficient and time-consuming. Now, employees and managers can easily access their own information in one place, make updates and monitor activity. The Workday tool also aligns with payroll in the new Yardi ERP Finance module and can be expanded to integrate all people-related activities such as recruitment management, education and training.



### *Change management*

To support and prepare employees for changes in the business, AHA introduced several change management initiatives. Communications occurred more frequently and were formalized. Through a series of “change readiness” classes, managers and employees were taught how to deal with change. All-Staff meetings, roundtables with the CEO and an “Employee of the Month” program contributed to greater employee engagement.

Change-readiness initiatives have resulted in 99 percent of employees who said in surveys, “I am willing to do what is necessary to transform AHA.”



**Jason Winton, Director of Inspections Services**, was selected by a committee of employees as AHA's first Employee of the Year. This recognition program highlights individuals who are inspirational in a time of change.

# Resident Art Contest

## *“When I think of my community, this is what I see.”*



### **First-Place Winner** **Family, The Building Block**

Zachariah Anderson  
Juniper & Tenth Highrise

*“The family is the building block of our communities and consequently the very base fabric of our society.”*

AHA sponsored its first “Building Strong Communities” Art Contest in FY 2012. Seniors and disabled residents from AHA-Owned Communities were invited to create original art depicting a vision of their community.

Entries included paintings, photo collages, crochet, drawings, and computer art. A judging panel representing a cross-section of resident leaders and AHA departments selected first-, second-, and third-place winners, who were special guests at AHA’s October All-Staff meeting. All the contestants were honored at a special celebration at Marian Road Highrise.

AHA also displayed all the art entries in an exhibit called “Gallery 230” at AHA headquarters, giving AHA employees an opportunity to meet the artists.



### **Second-Place Winner** **Gardening Is Fun!**

Iris Dunn  
Peachtree Road Highrise

*“I enjoy meeting every week with our garden club, which builds good relationships with our neighbors. We learn about the different plants, watch them grow, and share cuttings with each other.”*



**Resident Art Contest winners**  
**(left to right) Iris Dunn, Zachariah Anderson and Nellie Sanders**

### **Third-Place Winner** **Home Is Where The Heart Is**

Nellie Sanders  
Peachtree Road Highrise

*“I began creating artwork after volunteering with my daughter’s art class. After deciding to enter the contest, I dreamed of my art design.”*



# Summary of FY 2012 Audited Financials

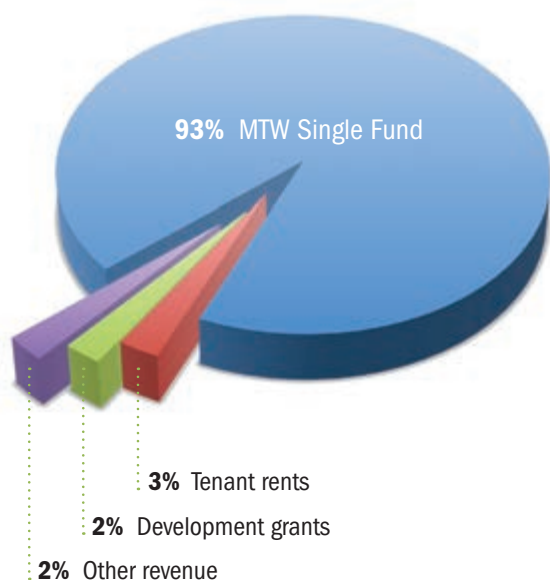
AHA's financial position remained strong with net assets of \$433.2 million as of June 30, 2012.

## Sources of Funds

During FY 2012, over 95% of AHA's funding came from HUD in the form of Housing Choice Voucher Funds, Public Housing Operating Subsidy and Capital Fund grants.

AHA also received revenue from these sources:

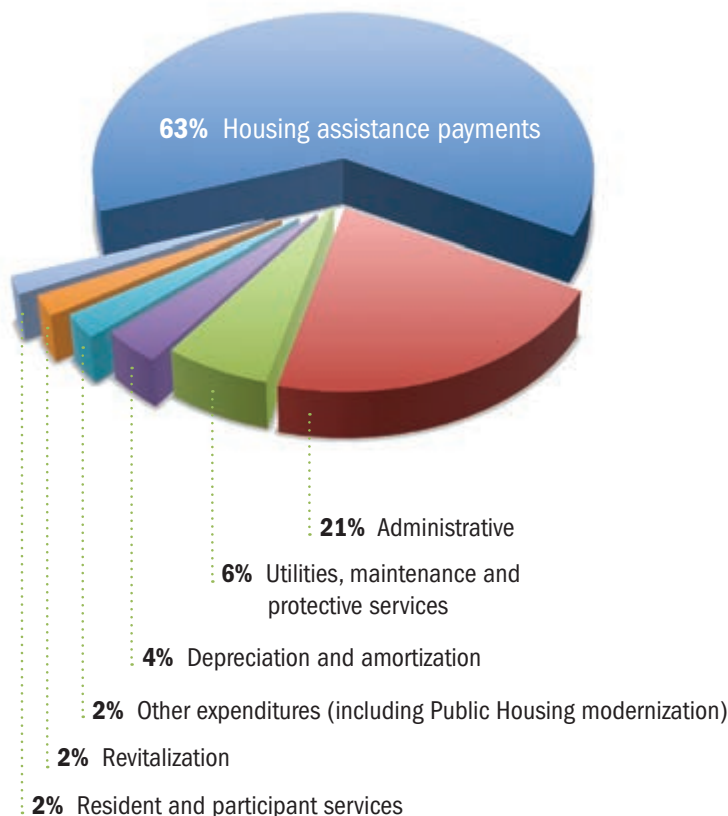
- > Rents paid by residents of the 13 AHA-Owned Residential Communities
- > Fees earned in connection with development activities under its Revitalization Program
- > Participation with the individual Owner Entities in net cash flows from mixed-income, mixed-finance rental communities (in the form of interest payments or ground lease payments)
- > Profit participation from the sale of single family homes
- > Fees earned as a subcontractor and member of Georgia HAP Administrators, Inc. dba National Housing Compliance (Georgia HAP)



## Uses of Funds

In FY 2012 AHA continued to facilitate quality affordable housing opportunities for low-income families in the following ways:

- > Provided a total of \$94.9 million in housing assistance payments for households under the tenant-based Housing Choice Voucher Program
- > Provided a total of \$31.6 million in PBRA payments supporting a total of 4,290 PBRA units in mixed-income communities
- > Provided \$14.1 million in operating subsidy to cover operating costs not covered by tenant rents for 2,471 AHA-assisted units in the AHA-Sponsored Mixed-Income Communities
- > Funded \$11.9 million in operating expenses not covered by tenant rents including human development services to support 1,943 units in AHA-Owned Residential Communities

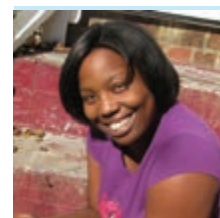




# MTW



## INNOVATIONS & POLICIES



*Under the MTW Agreement, AHA has strategically implemented its housing policy reforms across all programs. This consistency serves three purposes:*

Families can expect to rise to the same standards that AHA believes lead to self-sufficiency.

AHA can align its values with contract terms in various agreements with developers and service providers.

AHA gains economies from systematic implementation across the agency.

As a result of AHA's participation in the MTW Demonstration and strategic implementation of numerous innovations or reforms, families are living in quality, affordable housing and improving the quality of their lives.

The following represents an overview of a number of key innovations and policy reforms AHA has implemented as a result of its participation in the MTW Demonstration Program and in accordance with the provisions of AHA's Amended and Restated MTW Agreement with HUD.

## Innovations & Policies



Designates an AHA invention or significant innovation

### Economic Viability

REGULAR  
HOUSING  
AUTHORITY

AHA  
INNOVATION  
AND IMPACT



#### Households Served (HUD Funding Availability)

To address the volatility in the availability of HUD funding, this protocol defines "AHA households served" as all households in the Housing Choice voucher program and all households earning 80% and below of area median income (AMI) residing in communities in which AHA owns, sponsors, subsidizes, or invests funds.

#### Fee-for-Service Methodology

As a simplified way to allocate indirect costs to its various grants and programs, AHA developed a fee-for-service methodology replacing the traditional salary allocation system. More comprehensive than HUD's Asset Management program, AHA charges fees, not just at the property-level, but in all aspects of AHA's business activities which are often not found in traditional HUD programs.

#### Local Asset Management Program

A comprehensive program for project-based property management, budgeting, accounting and financial management. In addition to the fee-for-service system, AHA differs from HUD's asset management system in that it defines its cost objectives at a different level; specifically, AHA defined the MTW program as a cost objective and defined direct and indirect costs accordingly.



#### Revised MTW Benchmarks

AHA and HUD defined 11 MTW Program Benchmarks to measure performance. AHA is not subject to HUD's Public Housing Assessment System (PHAS) or Section Eight Management Assessment Program (SEMAP) because each party recognized that such measurements were inconsistent with the terms and conditions of AHA's MTW Agreement.

Counts families based on funding source

Counts all households affected by AHA programs and investments

Cost allocation based on labor costs.

Accounts for all costs

HUD Asset Management

Effective, customized approach

PHAS & SEMAP

Simplified and focused on outcomes



## Work/Program Requirement

This policy establishes an expectation that reinforces the importance and necessity for work to achieve economic independence and self-sufficiency. As a condition of receiving the housing subsidy, (a) one non-elderly (18 to 61 years old), non-disabled adult household member must maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled household members must also maintain full-time employment or participate in a combination of school, job training and/or part-time employment.

None

All able-bodied adults must be working or engaged in programs to prepare for work.

## Service Provider Network

For the benefit of AHA-assisted households and individuals, AHA formed this group of social service agencies to support family and individual self-sufficiency, leveraging MTW Funds with resources and expertise from established organizations.

None

Uses partnership model to leverage MTW Funds



## Coaching and Counseling

AHA has used over \$30 million of MTW Funds to pay for family counseling services for families transitioning from public housing to mainstream, mixed-income environments and for self-sufficiency.

None

Enabled by MTW Single Fund



## 30% of Adjusted Income

This innovation ensures housing affordability and uniformity of tenant payments, regardless of the source of AHA subsidy, by establishing that the total tenant payments of all AHA-assisted households (including HCVP participants) will at no time exceed 30 percent of adjusted income.

Only applies to public housing

Increases housing choices in lower poverty neighborhoods



## \$125 Minimum Rent

Policy that raises standards of responsibility for some AHA-assisted families in public housing and Housing Choice by increasing tenant contributions towards rent to at least \$125. Policy does not apply to households where all members are either elderly and/or disabled.

\$25

\$125

## Elderly and Non-Elderly Disabled Income Disregard

This policy encourages healthy aging and self-sufficiency by excluding employment income when determining rental assistance for elderly persons or non-elderly persons with a disability.

n/a

Encourages independent living and incents employment



## 4-to-1 Elderly Admissions Preference

AHA created this policy to address sociological and generational lifestyle differences between elderly and young disabled adults living in the AHA-Owned Residential Communities (public housing-assisted communities). This policy creates a population mix conducive to shared living space for the elderly.

None

Improves quality of life for all residents

## Rent Simplification

AHA determines adjusted annual income with its own Standard Deductions that replace HUD's Standard Deductions, and, in most cases, eliminate the need to consider other deductions. This policy reduces errors and inefficiencies associated with the verification of unreimbursed medical and childcare expenses.

\$480 per child,  
\$400 for elderly/  
disabled and  
requires receipts




Simplifies administration: \$750 per child, \$1000 for elderly/disabled households

## Good Neighbor Program

An instructional program established in partnership with Georgia State University (GSU), the curriculum includes training on the roles and responsibilities necessary to be a good neighbor in mainstream, mixed-income environments. The program supports acceptance of the Housing Choice program by members of the community.

None

Improves quality of life and community acceptance

	<b>Aging Well Initiative</b> Recognizing the needs of older adults to live independently and maintain their quality of life, AHA introduced a program to provide residents with vibrant physical spaces, active programming, support services, and enhanced opportunities for socialization, learning, and wellness.
	<b>Alternate Resident Survey</b> This protocol, which replaces and satisfies the requirements for HUD's PHAS Resident Survey, allows AHA to monitor and assess customer service performance in public housing using AHA's own resident survey.
	<b>MTW Benchmarking Study—Third Party Evaluation</b> In order to measure the impact of AHA's MTW Program, AHA uses an independent, third-party researcher to conduct a study of the Program and its impact.
	<b>Early Childhood Learning</b> Because strong communities are anchored by good schools, AHA partners with the public schools, foundations and developers to create physical spaces for early childhood learning centers.

None

Enabled by MTW Funds

PHAS Resident Survey

AHA customized resident survey

n/a

Scientific evaluation by independent third-party




None

Leverages land to break cycle of poverty

## Expanding Housing Opportunities

REGULAR  
HOUSING  
AUTHORITY

AHA  
INNOVATION  
AND IMPACT

	<b>Mixed-Income / Mixed-Finance Development Initiative</b> AHA strategically approaches development and rehabilitation activities by utilizing public/private partnerships, private sector development partners and leveraging public/private resources. AHA has evolved its policies and procedures to determine and control major development decisions. This streamlined approach allows AHA to be more nimble and responsive in a dynamic real estate market in the creation of mixed-income communities.
	<b>Public-Private Partnerships</b> The public/private partnerships formed to own AHA-Sponsored, Mixed-Income Communities (Owner Entities) have been authorized by AHA to leverage the authority under AHA's MTW Agreement and to utilize innovative private sector approaches and market principles.
	<b>Total Development Cost (TDC) limits</b> AHA replaced HUD's Total Development Cost (TDC) limits with a more comprehensive formula to better facilitate development transactions.
	<b>Managing Replacement Housing Factor (RHF) Funds</b> AHA established a RHF Obligation and Expenditure Implementation Protocol to outline the process with which AHA manages and utilizes RHF funds to further advance AHA's revitalization activities.
	<b>Mixed-Finance Closing Procedures</b> AHA carries out a HUD-approved procedure for managing and closing mixed-finance transactions involving MTW or development funds.

n/a

Pioneered by AHA and now called "The Atlanta Model"

n/a

Leverages public funds and private sector funds and know-how

Limited

Enables public-private partnership

Restricted

Options for combining or accumulating RHF funds

n/a

Streamlines procedures



## Gap Financing

AHA may support the financial closings of mixed-income rental communities through gap financing that alleviates the challenges in identifying investors and funders for proposed development projects.

n/a

Enables opportunities to preserve and/or develop additional mixed-income communities



## Project Based Rental Assistance (PBRA) as a Development Tool

AHA created a unique program which incents private real estate developers/owners to create quality affordable housing. For PBRA development deals, AHA has authorization to determine eligibility for PBRA units, determine the type of funding and timing of rehabilitation and construction, and perform subsidy layering reviews.

Project Based  
Vouchers program

Unique PBRA program developed with local Atlanta developers



## PBRA Site-Based Administration

Through AHA's PBRA Agreement (which replaces the former Project Based HAP contract), the owner entities of PBRA developments and their professional management agents have full responsibility, subject to AHA inspections and performance reviews, for all administrative and programmatic functions including admissions and occupancy procedures and processes relating to PBRA-assisted units. Allows private owners to manage and mitigate their financial and market needs.

PBV administered  
by PHA

Allows private owner to optimize management and viability of property



## Reformulating the Subsidy Arrangement

AHA is exploring strategies to reformulate the subsidy arrangement for AHA-Sponsored Mixed-Income Communities and AHA-Owned Residential Communities from public housing operating subsidy (under the existing Annual Contributions Contract) to Project Based Rental Assistance (under an AHA-devised PBRA Agreement), in order to sustain and preserve investments in these rental communities.

n/a

Unique program enhances long-term viability of real estate

## Supportive Housing

AHA supports, in partnership with private sector developers, service-enriched housing for target populations such as the homeless, persons with mental health or developmental disabilities, at-risk families and youth, and others requiring a unique and supportive environment to ensure a stable housing situation. AHA utilizes PBRA funding to provide rental assistance and has established separate housing assistance policies for these developments that match the unique needs of the client population.

Requires waivers  
for preferences

Expands affordable housing for at-risk populations



## Builders/Owners Agreement Initiative

Agreements with single-family homebuilders throughout Atlanta to provide down payment assistance for first-time buyers. Designed to facilitate great opportunities for low-income families in a soft real estate market, this initiative has successfully aided in the absorption of Atlanta's "excess" inventory of high-quality, recently constructed, single-family homes.

n/a

Expands affordable, high-quality housing opportunities



## Affordable Assisted Living

AHA and a private sector partner are developing a facility primarily for elderly veterans and their spouses who require assistance with daily living activities. AHA seeks to fill the unmet need for affordable assisted living alternatives by leveraging multiple sources of funding.

n/a

Expands affordable housing for at-risk population

## Housing Choice Voucher Program (HCVP) Reforms

AHA's MTW Agreement allows it to develop its own Housing Choice Voucher Program. In addition to agency-wide policies, following are key features of the program.

### HCRA Agreement

Replaces the HUD HAP Agreement and is based on private sector real estate models.



### Atlanta Submarket Payment Standards

AHA established standards in 13 local submarkets to account for varying local markets and to eliminate financial barriers during the housing search.



### Rent Reasonableness Determinations

AHA uses local market comparables to determine rents for each unit and ensure that AHA is not overpaying in any given market.



### Leasing Incentive Fee (LIF)

Allows families greater buying power in lower poverty neighborhoods where security deposits and application fees would normally create a barrier. Attracts more landlords in lesser-impacted markets.

### Occupancy Policies

Occupancy standards, including a broad definition of a family, are set by AHA to improve long-term self-sufficiency of the family.

### Housing Choice Homeownership Policies

AHA established its own policies, procedures, eligibility, and participation requirements for families to participate in the Housing Choice Homeownership Program and use their voucher for mortgage payment assistance.



### Special Purpose Vouchers Program Flexibility

Allows AHA to apply its program standards after the first year for vouchers such as Family Unification.



### Enhanced Inspection Standards

AHA created more comprehensive inspections standards and processes than HUD HQS in order to improve the delivery of quality, safe and affordable housing to assisted families. Ensures the quality and financial viability of the product and the neighborhood.

### Site and Neighborhood Standards

In lieu of the HUD Site & Neighborhood Standards, AHA has adopted the PBRA Site & Neighborhood Standards as set forth in Section VII.B.3 of Attachment D of AHA's MTW Agreement for the evaluation of HOPE VI and other HUD-funded master planned developments.

Standard HAP agreement

Market-based with lease addendum

Single Fair Market Rent for Atlanta

Increases choices for families

Varies

Aligns rents with market

None

Lowers barriers for families

Strict

Increases access to housing

None

Supports long-term success of low-income families

Restricted by funding source

Aligns MTW goals and flexibility

HUD's HQS

Unit + site and neighborhood

Limited

Flexible standards to leverage local market realities

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Barney Simms\*

*Chief External Affairs Officer*

*\*Retired effective September 2012*

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AHA's MTW Annual Report and audited financials  
for Fiscal Year 2012 are available via:  
[www.atlantahousing.org /profile](http://www.atlantahousing.org/profile)



Atlanta Housing Authority