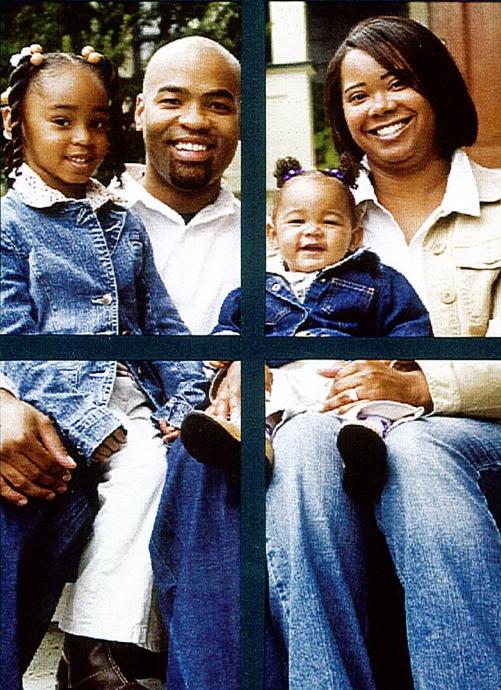


MOVING TO WORK

A Window of Opportunity...



Healthy Mixed-Income Communities

Atlanta Housing Authority
MTW Annual Report
Fiscal Year Ended June 30, 2008
Board Approved



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A Message from the President



Since September 1994, I have had the privilege of leading an exceptional team of professionals in transforming the work and mission of Atlanta Housing Authority (AHA). This transformation was driven on the precept that an opportunity existed to provide quality affordable housing options in Atlanta that blends people of different socio-economic backgrounds embracing and celebrating the diversity of our citizens. AHA, along with its private sector partners, have been able to leverage resources to support assisted families with the development and/or preservation of affordable housing in market competitive, mixed-use, mixed-income communities throughout the City of Atlanta. As a result of this work, AHA will realize a \$4 billion economic impact for on-site and surrounding area investments. Yet, despite this tremendous progress, we were still challenged having to operate in a regulatory framework based on restrictive and diminishing Federal resources that limited opportunities for AHA to take full advantage of a dynamic real estate market and be responsive in real time to localized needs, priorities and challenges.

Moving to Work (MTW) has provided AHA a “Window of Opportunity” that has catalyzed our efforts in achieving our vision of “Healthy Mixed Income Communities”. Since starting the MTW Demonstration in 2003, AHA has been able to be more adaptive and resilient in its business operations and responsive to our families, partners, stakeholders and the broader Atlanta community.

The curious may ask what has this window of opportunity really offered us? For us it has been an opportunity to cease warehousing the poor and isolating them from mainstream society. We have discovered that just as there are powerful benefits gained from racial

diversity, there is much to derive from income diversity, and especially diversity of neighborhoods, where the wealthy and the not so wealthy live side by side. It's also an opportunity to restore family values centered around hope and the promise of holding families accountable for their personal success. By asking low-income residents to abide by a similar set of societal standards, we send an empowering, uplifting message that tells them they are equally valuable members of society. Far from being oppressive and burdensome, the standards are uplifting, giving people faith in themselves. Further, MTW is an opportunity for us to transform our operations from a public sector/government public housing model to a diversified real estate company, with a public mission and purpose to serve low-income citizens of Atlanta. The de-regulated environment under MTW along with our MTW block grant authority allows us to better develop and nurture business and community relationships, improves our economic viability and sustainability and enables us to formulate better investment strategies related to our portfolio and assets while improving our delivery of services to families.

So as we mark the end of our fifth year under the MTW Demonstration, this MTW Annual Report further imparts these “opportunities” along with the successes AHA has been able to yield through our various priority activities and ongoing business operations. AHA will continue to explore strategies and pursue initiatives that will bring sustainable economic and social value to the City that will yield great outcomes for assisted clients.

A handwritten signature in blue ink, appearing to read "Renee Lewis Glover".

Renee Lewis Glover

President and Chief Executive Officer

MTW Success



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

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Need for additional quality affordable housing units in market competitive, mixed-income communities ▪ 1937 Housing Act regulations create barriers to AHA in taking full advantage of robust real estate market ▪ Physical condition of current public housing portfolio ▪ Limited HOPE VI opportunities ▪ Lack of sufficient housing with supportive services for elderly and persons with disabilities 	<ul style="list-style-type: none"> ▪ MTW gives AHA flexibility to invest MTW funds and project-based rental assistance in privately-owned properties ▪ AHA's MTW Agreement establishes a streamlined development process protocol ▪ MTW allows AHA to invest MTW Block grant funds into development deals ▪ MTW provides AHA with the flexibility to use project-based rental assistance as a development tool ensuring a continued balance of the mix of incomes at mixed-income properties 	<ul style="list-style-type: none"> ▪ Creation of healthy mixed-income communities with a seamless affordable component ▪ Ability to be more nimble in taking advantage of the robust Atlanta real estate market ▪ Enhanced and strengthened relationships with private sector developers in producing quality mixed-income housing opportunities ▪ Supports the development, by private developers, of service enriched affordable housing opportunities for persons with mental and developmental disabilities ▪ Supports the development, by private developers, of service enriched affordable housing opportunities for homeless persons 	<p>As of June 30, 2008</p> <ul style="list-style-type: none"> ▪ Leveraged over \$372 million in Federal funds with over \$1.2 billion in funds from private sources to advance the development of 15 master-planned, mixed-use, mixed-income communities resulting in a full economic impact of \$4 billion for onsite and surrounding area investment. ▪ Acquired a total of 27.6 acres of land to support AHA's revitalization activities ▪ Closed 56 affordable home purchases: <ul style="list-style-type: none"> -24 as part of the HOPE VI revitalization homeownership opportunities -24 as a part of the Section 8 Homeownership Voucher Program -8 were closed by residents previously residing in Signature Communities <p>PBRA units (committed, or under executed PBRA Agreements):</p> <ul style="list-style-type: none"> -1,090 PBRA family -2,144 PBRA senior -391 PBRA Homeless Demonstration -93 PBRA Mental Health Demonstration -102 PBRA Special Needs

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

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Environments of concentrated poverty ▪ Reduced federal funds ▪ Federally mandated restrictive use of funds for human and support services 	<ul style="list-style-type: none"> ▪ MTW gives AHA the flexibility to invest MTW funds in the design and administration of housing assistance to eligible families 	<ul style="list-style-type: none"> ▪ Deconcentration of poverty impacting over 3,000 families in 12 communities ▪ Families' access to better quality living environments inside of mixed-income communities ▪ Connection to human development and supportive services ▪ Enhanced relationships with property owners and landlords in securing quality housing opportunities 	<ul style="list-style-type: none"> ▪ Under the Quality of Life Initiative (QLI) over 702 households successfully relocated out of five, distressed public housing communities ▪ 69 percent of families relocated to quality living environments in the City of Atlanta. ▪ Families were connected to 27 months of coaching and counseling services through AHA sponsored Human Services providers
<ul style="list-style-type: none"> ▪ Need for additional quality affordable housing units in market competitive, mixed-income communities ▪ 1937 Housing Act regulations create barriers to AHA in taking advantage of the dynamic real estate market 	<ul style="list-style-type: none"> ▪ MTW Agreement gives AHA the ability to develop a streamlined development process to further AHA's affordable housing strategies 	<ul style="list-style-type: none"> ▪ Enhances AHA's ability to be nimble in a dynamic real estate market ▪ Creation of quality affordable housing, seamlessly in healthy mixed-income communities ▪ Enhanced and strengthened relationships with private sector developers in producing quality mixed-income housing opportunities 	<ul style="list-style-type: none"> ▪ 988 rental housing units completed, of which 243 are public housing assisted units ▪ 642 rental units under construction, of which 245 are public housing assisted units ▪ 357 rental units pending closings, of which 146 are public housing assisted units

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

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Poor quality units in high impacted neighborhoods participating in the program ▪ Lack of effective landlord participation in management and upkeep of leased units ▪ Poor image and acceptance of Housing Choice Program in local communities 	<ul style="list-style-type: none"> ▪ AHA is authorized to create its own Housing Choice Program standards, business practices and procedures based on private real estate market principles and practices 	<ul style="list-style-type: none"> ▪ Increase in number of quality affordable housing units inside of healthy mixed-income communities ▪ Positive community response to Housing Choice Program ▪ Improved quality of life for participants ▪ Enhanced acceptance of program opens doors to use vouchers and to create healthy mixed-income housing opportunities for families 	<ul style="list-style-type: none"> ▪ Established Leasing Incentive Fee to attract landlords and private owners to rent units to AHA-assisted families and to put families on a “level playing field” when competing for available units in the private market. ▪ AHA continues to transform more of its tenant-based vouchers to project-based rental assistance creating stable affordable housing opportunities in mixed-income communities ▪ Established Fair Market Rent payment standards that better align with Atlanta rental market and encourages participation from landlords in low impacted areas
<ul style="list-style-type: none"> ▪ Challenges in managing issues associated with the mixed-population of elderly and young disabled residents living in AHA's high-rise communities ▪ Reduced federal funds and federally mandated restrictions on funding for services for special needs populations, i.e. seniors and persons with disabilities ▪ Poor quality of life for seniors and persons with disabilities ▪ Rent penalties for seniors on fixed incomes ▪ Obsolescence of senior high-rise buildings 	<ul style="list-style-type: none"> ▪ AHA is authorized to use MTW Funds to implement strategies that create and/or increase housing opportunities for low-income families, seniors and persons with disabilities ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining approval of its board and HUD 	<ul style="list-style-type: none"> ▪ Improved quality of life for participants 	<ul style="list-style-type: none"> ▪ AHA and the Property Management Companies (PMCOs) began full implementation of the 4:1 Elderly Admissions Preference that admits 4 elderly/almost elderly residents to every one young disabled resident ▪ AHA and Atlanta Regional Commission Area Agency on Aging piloted a Naturally Occurring Retirement Community (NORC) model for leveraging resources to provide supportive services to elderly and disabled residents living in three AHA high-rise communities with the intent to eventually replicate the model in other AHA high-rise communities

MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Low workforce participation by AHA-assisted families ▪ Federally mandated restrictive use of funds for human and support services ▪ Low resident participation in self-sufficiency programs ▪ Families continuing to live in a state of poverty rarely advancing off the subsidy program 	<ul style="list-style-type: none"> ▪ AHA is authorized to adopt a work requirement as a condition of receiving subsidy assistance for families in AHA's Public Housing and Housing Choice Voucher Program ▪ MTW Block Grant funds provide resources for AHA to contract with service providers for the provision of job readiness and placement programs that meet the needs of AHA families 	<ul style="list-style-type: none"> ▪ Increased resident participation in educational, job training and supportive services programs ▪ Increased resident workforce participation ▪ Resident wealth building ▪ Families have access to enhanced supportive services to assist their transition to employment 	<ul style="list-style-type: none"> ▪ As of June 30, 2008, 71 percent of the targeted households that receive subsidy under the Public Housing and Housing Choice Programs were in compliance with the work and program participation requirement ▪ Families not in compliance were connected to Client Services Counselors who assisted families in getting connected to needed resources to include assistance programs, job readiness training, youth intervention services, education and literacy programs, domestic violence, mental health and substance abuse programs ▪ Continued policy requiring residents to participate in certain AHA identified programs as a condition of receiving and maintaining subsidy assistance
<ul style="list-style-type: none"> ▪ Reduced federal funds ▪ Federally mandated restrictive use of funds ▪ Insufficient contribution to operating costs by residents 	<ul style="list-style-type: none"> ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, and public hearing, and obtaining approval of its board and HUD 	<ul style="list-style-type: none"> ▪ Increased contribution from residents towards operating costs and overhead 	<ul style="list-style-type: none"> ▪ AHA continued the implementation of its increased Minimum Rent of \$125 (elderly and disabled households are exempt) ▪ 88 percent of residents in the Public Housing Program and 81 percent of families in the Housing Choice Program paid rents greater than or equal to the Minimum Rent

MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Rent penalties for seniors on fixed incomes, who choose to work part-time 	<ul style="list-style-type: none"> ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining approval of its board and HUD 	<ul style="list-style-type: none"> ▪ Seniors on fixed income permitted to have additional employment income without rent penalty 	<ul style="list-style-type: none"> ▪ AHA continued the implementation of the Elderly Income Disregard
<ul style="list-style-type: none"> ▪ Complex set of challenges associated with relocation and preparing families to be successful in mainstream society ▪ Limited ability of families to successfully transition to new neighborhoods ▪ Federally mandated restrictions on funds for human and support services 	<ul style="list-style-type: none"> ▪ AHA is authorized to create its own Housing Choice Program standards, business practices and procedures based on private real estate market principles and practices ▪ AHA is authorized to adopt a work requirement as a condition of receiving subsidy assistance 	<ul style="list-style-type: none"> ▪ Participant self-sufficiency and connection to the mainstream ▪ Connection to supportive services for job training and employment ▪ Participants prepared to be successful neighbors in private housing through Housing Choice or mixed-income communities ▪ Creating a culture of work and positive role models among AHA-assisted households 	<ul style="list-style-type: none"> ▪ AHA's procured contractor, Georgia State University, developed and provided Good Neighbor Program II training to over 3,000 families impacted by QLI or revitalization activities ▪ Human Development and Support Services' providers provided coaching and counseling services to over 4,600 families impacted by QLI and revitalization activities

MTW STATUTORY GOAL THREE: REDUCING COST AND ACHIEVING GREATER COST EFFECTIVENESS

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Reduced federal funds ▪ Conflicting requirements among Federal funding sources 	<ul style="list-style-type: none"> ▪ AHA may combine its public housing subsidies, public housing capital funds, and Housing Choice Voucher funds ("MTW Funds") and use for MTW eligible activities 	<ul style="list-style-type: none"> ▪ AHA is able to be nimble in robust Atlanta real estate market ▪ AHA is able to fund vital programs with MTW funds across the Section 9 and Section 8 programs ▪ Eliminate program redundancy ▪ AHA can implement higher standards of responsibility for Public Housing assisted residents and Housing Choice Voucher participants 	<ul style="list-style-type: none"> ▪ Because of the single fund flexibility, AHA was able to achieve the goals and objectives in its FY 2008 MTW Annual Plan (CATALYST Implementation Plan) ▪ AHA continues to implement a work/program participation requirement and Minimum Rent requirement ▪ \$77,502 in additional income earned for FY 2008 at the Affordable Communities ▪ Continues to advance the provision of affordable housing seamlessly in healthy, mixed-income communities ▪ Provided coaching and counseling services to 2,438 families impacted by revitalization and 2,255 assisted families impacted by QLI

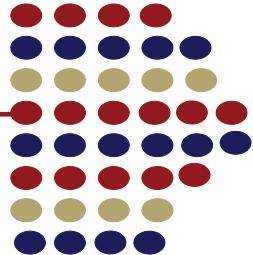
MTW STATUTORY GOAL THREE: REDUCING COST AND ACHIEVING GREATER COST EFFECTIVENESS

ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

Local Challenge	MTW Relief	Benefits	Accomplishments
<ul style="list-style-type: none"> ▪ Challenge in realigning financial resources to support AHA repositioning program while maintaining existing commitments 	<ul style="list-style-type: none"> ▪ AHA is authorized to use MTW funds to reduce costs and achieve greater cost effectiveness in federal expenditures 	<ul style="list-style-type: none"> ▪ Improved cost efficiency and effectiveness ▪ Facilitates the development process 	<ul style="list-style-type: none"> ▪ AHA continued the implementation of its Fee for Service Methodology for allocating a fixed rate for HUD grants and programs for the administration and overhead ▪ Earned \$3,153,772 in developer and transaction fees ▪ Received 3 tax credit awards totaling \$1.75 million representing approximately \$20 million in equity
<ul style="list-style-type: none"> ▪ Housing Quality Standards (HQS) not sufficient to ensure quality living environments ▪ Fragmented inspections systems and processes 	<ul style="list-style-type: none"> ▪ MTW allows AHA to set its own standards above HQS using private real estate market principles and practices 	<ul style="list-style-type: none"> ▪ Proactive approach to property management ▪ Improved living environments ▪ Improved management system and approach ▪ Improved cost efficiencies 	<ul style="list-style-type: none"> ▪ PMCOs continued to implement Enhanced Uniform Physical Conditions Standards (UPCS Plus) that improved inspection standards in addressing health and safety issues ▪ AHA and PMCOs developed and began implementing additional inspection systems including Elevator, Asset Risk, and Site Security Inspections
<ul style="list-style-type: none"> ▪ Reduced federal funds ▪ Federally mandated restrictive use of funds 	<ul style="list-style-type: none"> ▪ AHA may combine its public housing subsidies, public housing capital funds, and its Housing Choice voucher funds into a single fund ("MTW Funds") and use for MTW Eligible Activities 	<ul style="list-style-type: none"> ▪ Improved response to and completion of emergency and routine work orders 	<ul style="list-style-type: none"> ▪ AHA achieved its FY 2008 MTW benchmark goals for percentage of emergency work orders abated or completed in 24 hours or less and percentage of routine work orders completed in seven days or less for its Public Housing Program.



Revitalization Program



Revitalization Program

During the last 12 years, AHA has partnered with great private development partners to create market competitive, mixed-use, mixed-income communities, owned by public/private partnerships. The mixed-use, mixed-income model has been embraced and accepted by the City of Atlanta, the families, and the neighborhoods as well as investors, private sector developers, financial institutions, and HUD. Most importantly, the documented outcomes and improvement in the lives of the families and the impact on the neighborhoods and the City of Atlanta have been outstanding.

AHA intends to demonstrate to HUD and Congress that with statutory and regulatory flexibility, serving income eligible families in healthy mixed-income communities is more cost effective and efficient, with substantially better outcomes for families, neighborhoods, and society.

AHA's Business Plan is focused on transforming all of its conventional public housing developments. AHA is leveraging the mixed-income, mixed-finance model implemented through its successful Olympic Legacy Program to create other models for development using the "lessons learned" during the past 12 years. AHA believes as a direct result of revitalizing public housing projects and strategically investing in human services for the families over time, the social and behavioral costs resulting from isolating families in concentrated poverty can be eliminated.

During FY 2008, AHA, in partnership with private sector developers, continued transforming conventional public housing developments into market competitive, mixed-income communities. Through the HOPE VI program, the revitalization of Carver Homes, Perry Homes, Harris Homes, Capitol Homes, McDaniel Glenn, Grady Homes, and University Homes are in various stages of development. The master plans for these communities are comprehensive and will create mixed-use, mixed-income communities, with wonderful quality of life amenities. When these approved master plans are completed, AHA and its private development partners will have achieved a better than 10-to-1 leverage ratio through AHA's comprehensive development program with over \$300 million of public housing development grants producing over \$4 billion in new investments in once distressed and economically disinvested neighborhoods.

AHA is also re-engineering its self-sufficiency and homeownership programs to assist families in achieving their goals of financial independence and homeownership. As a part of each revitalization master plan, for-sale single family homes are being developed at various price points on the economic spectrum. Given the current conditions in the financial and real estate market, AHA and its private sector development partners have slowed and/or deferred the development of for-sale units until such markets improve. Our goal is to make sure that qualified

families, some of whom graduated from AHA assistance programs, are positioned to take advantage of these opportunities. AHA will also work with neighborhood Community Development Corporations, financial institutions, public entities, and other private sector participants to create additional homeownership opportunities.

The following is a status of work and accomplishments achieved during FY 2008 for AHA's revitalization and comprehensive homeownership activities. These activities further support AHA in achieving its vision of "*Healthy Mixed Income Communities*" and its goal to be engaged in "community building" projects with private sector development partners to expand the affordable housing resource in the City of Atlanta.

Supporting Activities

Revitalization Activities. The following describes outcomes for FY 2008 for the major revitalization projects that are underway or in predevelopment:



Capital Gateway (Capitol Homes Revitalization). Capitol Gateway is appropriately named given its close proximity to the Georgia State Capitol and downtown government district. The master plan for this vibrant community includes 1,009 new, mixed-income rental and for-sale housing with new infrastructure, streets, sidewalks and streetscapes, parks, and water feature. The following chart illustrates the for-sale and rental unit mix:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/ Public Housing Assist.	Tax Credit w/PBRA
229	141	193	140	138	168
Total For Sale – 370		Total Rental Units – 639			

During FY 2008, 152 rental units were completed under Capitol Gateway IV. Discussions are also underway to form a partnership with the State of Georgia to develop a State government mall. The mall would bring full connectivity to Capitol Gateway, the State Capitol, and neighboring government buildings, enhancing the community's position as a true live/work/play community.



The Villages at Carver (Carver Homes Revitalization). The Villages at Carver is nestled in the City's Pryor Road Redevelopment corridor, serving as a catalyst for revitalization of this area. The master plan incorporates 105 acres of mixed-use, mixed-income rental and for-sale housing, approximately five acres of retail/commercial space, an on-site, state-of-the-art YMCA and Atlanta Braves Foundation baseball academy, and recreational space that includes a greenbelt linking the entire development. The master plan includes 1,102 rental and for-sale housing opportunities with the following unit mix:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/ Public Housing Assist.	Tax Credit w/PBRA
184	67	207	165	329	150
Total For Sale – 251		Total Rental Units – 851			

During FY 2008, 165 rental units were completed under Villages at Carver V. This final phase completes the construction of the rental units for the development.



West Highlands at Heman E. Perry Boulevard (Perry Homes Revitalization). West Highlands, one of AHA's most ambitious revitalization efforts, boasts a magnificent union between housing, greenspace development and the planned community. The master plan includes over 200 acres of new mixed-use, mixed-income rental and for sale housing. Central to the community is a Town Center park featuring an amphitheatre, pavilion, water feature, green space, and play areas. The master plan calls for a total of 1,297 new rental and for-sale housing opportunities with a unit mix as follows:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/ Public Housing Assist.	Tax Credit w/PBRA
457	140	258	90	228	124
Total For Sale – 597		Total Rental Units – 700			

With the multi-family rental portion of the development fully completed during FY 2008 the focus of the on-going revitalization is on homeownership development. Discussion of the homeownership outcomes for this community is covered under the Comprehensive Homeownership Program section.



Auburn Pointe (Grady Homes Revitalization, which includes the revitalization of Antoine Graves and Graves Annex senior high-rises and University Homes). Auburn Pointe's master plan is a wonderful mixed-use, mixed-income, multi-generational, urban community. Within proximity of Grady Hospital and the historic Sweet Auburn district, the revitalization will provide full connectivity to neighborhood retail and quality of life amenities for people of all ages. The revitalization of

Grady Homes includes the development of 695 new, rental and for-sale housing incorporating the following unit mix:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/ Public Housing Assist.	Tax Credit w/PBRA
34	35	167	70	141	248
Total For Sale – 69		Total Rental Units – 626			

During FY 2008, Veranda at Auburn Pointe, an elderly-only, independent living rental community (Phase III) was under construction and will commence leasing in October 2008. Additionally, \$775,000 in tax credit awards, representing approximately 9 million in equity was received for The Ashley at Auburn Pointe (Phase III multifamily rental construction). Two \$850,000 tax credit applications were submitted for Phases VI and VII (Veranda at Auburn Pointe II and III, respectively) each representing approximately \$9 million in equity.

Antoine Graves and Graves Annex, two senior high-rises included in the Grady HOPE VI revitalization, received demolition approval from HUD during FY 2008. Seniors and persons with disabilities residing in those communities have since been relocated to quality, affordable living environments primarily using Housing Choice vouchers. The revitalization of University Homes (a public housing family community) was incorporated into the Grady revitalization program as an off-site component. University Homes has received approval for demolition and residents have been relocated. The development is currently in the master planning phase; therefore, no unit

count information on this development is included in the above unit mix.

CollegeTown at West End (Harris Homes Revitalization, which includes the revitalization of



John O. Chiles and John O. Chiles Annex senior buildings). As the name implies, CollegeTown at West End is a master-planned community that neighbors the adjacent Atlanta University Center (comprised of five historically black colleges and universities) and offers a mix of urban housing types. The centerpiece of the community features “The Pond at Dean Rusk”, a beautifully arranged and scenic park and water feature, which serves a dual purpose as a storm water

detention facility and recreational greenspace area. A walking trail follows along the perimeter of the pond with ingress and egress points that re-integrate the renovated Dean Rusk Park with surrounding neighborhoods.

The revitalization of this community includes the development of 1,072 new rental and for-sale housing comprised of the following unit mix:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/ Public Housing Assist.	Tax Credit w/PBRA
290	93	196	68	250	175
Total For Sale – 383		Total Rental Units – 689			

The master plan also includes the mixed-income revitalization of John O. Chiles main building as an elderly-only rental community, which will be named *The Atrium at CollegeTown*, and the mixed-finance rehabilitation of John O. Chiles Annex as supportive services housing for persons with disabilities.

During FY 2008, 190 units are under construction as part of Phase III (former John O. Chiles Senior Housing), scheduled to be completed November 2008. Additionally, two tax credit awards totaling \$975,000 were received for Phase V (Ashley CollegeTown II) and Phase VI (John O. Chiles Annex), for a combined \$11.3 million in equity. Additionally, John O. Chiles Annex is under construction and is scheduled to be completed March 2009.



Mechanicsville (McDaniel Glenn Revitalization, which includes the revitalization of McDaniel Glenn Annexes and Martin Luther King Jr. senior high-rise). McDaniel Glenn is being revitalized using principles of “New Urbanism” to create a walkable, mixed-use, mixed-income community, which is named “Mechanicsville”. The master plan includes new infrastructure, streets, sidewalks, streetscapes, and future improvements to the community park. The neighborhood elementary school and community center will be reconstituted to interconnect with the development of the new community. The revitalization includes the development of 954 new rental and for-sale housing, incorporating the following unit mix:

For Sale Unit Mix		Rental Unit Mix			
Market Rate	Affordable	Market Rate	Tax Credit	Tax Credit w/Public Housing Assist.	Tax Credit w/PBRA
230	67	185	47	247	178
Total For Sale – 297		Total Rental Units – 657			

During FY 2008, Phase II construction (Columbia Mechanicsville apartments) of 174 units was completed and Phase III construction (Columbia Senior residences at Mechanicsville) consisting of 155 units was completed. Phases IV and V (Mechanicsville 3 and 4, respectively), each comprised of 164 units, started construction in FY 2008.

Other Repositioning Activities

Acquisitions. During FY 2008, AHA and one of its affiliate entities acquired a total of 27.6 acres which was comprised of the acquisition of .24 acres to support the revitalization of Harris Homes; .48 acres to support the revitalization of University Homes; and 26.83 acres from the City of Atlanta to support the revitalization of Perry Homes.

Comprehensive Homeownership Program. During FY 2008, AHA continued the implementation of its Comprehensive Homeownership Program which develops homeownership opportunities in healthy, mixed-income communities and prepares low to moderate income families to become successful homeowners through homebuyer education and counseling.

Given the adverse housing market conditions that are being experienced in the Atlanta market and nationally, homeownership development proceeded cautiously, as supported by market studies and the private sector financial investments necessary for long-term sustainability. For FY 2008, 110 homeownership units were constructed and closed or developed by other builders offsite, and mortgage down payment assistance was provided as part of the following HOPE VI revitalization projects:

HOPE VI Community	New Community Name	Homeownership Development/ Closings
Capitol Homes	Capitol Gateway	84 (off-site development) 21 – closed (affordable) 63 – closed (market rate)
Grady Homes	Auburn Pointe	7* (off-site development)
Perry Homes	West Highlands at Heman E. Perry Boulevard	11 (on-site development) 3 – closed (affordable) 8 – closed (market rate) 6 – closed (off-site development, all market rate))
Techwood/Clark-Howell Homes	Centennial Place	2 - closed (on-site development, both market rate)

*These units have been made available as lease-purchase to income eligible families through Habitat for Humanity; however, they will not be considered closed until the end of the lease-purchase period.

**Affordable to households earning 80 percent of AMI (Area Median Income)

Homeownership Self-Sufficiency. During FY 2008, AHA began re-engineering the former HUD Family Self Sufficiency (FSS) Program developing a new simplified FSS Program. This program is now referred to as Homeownership Self-Sufficiency (HSS) and was moved under the Revitalization Priority to improve coordination and oversight of AHA's comprehensive homeownership activities. Given its MTW authority to develop its own FSS policies and participation requirements, AHA is exercising this authority to develop program policies,

procedures and criteria for HSS. One mainstay of the program is the availability of the Housing Choice (Section 8) Voucher for homeownership mortgage assistance for eligible participants.

AHA also maintains strategic relationships with a number of housing counseling agencies and providers to connect HSS participants to pre- and post- homebuyer education classes. During FY 2008, 131 HSS clients participated in homeownership counseling and education classes and 24 of these participants purchased homes.

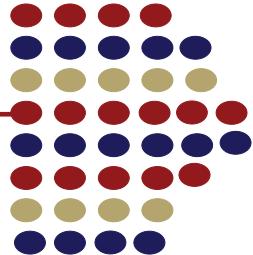


Quality of Life Initiative

“QLI gave me the opportunity to move to a neighborhood near where I grew up. When I was younger I watched them build the complex I live in now. I remember thinking, ‘I could never live there.’ But now it is my home and I love it.”

Michelle Manley

Quality of Life Initiative



Atlanta Housing Authority (AHA) launched its Quality of Life Initiative (QLI) in FY 2007. QLI enables families from 12 of AHA's obsolete public housing projects (10 family communities and two senior high-rises) to relocate to better housing opportunities of their choice. AHA launched Phase I of QLI in early FY 2008 at five of the 12 properties: Englewood Manor, Jonesboro North, Jonesboro South, Leila Valley, and U-Rescue Villa. One hundred percent of eligible households successfully relocated. Of the 702 households that relocated, 69 percent (483) remained within AHA's jurisdiction.

QLI allows families in AHA's remaining conventional public housing communities the opportunity to relocate from environments of concentrated poverty into better, quality neighborhoods of their choice. This strategy is consistent with AHA's vision of providing eligible families with access to affordable housing in healthy, mixed income communities.

As part of Phase II of QLI, seven remaining properties are targeted to have families relocated and the communities demolished, pending HUD approval. During the last quarter of FY 2008, HUD approved the demolition of Bowen Homes. At fiscal year end, Bankhead Courts, Herndon Homes, Hollywood Courts, Thomasville Heights, and the two senior high-rise properties, Palmer House and Roosevelt House, were still pending approval.¹ Phase II of QLI is slated to be completed in FY 2010 and consists of the relocation of approximately 2,300 families. The information below reflects the updated relocation schedule for the five family developments and two senior communities:

Community	Relocation Schedule
Bowen Homes	July 1, 2008 – August 31, 2009
Bankhead Courts	August 1, 2008 – July 31, 2009
Thomasville Heights	August 1, 2008 – July 31, 2009
Herndon Homes	January 1, 2009 – December 31, 2009
Hollywood Courts	January 1, 2009 – December 31, 2009
Palmer House	May 1, 2009 – February 28, 2010
Roosevelt House	May 1, 2009 – February 28, 2010

¹Demolition approval of the four family communities was received July 2, 2008.

To assist QLI impacted families in making successful transitions into their new living environments, the following supporting activities were implemented during FY 2008.

Supporting Activities

Responsible Relocation. Responsible relocation ensures choice, support, and successful outcomes for each family. The Relocation Team provides families with the tools to make informed choices about the best housing opportunities for their family. Such opportunities include transfers to longer term viable AHA high-rise communities (for seniors and disabled residents); moving to private rental communities, where a percentage of the apartments have been made affordable using Section 8 project based rental assistance; and moving to private rental communities or private single family houses using tenant based vouchers in the location of their choice. AHA coordinates activities under QLI with residents of each impacted community and with community stakeholders. During FY 2008, AHA continued to consult closely with Atlanta Public Schools, Atlanta City Council, Metropolitan-Atlanta public housing agencies, Atlanta Neighborhood Planning Units, Atlanta Legal Aid, Georgia Law Center for the Homeless, Concerned Black Clergy, and advocacy groups to address any inquiries or concerns related to the implementation of QLI.

Good Neighbor Program II. AHA's Good Neighbor Program (GNP) is designed to coach and prepare AHA-assisted families to blend into the communities where they live and help them to understand and value their roles and responsibilities as good neighbors. The training continued to be provided by Georgia State University during FY 2008 with 1,906 QLI-impacted residents completing the program.

Human Development and Support Services. AHA continued to provide human development and support services to relocating residents during both pre- and post-relocation through its human services management contractors. During FY 2008, 2,255 families received these services. Human development and support services are provided by professional firms for 27 months to each impacted family and activities focus on assuring a successful transition to new communities. This support helps to increase participation in the workforce, economic self-sufficiency and assisting each household in the achievement of personal goals.

Connecting the Dots Informational Sessions. During FY 2008, AHA launched a new series of informational sessions designed to equip QLI relocating clients with information, knowledge, and education necessary to facilitate their successful transition into mixed-income communities.

Session topics included the following:

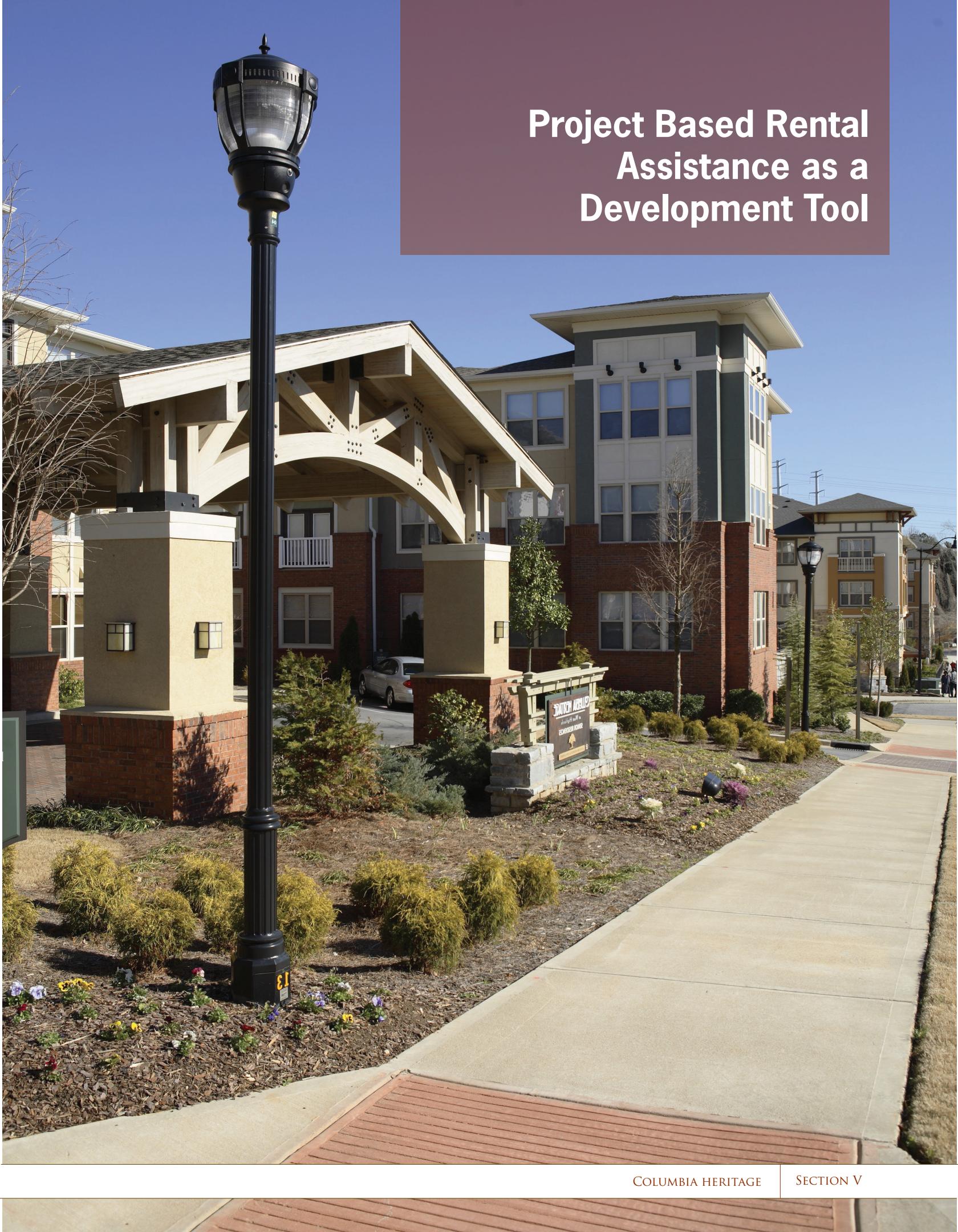
1. Understanding How the Voucher Works
2. Understanding the Relocation and Moving Benefits
3. Understanding the Housing Choice Inspection Process
4. Moving Made Easy: Ensuring a Successful Move
5. Adjusting to a New Living Arrangement: Managing Utilities
6. Adjusting to a New Living Arrangement: Community Expectations
7. Adjusting to a New Living Arrangement: Housekeeping
8. Maintaining a Good Relationship with Your Landlord

Leasing Incentive Fees. Consistent with AHA's Business Plan, AHA developed the Leasing Incentive Fee (LIF) as a means to encourage owners to lease quality affordable market rate housing in low poverty areas to AHA-assisted families impacted by relocation and to help place families on a "level playing field" when competing for housing in the City of Atlanta. The LIF is a one-time, non-refundable fee paid by AHA to owners in consideration for their agreement to lease units selected by relocating families through the tenant-based Housing Choice program and hold selected units for up to 15 days, if necessary. The LIF is available to approved housing providers participating in AHA's tenant-based Housing Choice Program, to any owner entity, or its management agent, of an AHA-sponsored mixed-income community ("Signature Community") and/or a privately owned community receiving AHA project based rental assistance for a percentage of its units (PBRA Community). These owners agree to lease available units (including public housing assisted units) to affected residents on a priority basis during initial lease-up or when a Signature Community or a PBRA Community opens its site-based waiting list. AHA does not pay LIF's for clients porting outside of AHA's jurisdiction (City of Atlanta). The table on the following page reflects guidelines setting forth AHA's Leasing Incentive Fee Schedule, effective March 3, 2008.

Leasing Incentive Fee Schedule based on AHA-established Atlanta Sub-Markets

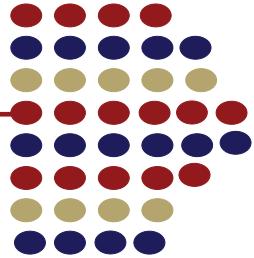
ATLANTA SUBMARKETS	EFF	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
NORTH	\$760	\$1,100	\$1,473	\$1,795	\$1,956	\$2,249	\$2,543
MID-ATLANTA	\$760	\$1,100	\$1,489	\$1,750	\$2,250	\$2,588	\$2,925
CENTRAL	\$760	\$1,000	\$1,498	\$1,750	\$1,989	\$2,287	\$2,586
NORTHWEST	\$760	\$941	\$1,350	\$1,525	\$1,793	\$2,062	\$2,331
EAST ATLANTA	\$500	\$1,075	\$1,295	\$1,650	\$1,800	\$2,070	\$2,340
SOUTHEAST	\$500	\$1,100	\$1,200	\$1,460	\$1,594	\$1,833	\$2,072
SOUTHWEST	\$500	\$780	\$900	\$1,095	\$1,195	\$1,374	\$1,554

Housing Marketing. AHA implemented an aggressive housing marketing plan during FY 2008 using a corporate / private sector approach. In addition to re-engineering its property owner related processes, AHA developed new marketing materials promoting the Leasing Incentive Fees, AHA's New Payment Standards, and relocation schedules. Furthermore, AHA launched an aggressive on-line lead generator program and email blast used by its Housing Marketing Analyst to follow-up with property owners who have expressed interest in doing business with AHA. AHA also established a strategic relationship with a large, local real estate agent association to assist with the identification of quality housing units for relocating families.



Project Based Rental Assistance as a Development Tool

Project Based Rental Assistance As a Development Tool



Commencing in FY 2003, AHA sought competitive proposals from private developers for the commitment by AHA of renewable ten-year project based rental assistance (PBRA) to their development projects (both new and existing) to make a percentage of the residential rental units affordable to families with incomes at, or below, 60 percent of the area median income for Atlanta.

During FY 2008, AHA continued using PBRA with the goals of (a) facilitating housing opportunities for families in healthy mixed-income communities; (b) facilitating the development of housing for the elderly, including independent living and assisted living; (c) facilitating the development of supportive services housing for disabled persons and other transitional housing; and (d) expanding housing opportunities in areas of low poverty. The following describes the supporting activities as part of the development of this major priority. The administration of PBRA is discussed in the Asset Management section of this report.

Based on the experience during the last three years, AHA further believes that by using Project Based Rental Assistance (PBRA) as a development tool, AHA can support the development of mixed-income communities and provide more and substantially better housing opportunities.

Supporting Activities

Developing Alternative & Supportive Housing Resources. Improved living conditions for seniors and persons with disabilities through designated housing and other strategies has been one of the principal goals under AHA's revitalization program in addressing the problems associated with mixing seniors and young mentally disabled persons in buildings for the elderly. Towards this end, AHA submitted to HUD two Designated Housing Plans as a first-step approach in addressing this problem.

The first designated housing plan was submitted in 2006 for the development of Columbia Senior Residences at Mechanicsville. This new mixed-income rental community for the elderly is part of the revitalization of the former McDaniel Glenn, a distressed and obsolete public housing project. AHA received HUD approval to have the public housing assisted units designated as Elderly Only. This new mixed-income community for the elderly will offer 155 independent living units for the elderly (54 public housing, 86 PBRA, 10 Low Income Housing Tax Credit and 5

market rate). During FY 2008, construction was completed on the 155 units and lease-up has commenced.

The second designated housing Plan was submitted in 2007 in conjunction with the revitalization of John O. Chiles and Annex. The John O. Chiles main building and Annex were incorporated into the HOPE VI revitalization of the former Harris Homes. The revitalization plan for the John O. Chiles high-rise allowed AHA to transfer the land and improvements relating to that building by long-term ground lease to a public/private partnership so that AHA and its private sector development partner could leverage the public housing development funds with private resources. AHA received approval from HUD to have the public housing assisted units in the high-rise designated as Elderly Only housing, and the public housing assisted units in the Annex designated as Disabled Only supportive housing. The high-rise will provide 190 mixed-income senior units (76 public housing, 76 PBRA and 38 market rate); while the Annex will provide 26 public housing assisted units for persons with mental and developmental disabilities in a service enriched environment. During FY 2008, construction began on John O. Chiles main building and a \$225,000 tax credit award was received to support the redevelopment of the Annex.

During FY 2008, AHA subsidized additional units for seniors only through the execution of PBRA Agreements with various private owners as described under PBRA inside of Mixed Income Communities below. Additional housing opportunities for persons with disabilities is discussed under the Mental Health Demonstration Program below.

Project Based Rental Assistance inside of Mixed-Income Communities. As part of AHA's ongoing effort to expand the availability of quality, affordable housing in the City of Atlanta, AHA continues to work with private developers and owners through a competitive process in order to secure PBRA commitments for a reasonable percentage of units in mixed-income communities. AHA executes 10-year renewable contracts for the PBRA units inside of Mixed-income Communities. At June 30, 2008, there were 1,529 units for seniors, 820 units for families and 56 "Special Needs" units under PBRA Agreements. Additionally, there were 615 units for seniors, 270 units for families and 46 "Special Needs" units committed under the PBRA program.

Project Based Rental Assistance Regional Expansion Program. In AHA's continued effort to increase the quality and choice of the housing stock available to low-income households, AHA will continue discussions with various PHAs or local governments in the Atlanta metropolitan area to enter into Intergovernmental Agreements to permit site-based administration of AHA's PBRA Program in those jurisdictions. During FY 2008, AHA issued commitment letters for projects in two jurisdictions outside the City of Atlanta.

Project Based Rental Assistance Homeless Demonstration Program. In support of the Mayor's Regional Commission on Homelessness, which has the goal of eliminating homelessness in the City of Atlanta, AHA has established a Homeless Demonstration Program in collaboration with United Way of Metropolitan Atlanta, Incorporated, that utilizes Section 8 Project Based Rental Assistance targeted to the chronically homeless population. Under the program, AHA has allocated 500 vouchers over a five-year period towards the implementation of this program. AHA solicits proposals from owners for PBRA assistance who can ensure the delivery of supportive services to residents in their properties in collaboration with United Way. AHA executes 2-year renewable contracts with private owners in support of the Homeless Demonstration Program. At June 30, 2008, there were a total of 275 Homeless Demonstration units under PBRA Agreements and another 116 units committed under the program.

Project Based Rental Assistance Mental Health Demonstration. Similar to the Homeless Demonstration, AHA is soliciting proposals from owners for PBRA assistance who can provide evidence of a supportive services agreement with a United Way-approved service provider and will ensure the delivery of supportive services to residents in those properties. At June 30, 2008, this demonstration had 93 PBRA units under commitment.

Project Based Rental Assistance Site Based Administration. During FY 2008, the administration of PBRA was transitioned. During the development phase PBRA is managed by AHA's Real Estate Development and Acquisitions Department and after construction completion the administration of PBRA is managed by Asset Management. Discussion on PBRA Site Based Administration and FY 2008 outcomes is included under Asset Management.

Postponed Activities

Affordable Assisted Living Demonstration. During FY 2008, AHA explored strategies for creating an affordable assisted living model at AHA sponsored mixed-income communities for low-income seniors and persons with disabilities. These strategies included examining ways to leverage resources with Medicaid Waivers or other service funding, and exploring ways to use Section 8 PBRA, Low Income Housing Tax Credits and other financial resources. During FY 2008, AHA postponed pursuing this activity due to the enormous complexity of Georgia's Medicaid System and the extensive human resources required (both internal and external) to develop this Demonstration Program. Moving forward, AHA plans to contract with an assisted living consultant to manage the development of this initiative.

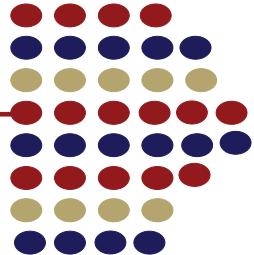
Housing Choice Program

"I look forward to returning to a home that I can afford and in a safe environment for my children. The move will allow me to be around positive influences and improve my outlook on life."

Lomicia Davis



Housing Choice Program



Since AHA established its vision of “Healthy Mixed Income Communities” in 1994, AHA’s Housing Choice Program has grown by more than 300 percent. To support this program growth and new strategic direction, AHA continued with the re-engineering of its Housing Choice Voucher Program during FY 2008 with increased focus on reforming the Housing Choice program for greater efficiency and effectiveness, identifying quality living environments for assisted families, raising the standards of personal responsibility and accountability among clients, and developing greater acceptance of the program in Atlanta’s neighborhoods. The following supporting activities further describe work accomplished by AHA during FY 2008 towards this end.

AHA supports Congress in its belief that families using federal housing subsidies must not move from “vertical ghettos” to “horizontal ghettos”. AHA believes that with more statutory and regulatory flexibility, income eligible families can use vouchers to live in market rate, mixed-income communities.

Supporting Activities

Annual Re-certification Re-engineering. Beginning January 2008, AHA moved to the re-certification of Elderly and Disabled Households to once every two years. AHA also restructured the appointment scheduling and interview process for annual re-certifications of households subject to the work/program participation requirement. AHA’s main goal was to increase efficiency and client service by conducting re-certifications during the first week of each month for re-certifications falling within the month. The traditional annual re-certification interview for family composition and income changes has been enhanced with supplemental dialog with client counselors on family needs and corresponding referrals to AHA’s network of supportive service agencies.

Re-engineering Property Owner/Vendor Process. AHA began reengineering the process for approval of units and property owners prior to execution of the Housing Assistance Payment (HAP) contract to ensure quality units and responsible property owners in the program. AHA completed the development of the automated module for screening and approval of property owners and began implementation during FY 2008. The enhanced property owner screening and approval process now includes credit checks and foreclosure history. As this automated module continues to be refined, criminal background checks on property owners will be evaluated for inclusion as part of this screening. AHA also eliminated mailing of remittance forms to landlords by creating web-based access.

UHAP Bankcards. During FY 2008, AHA eliminated paper checks and began issuing VISA bank debit cards to eligible program participants for payment of utility allowances in excess of the amount deducted from the Total Tenant Payment portion of the rent. These Utility Housing Assistance Payments (UHAP) cards are activated at the time of the HAP contract execution to ensure that the dollar value of the card is then replenished on a monthly basis. Cards are loaded monthly with the amount of the UHAP payment and use is restricted to Atlanta area utility providers only. This change has enhanced the administration of the UHAP and improved financial controls and usage of the payment.

File Purge and E-copy. AHA is continuing with its electronic conversion of paper files/documents under the Housing Choice Program with the goal of creating a paperless operation by 2010. Significant progress has been made to transition to an all electronic participant and landlord document management and file system. For participants, critical documents on family composition and status such as birth certificates, photo identification, citizenship, marriage / death / divorce certificates are now maintained electronically. E-copy document retention process was expanded to include incoming mail/faxes scanned to the participants' electronic files. Landlord documents such as the property owner application, W-9, warranty deed, direct deposit forms, business license, articles of incorporation, and other pertinent documents are now maintained as part of the landlord E-copy file system.

Automated Rent Reasonableness System. AHA continued to utilize the automated rent reasonableness system established in FY 2007 as part of its routine operations during FY 2008. A reasonable rent is computed based on a minimum of three comparable units of the same type with an equal number of bedrooms, similar square footage, age, utilities and amenities. These comparables are also cross-checked against AHA's new payment standards replacing HUD's Fair Market Rent Standards, to ensure that the agreed upon contract rents are reasonable and competitive with current market rents.

Program Performance Indicators. AHA began the development of a comprehensive tracking system for key Housing Choice program performance indicators aligned with its new strategic direction of deconcentrating poverty and providing families with quality housing opportunities in healthy mixed-income communities. During FY 2008, the automated voucher tracking system was fully implemented to monitor all vouchers issued by type, average days to lease, voucher success rates for applicants, and program moves. Census Tract data and Census Block data for all households is captured to track impact of deconcentration strategies.

Customer Service Call Center. AHA enhanced the design of the client service call center to improve service delivery and response times. During FY 2008, AHA redesigned the Housing Choice call center to implement a centralized contact center to handle client calls through a dedicated staff of call center client service specialists. AHA has re-engineered call prompt selections to ensure a user-friendly approach to obtaining resolutions for participants and landlords. In addition, AHA is tracking client service levels and types of inquiries to identify client needs (i.e. call drivers).

Relocation Policies. During FY 2008, this activity was moved from under the Housing Choice Program to AHA's Corporate Support and re-titled as *Enhanced Relocation Procedures and Database Enhancements*. See this section for a report of FY 2008 activity.

Automated Hearing Database. During FY 2007, AHA developed and implemented an automated system to track and manage proposed terminations, hearing requests, hearing actions, and final disposition of terminations in the voucher program. AHA has incorporated the use of this system in its routine operations and continued to utilize the system during FY 2008.

Develop Re-occupancy Process. During FY 2008, this activity was moved from under the Housing Choice Program to AHA's Corporate Support. See this section for a report of FY 2008 activity.

Intake/Waitlist Re-engineering. Although AHA's Housing Choice waiting list continued to be closed during FY 2008, AHA developed a new intake process to align with CATALYST eligibility requirements. AHA procured a third party vendor during FY 2008 to purge the existing Housing Choice waiting list to assure that all applicants were compliant and/or exempt from the work/program participation requirement. Moving forward, development of the automated waitlist and eligibility module in Oracle will be completed and fully implemented providing a "ready state" waitlist for when AHA opens the availability of tenant-based, Section 8 vouchers. All waitlist procedures have been incorporated into the Housing Choice Operations Manual which provides documentation for procedures for pulling individuals from the waitlist.

Housing Choice Fair Market Rent Standards. AHA has developed its own payment standards replacing HUD's Fair Market Rents, based on local market conditions and identified submarkets that exist within the City of Atlanta. Utilizing a third party Real Estate Market Research firm, the submarkets were determined in FY 2007; and separate payment standard schedules were developed for each of the identified submarkets in the city in FY 2008. AHA believes that the new payment standards will encourage participation from owners/landlords in lower poverty

areas and will expand the availability of quality housing opportunities for families.

Program Moves. AHA is committed to assisting our families in becoming stable and self-sufficient households residing in safe, healthy, mixed-income communities. In recent years, the destabilizing influence of the excessive number of participant moves occurring with less than one year of tenancy led AHA to initiate a minimum two year tenancy requirement in between FY 2007 and 2008. This strategy has been successful at reducing the volume of program moves by 50 percent, however, it has not provided the flexibility to address unique family circumstances on a case by case basis.

In FY 2009, we will view multi-year tenancy as a goal, but not as defined family requirement. We will do a total file review and engage in detailed discussions with the family about their individual circumstances and family needs. Program move approvals will be driven by our desire to enhance family stability and success, and not by an arbitrary time limit to save administrative costs.

Additionally AHA will improve its administrative handling of program moves to discourage over housing and consistently connect the authorized voucher size with final housing selection and authorized HAP payment.

AHA Standards and Incoming/Outbound Ports. AHA currently requires Housing Choice voucher holders to be in full compliance with the CATALYST standards, including compliance with its work/program participation requirement; criminal background screening in accordance with AHA's standards; and participation in AHA-approved self-sufficiency programs including the Good Neighbor program, prior to approving the family's request to port to another jurisdiction.

In terms of outbound ports, AHA has not established limits on the number of families who can port, but will apply CATALYST compliance standards and other internal program move guidelines to participants who desire to port out. Inbound portability will only be accepted if the household is in full compliance with the work/program participation provisions and other CATALYST criteria.

Housing Choice Fixed Subsidy Initiative. During FY 2008, AHA implemented changes in re-certification requirements for certain households that have interim income changes. The goal is to eliminate interim reporting and move toward a single annual re-certification process. Moving forward, households that have interim income changes that increase household income, AHA will only require the family to report at re-certification. However, clients will be able to report

interim income changes resulting in a decrease in household income.

Enhanced Business Systems (Family Obligations Document Enforcement, Enhanced Criminal Screening, and Health and Safety Standards.) AHA continued to establish and implement business processes to enhance criminal screening and standards for addressing health and safety issues. Activities included streamlining the work program compliance review process and engaging a vendor to expedite the criminal background screening process. Coordination between AHA's Housing Choice and Resident Services staff was enhanced to meet the needs of clients with disabilities or disabled family members with reasonable accommodations. AHA also established a Rapid Response Team to expeditiously respond to AHA-assisted persons impacted by foreclosures, natural disasters, or other situations constituting an emergency. (See Human Development Section for FY 2008 outcomes for this activity). Furthermore, AHA enhanced its participant voucher briefings and created communications collateral and marketing materials to better communicate policy changes and new opportunities and benefits to clients.

Elderly Income Disregard. On October 1, 2004, AHA implemented an income disregard for the Public Housing, Housing Choice and Project Based Rental Assistance programs for employment income earned by elderly residents on fixed income. AHA continues to recognize and implement this income disregard as part of its routine operations during FY 2008. As part of the submission of this Annual Report, an AHA Board-approved Elderly Income Disregard Policy Impact Analysis was conducted and its results can be found under Appendix K. The analysis illustrates that this policy does not have a negative impact on elderly persons.

\$125 Minimum Rent. Effective October 1, 2004, AHA raised its minimum rent from \$25 to \$125 under its Public Housing and Housing Choice programs for able-bodied adults between the ages of 18 -61 years. Households on fixed incomes, where all members are either elderly or disabled, are exempt from the minimum rent increase and their total tenant payment continues to be based on 30 percent of their adjusted gross incomes. AHA maintained this minimum rent level during FY 2008 and as part of this Annual Report submission, a Board- approved Minimum Rent Policy Impact Analysis was conducted and its results can be found under Appendix K. This analysis concludes that the Minimum Rent policy does not have a negative impact on assisted families and, in fact, illustrates residents' ability to pay rents at or above the minimum rent continues to be strong.

Housing Choice Landlord Certification and Training. AHA is delaying its plans to develop a mandatory Landlord Certification and Training Program to educate landlords on the requirements for placing and maintaining their properties in the Housing Choice Program, until

FY 2009. However, landlord briefings were implemented in FY 2008 with the objective of providing an informational approach to AHA landlord expectations and program participation requirements.

Place-based and People-based Deconcentration Strategy. In support of the agency-wide implementation of the Quality of Life Initiative, AHA continued implementing a number of strategies to create and expand the network of quality housing options for relocating families. These strategies included the development of AHA's new payment standards and rent reasonableness system as well as enhanced housing marketing to rental housing industry groups, multifamily apartment owners, property management firms, and independent property owners to expand AHA's housing resources network. Housing Choice is also developing strategies to nurture landlord relationships over time as a part of its deconcentration strategy. The first step was improvements in the property owner/vendor process and the implementation of landlord briefings.

Enhanced Real Estate Inspection Systems. During FY 2008, AHA began re-working its inspections process in an effort to keep pace with the growth and re-engineering of the Housing Choice Program and relocation at the QLI properties. Distinct standards have been developed for multifamily and single family inspections and a property assessment program has been implemented for multifamily properties. This assessment program looks at all areas within the property footprint and the surrounding neighborhood conditions. Single family standards also include inspection of the surrounding neighborhood and the specific housing unit. The work of the inspections team will continue to be refined and enhanced to drive the identification and sustainability of quality units on the program.

Enhanced Relocation Process and Database Enhancements. During FY 2008, this activity was combined with the former *Relocation Policies* and is now referred to as *Enhanced Relocation Procedures and Database Enhancements*. See Corporate Support Section for FY 2008 outcomes.

Homeownership Standards. During FY 2008, the homeownership program previously managed by Housing Choice has moved under the umbrella of the Comprehensive Homeownership Program discussed under the Revitalization section of this report.

Postponed Activities - The following activities were postponed during FY 2008 due to the focus on the Housing Choice re-engineering efforts outlined above. Several of the activities including Pre-qualification of Units, Automated Collections Process, Standards for Residency in Single Family Homes, and Housing Choice Inspection Fees were also not included as part of AHA's FY 2009 MTW Annual Plan submission to HUD; and therefore will continue to be postponed activities into FY 2009. As part of its on-going business planning process, AHA will determine if these activities merit further consideration to be implemented at a later date when the appropriate resources can be allocated to effectively carry out these activities.

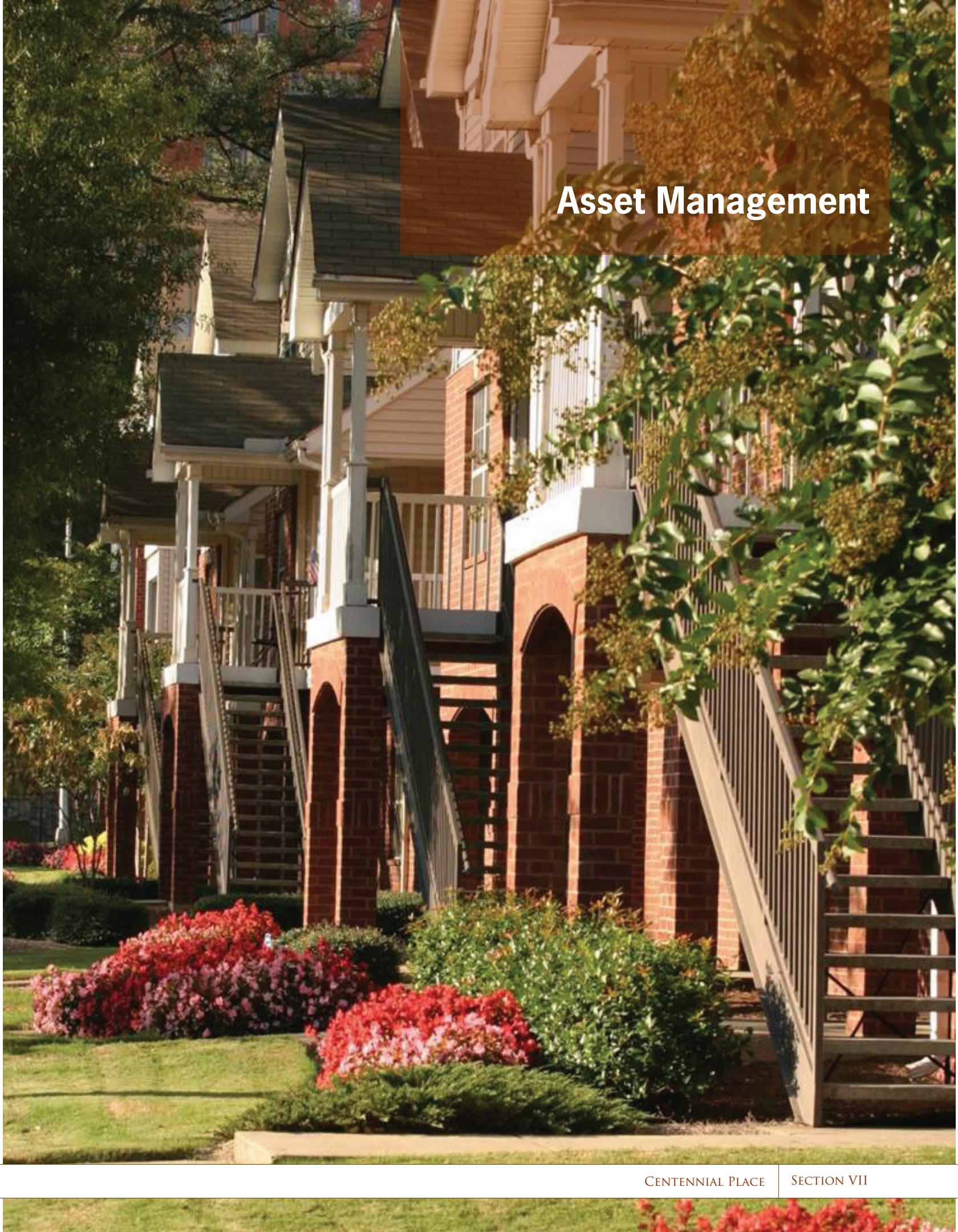
Pre-qualification of Units. This activity focuses on establishing a methodology to pre-qualify available housing units prior to listing on AHA's website.

Automated Collections Process. This activity focuses on the development and implementation of an automated system for fraud recovery and tracking of repayment agreements in the voucher program.

Standards for Residency in Single Family Homes. This activity focuses on the adoption and implementation of single family home eligibility standards (1-4 units) to assure that families are prepared financially and otherwise to live in single family rental homes and be successful in neighborhoods. These standards may include, but are not limited to, household compliance with the work/program participation requirement, a demonstrated ability to maintain a single family home, an acceptable participant household history, and a minimum amount of earned income.

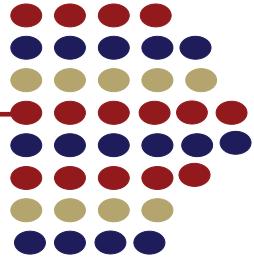
Housing Choice Inspection Fees. AHA continues to explore charging landlords reasonable fees for pre-inspections and subsequent re-inspections following the initial re-inspection to cover the administrative costs associated with these additional inspections. Participant households may be charged a fee to cover the administrative costs of re-inspections due to certain deficiencies, which are the responsibility of the household and remain unaddressed.

Automated Outbound Portability Billing. This activity was postponed during FY 2008. However, AHA plans to continue implementing this activity in 2009. Therefore, it will be included in AHA's FY 2009 MTW Implementation Plan (CATALYST Implementation Plan). During FY 2008, AHA began discussions with six metropolitan Atlanta Public Housing Authorities to develop an automated billing process for voucher holders who port to DeKalb County, Fulton County, Decatur, College Park, East Point, and City of Marietta. This effort is to create a more streamlined system for administrative processing of inter-agency transactions through a monthly invoice process. This business change will provide significant reduction in non-value added paperwork and eliminate the need for recurring reconciliation of participant data.

A photograph of a row of modern townhouses. The houses feature brick arches at the base of their facades, large windows with white frames, and wooden decks with railings. The architecture is a mix of brick and wood. In the foreground, there are well-maintained lawns and flower beds with red and pink flowers. The scene is set in a sunny, outdoor environment.

Asset Management

Asset Management



An integral component of AHA's Business Plan is Asset Management. As a business line, Asset Management provides strategic oversight and financial management of AHA's assets, real estate investments, and facilitates and manages certain strategic and external business relationships on an organizational basis. More specifically, responsibilities of the Asset Management Group include managing AHA's business relationship with Owner Entities in AHA-sponsored mixed-income communities; private sector developers and owners through the execution of Project Based Rental Assistance (PBRA) Agreements; compliance monitoring activities; fee-based contract administration; policy development and advisement; and oversight of program evaluations (to include the MTW Benchmarking Study) in coordination with local universities and contracted organizations. The Asset Management Group includes Portfolio Management, Management and Occupancy Compliance, Valuation and Risk Assessment and Policy Research and Development.

As a priority activity, Asset Management focuses on the development of processes and procedures that support the agency's repositioning, revitalization and investment strategies ultimately leading to the development of a comprehensive technology-based asset management system that combines private sector "best in class" business concepts and practical approaches utilizing active and engaged person to-person communication.

The outcomes for each of the following supporting activities align with the work set forth under the Asset Management priority in AHA's FY 2008 MTW Plan.

Supporting Activities

Project Based Rental Assistance Site Based Administration. During FY 2008, Project Based Rental Assistance (PBRA) transitioned from Housing Choice Operations to the Asset Management Group as a strategic move to implement PBRA as a MTW initiative independent of the Housing Choice tenant-based program.

As part of the authorizations under its MTW Agreement, AHA can develop a reasonable process and procedure for project-basing Section 8 leased housing assistance. Consistent with this authorization, AHA initiated a new strategy, which provides Project Based Rental Assistance to private developers and owners selected through a competitive procurement process to assist with the financing of affordable units in healthy, mixed-income communities. Separating PBRA from the tenant-based program has improved internal administration and payment processes, business relationships, on-site program administration and compliance. Of strategic importance, PBRA is now recognized as a unique initiative that will have broader impact in meeting AHA Business Plan goals and objectives.

Some of the key outcomes/accomplishments achieved during FY 2008 includes the development of a Project Based Rental Assistance Developer Selection Criteria Implementation Protocol (See Appendix N). This protocol describes the process AHA will use for selecting developers for the PBRA program. This protocol was submitted to AHA during FY 2008 for review and is pending final approval. As an additional outcome, was able to establish its own form of rental agreement/contract (PBRA Agreement) with private owners. The PBRA Agreement language includes owner obligations, PBRA initial rents by unit size, payment structure to the owners and policies for accepting families. Moreover, PBRA Agreements for the PBRA Mental Health and Homeless Demonstration Programs include additional requirements for owners such as providing evidence of a supportive services agreement with a United Way-approved service provider to ensure the delivery of supportive services to residents in these communities. The number of PBRA units under Agreement or Committed are highlighted under the Project Based Rental Assistance as a Development Tool Section of this report. Lastly, AHA developed an electronic PBRA payment application process for use by owners. This process was developed to streamline subsidy administration, invoicing and reporting for each PBRA community. The PBRA Payment Application, submitted over the internet, is part of the development of AHA's web-based Asset Management Portal.

Private Sector Innovation. During the last 10 years, AHA has developed a seamless affordable housing delivery model in market rate communities, owned by public/private partnerships by sponsoring the creation of mixed-income, mixed-finance communities with private sector development partners. Using "lessons learned" along with the statutory and regulatory flexibility through MTW, AHA is working with the various owner entities and their professional management companies to develop and employ innovative approaches to achieve goals and objectives at their communities.

During FY 2008, AHA developed and implemented systems and procedures for fostering excellent business relationships between AHA and its business partners and owners of mixed income communities and provided assistance in developing of subsidy restructuring strategies. As part of this collaborative effort, AHA explored the strengths and weaknesses of various subsidy and financial models that impact the long-term viability of mixed-income, mixed-finance communities on a pro forma basis. This work is still underway and will be pursued more aggressively during FY 2009.

As its primary policy focus for mixed income, mixed-finance communities, AHA worked with its business partners to refine policies and procedures relating to Section 504/ADA (Americans with Disabilities Act). In FY 2009, AHA, again in collaboration with its business partners, will return to

its review of occupancy, leasing and rent policies and procedures with the objective of developing and implementing rent simplification policies and procedures. The intent of this activity is to complement the ongoing examination of improving the long-term viability of mixed-income, mixed-finance communities with respect to streamlining management practices and developing cost effective methods. This approach will improve cash flow that can, in turn, be reinvested in sustaining these communities. AHA postponed the compilation of policies associated with mixed-income, mixed finance communities under a separate document to coincide with the FY 2009 implementation activities surrounding PBRA and a broader policy project to be conducted in FY 2009. The Statement of Corporate Policies for Mixed-Income, Mixed-Finance Communities and Other Investments proposed for FY 2008 will be revisited under the broader policy project.

Sustaining Mixed-Income Investments. During FY 2008, using its MTW flexibility, AHA has developed a strategy to convert the public housing operating subsidy relating to AHA-assisted units at AHA-sponsored mixed-finance, mixed-income communities to Section 8 subsidy through PBRA agreements in order to sustain and preserve the investments in low income housing in these communities. Disposing of the Section 9 subsidy during the economic life of the property as it begins to age will enable the Owner Entity to raise new capital to be re-invested in the community to ensure its continued viability and market competitive position. PBRA ensures the availability and sustainability of affordable housing inside of mixed-income, mixed-financed developments.

As a first step, AHA introduced this disposition strategy as part of its FY 2008 MTW Plan submission to HUD. Subsequently, HUD responded providing guidance and a policy statement on the handling of such conversions. In response to the guidance and policy statement offered by HUD, during FY 2008 AHA developed a *Disposition of Public Housing Operating Subsidy in AHA-Sponsored Mixed-Finance Communities Protocol* (see Appendix N) which incorporates HUD's policy statement, lists communities that are candidates for dispositions using this strategy and describes the implementation of dispositions in mixed-finance, mixed-income communities, both in instances where AHA is the ground lessor and where AHA is not the ground lessor. AHA submitted the proposed protocol to HUD for review and final approval during FY 2008.

Innovative Subsidy Strategies for AHA's Affordable Communities Providing Housing for Seniors and Residents with Disabilities. Similar to the Sustaining Mixed Income Investments strategy above, this supporting activity provides innovative strategies for changing the Section 9 subsidy arrangement at AHA Affordable communities that provide housing for seniors and residents with disabilities. The opportunity for such Affordable communities to achieve long-term

viability can only be realized by either removing (through disposition) or restructuring the Section 9 ACCs (Annual Contributions Contract) governing the group of communities that AHA will retain in its real estate-owned portfolio that provide housing for seniors and residents with disabilities. This supporting activity is unique to AHA because AHA provides housing for a large population of seniors and residents with disabilities. AHA, being sensitive to the needs of the two populations, recognizes that the quality of life in high-rise communities can only be enhanced with a strong and stable source of operating income that will impact the long-term viability and sustainability of those communities that provide housing for its most fragile residents. In addition, AHA would be able to generate the income necessary to reinvest in these communities in order to meet the accessibility needs of these special populations. Although this strategy is primarily aimed at AHA-owned Affordable communities for seniors and persons with disabilities, AHA would also consider the implementation of this strategy at the two remaining, long-term viable small family developments.

Similarly, using its MTW authority, AHA introduced this disposition strategy as part of its FY 2008 MTW Plan submission to HUD. Subsequently, HUD responded applying the same policy statement and guidance as the “Sustain Mixed Income Investments” Strategy guidance on the handling of such conversions. During FY 2008 in response to the guidance and policy statement offered by HUD, AHA developed a *Disposition of Public Housing Operating Subsidy in AHA-Owned Affordable Communities Protocol* (see Appendix N) which incorporates HUD’s policy statement, lists communities that are candidates for disposition using this strategy and describes the implementation of dispositions at AHA-owned Affordable communities. During FY 2008, AHA submitted the proposed protocol to HUD for review and final approval.

Streamlining Property-Level Operations. Formerly referred to as the Tax Credit Compliance Model, the central focus of this initiative is to streamline operating procedures at the property level. This would be done by examining the various regulatory requirements that are attached to financing and funding development activities and looking for ways to reduce duplication of effort and obsolete systems. It would also involve powering up an approach that will allow AHA’s business partners to provide data to AHA that can be used in meeting requirements in reporting back to HUD and other funding and equity sources. During FY 2008, AHA surveyed various regulatory requirements and developed compliance procedures sensitive to the various funding sources that will be implemented during FY 2009.

Fee-Based Contract Administration. AHA is a founding member of Georgia HAP Administrators, Inc. (GA HAP), an eleven-agency consortium organized to provide project-based administration services to HUD. AHA earns unrestricted administrative and incentive fees as a

subcontractor to GA HAP for conducting management and occupancy reviews. During FY 2008, as a subcontractor for GA HAP, AHA continued to conduct management and occupancy reviews for approximately 7,400 units located in the City of Atlanta and Fulton County. AHA achieved a perfect audit rating from Georgia Department of Community Affairs for reviews conducted by Asset Management compliance staff. Additionally, a portion of revenues earned in excess of expenses as a GA HAP subcontractor were allocated for community and corporate stewardship activities. This included matching funds donated to AHA's Atlanta Community Scholarship Awards Program (see Human Development section for discussion on this program), computers purchased for local schools and funding support for AHA's Employee Mentorship Program, *Walden Winning Wednesday's*, conducted at Walden Middle School in Atlanta.

Mark to Market Program. The Mark to Market program is designed to evaluate the financial condition of privately-owned FHA-insured multifamily assets with expiring Section 8 project-based HAP contracts in order to determine the need, and to what extent, rents and/or debt should be restructured to preserve these affordable housing resources. As a Participating Administrative Entity, AHA conducts multifamily asset restructurings throughout the state of Georgia and, in doing so, assesses the best restructuring strategy for the property to ensure that the asset will remain viable. AHA earns unrestricted fees based on its performance and the level of difficulty of the restructuring. AHA's evaluation includes reviews of market rents, property appraisals, physical condition assessments, operating expenses, reserve for replacements, and management capacity. AHA then prepares a pro forma financial analysis and makes a recommendation to HUD's Office of Affordable Housing Preservation. During FY 2008, AHA closed two Mark-to-Market assets with full debt restructurings and successfully completed the underwriting for one Mark-to-Market asset undergoing a Tier 1 restructuring.

Oversight of Turnkey III Assets. During FY 2008, AHA provided ongoing oversight of the close-out of the Turnkey III Homebuyers Program. This oversight included the renovation of the two AHA-owned community centers which are scheduled to be conveyed respectively to the Wildwood Homeowners Association, Inc. and Waits Homeowners Association, Inc., both entities being 501(c)(3) neighborhood associations. In addition, AHA transferred all Turnkey III funds to an escrow account managed by a third-party, unrelated escrow agent permitting AHA to meet its fiduciary close-out responsibilities. Part of those funds will be used to establish contingency reserves for each homeowners association upon conveyance of the respective community centers. The balance of the escrowed funds will be used to support housing initiatives benefiting low-income families. During FY 2008, AHA sold 18 of the 21 Turnkey III lots to Habitat for Humanity for affordable, for-sale homes as part of off-site homeownership activities tied to the revitalization of Grady Homes. The remaining three lots are slated to be sold during FY 2009.

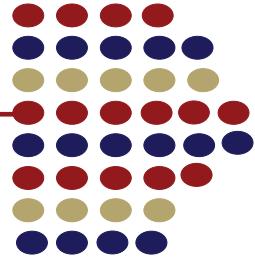


Human Development

*"Needing help with a place to live
is a temporary condition, not a
way of life. I'm working my way
out so I can live my dream."*

Steve Coleman





Human Development

During FY 2008, AHA continued to make and facilitate strategic investments and linkages for AHA-assisted households to help address and solve the problems that served as obstacles to persons achieving self-sufficiency and success in the workforce. This was done through connections to mainstream resources coupled with counseling and support to ensure healthy outcomes with the goals of (a) economically independent families; (b) educated children; and (c) self-sufficient elderly and disabled persons.

Using its MTW authority, AHA has developed supporting activities and implemented policy changes with a focus on self-sufficiency, and has facilitated opportunities for family success and wellness, wealth building and reduced dependency on subsidy.

AHA is committed to ending the warehousing of low income families in concentrated poverty and to creating healthy, market competitive, mixed-use, mixed-income communities where families can thrive. To ensure that families are successful, AHA has adopted the following three guiding philosophies:

1. All families must be served and benefited by Human Development and Support Services Programs, especially during community revitalization,
2. Families who have lived in concentrated poverty must have comprehensive, hands-on support to connect them to mainstream society and new opportunities; and,
3. Human Development and Support Services Programs must be outcome driven with the expectation of success for all families.

During FY 2005, AHA developed and implemented policies that require non-senior, able-bodied persons to work, and pay their “fair share” of rent and to take better care of their homes and communities. The implementation of these policies continued through FY 2008 and AHA-assisted families continued to yield outstanding results as they took personal responsibility for their success. The following describes supporting activities that AHA continued to implement during FY 2008 as part of its Human Development priority.

Supporting Activities

Work/Program Participation Requirement. AHA’s work/program participation policy requires that (a) at least one non-elderly, non-disabled adult household member (between the age of 18-61 years) maintain continuous full-time employment (at least 30 hours per week) and (b) all

other non-elderly, non-disabled adults maintain work or participation in a combination of school, job training and part-time employment as a condition of the household receiving and maintaining subsidy assistance. These programs include, but are not limited to,

- Educational Attainment
- Job Skill/Training Programs
- Assessment Services
- Coaching and Counseling Services
- The Good Neighbor Program; and
- Programs offered by the City of Atlanta Workforce Development Agency (AWDA)

During FY 2008, 71 percent of AHA families met the work/program requirement. This annual percentage includes Public Housing and Housing Choice assisted households) (See Appendix L for FY 2007 - 2008 Work / Program Participation Compliance data).

Despite the effects of a challenging economy and increased unemployment rates in the City of Atlanta, the work/program participation rate for FY 2008 continued to stay strong when compared to a 73 percent compliance rate by AHA-assisted households during FY 2007. The following chart shows comparative unemployment data for calendar year ending 2007 and the period ending June 2008 for the City of Atlanta, regional and national levels:

Chart: Local, State and National Unemployment Trends*

Unemployment Rate	City of Atlanta	Metro Atlanta	Georgia	United States
Annual 2007**	4.9%	4.3%	4.4%	4.6%
As of June 2008***	6.7%	5.9%	6%	5.5%

*Source: Bureau of Labor Statistics; <http://data.bls.gov>

**The BLS arrived at the annual figures for this row through averaging rates from January through December 2007

***The figures in this row are not averages but reflects the unemployment rate for the month of June 2008 only

As reflected in the chart above, there is a significant increase of almost two percent in the unemployment rate between 2007 and the month of June 2008 in the City of Atlanta.

Of the 29 percent noncompliant households, the great majority were in deferment status. This status enables persons to be “deferred” from possible subsidy termination and eviction by allowing time for AHA and its partners to examine their personal circumstances and provide more intensive assistance while connecting them to needed resources. A range of reasons for

persons on deferment include those whose total number of work hours did not meet the minimum 30 hour requirement; non-working individuals who had pending disability status; individuals who were not able to maintain a job due to physical or mental health issues; and other individuals who were not employed due to being a caregiver for a disabled relative. AHA's Human Development and Support Services described in this section is a connection point for individuals that were in deferment.

Connections to the Service Provider Network (SPN). AHA continued to implement its referral system that connects AHA-assisted families to services provided through the Service Provider Network (SPN) - a group of established Atlanta-based service providers with demonstrated capacity, serving as a resource for families preparing to participate in the workforce and/or to become part of the mainstream. During FY 2008, AHA, along with its network of service providers held a Community Collaborative Job/Resource Fair in which 42 service providers, 29 employers and 1,000 AHA-assisted clients participated. Participants were connected with supportive services and employment opportunities while employers and service providers had the opportunity to build organizational capacity through the fulfillment of jobs or were able to expand their service delivery base.

AHA also held a Senior Wellness and Resource Fair and a Seniors Farmers Market for over 300 AHA-assisted seniors. Approximately 25 local, non-profit organizations and area social service agencies participated. The goal of the fair was to motivate AHA-assisted seniors to take charge of their physical, mental, social and financial well-being. The fair offered valuable health and wellness education and connectivity to a multitude of health resources to include "living on a fixed-income" presentations, free health screenings, nutrition training, and fitness education. During the Seniors Farmers Market, seniors received valuable information about healthy eating and good nutrition habits and healthy cooking demonstrations.

Service Provider Network. AHA continues to manage the SPN as a resource for AHA-assisted families. During FY 2008, AHA added providers to include a number of utility service providers such as Georgia Power, SCANA Energy, Atlanta Gas Light (AGL) Resources, Georgia Public Service Commission, Fulton County Energy Educator and City of Atlanta Watershed Management. With the number of families being relocated under QLI, it was important to connect families to these utility providers. Using these providers, AHA facilitated a mandatory Utility Forum for households in QLI impacted communities with approximately 1,200 residents attending. Attendees received energy conservation tips and ways to save money on their monthly utility bills. Participants were also informed of discounts and other cost-saving programs offered by each utility provider.

To better equip AHA staff and its partners, Jewish Family and Career Services (a SPN partner) provided mental health training to AHA client services counselors, Private Management Company (PMCO) and Human Services staff who work directly with AHA-assisted families. The training was instrumental in helping front-line staff and Human Service counselors to detect and better assist AHA clients with mental health and substance abuse issues.

Another SPN partner, Atlanta Technical College, expanded AHA's Good to Great (G2G) GED program with the offering of evening GED classes. G2G is a highly structured GED program established by AHA in partnership with Atlanta Public Schools and Atlanta Metropolitan College (both SPN partners) enabling committed participants to be deferred from the work requirement for as long as it takes for them to obtain their GED – no matter their grade level upon entry into the program. Atlanta Technical College is an existing SPN partner, but a new member of the G2G partnership. This program differs from conventional GED programs in that it has stringent program and participation requirements, participants receive materials and supplies, transportation assistance, coverage of GED testing fees and other support services. The evening classes are designed to offer participants more flexibility in their attendance schedule.

CATALYST Resource Guide. AHA continues to revise, publish and distribute the CATALYST Resource Guide, which provides information on a multitude of opportunities including educational, disability, employment and training, homeownership counseling, childcare, and senior supportive services. During FY 2008, the Resource Guide was updated to include more than 200 local community organizations and was distributed during the Housing Choice re-certification process, at the Job/Resource Fair, to families in QLI impacted communities and to seniors and persons with disabilities residing in AHA's high-rise communities.

Housing Choice Family Self-Sufficiency (FSS) Program Re-engineering. During FY 2008, AHA re-engineered the former HUD FSS Program and developed a new simplified FSS Program. The administration of this program was moved under AHA's Comprehensive Homeownership Program, discussed under the Revitalization Program priority, to improve the coordination and oversight of AHA's homeownership activities. Fiscal year end outcomes are captured in that section of this Annual Report.

Human Development & Support Services. AHA decided several years ago that a critical component to the relocation process was to work with affected households so that families could make successful transitions and would have an opportunity to work through any barriers to family or individual success. The Human Development and Support Services delivery strategy was designed by Integral Youth & Family Project (IYFP) in collaboration with AHA with the

purpose of working with each and every affected resident to provide intensive coaching and counseling, a connection to quality resources and services, and to promote personal responsibility. AHA agreed that such an investment in families would occur over a number of years so that families would have a continuum of support during pre- and post-relocation. During FY 2008, Human Development and Support Services' providers IYFP and Families First continued this support to 2,438 families impacted by revitalization and 2,255 families impacted by QLI.

Additionally, AHA has five on-staff Client Services Counselors who provide coaching and counseling services and assistance to families in AHA's Housing Choice program and to persons not impacted by QLI or revitalization activities ensuring that these families, who may also require critical attention and support, don't "fall between the cracks". In FY 2008, client services counselors worked in tandem with the Atlanta Workforce Development Agency (AWDA) to assist 1,954 persons.

During this FY 2008, AHA also recognized that many other departments within AHA came in contact with its clients on a daily basis. Many of these encounters would result in AHA staff identifying families in crisis who need immediate assistance. As a result, in April 2008, Client Services Counselors implemented a Resource Connection Referral Form to help bring structure to referrals made internally by AHA departments to the Client Services Counselors. Since the implementation of the Resource Connection Referral Form, the Client Services Counselors in partnership with AHA's network of service providers connected 92 persons to needed services including: family assessment and referral, transportation assistance, mental health and substance abuse services, childcare referral and placement, job readiness training, youth intervention, education, financial literacy, domestic violence and senior and disability services. Referrals to the Good Neighbor Program training were also made as appropriate.

Atlanta Community Scholars Awards (ACSA). Launched in 2003, the Atlanta Community Scholars Awards (ACSA) is an AHA initiative which provides post secondary scholarships to eligible AHA residents to attend the college, university or technical school of their choice. The United Negro College Fund (UNCF) has partnered with AHA to provide fiscal oversight for grants and gifts received for ACSA and scholarship disbursements to awardees. During FY 2008, 17 deserving AHA youth received a total of \$29,785 in scholarships and are attending colleges and universities across the southeast including Alabama State University, Valdosta State University, University of Georgia, Emory University, Morehouse College, Spellman College, Berry College, Georgia Southern University, University of West Georgia and Clayton State University. Additionally, AHA employees contributed \$15,900 to ACSA and AHA provided an \$11,000 corporate match using unrestricted funds. Scholarships are renewable as long as participants

continue to meet eligibility requirements.

Customer and Community Relations Center (CCRC). AHA continues to manage customer and community relations which includes access to a dedicated phone line (1-888-AHA-4YOU) that allows the public to voice their concerns and compliments regarding AHA-assisted families in their neighborhoods. Involving the community is integral to the success of the CCRC and AHA4YOU. Both provide an opportunity to connect with the community to include Neighborhood Planning Units (NPUs), Community and Neighborhood Associations, local government officials and staff and other interested parties. During FY 2008, CCR staff participated in 25 community sponsored meetings and received and followed-up on 864 calls. Some of the calls resulted in "Knock and Talks" with residents to discuss health, safety and maintenance concerns and some led to lease terminations due to fraudulent activities. The community meetings offered a great outlet to engage in dialogue with citizens and the community on AHA's activities and initiatives and to receive feedback.

Good Neighbor Program II. AHA's Good Neighbor Program (GNP) is designed to coach and prepare AHA-assisted families to live and blend into the communities where they live and help them to understand as well as value their roles and responsibilities as good neighbors. The GNP was refined and updated as the Good Neighbor Program II (GNP II). The scope of GNP II training places greater emphasis on personal responsibility as well as steps and strategies that promote economic self-sufficiency. The curriculum and training associated with the Good Neighborhood Program provides a variety of learning opportunities in competencies that help equip families for a successful selection and transition into either single or multifamily neighborhoods. The scope of work includes intensive training on the following topics: (i) neighborhood values and community pride, (ii) crime prevention and family safety, (iii) parenting skills and life-long learning, and (iv) financial planning and preparing for self-sufficiency. Georgia State University implements the GNP II. FY 2008 yielded great success with more than 3,000 families completing GNP II. This includes families impacted by QLI and revitalization activities.

Placed-Based Supportive Services Strategy Pilot. AHA, in collaboration with a number of partners, continued the implementation of a placed-based pilot referred to as the NORC (Naturally Occurring Retirement Community) Project at Marian Road high-rise. NORC is a national program model that focuses on equipping adults to age in place and building the capacity of the community to support them in that process. The NORC at Marian Road places a strong emphasis on resident involvement with priorities set by residents and new initiatives

capitalize on the economy of scale created by the concentration of individuals with similar needs. Led by the Atlanta Regional Commission's (ARC) Division on Aging, the primary partners on this pilot include AHA, Visiting Nurse Health System, Piedmont Hospital, Jewish Family and Career Services, Jewish Federation of Greater Atlanta and The Habitat Company (AHA's PMCO for Marian Road).

During FY 2008, the NORC project piloted a "Translation/Interpretation Voucher Program". This pilot program uses a voucher system to purchase translation/interpretation services for residents. The voucher program is managed by the Jewish Federation of Greater Atlanta who provides the grant funds that support this effort. Residents who elect to participate in the program attend an orientation class and are given a voucher book. Each \$5.00 voucher will pay for 15 minutes of interpretation/translation. In order to be paid, the designated translator/interpreter must submit the voucher to the Resident Services Coordinator or the NORC Social Worker at Marian Road. A check is mailed to the individual from the Jewish Federation who monitors the funding.

This voucher program concept has worked in many communities all over the country with many different services (e.g. housekeeping, sitter services, transportation, etc). The voucher allows the resident to feel as if they are "paying" for a service rather than being a burden to the individual providing the service. In return, the person providing the service feels like more than just a volunteer. In the case of the transportation voucher, the voucher helps to compensate for the cost of gas. Given that there are five languages spoken at Marian Road including a strong Russian speaking population, a survey of the residents indicated a strong interest in establishing the program. A Health & Wellness Library was also added to the Marian Community Room by the nurse with Piedmont Hospital's 60 Plus Older Adult Program; and, through a partnership with Brenau University, occupational therapy students conducted exercise classes for the residents each week at Marian Road.

AHA continues to partner with the Atlanta Regional Commission (ARC) who secured a \$375,000 ROSS (Resident Opportunities and Self-Sufficiency) grant during FY 2007 to expand the Marian NORC project to two additional AHA high-rise communities: Cheshire Bridge Road and Piedmont Road. This program referred to as the "Linkage Project" and its primary goal is to develop a sustainable "placed-based" service strategy for seniors and persons with disabilities that's replicable in all AHA's high-rise communities. During FY 2008, three social workers from Visiting Nurse Health System were assigned to the targeted communities a couple of days a week to assist residents and support the on-site Resident Services Coordinators. One of the goals of the Linkage Project is for the social worker to train on-site Resident Services staff in becoming more skilled at identifying community resources and support services for residents. ARC also provided access to its Enhanced Services Program (ESP) database, which includes over 20,000 community

services and programs for seniors and persons with disabilities. The ESP database has been provided during the grant period to the on-site Resident Services staff so they have this tool available on their computers when working with the assigned social workers.

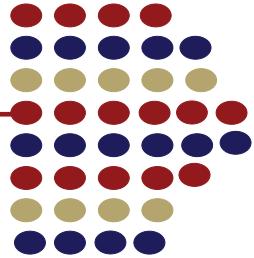
Rapid Response Foreclosure Team. During FY 2008, AHA established this new program to expeditiously respond to AHA-assisted clients affected by foreclosures by providing relocation assistance and other support. This team also proactively identifies housing in pre-foreclosure status and works to rectify with property owners and provide assistance to affected families. AHA assisted 776 clients, 93 percent of which were affected by foreclosures. The remaining seven percent were families who were impacted by natural disasters or other “emergency” situations. Nearly \$500,000 was expended in providing services to families which included moving assistance, temporary lodging and other related incidentals. The overwhelming need for assistance moved AHA to refine its Housing Choice program policies to include additional screening and foreclosure history checks on property owners and landlords interested in participating in the program.

Postponed Activities. As mentioned in AHA’s FY 2008 CATALYST Implementation Plan, both the Individual Development Accounts (IDA) and School Attendance Requirement activities were postponed during FY 2008; and therefore, there are no updates to provide for this Annual Report submission.

Corporate Support



Corporate Support



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

Supporting Activities

Asset Management Under the New Operating Subsidy Rule. Since the rollout of HUD's new Public Housing Operating Subsidy Rule, AHA has been working collaboratively with HUD and other MTW agencies in designing and implementing a local asset management program. This effort will produce accounting practices designed to support and complement the fungibility of public housing and voucher funds that may be combined under the MTW demonstration. AHA's project-based accounting, fee-for-service methodology and financial operations described below move AHA to an asset management corporate model with true project based accounting as proposed under HUD's new Public Housing Operating Subsidy Rule, and has also helped in advancing the discussion with HUD and other MTW agencies in developing a universal framework and approach.

Project-based Accounting and Financial Systems/Quarterly Financial Statements by Business Line. AHA is continuing to transform its financial management system in alignment with best practices in private sector real estate companies. Long before HUD required property-based accounting, AHA instituted a project-based accounting and management system under which financial statements are issued for each AHA-owned property. By establishing a real estate asset management function in the agency, AHA continues to change its financial interface with its private development partners in alignment with private sector asset management practices. In addition, AHA continues to implement further improvements using technological solutions for financial analysis and reporting which allow AHA to produce quarterly financial statements. AHA is using financial analysis to inform its business decisions and a fee-for-service methodology (as discussed below) to charge a fixed rate to federal grants and programs for administration and overhead.

Fee-for-Service Methodology. AHA established a fee-for-service methodology for allocating costs to HUD grants and programs for administration and overhead, which is the type of system commonly found in private real estate corporations. This approach allows AHA to charge each property, program or grant a fixed fee for administration and corporate costs replacing the cumbersome salary allocation systems traditionally found in public housing agencies. Under the proposed system, AHA need only be concerned that it generates a predetermined amount of fee income and that it operates within its budget. During FY 2008, AHA refined its Fee for Service Methodology Protocol and submitted to HUD for review and approval (see Protocol in Appendix N).

Utility Allowance Waiver. During FY 2008, no changes were made to the energy allowance for AHA owned Affordable communities; however, AHA hired a consulting firm to evaluate the long term properties (i.e. those properties not impacted by QLI) and recommend further improvements at these properties to improve energy efficiency. AHA will continue to monitor utility expenses and excess energy charges and adjust the allowance as appropriate based on the building condition and trends of resident energy consumption

Energy Performance Contracting. During FY 2008, AHA continued to benefit from the savings of the existing Energy Performance Contract. Two properties included in the contract; John O Chiles and U-Rescue Villa, were vacated during the fiscal year as part of AHA's Revitalization and QLI programs, respectively. AHA will evaluate the potential energy efficiency improvements and will consider managing its own energy performance contract in the future.

Procurement Enhancements. During FY 2008, AHA completely reorganized its procurement functions and department to expand the breadth of its acquisition activities, streamline operations, increase efficiency and enhance quality control. The new organizational structure provides enhanced *customer centric* focus of AHA's anticipated procurement/acquisition activities and initiated AHA's Total Acquisition Management ("TAM") initiative designed to offer its Business Units "cradle to grave" singular point-of-contact services and technical assistance for acquisitions and related services. AHA continued to refine its processes below the small purchase threshold including the continued administration of its micro-purchasing level at \$5,000 and under, and utilization of contracts with terms in excess of five years (but generally no more than 10 years for certain strategic services contracts). In addition, AHA also refined its Competitive Exceptions List of transactions of goods and services that are impractical or impossible to competitively bid because of market or other conditions. AHA further enhanced its revitalization

efforts by formalizing the use of strategic sole source contracts with non-profit, community-based and/or other service providers to provide self sufficiency and other services to residents of AHA's communities undergoing revitalization.

AHA began identifying commercially available or custom designed procurement and contract administration software designed to standardize processes and documentation. AHA also initiated its planning and developing of its multi-year E-procurement initiative that will utilize electronic and digital technology to coordinate and deliver acquisition services, labor and other compliance reporting/tracking, vendor identification and retention, in real time, with enhanced degrees of accountability, responsiveness and timeliness.

Financial Operations. The financial flexibility provided by MTW allowed AHA to continue making significant progress in achieving its Business Plan goals. The creation of a single fund including Public Housing Operating Subsidy, Capital Funds and Housing Choice MTW Voucher funds provided AHA the ability to implement programs and improve its ability to provide quality, affordable housing in the City of Atlanta.

The Quality of Life Initiative (QLI) began to have significant impact in FY 2008. AHA expended over \$8.5 million in MTW funds on relocation, human development services, and demolition as AHA relocated families and removed communities from the public housing inventory.

Additionally, with its MTW flexibility, AHA has been able to implement policies that have direct financial impact on its operations. One positive impact of the work requirement has been an increased contribution to rent based on higher family incomes. As captured in the Rent Impact Analysis found in Appendix K, in FY 2008, 88 percent of the resident households were able to pay rents greater than the Minimum Rent under the Section 9 Program and 81.7 percent for Housing Choice households. Additionally, the chart for the Section 9 program reflects increases from FY07 to FY08 in the percentage of households paying rent amounts in the range of \$300 - \$500. Enhanced real estate inspections have improved the quality and safety of our tenant's homes. This coupled with increased use of Project Based Rental Assistance increases the stability of families, reducing turnover and related expenses.

As AHA continues to leverage technology, it will see increased efficiencies. AHA's Housing Choice reform promises to provide not only increased services to tenants and landlords, but also financial economies. The transition from paper checks and pay advices for landlords to 100 percent electronic funds transfer and notification continues to save a significant amount of time and postage.

The re-engineering of the organization to become a diversified real estate company, with a

public mission and purpose, together with the flexibility of the Moving to Work designation, positions AHA to continue leveraging opportunities to become a more effective and efficient business enterprise. AHA's Business Plan is focused on alternative sources of funding and financial resources and entrepreneurial undertakings that will generate income. With the greater statutory and regulatory relief under MTW, AHA will continue to reduce its dependency on the federal government for AHA's long-term economic viability.

Low income Operating Subsidy and Related Income. In 2006 HUD changed the manner in which it funds Public Housing Agencies (PHAs) and converted to a calendar year. Since AHA operates on a fiscal year from July 1 through June 30, AHA's Fiscal Year crosses two federal funding years. As noted in Appendix G under Budget Explanation, HUD has not yet finalized funding for calendar year 2008; therefore, AHA's FY 2008 budget for Operating Subsidy only reflects funds received through June 30, 2008. Included in this Appendix is AHA's Combined Statement of Revenues and Expenses outlining budget to actuals and related variances for fiscal year end June 30, 2008.

Housing Choice Voucher Related MTW Income. Similar to the Operating Subsidy, the Housing Choice Operating Subsidy is also disbursed on a calendar year basis. Appendix G provides budget to actuals and related variances as of fiscal year end.

Capital Funding Program Related MTW Income. The FY 2008 Budget Explanation included in Appendix G provides information on Capital Grant revenues and is followed by FY 2008 Capital Expenditures by property.

Replacement Housing Factor (RHF) Funds. Although the MTW Agreement identifies RHF funds as a component of AHA's MTW Block Grant, AHA has elected to follow HUD's guidance in its use of these funds. In FY 2007, AHA submitted to HUD its RHF plan which accumulated RHF awards from Federal Fiscal Years 2003-2007. These funds will be used for revitalization at Grady Homes and McDaniel Glenn. During FY 2008, AHA submitted to HUD a plan for Second Tier RHF Funds received in HUD Funding Year 2008 which provides for the accumulation of that award with future awards to develop additional public housing. AHA also developed and submitted to HUD for review and approval a Replacement Housing Factor – Obligation and Expenditure Implementation Protocol. This protocol outlines the process in which AHA will manage RHF funds.

Housing Choice Budget Utilization Benchmark. AHA's MTW Housing Choice Budget Utilization benchmark requires that the expenditure of fiscal year Housing Choice Annual

Budget allocation for MTW vouchers utilized for MTW eligible activities be greater than or equal to the target benchmark of 98 percent. AHA exceeded this performance benchmark for FY 2008 achieving a 100 percent budget utilization rate. It should be noted, this budget utilization rate only applies to vouchers that are fully funded during AHA's entire fiscal year, and that any new vouchers received intermittently during the fiscal year are excluded from the 98 percent requirement until the following fiscal year or until such time that a 12-month period has elapsed. AHA implemented this policy in light of changes that HUD has made in funding vouchers based on a calendar year rather than a fiscal year.

Enhanced Accessibility Initiative. AHA is committed to making its facilities and programs accessible to persons with disabilities. AHA's commitment is reflected in its Accessibility Policies included in its Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments and is pursuant to a Voluntary Compliance Agreement (VCA) with HUD, a four-year agreement which became effective on March 15, 2007.

AHA completed and submitted all required deliverables based on the VCA as of June 30, 2008 including meeting the benchmark of having 40 UFAS (Uniform Federal Accessibility Standards) units certified. AHA had 60 units certified as UFAS and is working on Phase II UFAS improvements at AHA's Affordable Communities as well as all the required UFAS upgrades at AHA sponsored mixed-income communities. AHA also developed a process for reviewing new development design and construction work to ensure moving forward that properties, where AHA has an investment, comply with applicable UFAS requirements.

Corporate Policies Governing Eligibility, Occupancy, and Program Administration

Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (Statement of Corporate Policies). The Board of Commissioners adopted Revision Four of AHA's Statement of Corporate Policies (SCP) on April 30, 2008, after conducting a properly advertised and noticed public hearing held on April 15, 2008. This revision was included in AHA's submission of its FY 2009 MTW Annual Plan (CATALYST Implementation Plan) to HUD on May 7, 2008. The SCP was updated to clarify established policies and revise existing language, as appropriate, to ensure consistency in rent and occupancy policies governing the public housing and Housing Choice Voucher programs.

Statement of Policies Governing the Housing Choice Tenant-Based Program¹ (Statement of Housing Choice Policies). The Board of Commissioners adopted Revision Six of the Statement

of Housing Choice Policies on April 30, 2008, along with the SCP above after conducting a public hearing on April 15, 2008. Similar to the SCP above, the Statement of Housing Choice Policies was updated to clarify established policies and revise existing language to ensure consistency between this document and the SCP. Additionally, policy language was included with respect to reasonable accommodations which afford persons with disabilities full participation in the Housing Choice Voucher Program and related AHA activities, and added policy language related to the development of special programs.

Violence Against Women Act (VAWA). The *Violence Against Women and Department of Justice Reauthorization Act of 2005* (Public Law No: 109-162) promulgates requirements in the law that serve and protect the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. AHA developed administrative procedures for its Public Housing and Housing Choice programs. AHA and its Private Management Partners implemented these procedures during FY 2008.

4 to 1 Elderly Admissions Policy at AHA's High-Rise Communities. AHA continues to implement strategies at its high-rise communities to address the complex social issues associated with mixing seniors and young disabled persons. AHA commenced implementation of a 4:1 elderly/almost elderly admissions policy at its high-rise communities as of March 1, 2006. This admissions policy allows the Private Management Companies (PMCOs) to admit 4 elderly (62 and older) or almost elderly (55-61) residents on the waiting list before admitting a non-elderly disabled resident until such time as an optimal mix of elderly/almost elderly and non-elderly disabled residents is reached for the community. During FY 2008, all AHA high-rise communities continue to implement the policy and most properties are closing in on the 4:1 split.

Permanent Designated Housing. AHA, in partnership with private sector developers, continues to examine approaches in solving the problem of mixing seniors and young mentally disabled persons. A principal goal is to facilitate the development of housing in which the elderly and young mentally disabled can live separately and in service-enriched environments. During FY 2006 and 2007 Designated Housing Plans were submitted to HUD for Columbia Senior Residences at Mechanicsville and John O. Chiles high-rise main building and annex, respectively, and both received HUD approval. The development of Columbia Senior Residences as an Elderly Only facility is part of the revitalization of the former McDaniel Glenn. This new senior development will offer 155 independent living units for the elderly. The revitalization of John O. Chiles and Annex is part of the revitalization of the former Harris Homes. These two buildings are being rehabbed with the main building designated as Elderly Only housing and will offer 190 independent living units for elderly persons and the Annex is designated as

¹ Formerly known as Administrative Plan Governing the Housing Choice Voucher Program

Disabled Only supportive services housing offering 26 units of service enriched housing for persons with disabilities. During FY 2008, 190 units were under construction at the John O. Chiles main building and John O. Chiles Annex received a \$225,000 tax credit award. During FY 2008, construction of Columbia Senior Residences was completed.

Enhanced Business Systems. As a matter of routine operations, AHA and its PMCOs will continue the implementation of policies and operating procedures established under CATALYST such as the \$125 Minimum Rent, Elderly Income Disregard, 4 to 1 elderly admissions policy, enhanced criminal screening, enhanced health and safety standards, and the work/program participation requirement. To ensure consistency and uniformity of information regarding AHA's policies and operating procedures for staff at the property level, during FY 2008 AHA rolled out the PMCO Occupancy Guidebook and fully trained the PMCO staff. All properties are following the procedures described in the guidebook. The guidebook was also updated during FY 2008 based on Board Approved updates made to the Statement of Corporate Policies.

Elderly Income Disregard. On October 1, 2004, AHA implemented an income disregard for the Public Housing and Housing Choice programs for employment income earned by elderly residents or elderly participants on fixed income. AHA continued to implement this income disregard as part of PMCO routine operations during FY 2008. As shown in Appendix K, the Elderly Income Disregard policy did not have a negative impact on elderly in either the public housing or Housing Choice program. In fact, over 90 percent of elderly in these programs did not have employment income.

\$125 Minimum Rent. Effective October 1, 2004, AHA raised its minimum rent from \$25 to \$125 under its Public Housing and Housing Choice programs. Households on fixed incomes, where all members are either elderly or disabled, are exempt from the minimum rent increase and their total tenant payment continues to be based on 30 percent of their adjusted gross incomes. Hardship waivers may be granted under certain limited circumstances, on a case-by-case basis, based on criteria established in AHA's SCP or Statement of Housing Choice policies. As part of this Annual Report submission (see Appendix K), AHA conducted a Rent Impact Analysis of its minimum rent policy for both the public housing and Housing Choice Programs. As shown in the Appendix, the minimum rent policy did not have a negative impact on families. Over 80 percent of households in both programs paid rents at or above the minimum rent.

Enhanced Real Estate Inspection Systems. AHA will continue to refine and improve the quality assurance (QA) inspections process for AHA-owned communities. Through its integrated

inspections system, AHA will continue to inspect units at each of its communities at least once per year. During FY 2008 AHA added two new inspection components to the integrated system: a procurement audit and financial review. These two added components ensure that the PMCOs are working in accordance with AHA-approved financial and procurement procedures.

Comcast Cable Partnership. AHA, in partnership with Comcast Cable, the cable franchise for Atlanta, has established two primary cable information channels at each of its high-rise communities. One channel serves as a “security” channel and is dedicated to security cameras at various locations within each community enabling residents to monitor their own community. The other channel serves as an “information channel” and provides a mechanism to broadcast information and announcements for residents such as health information, alerts, fire prevention education, and management announcements. In addition to its regular programming and announcements, during FY 2008 AHA aired the public hearing notice and taped the public hearing for its FY 2008 MTW Annual Plan.

Video Call Down Systems. AHA's video call down systems are a network of cameras with speakers that are monitored by a third party contracted firm to curtail crime from being committed on-site at the conventional public housing communities. The system allows a third party contractor as well as site staff to have visual access to each property being monitored and the ability to actually “call down” and speak to anyone suspicious or observed committing a crime. The Atlanta Police Department has access to the call down systems and monitors AHA communities periodically. During FY 2008, equipment was removed from five of the eight communities that had video call down systems. These properties, University, Leila Valley, Jonesboro North, Jonesboro South and Englewood Manor are all vacant properties due to QLI or revitalization activities. The equipment has been distributed to other AHA properties, replacing broken or obsolete security equipment.

Organizational Initiatives. AHA continues to evaluate and re-define programs, systems and processes in an effort to build the organizational human resource capital necessary to successfully carry out its Business Plan. The intended focus continues to be on building a more adaptive and resilient organization. As part of its Organizational Initiatives, the following describes AHA's work under its Corporate Culture Project, Human Resources Development and AHA's Communication Plan.

During FY 2008, the following initiatives were accomplished in support of enhancing AHA's **Corporate Culture:**

- Implemented Diversity and Inclusion training for all levels of management to reinforce the importance of a diverse workforce and the value diversity brings in enhancing organizational performance and success.
- Re-defined the organization's compensation methodology and employee incentives and recognition programs to reinforce performance that drives optimal results. Through a comprehensive compensation study conducted by an outside firm, AHA was able to re-define its compensation practices and employee performance metrics as well as re-assess job functions and responsibilities of all positions.
- Implemented a new Deferred Compensation Plan that offers an employer's match to enrich retirement benefits for employees and offers parity with other organizations we compete with for talent.
- Introduced a new Payroll and Human Resources Information System (HRIS) which includes a robust employee self-service component. This technology improves employee access to personal information and reduces paper waste and employee file capacity needs.

Under AHA's **Human Resource Development**, a critical component is competency enhancement for all levels of associates and leaders. The Human Resources Department conducted a leadership development and training needs analysis in FY 2008 to establish a baseline for the development of a core competency training curriculum. The analysis revealed that our major gaps were leadership, teambuilding and collaboration, performance management, and supervisory skills. As a result, the Agency has begun to establish an in-house organizational development and training function designed to enhance individual performance to address the gaps and support the goals and objectives of the organization. Additionally, AHA established a defined training curriculum to address various levels of employee training and development needs, and began the development of an e-Learning tool which will allow employees access to web-based training.

As part of its **Communication Plan**, AHA has procured the Alisias Group, an Atlanta-based public relations firm, to manage media relationships at the national, state and local levels; manage certain external community relationships; develop innovative approaches to positive and consistent messaging to AHA-assisted households, local state and national political bodies and stakeholders; and manage the development of AHA's CATALYST collateral materials. This work includes developing CATALYST fliers, pamphlets, brochures and materials that are designed to inform, educate and motivate AHA-assisted families towards success. This communication strategy is part of AHA's

targeted investment in Human Development activities.

During FY 2008, Alisias created a rotation of weekly mailings covering various topics such as QLI, relocation, Housing Choice and the work requirement. One example was a poster campaign that highlighted a successful resident each month and included a quote on their personal triumph or goal in bettering their lives. These posters were posted throughout AHA's Affordable communities and smaller "post card" versions were sent to families, both in the Public Housing and Housing Choice Program, who were not in compliance with the work/program participation requirement. The back of the post card highlighted one of AHA's Service Provider Network partners for families to contact as needed. To illustrate this example, a few of the residents highlighted in the poster campaign are included as divider pages as part of this Annual Report submission.

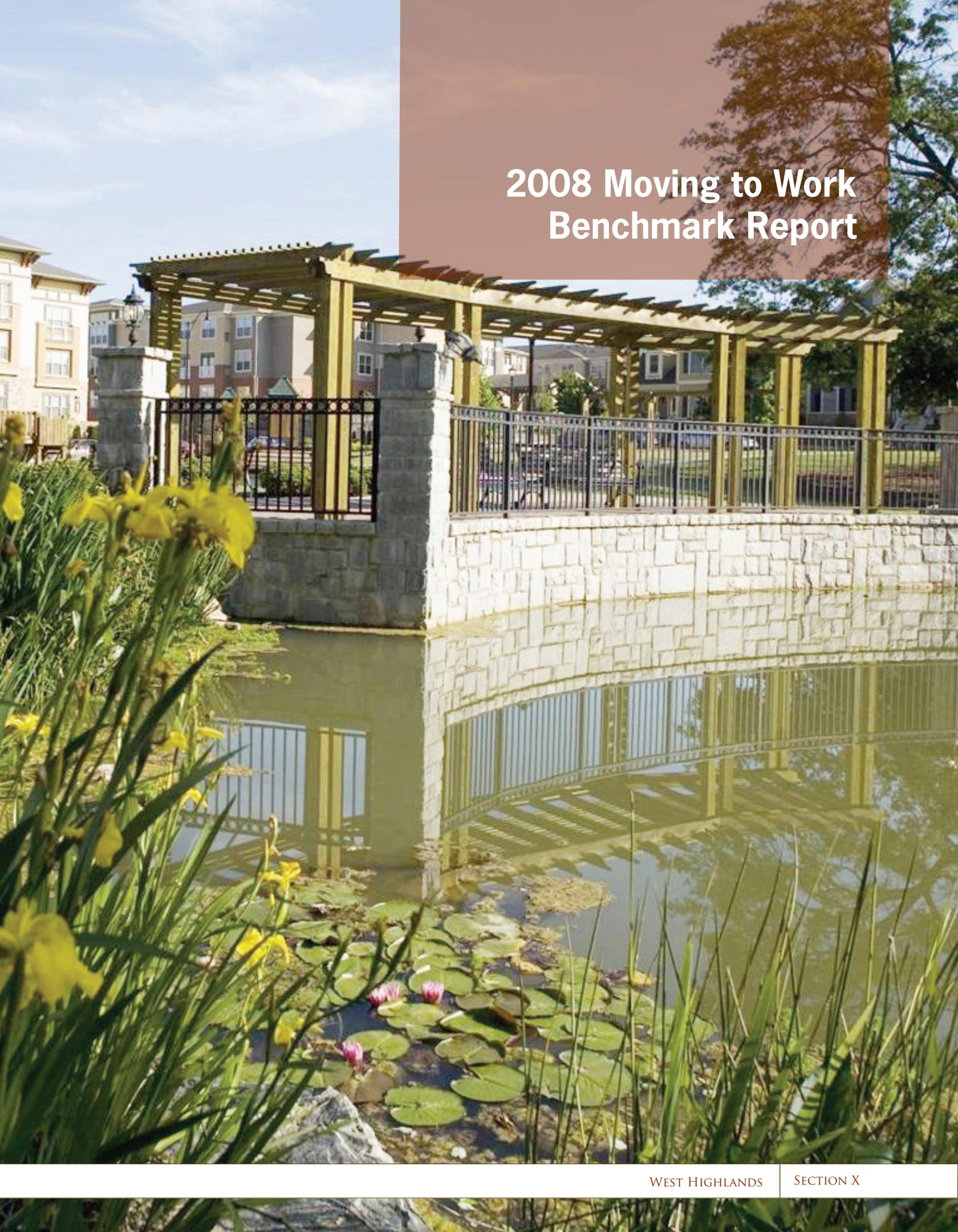
Enhanced Relocation Procedures and Database Enhancements.² During FY 2008, this activity was moved from under AHA's Housing Choice Program to Corporate Support and re-titled as *Enhanced Relocation Procedures and Database Enhancements*. During FY 2008, AHA continued to refine and streamline its relocation procedures and Consolidated Relocation Management System (CRMS) database in order to enhance operational efficiency, client services, tracking and reporting, and to ensure compliance with applicable HUD regulations. AHA developed a Relocation Services Procedures Manual and conducted comprehensive five-day training for all relocation staff. Also, AHA implemented two phases of enhancements to the CRMS to align it with revised procedures and requirements and to provide additional support to relocation staff working with QLI-impacted families.

Develop Re-occupancy Process. During FY 2008, this activity was moved from under AHA's Housing Choice Program to Corporate Support. Also, AHA conducted the re-occupancy relocation of 115 households returning to Capitol Gateway and Mechanicsville. As a short-term strategy, AHA established an on-line re-occupancy database management system using SharePoint technology facilitating cross-departmental access and coordination. To address long-term needs, AHA defined business requirements for a re-occupancy module as part of its Consolidated Relocation Management System (CRMS). AHA, working in collaboration with its private sector development partners, refined and improved the process for re-occupancy at newly developed mixed-income communities.

² Formerly called Relocation Policies.

Postponed Activities

Affordable Fixed Rent Demonstration. During FY 2008 AHA explored the concept of implementing an Affordable Fixed Rent Demonstration which would establish a flat rent that all families in the target community would be subject to paying. However, it was decided to postpone any further development of this initiative due to the tremendous amount of the agency's focus and work on its QLI and PBRA priorities. Moving forward, AHA will explore using other innovative subsidy strategies as outlined under the Asset Management priority in this Annual Report.



2008 Moving to Work Benchmark Report

Executive Summary

An Examination of AHA's MTW Program

The Road to Self Sufficiency

Principal Researchers:

Thomas D. Boston, Ph.D. and Linje R. Boston, M.S.

August 2008

EUQUANT

Executive Summary

The Atlanta Housing Authority (AHA) executed its Moving to Work (MTW) Demonstration Agreement (MTW Agreement) with the U.S. Department of Housing and Urban Development (HUD) on September 25, 2003. The agreement provides AHA the financial, legal and regulatory flexibility to implement local solutions and address local challenges in providing affordable housing. AHA's objective is to facilitate access to better housing opportunities, better neighborhoods and greater economic self-sufficiency for assisted families while at the same time achieving greater operational efficiencies. This is the second of three research reports that measure the extent to which AHA has achieved these goals, which are a part of its seven year MTW statutory agreement with HUD.

In this report we examine the residential mobility patterns and outcomes for all households and individuals who received housing assistance from AHA between 1995 and 2007. Starting in 1994, AHA set out to improve the quality of housing services it provided by demolishing distressed and obsolete public housing developments and replacing them with mixed-income communities and housing choice vouchers. Families who lived in public housing developments scheduled for demolition had to select different housing options. Most chose housing choice vouchers, others relocated to mixed-income communities and still others resettled into different public housing developments. This large-scale relocation of families raises important social and public policy questions such as the following: Are families better off today? In their new location, are adults more likely to be employed and their children more likely to attend better schools? Are they less prone to be victims of crime and have they adversely influenced the level of criminal activity in their new neighborhoods? Are families more apt to lose housing assistance because of revitalization? Have families become more self-sufficient following the relocation? Finally, have the social benefits of investing in mixed-income revitalization outweighed the social costs; in short has revitalization improved the general welfare of society? In the process of measuring the outcome of AHA's MTW program, this report answers these questions.

We examine virtually every aspect of AHA's residential mobility programs between 1995 and 2007--the most important of which was the demolition of public housing developments and their replacement by thirteen mixed-income communities. We documented the socio-economic status of all households and every person who received housing assistance in 1995, 1998, 2001, 2004 and 2007. We also followed longitudinally to 2007 families who lived in twelve public housing developments in 1995. During the time period covered by our investigation, six of those developments were revitalized as mixed-income communities. They served as the treatment group. The six developments that were not revitalized served as the control group. While there are many studies of public housing assistance, we are not aware of any whose scope is as broad as is the scope of this research report.

Appendix M of this Annual Report provides a full copy of the 2008 MTW Research Report which covers findings for the period ending June 30, 2007.



Atlanta Housing Authority