



TACOMA HOUSING AUTHORITY

To: Interested Persons
From: Ava Pittman
Date: October 9, 2017
Re: Proposed Revisions to Tacoma Housing Authority (THA) Administrative Plan and ACOP

The Tacoma Housing Authority (THA) seeks comments and suggestions about three changes it is considering to its housing programs:

- 1. Provide Exit Vouchers to People Moving Out of a Project-Based Voucher (PBV) Unit**
THA presently offers a tenant based housing voucher to people moving out of some of its project base voucher apartments. Those apartments are ones that THA recently refinanced under a HUD program called Rental Assistance Demonstration (RAD). The RAD rules require THA to offer these vouchers. THA proposes to offer these tenant-based vouchers to people moving out of THA's other project based apartments and those project-based apartments owned by other organizations or companies.
- 2. Allow THA to Help People Fleeing Disasters Like the Recent Hurricanes**
Hurricanes have displaced thousands in our country. THA wants to help, within its means. We propose a new policy to allow THA the discretion to set aside up to 100 vouchers or units per year for households fleeing federally declared disaster areas or to contribute the temporary service of THA staff who volunteer to help stricken housing authorities in those areas.
- 3. Speed Up and Simplify How THA Arrange to Project Based Housing (PBV) Vouchers**
THA proposes changing how it solicits and selects PBV proposals. Tacoma faces a quickly changing rental market. Rents are rising. Vacancy rates are falling. Households are having a harder time finding housing. THA uses project-based vouchers to put long-term subsidy contracts on housing units. This allows THA to provide affordable housing. THA will modify its policies to allow it to solicit requests for PBVs from owners and to have the discretion to prefer units in existing housing units, as opposed to units that have not yet been constructed. This would make units available more quickly.

These changes would show in THA's Administrative Plan and Admissions and Continued Occupancy Policy (ACOP). We warmly welcome your comments and suggestions. Please send them to us by **November 10, 2017; 5:00 p.m.** You can do that by email, mail or telephone to:

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You are also welcome to offer comments to THA's Board of Commissioners when it considers these changes on November 15, 2017; 4:45 PM at Dixon Village, 5420 S. Stevens in Tacoma.

SOME DETAIL ABOUT THE THREE PROPOSALS

1. CHOICE MOBILITY FOR ALL PROJECT BASED VOUCHER UNITS

In general, THA uses its housing vouchers in two ways. The main way gives a voucher to a household. The household finds a landlord to rent from. The voucher helps to pay the rent. These vouchers are called “tenant-based”. The other use is called a “project-based voucher” (PBV). THA would agree with an owner of an apartment complex to “project base” vouchers at the property to help pay the rent and make apartments affordable to low-income tenants when they move in. Under the normal HUD rules, a housing authority would have to give a tenant-based voucher to tenants who live in a project-based unit for at least a year and then who moves out in good standing. This tenant-based voucher would help the tenant pay the rent on their next home that they find in the private rental market. This is called the Choice Mobility option (CM). However, THA does not do this. Using its Moving to Work (MTW) authority, THA eliminated the CM option for families receiving PBV assistance either in THA properties or in PBV properties that our partners own.

Recently, the rules changed. THA refinanced its properties. It did this under a HUD program called Rental Assistance Demonstration (RAD). The RAD rules require THA to offer CM to families in a RAD-PBV unit. That includes about half of Salishan, all the senior buildings and parts of our other communities. This requirement, however, does not apply to other parts of THA’s portfolio. The rule also does not apply to PBVs in our partner properties.

THA proposes to offer CM to all PBV units in THA’s portfolio and in the properties of its PBV partners. This change offers some benefits and disadvantages. They show on the following chart. On the whole, we judge that the benefits outweigh the disadvantages.

HUD rules require THA to offer exit vouchers to all residents of its former public housing RAD units that are now project based voucher (PBV) units; THA already does this. THA is also considering offering exit vouchers to all residents of THA and partner PBV units. Comparative Advantages of Offering or Not Offering Exit Vouchers to All	
<i>Advantages of Not Offering Exit Vouchers to All</i>	<i>Advantages of Offering Exit Vouchers to All</i>
Protects Stability of the Portfolios By making it easier for tenants to move out, exit vouchers make communities more transient and unstable and deprive communities of their leaders.	Gives All Households a Choice Vouchers allow households a better chance to choose their own housing, neighborhood and schools.
Protects Portfolio Income Diversity The higher income households in the portfolios may be more likely than lower-income households to take the voucher. If this turns out to be true, the portfolios will lose some measure of income diversity. They will also lose the positive example of households that are succeeding.	Exits Will Free Up Units for Needier Households When households exit the PBV portfolios they create a valuable vacancy where rent is based on a tenant's income and supportive services are available on-site. The unit's next tenant will likely need that rent and those services more than the exiting household. For this reason and to promote this turnover, the City and County ask THA to offer exit vouchers for all.
Reduces Expense of Vacancies and Units Turns Exit vouchers create more vacancies and unit turns, which are expensive. Exit vouchers essentially pay tenants to leaves. No rational landlord would do this. Issuing vouchers is also an administrative burden.	Makes THA and Partners Compete for Tenants Giving tenants a greater ability to move will helpfully oblige THA and partners to compete for their business by making the portfolios appealing so tenants will want to stay.
	Improves HOP Utilization Rate Households that opt to exit with HOP Vouchers are likely to be the higher income ones in the portfolio, making them more likely than lower income HOP applicants to find landlords willing to rent to them. This will improve HOP voucher utilization rates.
Exit Vouchers Circumvent the HOP Waiting List; People On the List Will Wait Longer Exit vouchers circumvent the HOP Voucher wait list. This means that other people applying for a voucher will have a smaller chance to get on the list and will wait longer once they are on it.	Consistency Among Units and Tenants Giving exit vouchers to all tenants avoids the need to manage two different types of units. It avoids treating tenants differently, even if they live side by side, and avoids having to explain the difference.
	Ways to Mitigate Problems of Exit Vouchers (1) THA and partners will help tenants understand the disadvantages of a HOP exit voucher: <i>e.g.</i> (i) its subsidy is less than a tenancy's subsidy; (ii) it has a five-year time limit for work-able people, while tenancies (presently) have no time limit; (iii) people with a HOP voucher have trouble in Tacoma's market finding a landlord willing to rent; (2) THA and partners will continue to make their properties appealing so tenants wish to stay. (3) THA will cap its issuance of exit vouchers to 75% of all issuances, as RAD rules allow.

The following is THA's policy for Choice Mobility for RAD Project-Based Voucher that THA proposes to apply to all PBV holders:

1.1 Choice Mobility Policies

1.1.1 Eligibility for Choice Mobility and Family Right to Move:

Families that wish to exercise CM may do so any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to THA. If the family wishes to move with continued tenant-based assistance, the family must contact THA to request the rental assistance prior to providing notice to terminate the lease.

If the family provides notice to terminate the lease in accordance with these requirements, THA will offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available upon notice of termination of the family's lease in the PBV unit, THA will give the family priority to receive the next available opportunity for continued tenant-based assistance. The family can withdraw its notice of termination and stay in its apartment to wait for the voucher.

If the family terminates the assisted lease before the end of the first year or moves prior to being issued an exit voucher, the family relinquishes the opportunity for continued tenant-based assistance.

1.1.2 Assistance Type

Families exercising CM will be offered a Housing Opportunity Program (HOP) subsidy. THA's Housing Opportunity Program (HOP) is a program for all new admissions to THA's tenant based program. The program is fixed-subsidy and time-limited. All new admissions to the HOP program receive a fixed subsidy. That includes senior/disabled households. Work-able households have a five-year time limit on their assistance. Senior/disabled households do not have the time limit applied. These households have annual re-examinations so THA can monitor the earned income and compare it to its other programs. There are no interim re-examinations. THA does not allow port outs for the HOP program except in cases of domestic violence covered by VAWA and Reasonable Accommodations.

Families exercising CM would *not* be subject to the following HOP eligibility requirements:

- The income provisions in the HOP policy that state families must be at or below 50% Area Median Income (AMI) to be eligible for admission into HOP
- That once families reach 80% AMI, the family would income out of the program

Five-year time limits **will** still apply to families deemed work-able under THA's definition.

1.2 Impact on HOP Waiting List

Families choosing to exercise CM have priority over the families on the HOP waitlist. THA may establish a cap on the number of tenant based subsidies issued to CM families. The RAD rules require that agencies may implement an annual turnover cap at 75%. This means that annually, no more than 75% of HOP issuances may be to CM families. THA proposes that 75% annual turnover cap apply to all CM families, not just RAD. Under HUD regulations RAD households would have a priority in that pool but no more than a total of 75% of all new admissions would be CM families.

1.3 Policy Options to Mitigate Turnover

Initially, THA used its MTW authority to waive the CM option for PBV holders to mitigate the number of families transferring from Salishan and other PBV-funded projects onto the voucher waitlist as soon as the family reached one year of occupancy. This would adversely affect families currently waiting on the waitlist, as well as create issues with tax credit compliance. As a companion to the expansion of CM to all PBV households, THA will also implement the following policies:

1.3.1 In good standing status/no debts owed:

Families that are not in compliance with their lease or owe money to THA or the property owner would not be eligible to exercise CM.

1.3.2 One time use policy:

Families would only have one opportunity to receive tenant-based assistance. If the family opts for tenant based and is unable to lease up with the subsidy, the family would no longer be eligible to exercise CM. Unless the family moves from their assisted unit prior to finding a new unit with CM, they would be eligible to remain in their PBV tenancy.

1.3.3 Pre-issuance counselling:

Any family wishing to exercise CM would be required to attend pre-issuance counselling to ensure the family understands the nature of Tacoma's rental market and the nature of HOP subsidies (fixed subsidy and time-limited assistance for work able families).

- 1.3.4 Unpaid tenant charges could result in termination of voucher assistance:*
If a family exercises CM and leaves debt to THA due to damage, unpaid rent, etc., THA would have the right to terminate the voucher assistance.

2. POLICY FOR DISPLACED FAMILIES DUE TO FEDERALLY DECLARED DISASTERS

THA proposes some changes that will allow it to help people displaced by disaster in Tacoma or other parts of the country. In these proposals, THA tries to apply some lessons it learned in 2005 during Hurricane Katrina and associated flooding. Katrina caused the nation's worst housing disaster up to that time from a single event. Thousands of people from the nation's Gulf Coast were unable to return to their homes. Many of them sought shelter throughout the nation. Some made their way to Tacoma. At that time, THA devised a relief plan in consultation with the State of Washington Department of Community, Trade and Economic Development (DCTED), local officials, local housing and social service providers, and the THA Resident Advisory Board. THA ended up housing about 35 households. THA had to scramble to devise a policy to do this.

The recent hurricanes in Texas, Florida and Puerto Rico remind us that these housing disasters will recur. THA does not wish recreate a policy for each disaster. It needs a policy to guide its response but to allow flexibility as circumstances warrant. THA proposes a policy to give it discretion to provide two types of assistance during a federally declared disaster. First, the policy would allow THA to set aside up to 100 vouchers or THA-owned units per year for households fleeing the disaster areas. When THA issues these vouchers, it will allow families to immediately port to another restriction without requiring them to lease in Tacoma's jurisdiction. Second, the policy would allow THA to contribute the services of THA staff volunteers to stricken public housing authorities. Whether or when or to what extent THA will make vouchers, units or staff available will be up to the sole discretion of the THA Board of Commissioners. The THA Executive Director will have sole discretion to do so without advanced Board approval in the event an emergency requires action faster than the Board can convene for the purpose.

THA fully acknowledges that providing this relief may mean redirecting scarce housing resources away from needy residents in Tacoma and Pierce County. For that reasons, THA proposes some limitations. However, THA judges that within those limits it must do its share when Americans elsewhere face such crisis. THA can do this in anticipation of help from elsewhere should Tacoma ever face a disaster. Also, doing this is one way to demonstrate what it means to be one nation.

In outline form, the policy will provide as follows:

2.1 Federally Declared Disaster

The policy will apply only to persons displaced by a federally declared disaster.

2.2 Provision of Vouchers and Units

THA will provide up to 100 vouchers or apartments to displaced persons.

2.3 Triggering the Policy

The THA Board of Commissioners, in its sole discretion, will determine whether and when to activate and deactivate this policy during any federally declared disaster, and the number of vouchers or units to make available, PROVIDED THAT the THA Executive Director may do so, in his or her sole discretion, if he or she determines that an emergency requires action faster than the THA Board can convene for the purpose.

2.4 Factors to Consider or Determine

The THA Board of Commissioners and Executive Director will consider or determine the following factors in exercising discretion under this policy:

- direction or request for assistance from federal, state, city or county authorities, including other housing authorities experiencing the disaster;
- the availability or unavailability of alternative sources of emergency housing assistance’
- the need for housing in Tacoma and Pierce County;
- the number of vouchers or units available within THA’s resources;
- the eligibility criteria to decide who gets them;
- allowance or limits on portability;
- value of the voucher;
- any conditions placed on the assistance;
- the willingness of THA staff to volunteer and the capacity of the stricken housing authority or its local authorities to use THA staff effectively and safely.

3. SOLICITATION AND SELECTION OF PROJECT BASED VOUCHER (PBV) PROPOSALS

THA proposes changing its procedures to make it easier and faster to solicit and select PBV proposals. Tacoma faces a quickly changing rental market. Rental prices are rising, vacancy rates are lowering and households are having a harder time finding rental housing, even with THA’s rental assistance. Project basing vouchers can help, in several ways:

- PBVs can assure a rental stream to support debt to finance new construction or reconstruction of affordable housing;
- PBVs make units affordable for a long time (up to 15 years);
- PBVs can match housing dollars with supportive services;

- PBVs can bring a measure of economic and racial integration to private market rate buildings and neighborhoods

THA proposes changes to allow it to solicit requests for PBVs from owners and in evaluating those requests to have the discretion to prefer units in existing housing units, as opposed to units that have not yet been constructed. Such a preference will make units available more quickly. THA will use this discretion based on the rental market and leasing data when exercising this new policy.

CONCLUSION

Upon completion of the public comment period, THA will take these policy proposals to its Board of Commissioners for approval. THA plans to seek board approval at the November 15, 2017 Board of Commissioner meeting. The following chart outlines the specific policies that the proposals would revise:

Policy Proposal	Applicable THA Policies Requiring Revision
Choice Mobility for all Project Based Voucher Households (Administration Plan, pages 494-)	17-V11.B. "Initial Term and Lease Renewal" MTW Policy waiving mobility option for PBV tenants. 17-V11.C. "Family Right to Move" Now applies to all PBV households not just households assisted through RAD 17-XI.C Choice mobility waiting list guidelines 17.XI.F Now applies to all PBV tenants not just those assisted through RAD
Changing Project Based Voucher Solicitation and Selection for new contracts (Administration Plan, pages 466 - 468)	17-II.B Solicitation and Selection of PBV Proposals
Preference for households fleeing federally-declared disaster areas	4-III.C. Local Preferences 4-I.D. [ACOP] Placement on the Waiting List

Thank you. We look forward to hearing your views about these proposals.