



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

BOARD PACKET

December 8, 2021



**Tacoma
Housing
Authority**

Executive Director
April Black

Board of Commissioners
Stanley Rumbaugh, Chair | Shennetta Smith, Vice Chair
Dr. Minh-Anh Hodge | Derek Young | Pastor Michael Purter

REGULAR MEETING **Board of Commissioners**

WEDNESDAY, DECEMBER 8, 2021

The Board of Commissioners of the Housing Authority of the City of Tacoma will hold a Regular Meeting on **Wednesday, December 8, 2021, at 4:45 pm** via Zoom.

<https://us02web.zoom.us/j/84808351312> / Meeting ID: 848 0835 1312 / Dial: (253) 215-8782

The site is accessible to people with disabilities. Persons who require special accommodations should contact Sha Peterson (253) 207-4450, before 4:00 pm the day before the scheduled meeting.

I, Sha Peterson, certify that on or before December 1, 2021, I FAXED/EMAILED, the preceding PUBLIC MEETING NOTICE before:

City of Tacoma	747 Market Street Tacoma, WA 98402 CityClerk@cityoftacoma.com	fax: 253-591-5300
Northwest Justice Project	715 Tacoma Avenue South Tacoma, WA 98402	fax: 253-272-8226
KCPQ-TV/Channel 13	1813 Westlake Avenue North Seattle, WA 98109	tips@q13fox.com
KSTW-TV/CW 11	2211 Elliott Avenue, Suite 200 Seattle, WA 98121	
Tacoma News Tribune	1950 South State Tacoma, WA 98405	

and other individuals and organizations with residents reporting applications on file.

Sha Peterson
Executive Administrator



TACOMA HOUSING AUTHORITY

AGENDA

REGULAR BOARD OF COMMISSIONERS MEETING

December 8, 2021, 4:45 PM

Join Zoom Meeting

<https://us02web.zoom.us/j/84808351312> / Meeting ID: 848 0835 1312 / Dial: (253) 215-8782

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - 3.1 Minutes of November 10, 2021—Regular Session
4. **GUEST COMMENTS**
5. **COMMITTEE REPORTS**
 - 5.1 Real Estate Development Committee
 - 5.2 Finance and Audit Committee
 - 5.3 Community Partnerships and Advocacy Committee
 - 5.4 Education, Housing, Services and Partnerships Committee
 - 5.5 Diversity, Equity, Inclusion and Belonging Committee
6. **COMMENTS FROM THE EXECUTIVE DIRECTOR**
7. **ADMINISTRATION VERBAL REPORTS**
 - 7.1 Finance
 - 7.2 Executive: THA Motion 2021-12-08, Approval of the 2022 THA BOC Meeting Schedule
 - 7.3 Client Support and Empowerment
 - 7.4 Rental Assistance
 - 7.5 Property Management
 - 7.6 Real Estate Development
8. **NEW BUSINESS**
 - 8.1 2021-12-08 (1) 2022 THA Budget
 - 8.2 2021-12-08 (2) 2022 Board Commitments
 - 8.3 2021-12-08 (3) RRH Contract
 - 8.4 2021-12-08 (4) TSHAP Contract Extension
 - 8.5 2021-12-08 (5) Authorize Creation of Aviva Crossing 4 LLLP
 - 8.6 2021-12-08 (6) Authorize Creation of Aviva Crossing 9 LLLP

 - 8.7 2021-12-08 (7) Interlocal Agreement with the Pierce County Housing Authority for Brawner Contract
9. **EXECUTIVE SESSION:** To discuss pending litigation.
10. **COMMENTS FROM THE COMMISSIONERS**
11. **ADJOURNMENT**



TACOMA HOUSING AUTHORITY

MINUTES



TACOMA HOUSING AUTHORITY

BOARD OF COMMISSIONERS MEETING MINUTES REGULAR SESSION WEDNESDAY, NOVEMBER 10, 2021

The Commissioners of the Housing Authority of the City of Tacoma met in Regular Session via Zoom at 4:45 PM on Wednesday, November 10, 2021.

1. CALL TO ORDER

Commissioner Young called the meeting of the Board of Commissioners of the Housing Authority of the City of Tacoma (THA) to order at 4:45 pm.

2. ROLL CALL

Upon roll call, those present and absent were as follows:

PRESENT	ABSENT
Commissioners	
	Chair Stanley Rumbaugh
	Vice Chair Shennetta Smith
Commissioner Derek Young	
Commissioner Dr. Minh-Anh Hodge	
Commissioner Pastor Michael Purter	
Staff	
April Black, Executive Director	
Sha Peterson, Executive Administrator	
Julie LaRocque, Interim Deputy Executive Director	
Rich Deitz, Interim Finance Director	
Barbara Tanbara, Interim Human Resources Director	
Marquis Jenkins, Interim Property Management Director	
Roberta Schur, Interim Real Estate Development Director	
Sandy Burgess, Administrative Services Director	
Aley Thompson, Interim Rental Assistance Director	
	Cacey Hanauer, Client Support & Empowerment Director
	Katie Escudero, Interim Policy, Innovation and Evaluation Director

Commissioner Young declared there was a quorum present @ 4:46 pm and proceeded.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Commissioner Young asked for any corrections to or discussion of minutes for the Regular Session of the Board of Commissioners for Wednesday, October 27, 2021. Commissioner Hodge moved to adopt the minutes. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2

Motion approved.

4. GUEST COMMENTS

None.

5. COMMITTEE REPORTS

Real Estate Development Committee—Chair Rumbaugh, Commissioner Young
The committee meeting was canceled.

Finance Committee—Commissioner Hodge and Commissioner Young
The committee did not meet.

Education, Housing Services and Partnerships Committee—Vice Chair Smith, Commissioner Hodge
The committee did not meet.

Community Partnerships and Advocacy Committee—Vice Chair Smith, Commissioner Purter
The committee did not meet.

Diversity, Equity and Inclusion Committee—Vice Chair Smith, Commissioner Hodge
The committee did not meet.

6. COMMENTS FROM THE EXECUTIVE DIRECTOR

Executive Director (ED) April Black directed the board to her report. Tacoma Housing Authority (THA) selected its Diversity, Equity, and Inclusion (DEI) consultant, The Lindsay Group. ED Black thanked the DEI staff review committee who reviewed 20 proposals.

THA has been working with Janice Jackson-Haley to assess and improve THA's recruitment and hiring practices and to search for and select the best Director of Human Resources. An internal search committee will be led by Jackson-Haley. ED Black hopes to meet with the Finance Board Committee the last week of November to go over the 2022 budget. She is continuing to track the federal budget. THA is doing a limited waitlist opening for households from Monday through December 3rd. There will be a Salishan townhall on November 27th in response to the shooting a few weeks ago. ED Black's report also includes the agency vision and strategies, all of which will be discussed further when more commissioners are present.

7. ADMINISTRATIVE REPORTS

Finance

Finance Department (FD) Interim Director Rich Deitz directed the board to the finance report. The Accountability audit is wrapping up with potential results on Friday. Director Deitz is not aware of any findings. There is no information yet on the Exit Conference. THA's Cash is at \$1.2M, Housing and Urban Development (HUD) funds is at \$8.7M, and Revenue is significantly under.

Commissioner Hodge moved to ratify the payment of cash disbursements totaling \$5,867,638 for the month of October 2021. Commissioner Purter seconded.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2

Motion Approved.

Rental Assistance

Rental Assistance (RA) Interim Director Aley Thompson directed the board to her report. Utilization this month is slightly down at 100.8% over last month. RA staff are preoccupied with the waitlist opening, which is not open to everyone. It is only open to households with 9-10 people. One household is leased with Emergency Housing Voucher (EHV) and RA expects to lease another 2-4 within the next week. Staff will continue to monitor the program participation. RA staff are monitoring their roles and responsibilities, working hard on shared caseload. They are shaking up the way work is processed.

Property Management

Interim Property Management (PM) Director Marquis Jenkins directed the board to her report. Occupancy remains over 90% for the portfolio. Staff are moving forward with urgent and emergency work orders. Management is working on late rent funds. Overall, October was especially heavy for PM staff as they navigate events at Salishan when four people lost their lives. There is a townhall being hosted later this month. Marquis is thankful for the PM team and grateful to the veterans on the team and across the agency.

Real Estate Development

Real Estate Development (RED) Interim Director Roberta Schur directed the board to her report. THA is moving forward with the purchase of Saraveda property between Alberta J Canada and the bullpen. Planning is continuing with the Housing Hilltop Project. in that direction.

8. NEW BUSINESS

8.1 RESOLUTION 2021-11-10 (1) (Amendment #1 to LaVonne Dorsey & Associates Contract for Human Resource Leadership Services)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, On October 7, 2021, THA used its small works roster to sign a contract with LaVonne Dorsey & Associates for Human Resources (HR) Leadership Services. The original contract maximum amount was \$72,000; and

WHEREAS, This contract requires an increase due to the unexpected workload to support the Human Resource Department while we search for a new Human Resources Director and support a department consisting of all new staff; and

WHEREAS The contract maximum amount shall be increased to \$125,000; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

THA's Executive Director is authorized to increase the contract with LaVonne Dorsey & Associates by \$53,000 for a contract maximum amount of \$125,000.

Commissioner Hodge motioned to approve the resolution. Commissioner Purter seconded the motion.

AYES: 3
NAYS: None
Abstain: None
Absent: 2

Motion Approved: November 10, 2021

Stanley Rumbaugh, Chair

**8.2 RESOLUTION 2021-11-10 (2)
(DEI and HR Consulting Spending Authority)**

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, The current 2021 budget has a line item of \$50,000 for Diversity, Equity and Inclusion (DEI) Consulting.; and

WHEREAS, This line item has been used for DEI work within THA’s Human Resources Department and will need to be used for agency-wide Diversity, Equity, Inclusion and Belonging (DEIB) work; and

WHEREAS, This line item needs to be renamed to “DEIB and HR Consulting” and increased from \$50,000 to \$175,000; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

THA's Executive Director is authorized to rename budget line item “Diversity, Equity and Inclusion” to “DEIB and HR Consulting” and increase the line item from \$50,000 to \$175,000.

Commissioner Purter motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

AYES: 3
NAYS: None
Abstain: None
Absent: 2

Motion Approved: November 10, 2021

Stanley Rumbaugh, Chair

**8.3 RESOLUTION 2021-11-10 (3)
(COVID-19 Vaccination Policy)**

WHEREAS, during the pandemic, following state guidelines and for the safety of all employees, the agency has required many employees to telework. The agency now wants to give our employees the safest environment to return to the offices when the offices and worksites re-open; and

WHEREAS, the policy and accompanying documents have been shared and negotiated with both unions who support the mandatory vaccination; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

THA’s Executive Director is authorized to implement the COVID-19 Vaccination Policy for all employees, Commissioners, and contractors on our sites.

Commissioner Purter motioned to approve the resolution. Commissioner Hodge seconded the motion.

Upon roll call, the vote was as follows:

AYES:	3
NAYS:	None
Abstain:	None
Absent:	2

Motion Approved: November 10, 2021

Stanley Rumbaugh, Chair

9. COMMENTS FROM COMMISSIONERS

Commissioner Hodge thanked staff for their hard work with the Salishan incident and to the DEI committee for their hard work. Commissioner Purter echoed Commissioner Hodge’s comments and greeted everyone a Happy Veterans’ Day and thanked military personnel even those not in uniform. He also thanked staff for their diligent work. Commissioner Young thanked staff. “It has been a pretty wild year and I want staff to know how much they are appreciated for the work they do,” expressed Commissioner Young.

10. EXECUTIVE SESSION

None.

11. ADJOURNMENT

There being no further business to conduct the meeting ended at 5:24 PM.

APPROVED AS CORRECT

Adopted: December 8, 2021

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

Real Estate Development Committee

Chair Stanley Rumbaugh
Commissioner Derek Young

Finance Committee

Commissioner Derek Young
Commissioner Minh-Anh Hodge

Community Partnerships and Advocacy Committee

Vice Chair Shennetta Smith
Commissioner Pastor Michael Purter

Education, Housing, Services and Partnerships Committee

Vice Chair Shennetta Smith
Commissioner Minh-Anh Hodge

Diversity, Equity and Inclusion Committee

Vice Chair Shennetta Smith
Commissioner Minh-Anh Hodge



TACOMA HOUSING AUTHORITY

**COMMENTS FROM THE
EXECUTIVE DIRECTOR**



TACOMA HOUSING AUTHORITY

To: THA Board of Commissioners
From: April Black, Executive Director
Date: December 10, 2021
Re: Executive Director's Monthly Report

The Executive Director report serves as a summary of high-level agency activities.

There are no written reports from the departments in the month of December. Department staff will be available to provide verbal updates at the meeting.

I'd like to start this month's report with a thank you. This work would not be possible without the leadership of THA's Board and the commitment and grit of THA's staff. I could not wish for a more dedicated, smart, thoughtful, and enjoyable team to work with. Thank you for all you do for and with THA. I appreciate you.

1. THA Budget and Federal Funding

2.1. 2022 THA Budget

The "main event" for this month's board meeting will be the review and adoption of THA's 2022 Budget. The details of the budget are included in the board packet. You will note that:

- The proposed budget balances recurring income within recurring expenses
- Many of the budget increases, and new staff positions, support the 2022 agency priorities we set with the Board in September. The priorities are:
 - *Incorporate Diversity, Equity, Inclusion and Belonging (DEIB) in all THA work.*
 - *Support staff and make THA a place where people belong and are valued as people.*
 - *Provide excellent customer service for internal and external customers.*
 - *Align THA's goals and strategies with greater community goals.*
 - *Realign THA departments, positions, etc. to meet the goals of the community and agency, support staff, reduce redundancy, and offer clearer lines of responsibility and authority.*
 - *Refine education project—relationships with institutions/students/property owners, clear and measurable goals, simplify so work can be embedded in THA programs.*
 - *Renew overt goals related to Section 3—THA hiring, CSE priorities, all development projects.*

- *Maintain 99% occupancy in the portfolio.*
- *Fully utilize Emergency Housing Voucher funds.*
- *Maintain financial sustainability.*

2.2. FY22 Federal Budget

There have been few changes to the federal fiscal year budget since the November Board meeting. As of the time I wrote this report, we were still waiting on news about a Continuing Resolution and the Build Back Better Infrastructure Bill. Both Congressional actions will significantly impact THA’s work. While we have budgeted for flat funding in the 2022 budget you will review and approve this month, we remain hopeful that additional funds will come in once the HUD budget is passed and the Build Back Better funding is finalized.

2. Diversity, Equity, Inclusion, and Belonging

1.1. DEIB Consultant

THA has selected the Lindsay Group as its DEIB Consultant. We are still finalizing the contract terms but expect work to begin by mid-December. The work will consist of an organizational assessment. The tentative work plan for the assessment is below:

Phase	Task Details
Phase 1	<ul style="list-style-type: none"> ● Engage research plans and establish an antiracist & anti-oppressive DEI strategic plan template based on EDI audit.
Phase 1	<ul style="list-style-type: none"> ● Schedule key informant interviews and focus groups for goals and objectives survey ● Organizational Background research
Phase 1	<ul style="list-style-type: none"> ● Complete key informant interviews, focus groups ● Conduct Values identification session ● Conduct Vision Worksheet session ● Touchpoint #1 ● Analyze data ● Complete situational analysis ● Final data narrative to be reported to Tacoma Housing Authority Leadership
Phase 2	<ul style="list-style-type: none"> ● Touchpoint #2 <ul style="list-style-type: none"> ○ Facilitate strategic planning sessions with management and staff ○ Identify critical HR systems issues facing Tacoma Housing Authority ○ Establish Strategic Planning Taskforce (STP)

Phase 2	<ul style="list-style-type: none"> • Touchpoint #3 <ul style="list-style-type: none"> ○ Goal setting, establish objectives, and strategies/tactics for the strategic plan
Phase 3	<ul style="list-style-type: none"> • Touchpoint #4 <ul style="list-style-type: none"> ○ Develop timelines, benchmarks, and a process for reviewing the plan; ○ Develop HR policies where necessary
Phase 4	<ul style="list-style-type: none"> • Touchpoint #5 <ul style="list-style-type: none"> ○ Review complete Strategic Plan, effect final adjustments • Touchpoint #6 <ul style="list-style-type: none"> ○ Presentation of the finalized Strategic Plan to Tacoma Housing Authority

While the Lindsay Group is completing its organizational assessment, they will also provide Anti-oppressive and Anti-racist DEI Focused Learning and Development Workshops. The timeline and highlight of those workshops are below:

Week	Activity	Objective	Applied Learning: Case Method Approach
Week 1 (120 Mins)	<i>Introduction: What is Oppression? (Implicit Racial Bias in society and organization context)</i>	Facilitators will lay the foundation for all the training, introducing antiracist philosophy and frameworks. Participants will be provided a brief but thorough history of racism from a multicultural perspective to present day events weaving in everyday occurrences of bias and microaggressions that BIPOC encounter.	Participants will be given examples of scenarios where they will be asked to apply their learning and share with the group how they handled the situation.
Week 2 (120 Mins)	<i>Microaggressions & Macroaggressions Using Restorative Justice Practice to Preventing and Addressing Microaggressions</i>	Through interactive activities and media, participants build a shared understanding of how implicit bias functions and how it can materialize in the act of microaggressions and how microaggressions can harm BIPOCs. Participants will explore a framework for preventing and addressing microaggressions in the workplace.	Participants will draw on their learning and engage in courageous conversations from a students perspective.

Week 4 (120 Mins)	<i>Applied Learning of the anti-racist framework</i>	Using scenarios as learning tools (case method approach), participants will practice applying the anti-oppressive framework, designed to address implicit and unconscious bias and begin considering how to continue these techniques and practices in their own work.	Participants will engage in real world experiences so that real transformational change occurs in their approach to teaching their students and interacting with their colleagues and peers.
Week 5 (90 Mins)	<i>Antiracist/Anti-oppressive Reflexive Dialogics Follow up and ongoing guidance via learning and development</i>	Cementating radical and transformative change of self for multicultural organizational behavior outcomes. Using a case method approach, participants will practice applying the restorative framework and begin considering how to continue these practices in their own work through a facilitated dialogic process.	Surveys and tools will be administered to participants for reinforcement of learning activities to ensure the adoption of anti-racism framework is successful.

Thank you to the THA staff committee that reviewed the 20 DEI Consultant proposals, conducted finalist interviews and made the recommendation to work with Lindsay. This process was time-consuming and took a lot of thought and care. Sha Peterson led this group. The other committee members were Lester Pogue, Alyssa Torrez, Yvonne Ginoulis, Lacie Ricci, Rainy Esteves, and William Morse.

3. THA Property for Temporary Shelter

For the past several months, we have been talking about our plans to license THA’s property on the corner of S 10th and L Streets to the City of Tacoma for a temporary shelter. Unfortunately, those plans have fallen through and the property will not be used. This is disappointing news, especially given the growing number of campers near the property.

Thank you to Vickie Stark in RED for her work negotiating with the City and trying to find solutions.

Over the next several weeks we will be working with the City to provide outreach to the campers on THA property to offer safe, sanitary alternative housing options. Once the City has made contact with all campers and alternative options have been identified and offered, we will sign a no-trespass order for THA’s properties.

4. MTW Compliance Letter

THA received confirmation that it is compliant with its Moving to Work (MTW) requirements. Thank you to Katie Escudero and the PIE team for monitoring and reporting on THA’s MTW activities.

5. Salishan Town Hall

There was a Salishan Town Hall on November 22nd to discuss community safety in the wake of the deadly shooting there in late October. About thirty people attended the meeting, about ten of them were residents of Salishan. The meeting also included Mayor Woodards, City Councilmember Ushka, County Councilmember Campbell, members of the police department, Salishan Association Board members and staff, and THA staff. We were able to answer many of the questions from the community and committed to ongoing conversations about resident involvement.

6. Agency Strategy and Priorities

At the November board meeting, I introduced my proposed vision, strategies, and goals for the next 100 days. I have provided this information in the following pages. I am hopeful that we can mutually align behind these strategies and goals and begin to use them in our monthly reporting and in building the metrics by which we will measure our success as an agency. At the November meeting we agreed these vision, strategies and goals needed broader Board discussion. I am hopeful we can begin digging into this in January. I suggest a study session.

In the meantime, I am beginning to refine the proposed goals with proposed metrics and prepare a more detailed proposal about how we realign our goals around creating affordable housing within the community. We are also moving forward with driving to achieve the goals we set for the remainder of 2021 and for the first 100 days I am in this new role.

6.1. Goals for remainder of 2021

We set priorities with the Board in September 2021. We have already achieved a few goals we set to accomplish October through December 2021:

- *Began implementing the cyber security policies/procedures/practices*
- *Launched the Business Process Improvement Project*
- *Went live with the new THA website*
- *Made a recommendation about a new software system for the agency*

6.2. Goals for first 100 days

Below is an update on the remaining goals for the first 100 days (*November 1 to February 9, 2022*):

- Create enough space in our work to allow people to enjoy the upcoming agency holidays.
- Complete an agency reorganization that clarifies roles and responsibilities and increases efficiency across the agency.
 - I have been working with the Leadership Team on a proposed reorganization. The first phase of the reorganization will be limited because of the high number of vacancies we have within the agency—I do not want to lose track of important tasks and projects by reorganizing without adequate leadership. The

proposed reorg will be shared with staff in December and discussed in staff meetings that are already scheduled. I hope to finalize the plan and implement it in January.

- Post vacant leadership positions. (Not all will be posted at the same time since some positions will report to others)
 - I have identified the leadership positions that will need to be posted and filled and prioritized them with HR. We have strong internal candidates for some of these positions but all of them will be posted internally and externally. The positions are listed below:
 - Director of Human Resources (Posted)
 - Asset Manager (Re-writing job description. Will post in December)
 - Property Operations Manager (Re-writing job description. Will post in December)
 - Director of Finance (Updating job description. Will post in December)
 - Deputy Executive Director of Housing and Services
 - Director of Policy, Improvement and Evaluation (PIE)
 - Director of Strategy, Engagement and Communications
 - Intergovernmental Affairs Manager
 - Compliance Manager
 - Any internal promotions into these positions will result in more vacant positions that will be posted.
- Select a Diversity, Equity and Inclusion consultant and complete the first phase of work outlined in the RFP.
 - Work will begin in December.
- Fully implement the vaccine policy.
 - The vaccine policy was released to staff November 21st. All staff must complete their vaccinations or exemptions by January 14th.
- Fully implement the cyber security policies/procedures/practices.
 - In process
- Make a recommendation about the DOC-CHAP set aside.
 - PIE and Rental Assistance have been exploring options for utilizing these subsidies, including a potential partnership with a local service provider. Staff are assessing the feasibility of the options, with the recognition that there continues to be a mismatch in the availability of sustainable services funding and the high needs of the target population - unhoused folks exiting the criminal

justice system. Staff are working towards making a recommendation by the February 9th deadline.

- Formalize THA's acquisition and development process.
 - This work will begin in January once the reorganization is complete.
- Update the 3-year financial forecasting tool.
 - Finance is working on this and it will be completed by January 10th.
- Award at least 50 new PBV-VASH, PBV or PBS into existing housing immediately available to households exiting homelessness.
 - The RFP has been published.
- Acquire one new residential property.
 - The Rapid Acquisition Team continues to evaluate properties to purchase.
- Create a THA reopening plan and finalize a Telework policy.
 - This policy is in draft form. It will be prioritized in January.

7. Housing Opportunity Program Recommendations

Over the past year, the Policy, Innovation, and Evaluation Department (PIE) has evaluated the Late Rent Assistance Program, the College Housing Assistance Program (CHAP), and the Housing Opportunity Program (HOP). Findings from these evaluations and feedback from partners and staff compelled PIE to explore the outcomes among participants in our special programs compared to the participants in our traditional Housing Choice Voucher (HCV) program.

The Housing Opportunity Program (HOP) was launched in 2013 with a goal of serving more households without increasing costs. Any new clients receiving a voucher would be issued a fixed subsidy HOP voucher instead of the income-based Housing Choice Voucher. The HOP subsidy is worth 50% of the payment standard, with the household paying the remaining rental costs. In contrast, HCV limits the household's contribution to approximately 30% of their monthly income with THA covering the remaining rent payment. Additionally, households that are not senior or disabled are limited to five years of assistance on HOP. HCV does not have a time limit for assistance.

At the time the HOP subsidy was implemented, THA could not have predicted the rental market would become as competitive as it has. Nor would we have predicted that our community would be facing the added challenge of navigating a new family and work life resulting from a global pandemic. These dramatic changes call for THA to closely evaluate if and how our MTW innovations have helped households navigate these challenges. Further, an increased focus and commitment to racial equity led PIE staff to look at how housing outcomes compared between demographic groups.

The evaluation work was framed around four guiding questions:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
2. *Income: Does a HOP household's income change while receiving assistance?*
3. *Program Exits: When and why does a HOP household exit the program?*
4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The findings of the HOP evaluation demonstrate that households with a traditional HCV subsidy are better off than households receiving a HOP subsidy. HCV households are more likely to lease up, less likely to experience a severe rent burden, more likely to increase their income, more likely to exit under positive circumstances, and exit with lower rates of a severe market rent burden.

The findings hold true across nearly all demographic groups. Most significantly, disparities that are observed in the HOP program are often reduced, if not entirely reversed, when compared to the HCV population. For instance, while both Black, Indigenous, and people of color (BIPOC) and white households have greater lease up success on HCV, the disparity in lease up rates is half what it is on HOP (a difference of 3 percentage points compared to 7 percentage points).

Discussions about HOP's efficacy often include concerns about how modifications to HOP will impact the waitlist. While reviewing these findings, we ask the Board to consider not only how these outcomes impact turnover and the rate at which more families are pulled from the waitlist, but also how these outcomes impact how many households are left returning to the waitlist, or the homelessness system more broadly.

The HOP evaluation is attached to this report for your review. Sha and I will coordinate with the Board in early January to schedule a study session to discuss the HOP report and next steps.

Thank you to Jess Thompson and Katie Escudero for their work on this evaluation. It shows an incredible amount of critical analysis.

AN ASSESSMENT OF THE HOUSING OPPORTUNITY PROGRAM

Department of Policy, Innovation, and Evaluation

December 2021

EXECUTIVE SUMMARY

Over the course of 2021, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
2. *Income: Does a HOP household's income change while receiving assistance?*
3. *Program Exits: When and why does a HOP household exit the program?*
4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The general Housing Choice Voucher (HCV) population was used as a comparison group.

Leasing

Overall, HCV households showed greater success securing housing than HOP households (82% compared to 64%). Though changes in the rental market have led to lower lease up rates for participants in both programs, HCV households have generally maintained greater lease up rates. However, extremely low-income households (those earning 30% of the area median income or less) with a HOP voucher were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional voucher subsidy.

When comparing lease up outcomes by program and race/ethnicity, rates were somewhat similar for white and Black, Indigenous, and people of color (BIPOC) headed households. Yet, BIPOC households participating in CHAP and CHOP were less successful at securing housing than white households. Additionally, as the market has become more competitive over time, BIPOC households using a HOP voucher have increasingly been unsuccessful at leasing up compared to white shoppers.

Income

HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. A narrower analysis of work-able households housed in 2012-2014 and exited in 2018-2020, found that 85% of HCV households increased their income compared to just 60% of HOP households. The average HCV household's income increased nearly 200% while HOP household's income only increased by 33%.

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP.

Program Exits

PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP and HCV households that exited between 2018 and 2020 to determine the circumstances of clients' exits. The likelihood of HCV households exiting under positive circumstances is double that of HOP households. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits. Only 20% of HOP households exit due to reaching the 5-year time limit. Achieving self-sufficiency (reaching >80% AMI) appears to be as common as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

Rent Burden

Despite HOP households having a higher income than HCV households at entry, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely while on HOP than HCV. CHAP and CHOP households face greater current rent burdens than clients on other programs.

HOP households are more likely to exit with a severe market rent burden than HCV households (77% compared to 60%). Further, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA's voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP (18% compared to 9%). Across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

Racial Equity Impact

Across nearly all demographic groups, households experience increased success on the Housing Choice Voucher. Most significantly, the disparities that are observed in the HOP program are often reduced, if not entirely reversed, when compared to the HCV population. For instance, while both BIPOC and white households have greater lease up success on HCV, the disparity in lease up rates is half what it is on HOP (a difference of 3 percentage points compared to 7 percentage points).

Recommendations

The data leads the PIE department to recommend moving HOP households to the tiered income-based subsidy model used for HCV. This change would benefit two thirds of current HOP households, increasing their housing assistance payment by \$211/month (\$200 median increase). Those that experience a reduction in their rental assistance will pay an average of \$166 more/month (\$123 median decrease).

Additionally, we recommend eliminating the time limit on assistance while maintaining administrative efficiencies that have worked well for HOP.

INTRODUCTION

In June 2020, in response to the COVID-19 pandemic and its subsequent economic impacts, the Tacoma Housing Authority (THA) suspended time limits through the end of 2020 for its four time-limited, tenant-based rental assistance programs. As the pandemic continued to take its toll on the local community, the agency decided to extend this moratorium through 2021. Throughout this same time, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three of these time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
2. *Income: Does a HOP household's income change while receiving assistance?*
3. *Program Exits: When and why does a HOP household exit the program?*
4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The general Housing Choice Voucher (HCV) population was used as a comparison group when data was available.¹

Following this analysis, PIE provides recommendations for program changes that aim to increase household stability and positive housing outcomes. The recommendations in this report will address the HOP program more generally, with specific CHAP and CHOP program recommendations presented separately in the appendices. First, PIE situates this investigation within the background and context within which the program operates.

BACKGROUND AND CONTEXT

The Development of the HOP Subsidy

The HOP subsidy model was developed in 2013 with the intent to serve more households with a slightly shallower subsidy. At that time, THA was facing budget constraints. Many housing authorities were freezing vouchers, but THA wanted to find a way to continue to serve our households and serve more households with less.

To accomplish this goal, THA went from offering an income-based subsidy to a fixed subsidy model. The HOP subsidy would cover 50% of the payment standard, leaving the household to cover the remaining rent portion. Traditional Housing Choice Vouchers (previously known as Section 8 vouchers) limited a household's share of rent to 30% of their monthly income. The housing authority would cover the remaining rent balance.

¹ The HCV comparison population was smaller than the HOP population as data on households who entered before 2012 was not readily available. The work-able HCV population was small, limiting PIE's ability to draw conclusions about disaggregated data, especially when disaggregated by race.

The aim of the HOP subsidy model is to “thin the soup” and serve more households in return. At the onset of the program, it was estimated that the average household on HOP would spend roughly 34% of their income on rent – slightly above those on the traditional voucher program (which aims for around 30%), but not so much as to cause a significant rent burden.

The flat subsidy is also a way to lessen any confusion for households, landlords, and staff by simplifying the subsidy amount. Landlords and tenants are not subject to fluctuations in THA’s payments as a household’s income changes. Households know exactly how much THA would contribute to their rent amount once they were accepted to the program. The households can determine for themselves how much they could afford with THA’s assistance already set and defined. The fixed subsidy also allows households to increase their income without having to face an increase in their portion of the rent payment. However, it also means they are responsible for their portion of the rent if they lose income.

Additionally, since the subsidy is fixed based on household size at entry, it also meant that clients do not have to undergo the standard annual recertification and verification of income. Recertifications on HOP are less invasive and require less documentation than the traditional voucher – saving time for both the client and THA staff.

Further, households that are work-able (not elderly or disabled) have a five-year time limit on the program. The time limit is intended to serve two purposes: 1) motivate households to increase their earnings in preparation for the end of their housing assistance, and 2) limit the time on assistance to create more frequent turnover so that households on the waitlist get a turn at receiving rental assistance.

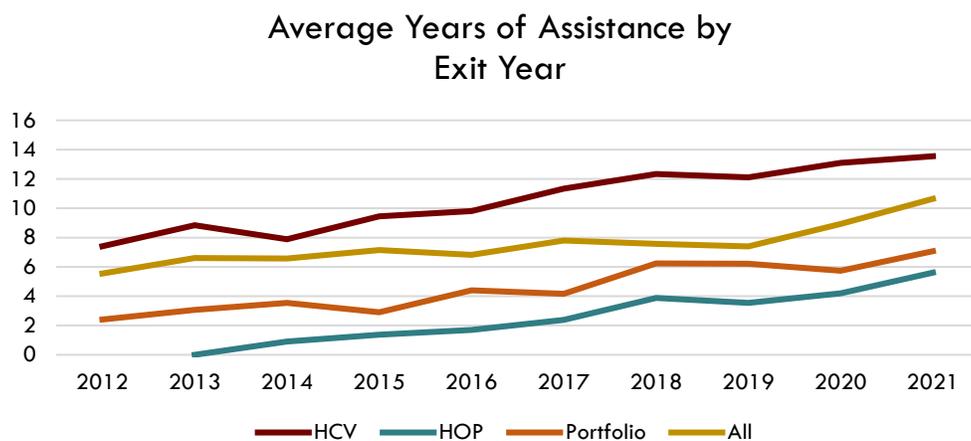
The model has been expanded to serve two populations in addition to new HCV households: community college students experiencing housing insecurity and homelessness and families and foster youth involved in the family court system.

Housing Opportunity Program	
Fixed Subsidy	THA pays 50% of the payment standard. The household pays the remaining housing costs .
Voucher Size	Based on 2 people per bedroom. Adjusted if household size decreases . Does not adjust if household size increases.
Time Limit	No time limit for elderly/disabled households. 5-year limit for work-able households.
Utility Allowance	None.
Changes in Income	The subsidy amount will not change if a household's income changes.

Housing Choice Voucher	
Income-based Assistance	The household pays ~30% of income on rent. THA pays the remaining housing costs.
Voucher Size	Based on 2 people per bedroom. Adjusted if a household size decreases OR increases .
Time Limit	No time limit for all households.
Utility Allowance	Factored into subsidy.
Changes in Income	When income increases, the subsidy amount decreases at the household's next re-certification (every 2-3 years). The subsidy will increase if there is a loss of income.

The HOP Subsidy Today

Since the program was developed in 2013, Tacoma’s housing market has become increasingly out of reach for low-income households. A low vacancy rate, in-migration of higher wage earners, and gentrification are driving this trend. Meanwhile, wages among low-income workers have not kept pace with these growing housing costs. Between 2016 and 2019, the median rent in Tacoma increased by 21% while median renter income increased by just 12%.² The National Low Income Housing Coalition reported that a minimum wage worker in Pierce County had to work 80 hours a week to afford the fair market rent for a two-bedroom unit in 2020. The impact of these changes can be seen in the following chart. Across both the HOP and HCV voucher programs and the THA portfolio, time on assistance has increased across the board for work-able households.



Specifically, in recent years, exiting HCV households received assistance 30% longer than they were prior to 2018. Portfolio tenants at our family properties remained in their units for nearly twice as long as tenants that exited in previous years. The increased time on HOP, shown in the chart on the following page, is to be expected as the program was being implemented and enforcement of the time limit has been halted during COVID. While the average time is different between programs (and a worthwhile topic for future exploration), the overall trend across programs stresses the importance of how local market conditions and access to unsubsidized affordable housing impact length of assistance.

This situation has only been exacerbated by the COVID-19 pandemic. According to Opportunity Insights, employment rates among Pierce County workers in the bottom wage quartile decreased by 33.3% between January and April 2020.³ As of December 2020, nearly a quarter of renter households making less than \$25,000/year reported being behind on their rent.⁴ Fortunately, government has stepped in to respond to the economic devastation wrought by the pandemic. State and national government instituted eviction moratoria. Congress passed a series of emergency relief bills culminating most recently in the

² Root Policy Research, 2020.

[https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/D2%20Packet%20-%20Home%20In%20Tacoma%20Project%20\(11-18-20\).pdf](https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/D2%20Packet%20-%20Home%20In%20Tacoma%20Project%20(11-18-20).pdf)

³ Opportunity Insights, 2021. <https://www.tracktherecovery.org/>.

⁴ Joint Center for Housing Studies, 2021. <https://www.jchs.harvard.edu/blog/interactive-tool-illustrates-disparate-economic-impacts-pandemic>

American Rescue Plan Act, which provides a historic investment in new federal housing resources. Finally, the new administration is contemplating universal voucher coverage for qualifying households. Currently, only about a quarter of households who qualify for housing assistance receive it.

A challenging economic outlook for low-income renters in combination with new and deep investment in housing resources require THA take a renewed look at the HOP subsidy model. In addition, eviction moratoria are expiring, allowing landlords to increase rents and bring legal action if renters cannot keep up with the cost of housing and do not qualify for or have exhausted their assistance⁵. HOP households will shoulder 100% of the rent increases whereas HCV households would continue to pay an affordable rent based on their income. This challenging situation adds urgency to this issue.

The following sections look at how current and past HOP participants fare compared to the HCV population. The analysis focuses on four main areas: lease up success, changes in income while on THA assistance, circumstances around program exit, and rent burden at exit. Following the analysis, the final sections detail which demographic groups most benefit from HOP and the financial impacts of eliminating the flat subsidy model.

⁵ Rental assistance programs often require that the household demonstrate that COVID has had a direct impact on their employment/wages. Clients whose employment has not been impacted, but simply cannot afford their rent should it increase, will not be deemed eligible for COVID-related rental assistance.

A NOTE ABOUT DATA

THA stopped issuing Housing Choice Vouchers when HOP was implemented. Additionally, the move to Open Door, THA's administrative database, resulted in limited access to data prior to 2012. To ensure sample populations were comparable when looking at entry and exit data, PIE staff had to limit the analysis to the final cohort of HCV participants. These participants were issued a voucher in 2012 and, if successful leasing up, were housed between 2012-14. While this limits the sample set, it does provide a group that we can compare early HOP households to. Both groups entered at roughly the same time and when we look at household that exit at roughly the same time we can control for outside factors that may impact household outcomes. This is especially important since the rental landscape has changed dramatically over the last five years.

Households moving with an HCV were included in the lease up analysis to see if and how shopping with an income-based subsidy compared to shopping with a fixed subsidy as the rental market became more competitive.

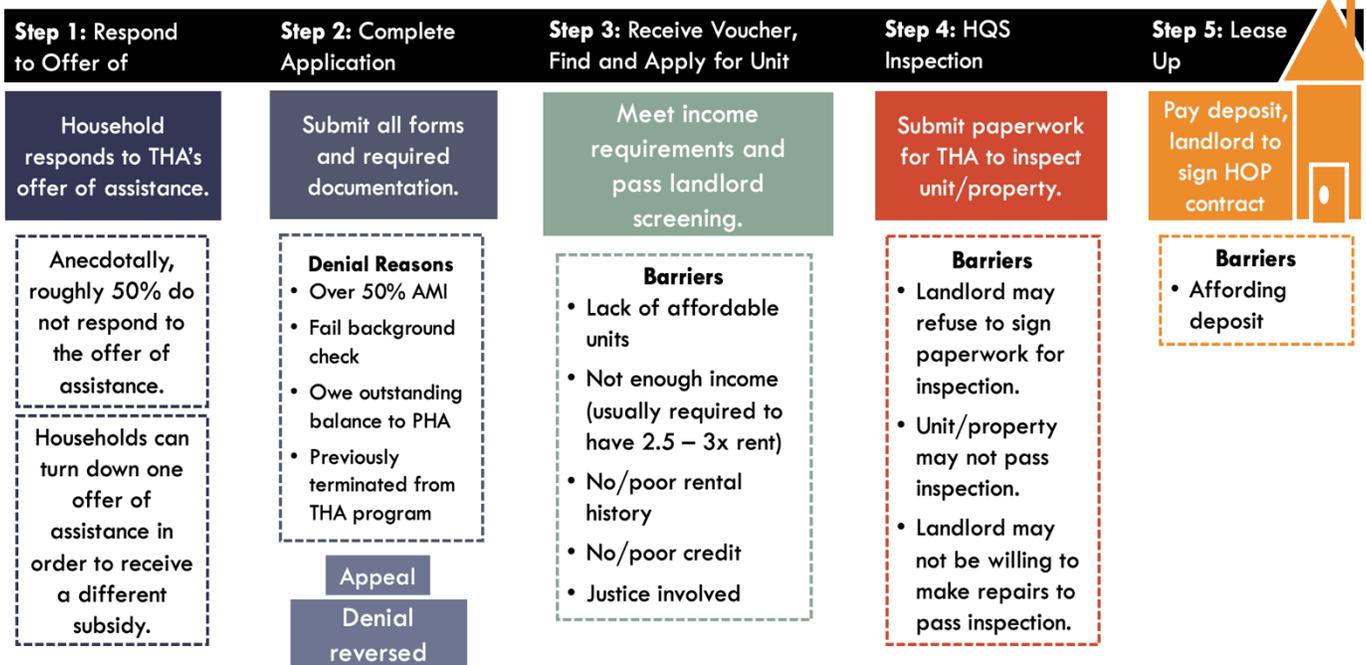


Additionally, HOP data is presented in two ways. Participants in CHAP and CHOP make up nearly 20% of the households receiving a HOP subsidy. However, these are special programs with additional program requirements. Many charts will present the combined HOP data and include a section that separates out CHAP and CHOP from HOP. Additional findings and discussion about CHAP and CHOP are presented in Appendices A and B.

LEASING

All households that receive a HOP or HCV subsidy go through the same process once pulled from the waitlist. Receiving an offer of assistance does not always guarantee that a household will be able to find and secure affordable housing. The following graphic details the process and the barriers that may prevent households from moving forward to the next step.

From Offer of Assistance to Housed

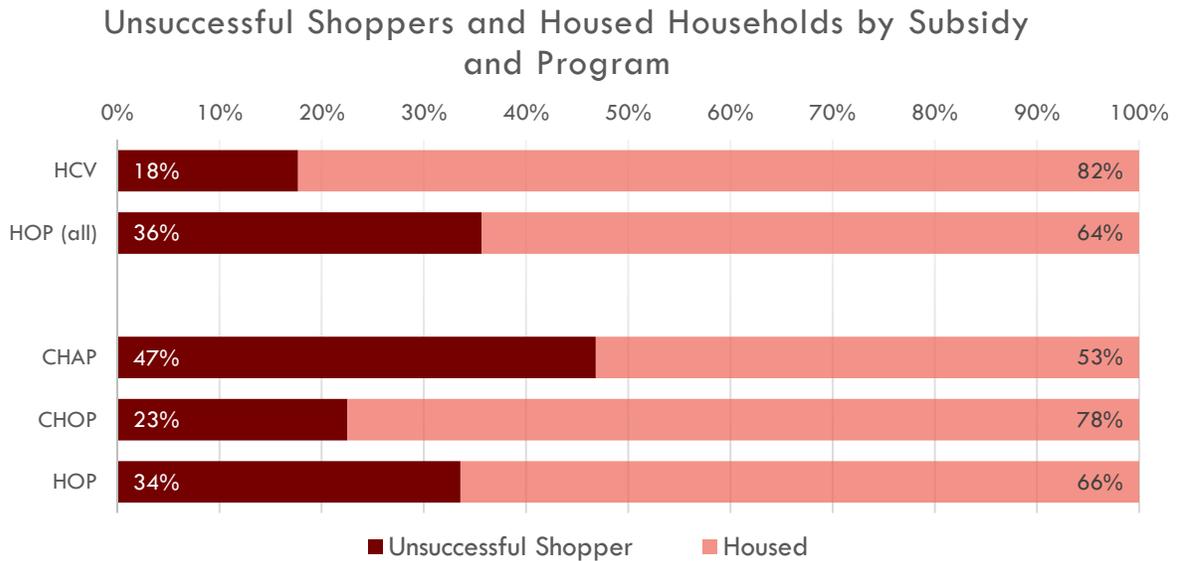


It is important to note that the barriers listed under Step 3 (find and apply for a unit) are additional screening criteria set by private landlords. THA does not have control over how strict the landlord is in defining screening criteria or what level of income they require of tenants to income qualify for the unit.

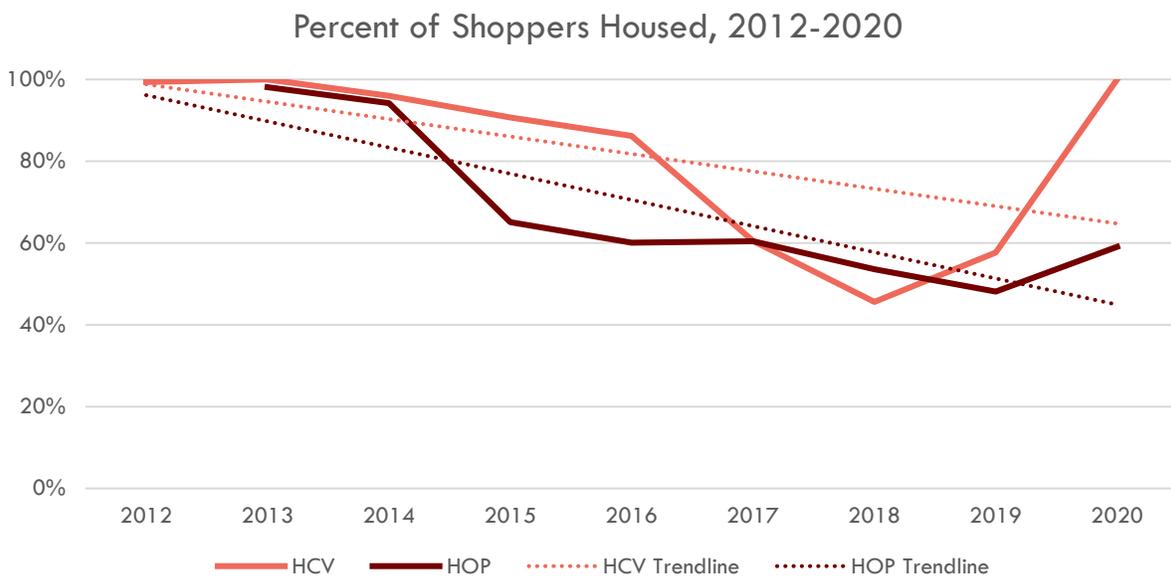
To understand if HOP participants encounter greater barriers leasing up than HCV participants, PIE analyzed lease-up data for all households that were provided a shopping voucher between 2012 and 2020. The data in this section includes new admissions *as well as movers* (this allows us to see how HCV compares to HOP as the rental market became more competitive). When shopping for housing, households are given 90 days. If they are unsuccessful, they may apply for an additional 120-day extension. If they are unable to secure housing in that time, they are defined as an unsuccessful shopper.

HCV households had a greater likelihood of securing housing than HOP households.

The vast majority (82%) of HCV households were successful in leasing a unit compared to 64% of HOP households. Participants in the College Housing Assistance Program (CHAP) were the least likely to have success using their voucher.



Additionally, when analyzing how shoppers have fared over time, it is clear that changes in the rental market have hurt participants in both programs. However, HCV households have generally maintained greater lease up rates when compared to HOP households.

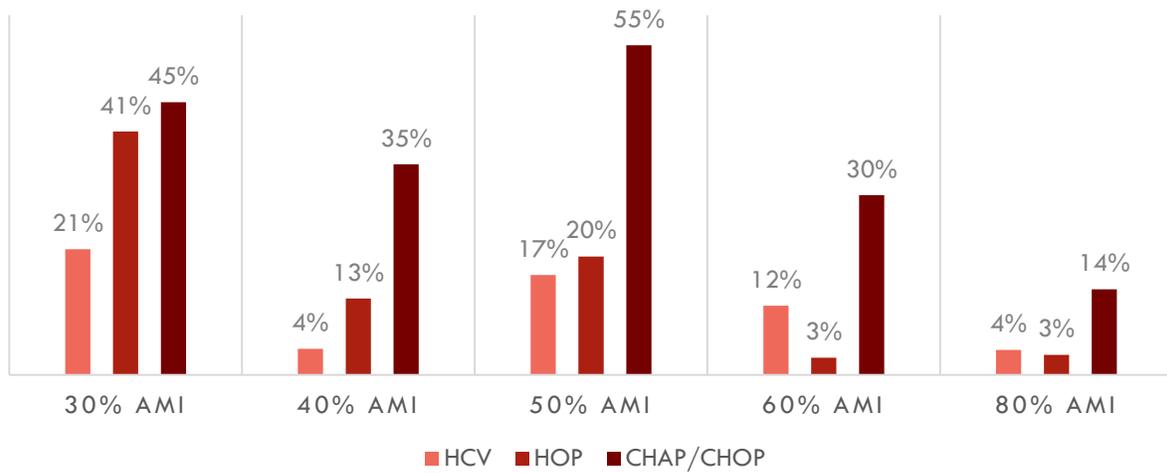


Extremely low-income households with a HOP voucher were least successful in securing a unit.

Extremely low-income households (those earning 30% of the area median income or less) with a HOP voucher were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional HCV. This finding is important as households at or below 30% AMI make up nearly three quarters of our voucher recipients.

Shoppers in special programs CHAP and CHOP are consistently less likely to lease up with a shopping voucher across all income levels.

Unsuccessful Shoppers by Area Median Income



These findings can best be explained when we consider what it takes for a household to meet private landlords' screening criteria. Most often, landlords require that a household make 2.5-3 times their portion of the rent to income qualify. The scenarios on the following page demonstrate three common circumstances for THA clients: lack of employment (Scenario A), living on a fixed income (Scenario B), and being at 20% area median income (this represents the average household that qualified for a two-bedroom unit and was issued a voucher between 2018 and 2020).

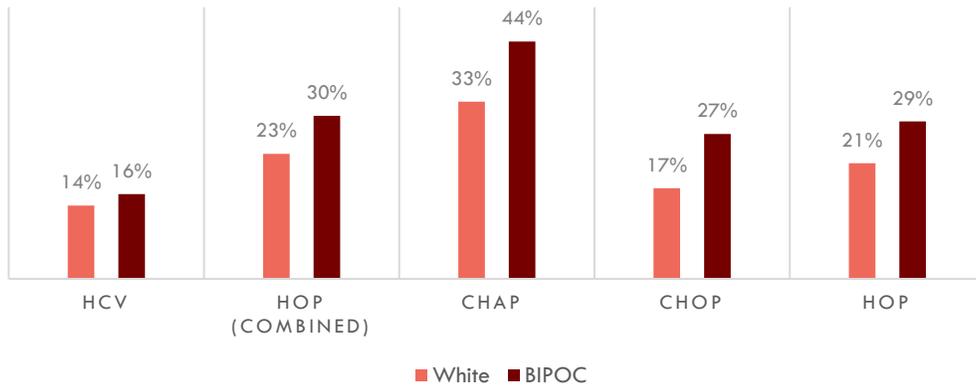
The following scenarios assume that the contract rent is the same as the current payment standards. Voucher size is based on two heartbeats per room. Tenant rent for the HCV program is based on 30% of the household’s monthly income (THA also has a minimum rent amount, which is why Scenario A shows \$75 in rent). The tenant portion of the rent for HOP is 50% of the payment standard.

	Scenario A: Unemployed couple with an infant. The family qualifies for a 2-bedroom payment standard.		Scenario B: Single elderly individual on fixed \$791/mo SSI payment. They qualify for a 1-bedroom payment standard.		Scenario C: Single parent with three children, working 25 hrs/week for \$15. The family qualifies for a 2-bedroom payment standard.	
Household Characteristics						
1. Annual Household Income	\$0		\$9,492		\$19,500	
2. Voucher Size	2		1		2	
3. Payment Standard/Contract Rent	\$1,484		\$1,162		\$1,484	
Subsidy Program	HOP	HCV	HOP	HCV	HOP	HCV
4. Rent based on 30% of income		\$75		\$237		\$487
5. Rent based on 50% of payment standard	\$742		\$581		\$742	
6. Portion of monthly income spent on rent	>100%		73%	30%	46%	30%

Black, Indigenous, and people of color (BIPOC)-headed households are less likely to lease up than white households, but the disparity is less for HCV households.

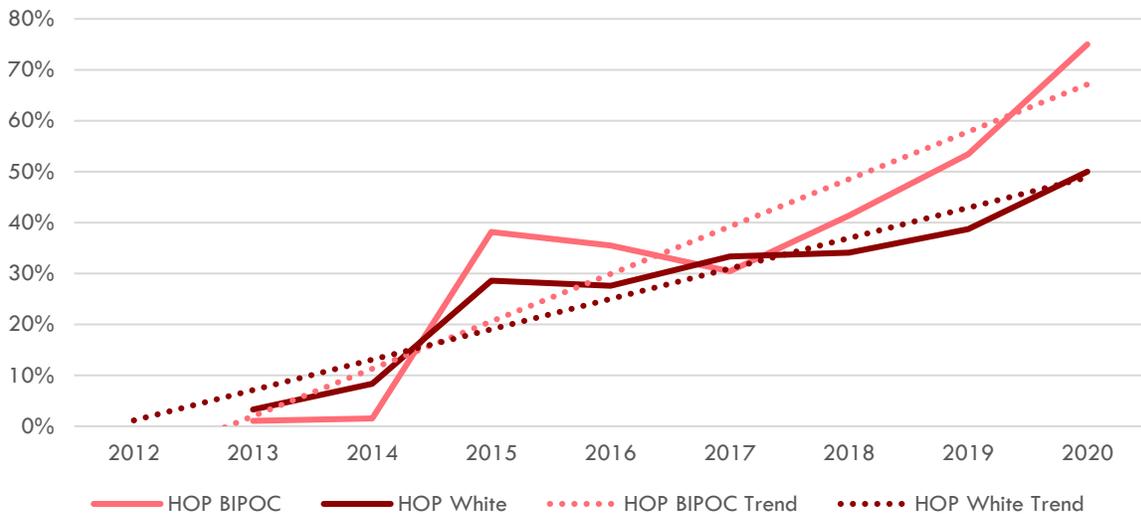
When comparing lease up outcomes by program and race/ethnicity, there is a disparity between white households and BIPOC households across all programs. However, the disparities are worse on those programs using a HOP subsidy. Regarding HCV, BIPOC households have lower lease-up rates than white households, but the difference is two percentage points as opposed to seven.

Unsuccessful Shoppers By Program and Race/Ethnicity



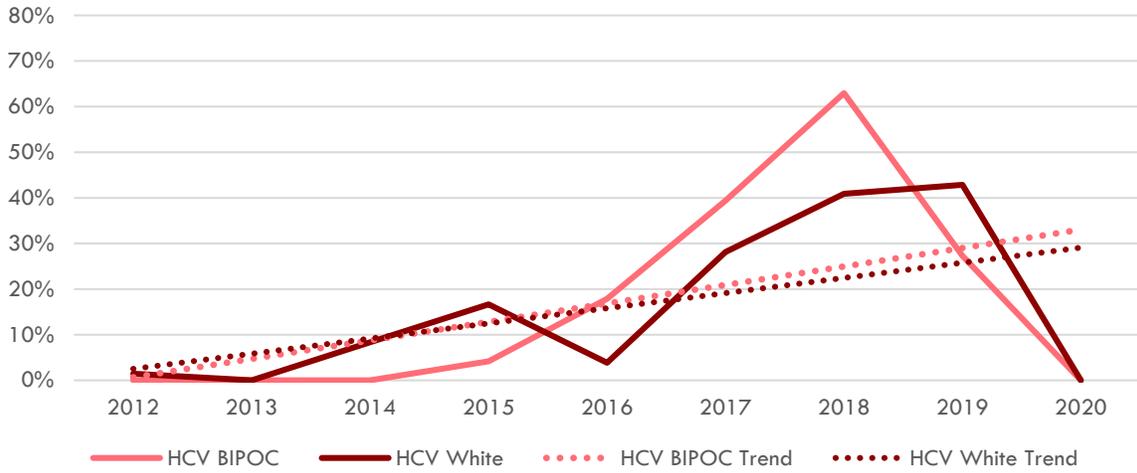
Additionally, as the market has become more competitive over time, the rates of unsuccessful shoppers have increased. However, BIPOC households shopping with a HOP subsidy been most negatively impacted.

Percent of Unsuccessful Shoppers, HOP 2013-2020



In comparison, though HCV shoppers have also experienced an increase in people not leasing up, the trends do not demonstrate the disparate impact that we observe with HOP.

Percent of Unsuccessful Shoppers, HCV 2012-2020



Regardless of how shopping data is disaggregated, nearly all demographic groups have greater lease up success on HCV compared to HOP.

Lease Up Success by Demographics	HCV		HOP	
	% Housed	N	% Housed	N
All clients	82%	486	64%	1498
Female	81%	383	68%	1122
Male	88%	101	55%	376
BIPOC	84%	250	70%	721
White	87%	200	77%	312
BIPOC - Female	84%	200	74%	539
White - Female	84%	155	78%	237
BIPOC - Male	88%	49	58%	182
White - Male	98%	44	75%	75
African American/Black	86%	168	76%	340
American Indian/Alaska Native	71%	7	71%	17
Asian American	100%	14	83%	40
Multiple Races	100%	13	58%	76
Native Hawaiian/Pacific Islander	74%	19	67%	30
White	85%	226	79%	403
Unknown/Did not disclose	46%	39	47%	592
Hispanic (race not disclosed)	67%	3	43%	127
Hispanic White	73%	26	86%	91
Hispanic BIPOC	88%	8	86%	59
Non-Hispanic White	87%	200	77%	312
Non-Hispanic BIPOC	86%	213	75%	398
30% AMI	79%	353	58%	1127
40% AMI	96%	46	83%	186
50% AMI	83%	36	73%	101
60% AMI	88%	26	91%	45
80% AMI	96%	24	95%	37

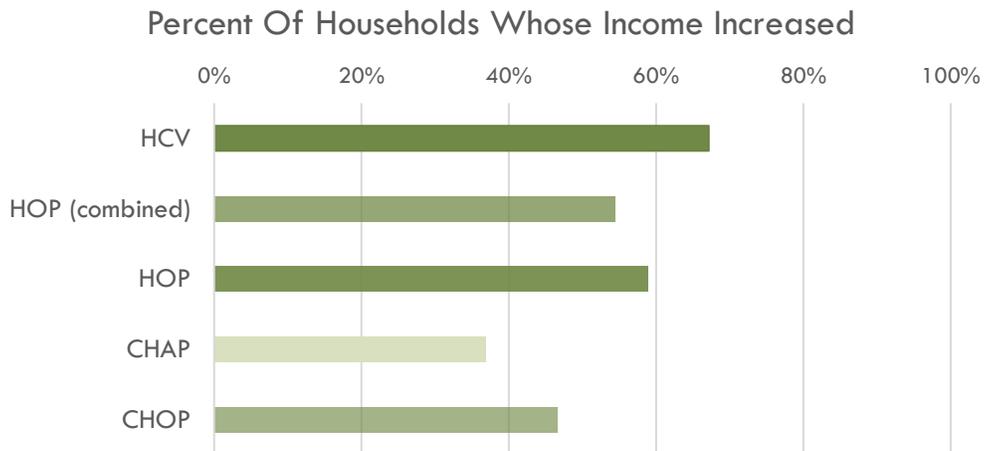
INCOME

A commonly stated goal of the HOP subsidy model is to incentivize increasing one’s wages. To assess if the program has been successful in achieving this aim, PIE staff analyzed income changes among households that received a subsidy in 2012 or later and exited between 2012 and 2020.⁶ By including 2012, PIE is able to observe income changes among the most recent cohort of HCV recipients who entered the program before HOP was implemented in 2013.

While this creates somewhat of a comparable comparison group, it is important to note that HOP households who secure housing have a higher income than HCV households – their median income is 127% of the HCV median income. This difference is likely a reflection of the flat subsidy model, which, as addressed in the previous section, has less buying power for lower income households. As a result, extremely low-income households are more likely to be underrepresented in HOP’s population.

HCV households demonstrate a greater chance of increasing their income than HOP.

Overall, HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. CHAP and CHOP participants had the lowest proportion of households that experienced an increase in their income.



⁶ Income data is not available for households that entered prior to 2012.

Work-able households were more likely to increase their incomes on HCV than HOP.

To understand how work-able clients' income changed while on the program, PIE staff looked at the last cohort of households to receive standard HCV assistance (those housed in 2012-2013). Their incomes were then compared to HOP households that entered in 2013-2014. The analysis focused on the households that exited between 2018-2020 from these two cohorts. This narrower analysis was an attempt to capture a snapshot of income changes over a given period for people receiving a similar length of assistance.

Markedly, 85% of work-able HCV households increased their income while receiving assistance compared to just 60% of work-able HOP households. Further, the average HCV household increased their income by nearly 200% while HOP households only increased their income by 33%. Though the sample sizes are small, at 90% significance, the difference is considered significant.

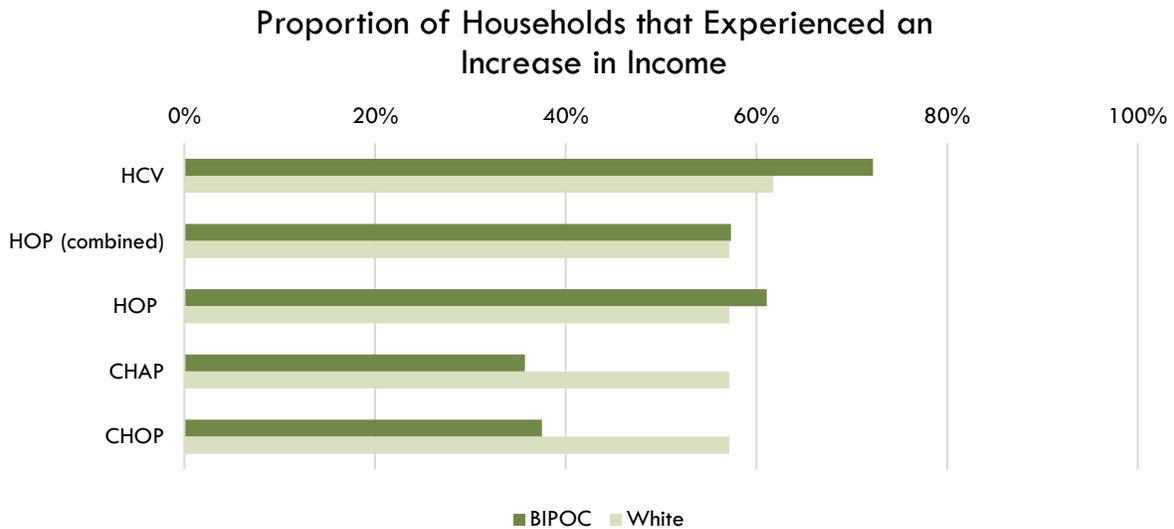
	Avg length of assistance	Avg HH Size	Income Measure	Income at Entry	Income at Exit	Change in Income	% of HH with increased income
HCV (n=13 ⁷) <i>Housed 2012-13 Exited 2018-20</i>	6.1	3.2	Average	\$11,610	\$33,976	\$22,366 (+192%)	85%
			Median	\$10,836	\$31,512	\$19,139 (+176%)	
HOP (n=65 ⁸) <i>Housed 2013-14 Exited 2018-20</i>	4.6	2.6	Average	\$16,402	\$21,876	\$5,474 (+33%)	60%
			Median	\$16,884	\$19,800	\$2,993 (+18%)	

⁷ 86 work-able households entered 2012-13. 57 have since exited (66%). 23% of those exits occurred between 2018-20 (15% of the total work-able households that entered in 2012-13).

⁸ This excludes CHAP and CHOP. 149 work-able households entered 2013-2014. 135 have since exited (90%). 48% of the exits occurred between 2018-20 (44% of the total work-able households that entered 2013-14).

The proportion of white households that experienced an increase in income held steady across all programs, whereas BIPOC households on HOP's special programs were least likely to experience an increase in income.

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP. This may reflect more stringent program requirements that have unintended and disproportionate negative impacts on people of color. While part of the HOP program, CHAP and CHOP are addressed separately and in more detail in Appendix A and B.



Across nearly all groups, HCV participants have a higher likelihood of having increased their income by the time they exit from assistance.

In general, HCV households had a greater likelihood of experiencing income gains than HOP households. When disaggregated by demographic characteristics and program type, this trend holds true. This was also true in the 2018 HOP Evaluation where HCV households admitted in 2012 increased their earnings by 90% by 2017 while 2013 HOP household wages increased by only 45% over that same period. Further, households served through THA’s unique HOP subsidy program, CHOP and CHAP, saw income decreases.

Proportion of Households who Increased their Income	HCV		HOP	
	% Increased Income	N	% Increased Income	N
All clients	67%	70	54%	406
Female	64%	53	53%	328
Male	76%	17	62%	78
BIPOC	72%	36	57%	239
White	62%	34	57%	114
BIPOC - Female	72%	29	54%	191
White - Female	54%	24	56%	93
BIPOC - Male	71%	7	71%	48
White - Male	80%	10	62%	21
African American/Black	60%	20	57%	130
American Indian/Alaska Native	50%	2	56%	11
Asian American	100%	4	73%	9
Multiple Races	100%	4	64%	22
Native Hawaiian/Pacific Islander	100%	2	71%	7
White	63%	38	57%	142
Unknown/Did not disclose			40%	85
Hispanic White	75%	4	67%	27
Hispanic BIPOC	50%	2	57%	30
Hispanic (race not disclosed)			47%	30
Non-Hispanic White	62%	34	58%	152
Non-Hispanic BIPOC	73%	30	57%	112
Non-Hispanic (race not disclosed)			36%	55
Elderly/Disabled	63%	19	68%	50
Elderly/Disabled or Near-Elderly			68%	28
Near Elderly	75%	8	48%	42
Work Able/Not Working	69%	13	33%	103
Work Able/Working	67%	30	62%	183

PROGRAM EXITS

To further understand program efficacy, PIE analyzed the timing and nature of HOP household exits. According to administrative data, over three quarters of work-able HOP households exit before reaching the 5-year time limit. This finding calls for a deeper analysis into the reasons why households decided to give up or lose their voucher.

Unfortunately, exit reason is an inconsistent and unreliable field in Open Door. To address this challenge, PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP households that exited between 2018 and 2020. Nearly 300 HCV households also exited between 2018 and 2020. 50% (n=145) of those households were also reviewed to determine the circumstances of their exits. The analysis was limited to 2018-20 to better understand if and how recent changes in Tacoma’s housing market have impacted clients and their experiences.

Program	Number of Records Reviewed
HCV	145
CHAP	23
CHOP	5
HOP	92
Total	265

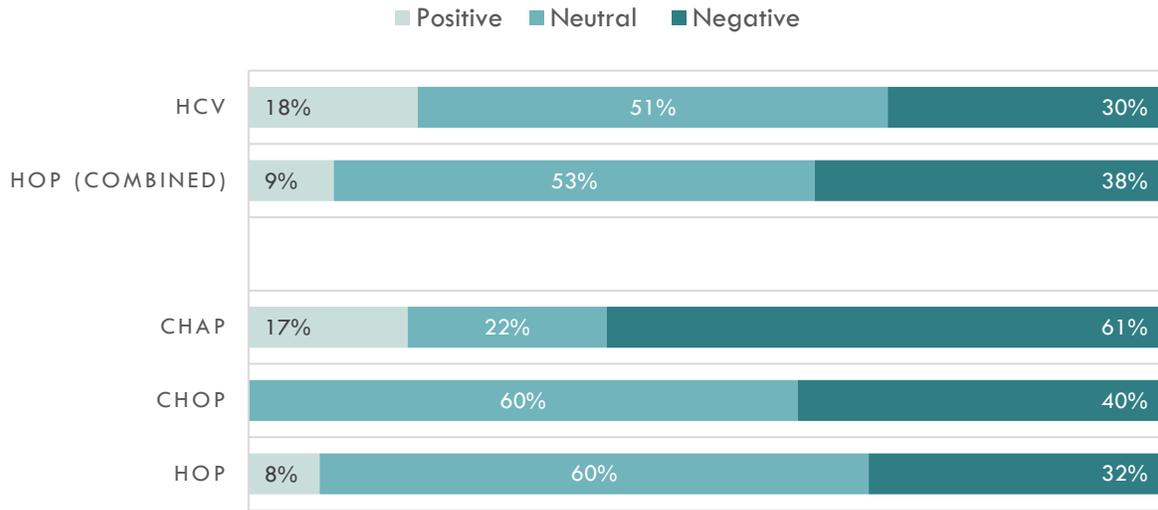
Using the account notes, PIE summarized the households’ exit reasons and categorized their exit as positive, neutral, or negative. The table below outlines which types of exits fall into each category.

Positive	Neutral	Negative
<ul style="list-style-type: none"> Over-income Self-sufficient Purchased a home Graduated (CHAP) 	<ul style="list-style-type: none"> Reached time limit Admin error Self-terminated (no reason provided) Accepted other subsidized housing Death 	<ul style="list-style-type: none"> Termination (eviction, failure to comply with program obligations, etc.) Loss of eligibility Received notice to vacate/move Voucher expired before finding another unit

HOP households have higher rates of negative exits.

Though the numbers are lower than THA may desire, the likelihood of HCV households exiting under positive circumstances is double that of HOP households. Of all HOP households, CHAP participants are more likely to experience a positive exit. This is due in part because graduation is considered a positive exit and is only applicable to CHAP. Despite higher positive exits, CHAP participants were nearly twice as likely as other HOP households to have their housing assistance end for negative reasons – likely due to more stringent program requirements. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits.

Exit Type by Program



HCV households have a greater likelihood of exiting due to self-sufficiency.

Even though reaching the time limit is the most common reason for HOP exits, it only applies to about 20% of all exits. For the remaining 80% of exits, PIE's review of account notes uncovered a wide variety of reasons why HOP households exit early. Unfortunately, achieving self-sufficiency (reaching >80% AMI) appears to be as common a reason as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

HOP Exit Reasons	% of exits between 2018-2020	HCV Exit Reasons	% of exits between 2018-2020
Time limit	19%	Death	21%
Moved out (no reason)/Self terminate	17%	Termination/Loss of Subsidy	19%
Expired shopping voucher	14%	Self-sufficient	18%
No longer eligible	10%	Self-Termination	13%
Termination/Loss of Subsidy	7%	Voucher Expiration	12%
Moved to other subsidized housing	7%	Moved (out of state, in with family, assisted living)	11%
Death	6%	Unknown	5%
Evicted	6%	Eviction	1%
Over income/Self-sufficient	6%	Purchased a home	1%
Graduated	3%		
Admin error	3%		
Moved, new unit won't take voucher	2%		
Unknown	2%		

Across nearly all groups, HCV participants have a greater likelihood of exiting assistance under positive circumstances.

The HOP subsidy model was created to allow more households to be given a chance to find housing with a voucher and for households on the waitlist to be served sooner. Further, one of THA’s stated goals is to deliver housing assistance that is transformative and temporary. The exit data compiled and analyzed for this report suggests that while the assistance provided through HOP is temporary, it is unclear just how transforming it has been for current and past households.

Exit Types	HCV		HOP	
	Positive	Negative	Positive	Negative
All clients	18%	30%	8%	32%
Female	20%	32%	7%	32%
Male	13%	25%	10%	33%
BIPOC	20%	32%	7%	32%
White	13%	25%	10%	33%
BIPOC - Female	24%	33%	12%	40%
White - Female	12%	29%	0%	20%
BIPOC - Male	12%	29%	13%	27%
White - Male	14%	14%	0%	67%
African American/Black	22%	32%	10%	40%
American Indian/Alaska Native	0%	100%	0%	0%
Asian American	21%	14%		
Multiple Races	25%	50%	0%	0%
Native Hawaiian/Pacific Islander	33%	33%	0%	100%
White	15%	27%	9%	22%
Unknown/Did not disclose			5%	33%
Hispanic White	29%	29%	33%	11%
Hispanic BIPOC	38%	25%	0%	0%
Hispanic (race not disclosed)			8%	42%
Non-Hispanic White	13%	27%	0%	23%
Non-Hispanic BIPOC	20%	33%	9%	45%
Non-Hispanic (race not disclosed)			0%	29%
Not Single Parent	18%	28%	8%	32%
Single Parent	22%	38%	8%	33%

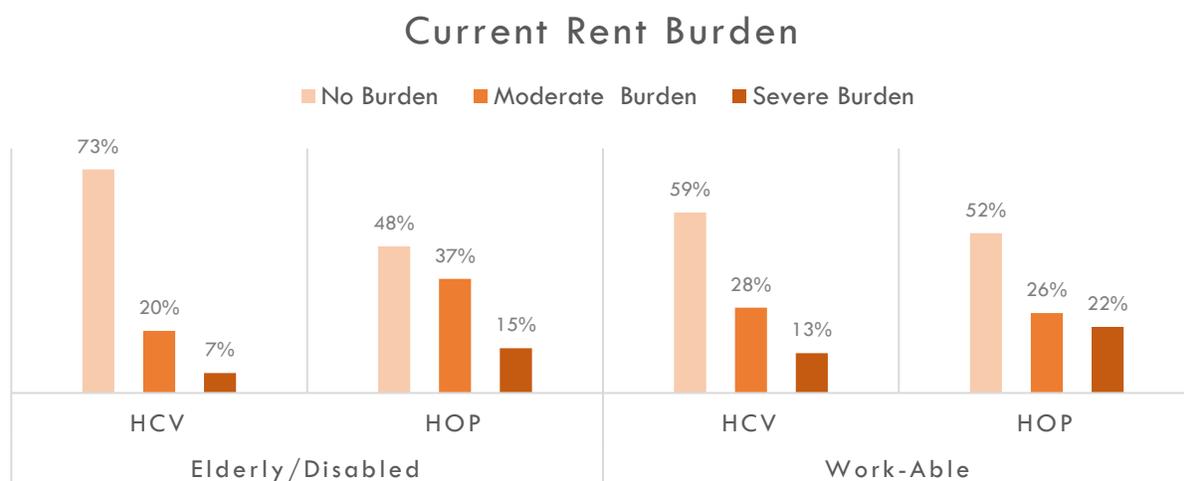
RENT BURDEN

The HOP subsidy model’s central hypothesis is that time limits and flat subsidies incentivize work-able households to increase their earnings so they can afford private market rent once their assistance expires. The previous sections have shown that HOP households do not drastically increase their income while on the program. Additionally, when HOP households exit, they often do so before their time limit is up and likely for reasons outside of their control or due to negative circumstances. To better understand how these households are expected to fare on the private market without THA assistance, PIE analyzed market rent burdens (i.e. the proportion of income a household spends on rent) for current and exited households. We follow this analysis with findings from the Late Rent program administered in late 2020, which provided insights into which households were struggling to pay rent, even while receiving a subsidy.

The average rent burden calculations do not include households with \$0 income. To more accurately represent how households fare in Tacoma’s rental market, rent burdens are categorized as not burdened (a household pays 30% or less of their income on rent), moderately burdened (a household spends 31-50% of the income on rent), or severely burdened (more than 50% of a household’s income is spent on rent).

Current HOP households face a greater rent burden on assistance than HCV households.

Despite HOP households having a higher income than HCV households at entry, roughly half are currently experiencing moderate or severe rent burdens while receiving assistance.⁹ The HOP subsidy was designed to “thin the soup” by creating a slight increase in rent burden in order for more families to be served. The original HOP proposal estimated that the average rent burden would be only a few percentage points higher than the average HCV rent burden. However, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely on HOP than HCV.



⁹ In 2013 THA waived the 40% rule, allowing households to spend more than 40% of their income on rent in order to promote client choice and access to higher cost neighborhoods.

Across all populations, HCV households are more likely to have lower rent burdens and less likely to experience severe rent burdens while receiving THA assistance.

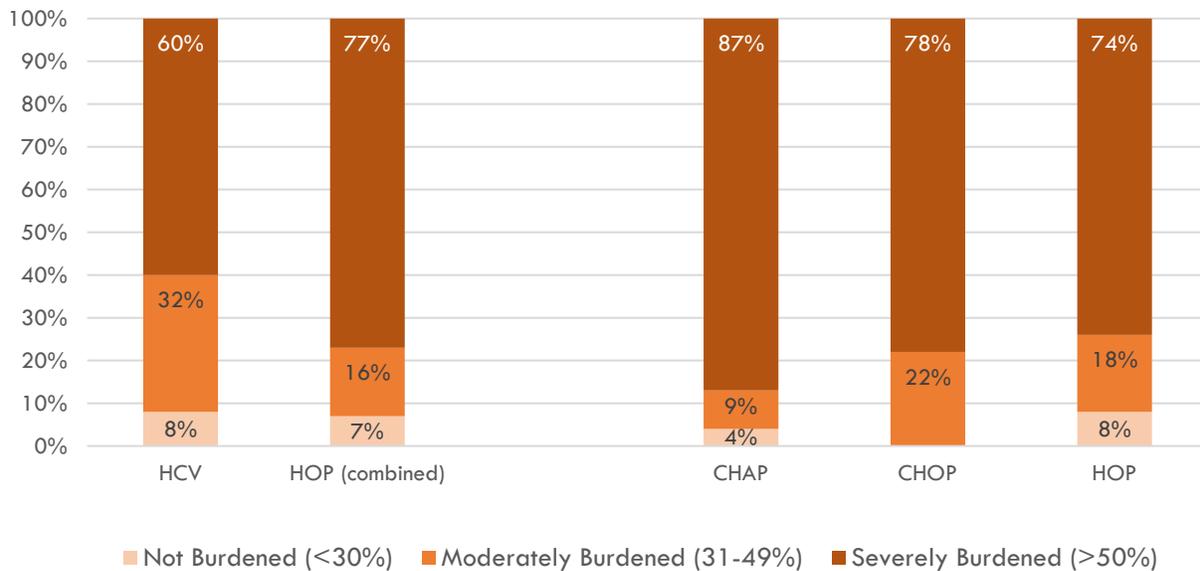
While HCV faces a slightly higher market rent burden, this data demonstrates that all households, regardless of subsidy program, face impossible rent amounts without THA’s assistance.

Current Rent Burden	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	66%	24%	10%	50%	33%	18%
Female	64%	25%	11%	50%	32%	19%
Male	74%	20%	6%	50%	36%	14%
BIPOC	64%	25%	11%	49%	36%	15%
White	72%	23%	5%	55%	27%	18%
BIPOC - Female	62%	26%	12%	49%	36%	15%
White - Female	69%	25%	6%	55%	24%	21%
BIPOC - Male	74%	20%	6%	50%	36%	14%
White - Male	80%	17%	3%	55%	35%	10%
African American/Black	64%	24%	11%	33%	56%	11%
American Indian/Alaska Native	70%	25%	5%	51%	35%	14%
Asian American	76%	21%	3%	56%	28%	17%
Multiple Races	63%	28%	9%	44%	50%	6%
Native Hawaiian/Pacific Islander	61%	30%	9%	44%	11%	44%
White	71%	23%	6%	54%	27%	19%
Unknown/Did not disclose	53%	27%	21%	42%	36%	22%
Hispanic White	64%	24%	12%	48%	30%	22%
Hispanic BIPOC	72%	24%	3%	53%	13%	33%
Hispanic (race not disclosed)	41%	38%	22%	36%	55%	9%
Non-Hispanic White	72%	23%	5%	55%	27%	17%
Non-Hispanic BIPOC	66%	24%	10%	49%	37%	14%
Non-Hispanic (race not disclosed)	59%	24%	17%	38%	33%	29%
Not Single Parent	68%	23%	9%	50%	38%	13%
Single Parent Household	59%	28%	12%	50%	23%	26%
Elderly/Disabled	73%	20%	7%	48%	37%	15%
Work Able	59%	28%	13%	52%	26%	22%

HOP households were more likely to exit with a severe rent burden than HCV households.

2018-2020 exit data indicates that while HCV and HOP have similar rates of households exiting with a manageable low market rent burden, double the proportion of HCV households exit with a moderate rent burden than HOP households (32% compared to 16%). Across all programs, CHAP households exited with the highest rate of participants who were severely market rent burdened (87%). This is consistent with the findings in the previous sections – households exiting the HOP programs do not fare as well as households exiting HCV subsidy program and CHAP households appear to be the worse off than all other programs.

Severity of Market Rent Burden at Exit by Program



HOP households have higher rates of exiting with a severe market rent burden.

The vast majority of THA’s households do not exit with manageable market rent burdens. However, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA’s voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP. Further, across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

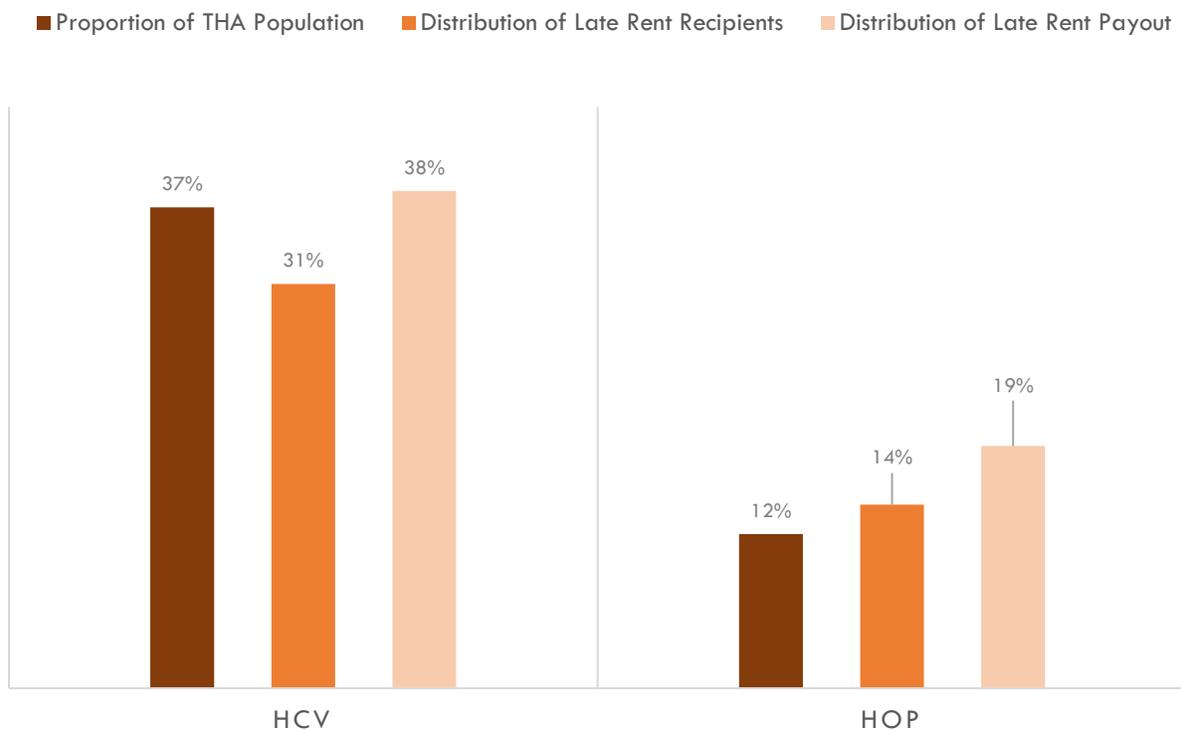
Rent Burden at Exit	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	8%	32%	60%	8%	18%	74%
Female	11%	26%	63%	8%	18%	74%
Male	0%	50%	50%	9%	15%	76%
BIPOC	14%	21%	64%	10%	17%	73%
White	0%	45%	55%	5%	16%	80%
BIPOC - Female	18%	18%	64%	9%	16%	75%
White - Female	0%	38%	63%	6%	21%	74%
BIPOC - Male	0%	33%	67%	14%	19%	67%
White - Male	0%	67%	33%	0%	0%	100%
African American/Black	17%	33%	50%	8%	17%	75%
American Indian/Alaska Native				0%	75%	25%
Asian American	0%	50%	50%	50%	0%	50%
Multiple Races	50%	0%	50%	0%	13%	88%
Native Hawaiian/Pacific Islander	0%	0%	100%	0%	0%	100%
White	0%	36%	64%	9%	18%	74%
Unknown/Did not disclose				7%	17%	76%
Hispanic White	0%	0%	100%	25%	25%	50%
Hispanic BIPOC	20%	30%	50%	11%	0%	89%
Hispanic (race not disclosed)				9%	9%	83%
Non-Hispanic White	0%	45%	55%	5%	16%	79%
Non-Hispanic BIPOC				6%	21%	73%
Non-Hispanic (race not disclosed)				7%	29%	64%
Not Single Parent	12%	35%	53%	11%	16%	73%
Single Parent Household	0%	25%	75%	5%	20%	76%
Elderly/Disabled	0%	0%	100%	0%	0%	100%
Work Able	11%	42%	47%	10%	22%	67%

HOP households were overrepresented in the Late Rent program.

In November 2020, Pierce County initiated a Late Rent program to help tenants address late rent balances. THA administered the program for THA households. In total, 11.75% of THA clients (592 households) received up to three months of late rent assistance. This figure only represents clients that were served through THA and not another agency. PIE staff were able to compile data from the late rent project to shed light on which THA client populations were most impacted.

Distribution of Late Rent assistance was mostly reflective of how households are distributed across THA’s programs. However, while HOP was overrepresented in the clients applying for assistance, HCV was underrepresented. HOP participants make up 12% of THA’s population, they were 14% of the late rent recipients, but they received 19% of the total assistance paid out. However, even though HCV participants are 37% of THA’s population, only 31% of the late rent assistance went to HCV clients.

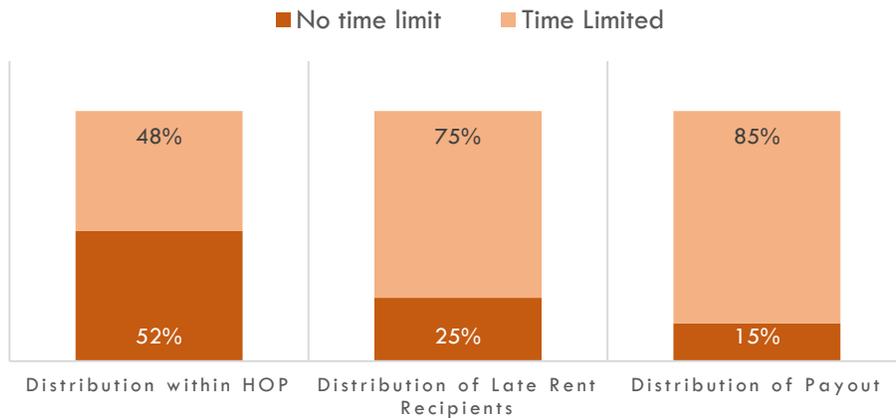
Late Rent Distribution by Program



HOP households that are subject to the time limit were overrepresented in the Late Rent program.

Nearly half of all HOP households are subject to time limits (meaning they do not qualify as elderly or disabled) yet these households represent 75% of HOP households that received late rent assistance. In terms of the amount of assistance provided to HOP households, a striking 85% was paid on behalf of households subject to time limits. It is very likely that this reflects COVID's impact on wage earners.

HOP Time Limits & Distribution of Late Rent Assistance



Across multiple measures (market rent burden and Late Rent Program assistance), HOP households appeared to be worse off than the HCV population. HOP households subject to time limits had the highest calculated market rent burden and received a disproportionate amount of Late Rent assistance, in terms of proportion of households and payout amount. These findings suggest that HOP households experience a higher level of instability and financial vulnerability, even though they enter the program with a higher average income than HCV households.

SUMMARY & DISCUSSION – HOP INTENT VS. OUTCOMES

THA's Moving to Work flexibility allows us to design and implement innovative programs to uncover if there are more effective and efficient ways to serve households in need of housing support. The Housing Opportunity Program is one of these innovations. The two main features that set HOP apart from HCV is the flat subsidy and time limit. HOP functions by giving everyone a little bit less with the intention to serve more. The time limit on assistance is one method to ensure THA can meet the goal of ensuring no one on our waitlist has to wait more than two years for assistance and that households in need of assistance get their turn on a THA program.

The goal of this report is to understand how the Housing Opportunity Program performs given the recent changes in the rental and economic landscape. Specifically, this report addresses which types of households are being effectively served by HOP and evaluates how effective HOP has been at fulfilling THA's mission:

The primary mission of the Tacoma Housing Authority is to provide high quality, affordable housing and supportive services to persons and families in need. We seek to do this in ways that also get two other things done. First, we want the households we serve to succeed, not just as tenants, but also, as our mission statement contemplates, as "parents, students, wage earners and builders of assets." If they are capable of working, we want their time on our programs to be transforming in those ways, and temporary. We want this certainly for grownups. We want this success emphatically for children and youth because we do not wish them to need our housing when they grow up. Second, we want to help our communities succeed, and to do so equitably, with a shared prosperity. We want their success to leave room for all types and incomes of households. We seek to do our part in making neighborhoods "attractive places to live, work, attend school, shop, and play", and to help Tacoma and Pierce County be "safe, vibrant, prosperous, attractive, and just." When these efforts work, they are a very good use of a housing dollar.

Notable Outcomes & Implications

The findings presented throughout the report highlight a few areas where HOP does not appear to be meeting our mission in the ways described above. To start, fewer households succeed in terms of securing housing. While this may aid in working through the waitlist at a faster rate (for every person whose shopping voucher expires another person from the waitlist gets pulled for a voucher), the data tells us that the households that are most economically marginalized are those less likely to be served by HOP. While HOP has enabled THA to serve more households, unfortunately, it does not do so indiscriminately.

Secondly, data indicates that HOP households are less likely to increase their wages than HCV households. While this may seem counterintuitive, there are a few factors to consider. The income-based subsidy is responsive to a household's change in income. This stability may allow a client to take a pause and use the available support to train for, find, and secure higher wage employment rather than take the first opportunity available for fear of getting behind on bills. The income-based subsidy may also be more appealing to landlords. The security that comes in knowing that THA's subsidy can be adjusted should a family encounter unanticipated financial troubles, especially when there is not a time limit on assistance, would likely be more appealing to landlords – especially those local "mom and pop" landlords. These

factors could increase chances of households being able to secure housing in areas with increased access to higher wage jobs, public transit, affordable childcare, etc.

Further, the time limit on HOP subsidies has been cited as the primary method used to help ensure households on the waitlist get a turn at assistance. It is undeniable that when we remove someone from our program or when someone is unsuccessful at leasing up with a voucher it creates an opportunity for someone else. However, the assumption that a voucher is a “golden ticket” and time limits will “spur people to strive” or “encourage families to increase their wages” is not supported by the data presented in this report. The HOP webpage states:

The goal is to help our participants achieve true self-sufficiency by assisting them with their housing needs for a specific term. This incentivizes our participants to focus on securing better employment and prepares them for a better future. Families receive notices at every annual recertification indicating the number of years remaining on their term-limited subsidy along with continuous referral services to a variety of available resources.

While it was assumed that a time limit and flat subsidy would provide extra motivation for households to increase their earnings, and despite higher referrals to the case workers and resources provided by the Client Support and Empowerment department, the outcomes suggest this is not an issue of individual motivation but a reflection of an increasingly unaffordable rental market and stagnant wages. Further, it is worthwhile to note that programs in which housing is conditioned upon external factors, such as school enrollment, demonstrate significantly lower positive outcomes for BIPOC households.

HOP Benefits & Efficiencies

Though client outcomes do not match THA’s original expectations, HOP has some proven successes regarding the administrative efficiencies that have been implemented with the program.

One significant benefit is that HOP allows for self-certification of income. There are specific instances where self-certification has proven accurate and efficient, such as for families with fixed incomes.

Another benefit of HOP, for the client, is that it permits alternative housing options. Specifically, a client can rent a room or lease from a relative in the following circumstances:

- A household cannot lease up because of poor credit
- A household would rely on the relative to help with childcare
- A household with poor rental history has remediated the root causes of for the bad rental history
- A household cannot lease because of poor criminal history that has shown proper rehabilitation

Given the competitive nature of Tacoma’s rental market, these alternative housing options increase housing opportunities for households that face added barriers.

THA’s MTW status allows us to test new ideas and implement new processes in the hopes of discovering ways to administer housing assistance that is more effective and efficient than traditional methods. The HOP program has been a success in terms of the benefits discussed above. This innovation has given operations staff a different way of doing things that reduces the administrative burden on both the client and staff.

RECOMMENDATIONS

Across the board, households receiving HOP subsidy have had greater challenges leasing, smaller income gains, more negative exits, and higher rent burdens than households receiving a traditional income-based subsidy. While PIE cannot make causal claims about the program design (as the analysis did not include an experimental component), there was consistent correlation between negative household outcomes and HOP. The recommendations that follow are in response to those findings.

Recommendation 1: Transition HOP Households to an Income-Based Subsidy

Disproportionate outcomes around leasing, income gains, rent burden, and late rent assistance lead to the conclusion that traditional income-based subsidies are more stabilizing and beneficial to a household's trajectory. To start, a troubling amount of HOP households are never successful at leasing up (36% for HOP overall and almost half for CHAP), leading one to contemplate if the flat subsidy is not enough to make up the difference between a household's income and market rent. Or, are they effectively closed out of the market? Additionally, the surprising outcomes around income gains and the subsequent impact on market rent burden could indicate that there is something stabilizing about a subsidy that is responsive to a household's financial reality and allows a family to make progressive steps toward increased income and self-sufficiency. Finally, the Late Rent project provided an indication of current need among the various populations. HOP households, especially those subject to time limits, were overrepresented by proportion and by payout amount, indicating there is greater need and instability among this population.

To ensure households can attain and sustain housing, PIE recommends transitioning households to the tiered income-based model that we use for HCV. The tiered income model allows households to increase their wages without increasing their portion of rent until they reach the next income tier. The tenant portion of rent is based upon the lowest income amount for the tier in which they fall.

In formulating this recommendation, PIE staff determined that one third of the HOP voucher holders would receive a smaller housing assistance payment (HAP) as a result of transitioning to an income-based subsidy. Though initially surprising, this reflects the fact that extremely low-income households are least likely to secure housing with a HOP voucher. As a result, HOP households generally have a higher income when admitted to the program compared to HCV households.

The table below identifies the average and median HAP increase and decrease for HOP households.

	Average HAP Increase/Decrease	Median HAP Increase/Decrease
Households with a higher HOP HAP	-\$166	-\$123
Households with a higher HCV HAP	\$211	\$200

Additionally, looking across all groups currently assisted through HOP, the data in the following table suggests that the benefits are fairly equitable across all groups and the increase in HAP is greater on average than the average decrease. Not only do more households benefit from an income-based subsidy than they do HOP, but the average increase in assistance is consistently greater than the decrease is for those households who would experience a higher rent payment. When THA households were previously consulted on HOP, they expressed a willingness to receive less support in order for THA

to assist more people. It's an incredibly admirable and generous outlook and we suspect public consult will reaffirm that households are willing to reduce their assistance amount if it means increasingly the likelihood of more positive outcomes for other households.

Impact of Conversion to Income-Based Subsidy	Household Whose Family Share Would Decrease			Households Whose Family Share Would Increase		
	%	n	Avg HAP Difference	%	n	Avg HAP Difference
All clients	67%	288	\$211	33%	141	-\$166
Female	66%	218	\$218	34%	113	-\$176
Male	71%	70	\$189	29%	28	-\$122
BIPOC	68%	124	\$212	32%	58	-\$155
White	69%	62	\$200	31%	28	-\$169
BIPOC - Female	70%	98	\$218	30%	43	-\$167
White - Female	64%	42	\$216	36%	24	-\$170
BIPOC - Male	63%	26	\$190	37%	15	-\$121
White - Male	83%	20	\$165	17%	4	-\$166
African American/Black	75%	67	\$221	25%	22	-\$141
American Indian/Alaska Native	67%	2	\$364	33%	1	-\$113
Asian American	67%	10	\$125	33%	5	-\$144
Multiple Races	47%	7	\$250	53%	8	-\$195
Native Hawaiian/Pacific Islander	71%	5	\$192	59%	2	-\$38
White	63%	73	\$202	35%	40	-\$169
Unknown/Did not disclose	66%	124	\$213	34%	63	-\$175
Hispanic White	48%	11	\$212	52%	12	-\$168
Hispanic BIPOC	78%	7	\$268	22%	2	-\$183
Hispanic (race not disclosed)	73%	22	\$203	27%	8	-\$176
Non-Hispanic White	71%	55	\$201	29%	23	-\$174
Non-Hispanic BIPOC	73%	80	\$210	27%	29	-\$154
Non-Hispanic (race not disclosed)	64%	68	\$227	36%	39	-\$158
Not Single Parent	68%	180	\$199	32%	83	-\$142
Single Parent Household	65%	108	\$230	35%	58	-\$199
Elderly/Disabled	68%	180	\$199	32%	83	-\$142
Work Able	65%	108	\$230	35%	58	-\$199

Recommendation 2: Eliminate Time Limits

The steep market rent burden coupled with the rate of Late Rent assistance requests show that HOP households, in particular those subject to time limits, are at extreme risk of losing their housing without THA's assistance. When HOP was initially proposed and THA consulted its landlord partners, many warned that a time limited voucher is not attractive to landlords and could serve as an obstacle for households who are trying to lease up with only a couple of years left on their voucher. Exit data appears to support this. The third most common reason HOP households exited early was that they faced circumstances where they needed to move and they were unable to lease up before their shopping voucher expired.

In addition, the hypothesis that the time limit encourages income gains does not hold true. The median change in income for work-able HCV households was more than five times that of HOP households. Further, HCV households were more likely to experience an increase in income (85% of the total work-able population) than HOP households (60%) between the time they entered the program and exited. When they do exit, HOP households were more likely to face a severe market rent burden than HCV households. Additionally, HOP households were as likely to exit for being over-income or for achieving self-sufficiency as they were to exit due to death or eviction. Finally, THA does not track households once they exit our programs, so it is unknown how many are able to secure housing on their own, how many enter the homelessness system, or how many move in with friends or family. The THA waitlist has only been open for households of three or more to apply since the first cohort of HOP would have reached their time limit. As such, we cannot determine how many households who have exited HOP would seek further assistance from THA.

The state's eviction moratorium helped many tenants avoid eviction due to an inability to pay rent due to lost wages. However, to avoid eviction, tenants must enter into a payment plan with landlords. It is unknown how many of voucher holders have entered into payments plans. Given the higher need for late rent assistance that we saw among time-limited HOP participants compared to HCV participants, it is reasonable to assume these households have a greater likelihood of having a payment plan in place. In some cases, these plans may be of a duration that extends beyond their time limited assistance. Further, entering into a payment plan also means that these households are paying a larger amount in rent than what THA has on record. Ending assistance while a household is midway through a repayment plan will likely cause additional financial and housing instability, stress, and potentially eviction.

Additionally, across all THA program we are seeing that households are staying longer on assistance. This is telling and a clear reflection of the increasingly competitive rental market and lack of affordable housing in Tacoma. THA's assistance is more important now than ever to ensure families can have adequate time to achieve economic stability. However, it should not be ignored that wages have not increased at the same rate as the cost of housing. Until (if) this changes, Public Housing Authorities' main purpose is to ensure low wage workers can obtain and maintain stable housing.

These troubling outcomes paired with the economic outlook for the region and country lead PIE to recommend that THA eliminate the time limit associated with HOP assistance. Though the time limit is intended to help ensure no one is on our waitlist without an offer of assistance for more than two years, the data has shown that 80% of HOP households are exiting the program for reasons other than the time limit. Extending the time limit is not the only factor impacting voucher turn over and the speed at which we serve the waitlist.

Related, serving our households on the waitlist is a topic that involves a myriad of factors beyond HOP's time limit. Future discussions regarding the households on our waitlist should take into consideration the impact that special programs, Choice Mobility, lease up support and success, as well as waitlist management have on the speed at which THA is able to work through the waitlist. Rental Assistance staff have shared that roughly half of the people on the waitlist never respond to an offer of assistance when their name has reached the top. Given the infrequency in which we open our waitlist and the use of a lottery to populate the list, it would be difficult to argue that the THA waitlist, as it currently stands, is a true and accurate reflection/measure of the need for housing assistance amongst our community members. In addition, we currently do not have an efficient way to track how many people on the waitlist turn down offers of one form of assistance for another¹⁰ and how many are over income by the time an offer of assistance is extended. Lastly, we should not overlook the opportunities THA has taken advantage of to serve more households through avenues other than our waitlist, including recent allocations of new voucher subsidies.

While this recommendation reflects the evidence presented throughout this report, it is also supported by the findings in HUD's Family Options Study, a longitudinal, multi-site experimental study that allowed HUD to look at the impacts of different interventions for families experiencing homelessness. Housing Choice Vouchers with no services were compared to Rapid Rehousing with some services, and service intensive project based transitional housing. The study found that families offered a traditional HCV subsidy demonstrated greater success in terms of long-term housing stability, a reduction in intimate partner violence, psychological distress, food insecurity, and for children, a reduction in behavior problems, number of schools attended, and sleep problems.¹¹ A shift to income-based subsidies is also responsive to shifting national priorities and new investment in deep housing subsidy for qualifying households. The financial implications of these recommendations follow the recommendations.

Recommendation 3: Halt Any Application of the HOP Subsidy to New Populations and Instead Offer Traditional Voucher Subsidies

While HOP serves diverse populations, the outcomes were consistent across households: leasing was a challenge, incomes did not increase as expected, and households exited with extreme rent burdens. However, CHAP participants experienced disproportionately negative outcomes compared to other HOP populations. This program, serving community college students experiencing housing insecurity and homelessness, also has strict eligibility requirements that could be contributing to this trend. Further recommendations for CHAP program changes, outside of the time limit and subsidy model, can be found in the appendix.

The findings presented in this report provide enough evidence to conclude that HOP is not producing the outcomes it was hoping to deliver. While PIE's investigation resulted in some more questions about the program, it has also affirmed that the model has not been effective to date and instead, resulted in negative unintended consequences for the households served. This is especially true when additional non-housing program requirements are a component.

¹⁰ Households on the waitlist can turn down one offer of assistance in order to receive a different subsidy. For instance, if a household is offered a HOP voucher they can decline it in order to wait for a THA unit.

¹¹ [Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families, 2016](#)

Currently, there are two populations under consideration for HOP subsidy: households transitioning from the criminal justice system and households exiting Arlington Drive after one year of residence. The HOP subsidy should not be expanded to these households or any others. PIE instead recommends offering traditional voucher subsidies to these populations.

Recommendation 4: Retain Practices that Reduce Administrative Burdens

As a result of changing rental market conditions paired with stagnation of wages, HOP has not made the impact the agency anticipated. However, it has allowed us to try new approaches to how we carry out recertifications. PIE recommends further consultation with the Rental Assistance department to consider if and how some of the administrative efficiencies can be applied to the HCV program.

COST ANALYSIS

To understand the financial impact associated with these recommendations, PIE used current rental data from HOP households to convert their subsidy to HCV. This process involved identifying the appropriate income tier based on household size, adjusted annual income, and which utilities are covered by the landlord and tenant to determine the appropriate utility allowance based on their current residence and lease. This conversion was only carried out on households for which we have utility data. The resulting sample size was about 430 households, or 80% of current HOP (including CHAP and CHOP) households. The findings from those 80% are used to estimate the cost for all HOP, CHAP, and CHOP households.

COST OF TRANSITIONING TO AN INCOME-BASED SUBSIDY		
OPTION	ANNUAL COST	ADDITIONAL COST
Current Fixed Subsidy Program	\$4,018,545	-
Option 1: Convert all tenants to income based	\$4,579,170	\$560,625 (14% increase)
Option 2: No harm - THA pays the higher of the two HAPs	\$4,929,315	\$910,770 (22% increase)

Converting all current HOP participants to an income-based subsidy would increase THA’s housing assistance payment by nearly 15%, or \$560,000 annually.

Since a third of households would experience a lower HAP if they were moved over to an income-based voucher, PIE also calculated the cost if we were to allow households to receive the highest HAP payment of the two subsidy options. If households can maintain their HOP subsidy as opposed to moving immediately to an income-based subsidy, it would cost THA just over 20%, or \$900,000 more per year. However, THA would only bare this cost temporarily if these households were eventually moved over to an income-based subsidy.

While it is unlikely that a large portion of HOP households will suddenly move out of their current living situation in response to receiving an income-based voucher (data indicates the vast majority are not underhoused), it is worth highlighting that THA could anticipate an increase in the number of extremely low-income households served. As new clients enter the program, the likelihood that these households will have greater success in securing housing with a subsidy deeper than HOP increases. In turn, it’s worth noting that the estimated HCV cost for the current HOP households may be lower than future costs. However, an increase in extremely low-income households would be an indicator that THA has made progress at ensuring all households, regardless of income level, have the same likelihood for lease up success.

CONCLUSION

Across all four areas explored in this report (leasing, income, program exits, and rent burden), HOP was associated with poorer household outcomes. This pattern is likely due to the compatibility of the program design (a flat subsidy and time limit) waning in response to external forces that have negatively impacted access and availability of affordable housing. When originally implemented in 2013, Tacoma's market still had pockets of affordability and the promise that households, if provided some limited resources and support, could progress, and eventually afford rent without THA assistance. An increasingly competitive and constrained rental market paired with the devastating economic impacts resulting from the pandemic, necessitate THA to reconsider if HOP is properly serving the need. According to our analysis, it is not keeping pace with household need, in particular those with extremely low incomes. Fortunately, THA and its partners are positioned to address this need with the forthcoming additional housing resources committed by the federal government.

While it is the charge of MTW agencies to innovate and test new ways to serve more households, it is also our responsibility to pivot when those innovations are not producing the outcomes they were intended to produce. To ensure THA can continue to carry out its mission of providing high quality, stable, and sustainable housing, PIE encourages the Board to consider the recommendations put forth in this report and give its support to carry out a robust consultation with the public and THA's households.

APPENDIX A: CHAP

CHAP has recently undergone two third-party evaluations. Temple University's Hope Center has gathered preliminary findings on participants who applied to CHAP between 2017 and 2019. The Hope Center evaluation has shed light on how successful students are applying for the program and leasing up. Future reports will address the following portion of the program life cycle: if and how housing impacts academic outcomes and retention.

The second evaluation was conducted by BERK Consulting. This evaluation looked at all CHAP participants, including those using a property-based subsidy. The intent of this evaluation was to understand what additional barriers students face on the program and once housed. THA's hope with this evaluation was to gain insight into why a larger portion of students were having difficulty meeting and maintaining eligibility requirements.

The findings from the reports, as well as administrative data from TCC and THA, brought the following issues to our attention:

CHAP is not effectively serving the intended population.

The Hope Center's research uncovered that only one quarter of students who apply to CHAP end up securing housing. Most concerning, the students who do lease up are more likely to show stronger pre-existing navigational and academic skills, compared to those who do not lease up. Further, males and Black/African American students are least likely to secure housing.

Both the Hope Center evaluation and BERK report discussed the various challenges students reported facing in the search for housing. The following quotes from BERK's interviews help paint a picture of the challenges students face:

"I had to go out into the community and find a place that would A) accept me: homeless, with little income, poor credit, the wreckage of addiction, past evictions, and B) accept a voucher. This was a struggle. I hit a lot of 'nos.' It took a about 3 months."

"Most places wouldn't accept the voucher. Even those that did required a certain credit score and income level if you don't have a cosigner, and those in CHAP are typically lacking those resources or they wouldn't be homeless. In fact, one place I applied to required that I have 3x rent in income on top of the amount of the voucher."

In an effort to ease the barriers associated with finding housing, THA partnered with private developers to buy down rents to affordable levels for student. Yet, while rents are below market value, to income qualify students must demonstrate that they have an income of 2.5 – 3 times the rent amount and are able to pay a deposit of \$500 to nearly \$1,200, depending on the property. As a result, TCC has had difficulty referring students who are homeless to the property because many have incomes too low to income qualify. From April to November 2020, 16% of CHAP applicants at TCC reported \$0 income and just over half of the applicants stated they were unemployed. While CHAP prioritizes serving the most vulnerable students through program policy, the reality is that students who are more financially secure,

academically strong, and experienced/savvy at navigating bureaucracies are the ones that are actually being served while those most in need are left on the waiting list until they disenroll or secure employment. Much like the larger HOP findings, we see that the intended population is not always aligned with the population getting served.

CHAP participants are experiencing inequitable outcomes.

As mentioned in the previous section, the Hope Center evaluation found that Black/African American students were underrepresented in the number of students who were able to secure housing. In addition to disparities in becoming housed, the BERK evaluation identified that roughly 25% of participants exit the program early for not meeting eligibility requirements (drop in GPA, not maintaining fulltime enrollment, stopping out). However, as mentioned in the main report, PIE staff reviewed the account notes from a random sample of 50% (n=120) of HOP households that exited between 2018 and 2020. When the data was disaggregated by program, just over half of CHAP exits were a result of not maintaining eligibility.

CHAP Exit Reason	% of exits between 2018-2020
No longer eligible	52.17%
Graduated	17.39%
Moved out (no reason)/Self terminate	17.39%
Evicted	4.35%
Terminated	4.35%
Time limit	4.35%

BERK’s report indicated half of the students experiencing a negative exit were single parents. In fact, 26% of BERK’s survey respondents who are the sole or primary caregiver for dependents struggle to meet CHAP eligibility every quarter – a rate that is nearly four times as high as students without dependents.

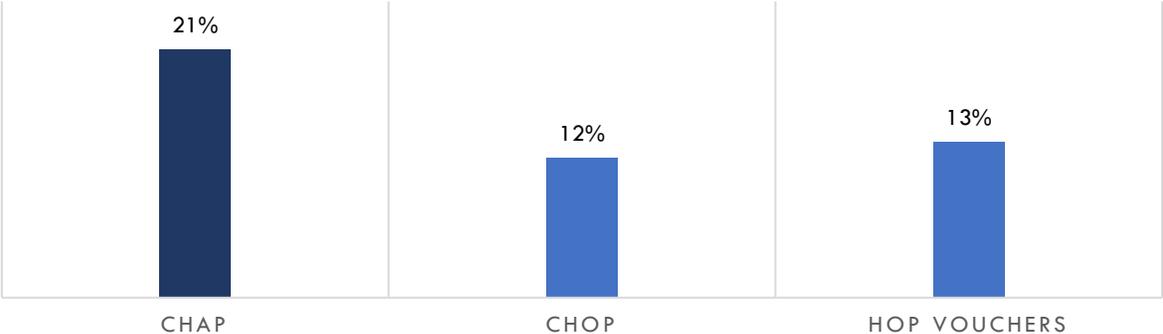
"CHAP was amazing – I was a single mother of two kids, struggling financially. But a lot of requirements were things I couldn't do like being enrolled full-time. With my learning disabilities, I can't be enrolled full-time, be a single mother, work full-time, and also get good grades. But financially, I needed to work full-time... ..If I could have had financial support to guarantee that had I rent and bills paid, food on the table, and gas in the car, I could have stopped working and gone to school. Even if I had to go to school part-time, I could have focused on school full-time."

When disaggregated by race and ethnicity, the data shows that the majority of students in every category are exited from the program due to negative reasons (no longer eligible).

CHAP Exits	% Positive Exit	% Neutral Exit	% Negative Exit	N
All CHAP Voucher Holders	14%	20%	66%	76
Female	11%	21%	67%	61
Male	27%	13%	60%	15
BIPOC	17%	17%	66%	29
White	10%	10%	81%	21
Unknown/Did not disclose	15%	31%	54%	26
BIPOC - Female	13%	22%	65%	23
White - Female	6%	12%	82%	17
BIPOC - Male	33%	0%	67%	6
White - Male	25%	0%	75%	4
African American/Black	18%	24%	59%	17
American Indian/Alaska Native	0%	0%	100%	2
Asian American	0%	0%	100%	1
Native Hawaiian/Pacific Islander	0%	0%	100%	1
White	15%	11%	74%	27
Other/Multiple Races	0%	0%	100%	1
Unknown/Did not disclose	15%	30%	56%	27
Hispanic BIPOC	0%	50%	50%	2
Hispanic White	33%	17%	50%	6
Hispanic (race not disclosed)	0%	0%	100%	1
Non-Hispanic BIPOC	15%	15%	70%	20
Non-Hispanic White	6%	11%	83%	18
Non-Hispanic (race not disclosed)	0%	67%	33%	3
Not Single Parent	24%	18%	59%	34
Single Parent Household	7%	21%	71%	42
Average Income	\$23,246	\$10,459	\$10,866	
Median Income	\$21,958	\$8,796	\$8,526	

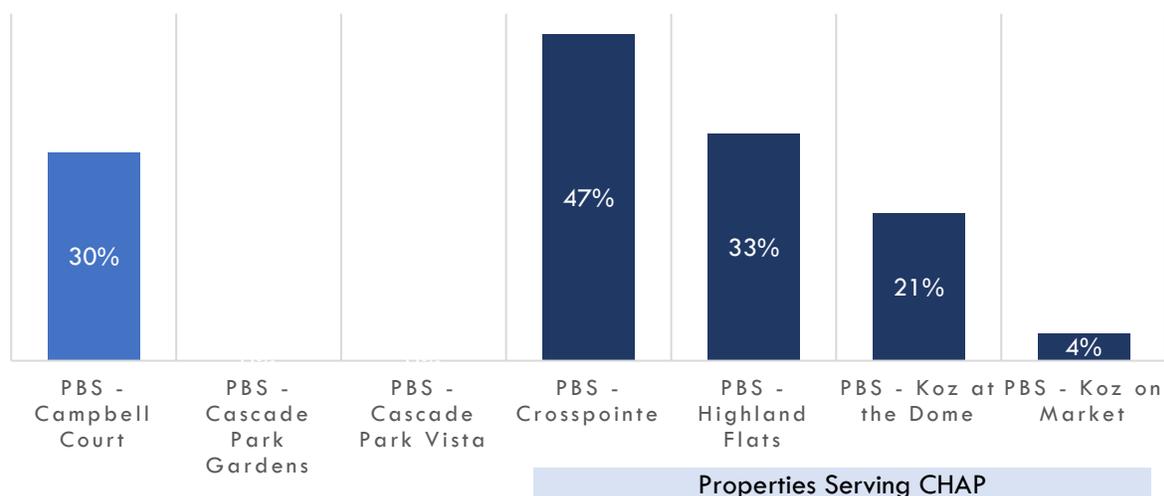
The data presented in the main body of this report demonstrates that CHAP participants are exiting the program worse off than most other households with a HOP voucher. They are more likely to experience a reduction in income while on the program (which may reflect the ability to reduce work hours in order to focus on school), have the highest rate of exiting with a severe market rent burden, and have the highest proportion of negative exits. Additionally, students using tenant-based vouchers were overrepresented in their need for late rent assistance in the fall of 2020 when compared to other THA households using the flat subsidy.

PERCENTAGE OF PROGRAM PARTICIPANTS WHO RECEIVED LATE RENT ASSISTANCE



Even more surprising was that CHAP participants using the property-based subsidy had even higher rates of requests for late rent assistance. The property-based subsidy is a deeper subsidy than HOP in that THA pays more than 50% of the payment standard to ensure affordable rents. Despite receiving a deeper subsidy, CHAP participants still indicated a greater need for late rent support. Koz on Market was the only CHAP property with a low number of late rent requests. However, UW Tacoma has shared that during the initial lease up of that property verifying homeless or near-homeless status fell short. As a result, many residents of Koz on Market may not experience the same level of marginalization as those at the three other CHAP properties (it may also reflect differing student demographics, as Koz on Market primarily houses students from UW Tacoma).

PERCENT OF PBS CLIENTS WHO RECEIVED LATE RENT THROUGH THA OR ANOTHER PROVIDER



The data on CHAP outcomes is deeply concerning. CHAP is intended to ensure students' post-secondary success is not thwarted by homelessness and housing insecurity. Affordable housing would ideally allow them to reduce their non-school workload to give greater attention and time to completing their degree. However, reducing one's workload and income brings with it an exceptional level of risk as the data suggests. These participants are incredibly vulnerable to any negative change in circumstance, and it is unclear just how many participants have entered back into homelessness or disenrolled from college upon being removed from/exiting the program.

Knowing that CHAP is a program intending to serve students whose basic needs are not met, it is important to reflect on whether post-secondary enrollment requirements and academic-based performance metrics are fair and equitable measures of success. How can CHAP incentivize continued post-secondary enrollment and completion while at the same time not punish participants who struggle to make progress, especially student groups that have historically been marginalized in higher education? When students lose rental assistance for not maintaining eligibility, is the program unintentionally recreating the very problem that it is attempting to solve?

"My financial aid ran out before I got my degree. I could not financially continue school. I got kicked off the program, got behind, and ended back up in a hotel. THA wait lists weren't open. Some sort of collaboration there, resource, or guidance would have helped, like 'Here's what you do so you don't end up homeless again.'"

Administrative Challenges

While CHAP eligibility requirements have been modified to allow for greater flexibility, they still require intensive tracking and reporting from the colleges. The education partners must rely on existing institutional data sources/practices which cannot be easily modified to meet the needs of CHAP reporting. Internal tracking at THA is further complicated by the fact that, in addition to 75 voucher holders, there are nearly 225 additional students spread across four properties. The data on the bulk of CHAP's

participants is quite limited, occasionally inaccurate, and cannot be pulled in real time. For instance, determining the exact number of CHAP participants on a given day requires coordination between seven separate parties (two colleges, four properties, and THA) and would likely take nearly a week to compile.

Additionally, though originally envisioned to be a streamlined approach to providing subsidized housing, the PBS portion of the program has demanded a significant amount of administrative time and effort. Inaccurate reporting, landlord-tenant communication problems, safety, and referrals being made by institutions untrained on fair housing practices and landlord-tenant laws have required THA to get involved more than originally anticipated and have placed the college staff in unexpected positions where they serve as a mediator for landlords and tenants when issues arise.

Administering CHAP is complex, not only for internal THA operations but also the program staff at the colleges. TCC has one dedicated staff member to run CHAP. This staff person serves students who are currently housed, students on the waitlist, and students inquiring about the program (roughly 300 students total). UW Tacoma's Office of Student Support and Advocacy has one staff person and two social work interns serving nearly 400 students a year. CHAP participants make up about one quarter of the full case load as this office serves the entire campus and supports students with a variety of needs, not just housing.

Additionally, none of the program staff at the colleges have been formally trained on fair housing laws and local landlord tenant laws. THA does not have a process for onboarding partners and ensuring they are equipped to abide by these regulations and policies. We also do not have an auditing process in place to ensure screening and referral practices are compliant with fair housing guidelines, nor do we currently have the capacity to develop one. We should be mindful that shifting housing-related responsibilities to a non-housing institution bring with it some risk if adequate training and oversight is not provided or available.

It is not surprising that the education partners are concerned about program staffing and sustainability. Administering CHAP requires a unique and specialized skill set that is hard to come by and takes times to develop. Addressing this problem, the BERK evaluation included a recommendation to explore if there is a Coordinated Entry (CE)-connected service provider who could assist with program screening and referral to alleviate the colleges from the housing-specific responsibilities.

Recommendations

Recommendation 1: Convert the CHAP Tenant-Based Subsidy to an Income-Based Subsidy

Unlike THA's general voucher programs, CHAP gives priority to students who are homeless. It is important that we recognize this is a population that may not have enough financial stability to income qualify for PBS units or afford to rent on the private market with a fixed subsidy. It is also a population that has a greater likelihood of having experienced trauma and would benefit from more intensive supports. Lastly, as a population participating in post-secondary education, an income-based subsidy will reduce the need to balance school, work, and family or leave students relying on additional financial aid/private loans to make ends meet. As such and given what we know about HOP's lower lease up success for extremely low-income households, PIE recommends converting the CHAP HOP subsidy to a traditional income-based voucher.

Recommendation 2: Limit Vouchers to Homeless TCC Students

Should the voucher become an income-based subsidy, PIE staff recommend limiting vouchers to students who are currently homeless, using the definition that has already been established for CHAP:

Definition of homeless: A household that is:

- In an emergency shelter or in a transitional housing facility or living in a place not suitable for human habitation; or,
- Is a client of a case-management program serving the homeless; or,
- Has been discharged or is facing discharge from a public institution (e.g. incarceration, hospital, etc.) without a housing discharge plan; or,
- Is fleeing or attempting to flee domestic violence, has no other residence, and lacks the resources or support networks to obtain other permanent housing.

The previous and following recommendations help to address many of the concerns that THA and TCC were working through in trying to figure out how to better support students who are homeless and without income.

Recommendation 3: Designate Property Based Subsidies to Low-Income Students

If homeless students were able to access income-based vouchers, then PIE staff recommend designating the PBS units to housing insecure/low-income (Pell-eligible) students.

Over the last two years, the education partners have shared that PBS units are not as accessible to homeless students. To qualify for a PBS unit, students must be at or below the 30% AMI limit, but they also must have an income of two times the rent amount. For unemployed or low wage earners, this is a challenge. They are not financially secure enough to lease up. Therefore, an income-based voucher would best serve the most vulnerable population.

On the other hand, we have also received feedback that the definitions of homeless and near-homeless are not broad enough and do not serve students who are trying to avoid becoming homeless. For instance, a student must have documentation of a pending eviction to qualify as near-homeless, yet a student who is not yet evicted and trying to avoid eviction by finding a more affordable place to move to does not qualify to participate in CHAP.

Given these challenges, PIE staff recommend designating PBS units to Pell-eligible students at or below the 30% AMI limit. (Pell-eligibility controls for instances where a student is a dependent as eligibility is based on family income.)

Recommendation 4: Reportion PBS Units to Better Serve Households with Children

The PBS model has greatly reduced the stress that students face shopping on the private market. However, the current stock of PBS units is largely made up of studios and one-bedroom apartments. Only 5.5% of PBS units are 2-bedroom. However, many of the people applying to CHAP are adult learners with

families. Using TCC's screening application data, between now and March 2020 almost 40% of the homeless and near-homeless students applying to CHAP would qualify for two or more bedrooms.

PIE staff recommend reducing the number of subsidized studio units in order to increase the number of 2+ bedroom units with full amenities (as opposed to kitchenettes) to better serve families.

Recommendation 5: Maintain Time Limits, but Remove Non-Housing Related Program Requirements

"I didn't qualify [for CHAP] because the nursing application was down. I had been out [of school] for three quarters [...but] I am following my education plan exactly. The program was not there. I really had to fight to get the voucher."

"I find myself taking extra time-consuming classes for the sake of credits that aren't beneficial."

Though we think of post-secondary education as being composed of two and four-year degree programs, the reality is that most students do not complete a degree within that time. Nationally, the average time it takes to complete an Associate's Degree is roughly *five and half years*. This suggests many students stop out for a period and/or do not attend school full-time.

Providing a fixed time limit of 5 years that is free of non-housing related continued eligibility requirements would allow students greater flexibility to pursue a program on a timeline that best fits their needs and post-secondary/career goals while aligning with the national average time it takes to complete a two-year degree. This is especially important in terms of providing time and flexibility for homeless households to stabilize and experience the effects of the wraparound support provided by their post-secondary institution and/or additional external supports. Also, it would not punish someone who determines college is not the best/most affordable/attainable path for them given their life circumstances. Instead, it affords them some grace to find a path of best fit.

Further, given the inaccessible rental market, we see some students purposefully extending their post-secondary participation due to the fear that they will be unable to afford housing once exited from CHAP. This may impact the accumulation of student loan debt and delay entry into fulltime labor market participation.

Participation in job training and higher education should be *incentivized* rather than serve as a prerequisite to having one's basic needs met. Through CHAP, post-secondary participation can serve as a method to accelerate access to affordable housing (bypassing the THA waitlist). Maintaining a time limit for the CHAP program reflects the purpose and responsibility of the post-secondary institution to ensure students of any background can obtain a post-secondary credential that will lead to a living wage job. Rather than punish participants for encountering disruptions in their post-secondary path by ending their assistance, this shifts some of the onus to the education partners. Ensuring participants are leaving the college with improved and marketable skills to participate (and succeed) in the labor market will help accelerate voucher/unit turnover. As a result, PIE staff recommend that THA no longer condition rental assistance on a person's postsecondary enrollment or success. Additionally, we recommend maintaining a 5-year time limit on assistance with vouchers and a limit of 4 lease renewals for property-based subsidies.

Conclusion

Together, these recommendations would simplify the administrative burden placed on the colleges and THA staff. These program changes would provide greater flexibility for students coming out of homelessness and put access to basic needs ahead of post-secondary success. They create a path to housing for students with little to no income as well as increased opportunities for students with larger households. Lastly, it calls for greater investment by the post-secondary institutions to develop targeted re-engagement plans and career advising to ensure participants on the program are leaving the program not because of life circumstances that got in the way, but because they have earned a credential and secured entry into a long-term and meaningful career.

APPENDIX B: CHILDREN'S HOUSING OPPORTUNITY PROGRAM (CHOP)

In 2012, THA and Washington State Department of Children, Youth, and Families (DCYF) recognized there were not adequate Family Unification Program (FUP) vouchers to serve child welfare system-involved families in need of housing. In response, THA's board of commissioners committed some of its general federal housing dollars for a local FUP-like program called the Children's Housing Opportunity Program (CHOP). CHOP is intended to:

- Prevent the need for a child's foster care placement, i.e. serve families for whom the lack of adequate housing is a primary reason for the imminent placement of a family's child or children in out-of-home care.
- Facilitate a reasonably imminent reunification of a foster child with his or her family (generally within three to six months from the start of receiving housing assistance).

The primary differences between FUP and CHOP are the following:

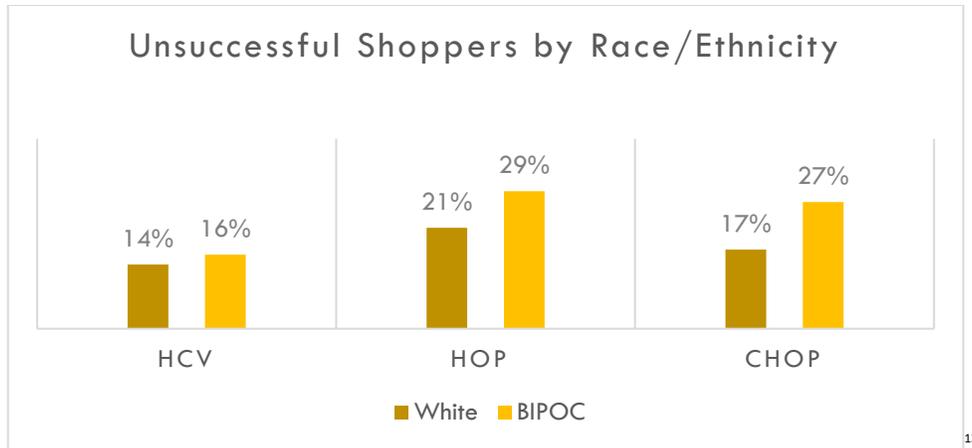
- The CHOP subsidy is a flat subsidy, like the other HOP programs, whereas FUP family vouchers are income-based.
- The length of CHOP assistance is limited to five years for workable families whereas FUP family assistance is not time limited.
- CHOP assistance is conditioned upon the household's cooperation with the DCYF's individualized service or family plan devised.
- CHOP assistance ends if parental rights are terminated.

THA funds twenty CHOP subsidies, all set aside for families.

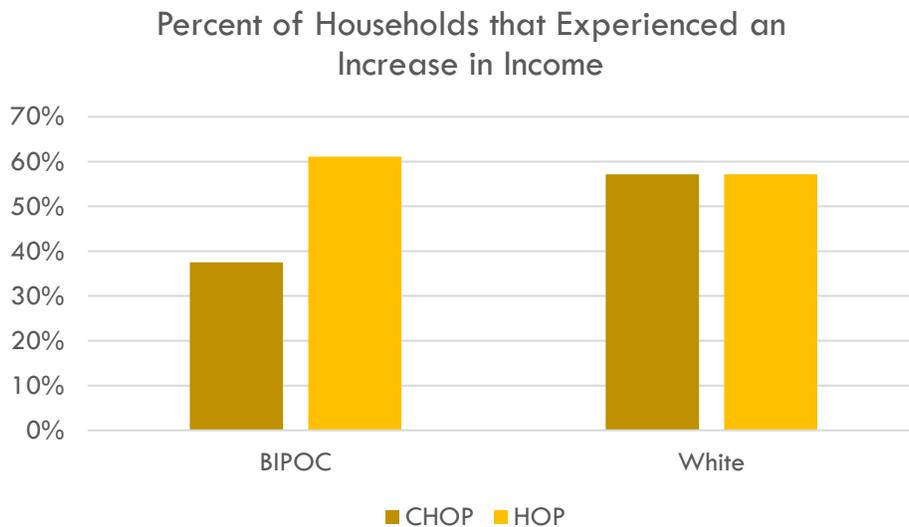
CHOP participants are experiencing inequitable outcomes.

The following findings are presented in the main report and summarized here for ease of review. It is important to note that, due to the program's size, the number of CHOP households included in the analysis is small, 27 households. When broken out by demographic characteristics, the populations get even smaller. However, PIE is committed to disaggregating data by race and ethnicity, as a rule. Regardless of population size, the findings show correlations that should be considered in future programmatic decisions.

When comparing lease-up rates to the general HCV population, CHOP participants experience somewhat comparable outcomes with 78% of the population successfully leasing a unit compared to 82% of the HCV population. However, when disaggregated by race and ethnicity, PIE observed that BIPOC-headed households receiving assistance through CHOP were unsuccessful at securing a unit at three times the rate of white-headed households.

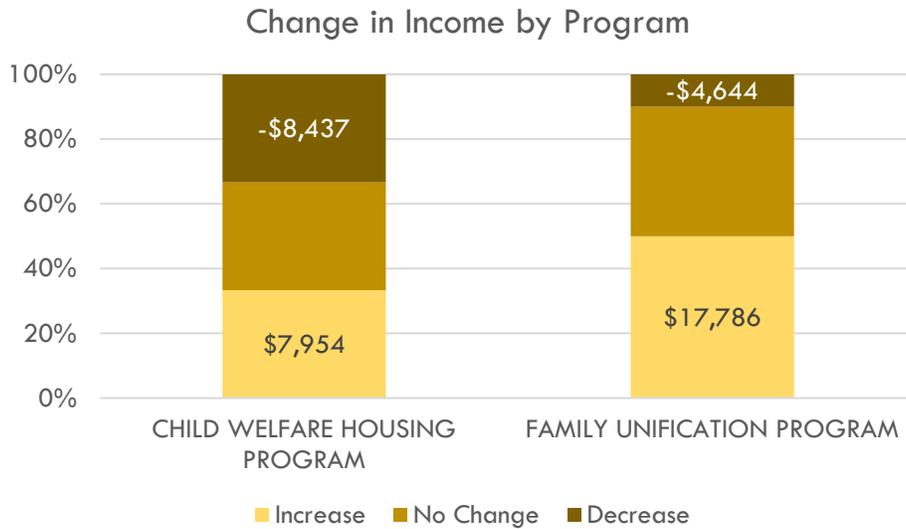


In terms of income gains, CHOP participants were among the lowest proportion of households that experienced an increase in income. In fact, CHOP households were more likely to have experienced an income *decrease* when compared to the general HOP and HCV populations. When disaggregated by race and ethnicity, PIE observed that BIPOC-headed CHOP households were less likely to experience an increase in income compared to their white counterparts on the program. These outcomes could be reflective of more stringent program requirements that have unintended and disproportionate negative impacts on people of color in addition to systemic barriers.

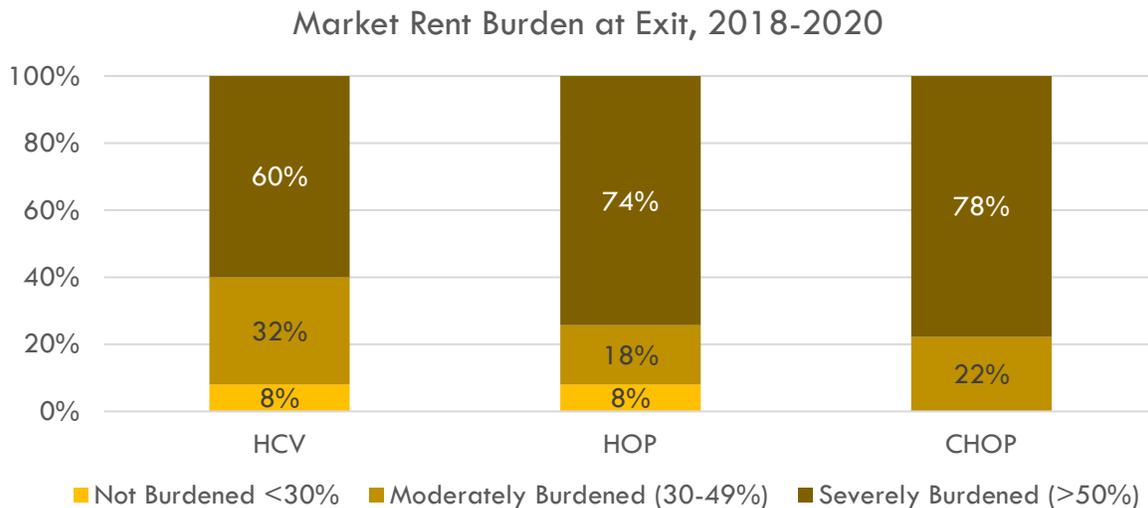


Comparing CHOP households that have exited to FUP households that have exited, the data shows that FUP households are more likely to experience an increase in income and their average income increase is more than double that of CHOP households.

¹² CHOP (n=27); HOP (n=889); HCV (n=450)



Finally, CHOP households face greater rent burdens than clients receiving HCV or traditional HOP assistance. When it comes time for households to exit the program, 78% of CHOP participants face a severe market rent burden (paying more than 50% of their income on housing costs) compared to 60% of the general HCV population.



These findings are consistent with previous findings around leasing and income progression: CHOP households are presenting greater barriers and at a disproportionate rate.

Recommendations

Like the other HOP programs, CHOP is associated with poorer outcomes when compared to the traditional HCV program. Like CHAP, CHOP targets a special population facing multiple barriers to housing security and stability – families involved with the child welfare system in need of housing support. According to the shopping outcomes, CHOP households may not have enough financial stability to rent on the private

market with a fixed subsidy. Further, they have likely experienced trauma and could benefit from deeper and more intensive supports. Finally, DCYF partners have communicated that CHOP is not a fit for all of the families they serve as many need deeper subsidies to successfully secure and maintain housing. For these reasons, PIE recommends shifting the flat CHOP subsidy to an income-based subsidy.

In terms of length of assistance and program requirements, PIE recommends further consultation with its DCYF partners on the particular needs and barriers they observe in their interactions with this client population. DCYF also administers FUP assistance and likely have observations about what can be gleaned from that program and applied to CHOP.

Additional recommendations may follow the community consultation period.



TACOMA HOUSING AUTHORITY

**ADMINISTRATION
REPORTS**



TACOMA HOUSING AUTHORITY

FINANCE



TACOMA HOUSING AUTHORITY

Motion

Adopt a consent motion ratifying the payment of cash disbursements totaling \$7,638,287 for the month of November 2021.

Approved: December 8, 2021

Stanley Rumbaugh, Chair

TACOMA HOUSING AUTHORITY
Cash Disbursements for the month of November 2021

	Check Numbers		Amount	Totals	
	From	To			
A/P Checking Accounts					
Accounts Payable Checks	Check #'s	95,277 - 95,331			
Accounts Payable ACHs	ACHs	912 - 955			
Business Support Center			498,989	Program Support	
Moving To Work Support Center			105,924		
Moving To Work Buildings (used by Support Center)			130,551		
Tax Credit Program Support Center			38,600		
Section 8 Programs			127,077	Section 8 Operations	
Arlington Crisis Residential Center			3,558	Properties	
Hillsdale Heights			16		
Highland Crest Apts			36,804		
Hilltop Lofts			6		
James Center			21,995		
KeyBank Building			1,096		
Outrigger			18,920		
Prairie Oaks Operations			10,959		
Salishan 7			72,981		
Alberta J Canada Bldg			32,281		
Arlington Youth Campus			56,000		
Saravida Building			2,800		Development
James Center			263		
Court F (HT 1800 Block)			35		
HT 1500 Block			4		
Hilltop Redevelopment			7,023		
Hillsdale Heights			9		
Bus Development Activity			33,136	Client Support	
CS General Business Activities			854		
CSA Program - Business Activities			1,850		
Department of Commerce Funding for Crisis Residential Center			166,815		
Community Services MTW Fund			20,608		
Education Private Grants (Gates, etc.)			18,444		
Education-Local Gov't Grants (County, City)			96		
COT-Community Wellness Program			50		
HUD-FSS Grant			133		
AMP 6 - Scattered Sites			656		Public Housing
AMP 9 - HT 1500 - Subsidy			664		
THA SUBTOTAL			1,409,198		
Hillside Terrace 2 & 1500			36,263	Tax Credit Projects - Reimbursable	
Bay Terrace I & II & Community Facility			103,057		
Arlington Youth Campus			45,192		
Court F (The Rise)			800,049		
Renew Tacoma Housing			218,691		
Salishan 1 - Salishan 6			347,312		
TAX CREDIT SUBTOTAL (Operations & Development - billable)			1,550,565	2,959,763	
Section 8 Checking Account (HAP Payments)					
SRO/HCV/VASH/FUP/NED	Check #'s	485,053 - 485,141	131,284		
	ACHs	12,392 - 13,321	3,663,392	\$ 3,794,676	
Payroll & Payroll Fees - ADP				\$ 883,848	
TOTAL DISBURSEMENTS				\$ 7,638,287	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2021

Account Name	Current Balance	Interest
HERITAGE BANK		
Accounts Payable	8,394,803	0.27%
Section 8 Checking	3,762,849	0.27%
THA Affordable Housing Proceeds-Salishan	1,972,989	0.27%
THA Scattered Sites Proceeds	5,889,740	0.27%
FSS Escrows	220,286	0.27%
CSA Escrows	123,421	0.27%
Note Fund Account	103	0.27%
Key Bank Security Deposits	1,053	0.27%
THA Investment Pool	337	0.27%
THDG - Tacoma Housing Development Group	839,673	0.27%
Salishan 7 Operations	1,772,458	0.27%
Salishan 7 Security Deposit	28,968	0.27%
Salishan 7 Replacement Reserve	484,209	0.27%
Salishan 7 Operating Reserve	203,768	0.27%
Highland Crest Operations	1,508,646	0.27%
Highland Crest Replacement Reserve	306,611	0.27%
Highland Crest Security Deposit	41,278	0.27%
Outrigger Operations	622,634	0.27%
Outrigger Replacement Reserve	244,474	0.27%
Outrigger Security Deposit	24,349	0.27%
Prairie Oaks Operations	223,048	0.27%
Prairie Oaks Replacement Reserve	38,055	0.27%
Prairie Oaks Security Deposit	6,655	0.27%
Payroll Account	3,655	0.27%
HOME STREET BANK		
James Center North Operations	1,039,007	0.00%
James Center North Security Deposit	63,049	0.00%
WASHINGTON STATE		
Investment Pool	\$ 1,526,095	0.09%
1. TOTAL THA CASH BALANCE	\$ 29,342,211	
Less:		
2. Total MTW Cash Balance	\$ 1,306,512	
<i>Less Minimum Operating Reserves</i>		
2.01 Public Housing AMP Reserves (4 months Operating Exp.)		
2.02 S8 Admin Reserves (3 months Operating Exp.)	726,000	
2.09 Less Total Minimum Operating Reserves	\$ 726,000	
2.1. MTW Cash Available (Lines 2-2.09)	\$ 580,512	
3. MTW Cash Held By HUD	\$ 9,685,449	
4. Non MTW Cash Restrictions/Obligations		
<i>4.1 Non MTW Operational Restrictions</i>		
4.10 HUD Restricted - Lot and Property Sales	\$ 7,862,728	
4.101 Area 2B Sales Proceeds (Afford Hsg)	1,972,989	
4.102 Scattered Sites Proceeds (Afford Hsg)	5,889,740	
4.20 THA Property Accounts Reserved	\$ 2,693,035	
4.201 Security Deposit Accounts	165,351	
4.202 Highland Crest Operations Reserves	320,000	
4.203 Highland Crest Replacement Reserves	306,611	
4.204 James Center North Operations Reserves	230,000	
4.205 James Center North Capital	262,935	

TACOMA HOUSING AUTHORITY

CASH POSITION - October 2021

4.206 Outrigger Operations Reserve	150,000			
4.207 Outrigger Replacement Reserves	244,474			
4.208 Prairie Oaks Operations Reserves	77,000			
4.209 Prairie Oaks Replacement Reserves	78,055			
4.210 Salishan 7 Operations Reserves	374,400			
4.211 Salishan 7 Replacement Reserves	484,209			
4.30 Rental Assistance Reserves		\$	1,417,552	
4.301 Mod Rehab Operating Reserves	113,107			
4.302 VASH, FUP, NED, EHV & MAIN HAP Reserves	1,043,893			
4.303 FSS Escrows	260,551			
4.40 Prepaid Grants		\$	2,307,336	
4.401 TPS Interlocal (CS-2017-011)	238,018			
4.402 UWPC - Strong Families (CS-2018-003)	-			
4.403 Balmer Foundation - Education Prog (CS-2020-005)	507,026			
4.404 College Spark (PI-2018-005)	66,612			
4.405 GTCF Grant (PI-2019-005)	246,886			
4.406 Gates - THA Education Program (PI-2020-006)	154,299			
4.407 Kresge Foundation - CHAP Program (RA-2019-009)	204,821			
4.408 Ballmer Foundation - COVID Rent Assist (RA-2020-003)	50,000			
4.409 THDG	839,673			
4.60 Total - Non MTW Cash Restrictions (4.10+4.20+4.30+4.40+4.50)		\$	14,280,650	
4.70 Agency Contracted or Budgeted Commitments Remaining		\$	-	
			-	
			-	
4.99 Total Non MTW Cash Restrictions/Obligations (Lines 4.60+4.70)		\$	14,280,650	
5. THA UNENCUMBERED (Non-MTW) CASH (Lines 1-2-4.99)		\$	13,755,049	
6. Development Advances - Project Reimbursement upon closing/draw		\$	-	
6.01 Arlington Youth Housing			-	
6.02 Court F LLLP (1800 Block)			-	



TACOMA HOUSING AUTHORITY

EXECUTIVE



TACOMA HOUSING AUTHORITY

Motion

Date: December 8, 2021
To: THA Board of Commissioners
From: Sha Peterson
Executive Administrator
Re: THA Board of Commissioners 2022 Meeting Schedule

Motion

Move to approve the 2022 Tacoma Housing Authority Board of Commissioners' meeting schedule.

Intent

Approve the 2022 THA BOC meeting schedule to comply with THA Bylaws and RCW 42.30.070.

THA Bylaws Section 4.1.2

Regular meetings of the Authority are held on a schedule and at locations that the board shall determine in advance.

RCW 42.30.070

“The governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body. Unless otherwise provided for in the act under which the public agency was formed, meetings of the governing body need not be held within the boundaries of the territory over which the public agency exercises jurisdiction. If at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day. If, by reason of fire, flood, earthquake, or other emergency, there is a need for expedited action by a governing body to meet the emergency, the presiding officer of the governing body may provide for a meeting site other than the regular meeting site and the notice requirements of this chapter shall be suspended during such emergency. It shall not be a violation of the requirements of this chapter for a majority of the members of a governing body to travel together or gather for purposes other than a regular meeting or a special meeting as these terms are used in this chapter: PROVIDED, that they take no action as defined in this chapter.”

Implementation

After the Board adopts the meeting schedule, changes to dates and/or locations have to be submitted to the board for approval.

Approved: December 8, 2021

Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

2022 Board of Commissioners Meeting Schedule

Regular Meetings		Special Sessions	Location or Zoom Information Dial In: (253) 215-8782
Monthly Meetings	Study Sessions		
	January 14		https://us02web.zoom.us/j/83211929416
January 26			https://us02web.zoom.us/j/83044819834
	February 4		https://us02web.zoom.us/j/81309460837
February 23			https://us02web.zoom.us/j/81766942807
March 23			https://us02web.zoom.us/j/84257803342
April 27			https://us02web.zoom.us/j/85288412040
	May 6		https://us02web.zoom.us/j/88048656307
May 25			https://us02web.zoom.us/j/81552710062
June 22			https://us02web.zoom.us/j/88355525834
	July 8		https://us02web.zoom.us/j/89897851263
July 27			https://us02web.zoom.us/j/87128259596
August 24			https://us02web.zoom.us/j/85746321000
	September 9		https://us02web.zoom.us/j/86518638609
September 28			https://us02web.zoom.us/j/82245634727
October 26			https://us02web.zoom.us/j/88913547854
	November 4		https://us02web.zoom.us/j/86208240888
November 9			https://us02web.zoom.us/j/87268443994
December 14			https://us02web.zoom.us/j/88497102854

Regular Meetings begin at 4:45 pm / **Study Sessions** begin at 12:00 p.m. and end at approximately 1:00 pm

Meeting dates, locations, and times are subject to change.

Up-to-date information is posted on the Tacoma Housing Authority (THA) [website](#). You may contact the THA office the week prior to the scheduled meeting to confirm this information. The sites are accessible to persons with disabilities. Persons requiring special accommodations should contact Sha Peterson at (253) 207-4450, before 4:00 p.m. the day before the scheduled meeting.



TACOMA HOUSING AUTHORITY

NEW BUSINESS

Resolution 1



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08 (1)

Date: December 8, 2021
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Fiscal Year 2022 Agency Budget

This resolution would adopt THA's budget for 2022. The details are set forth in the attachments.

SOME BACKGROUND

By this resolution, the Board would adopt a THA budget for FY 2022. Each year THA budgets for the upcoming fiscal year. The annual budget reflects an estimate of the expected revenues and expenditures for each of its departments and major programs. The budget denotes strategic choices. It shows individual department expenses. For management purposes each department director will manage and control their department budget in accordance with Federal, State and Local regulations.

The Board provided direction for writing this budget through discussions about 2021-2022 priorities discussion at the September Board meeting. I have provided additional direction to staff based on these discussions. The Finance Director facilitated multiple meetings with the other Directors to come up with a budget to present to both me, and now the Board. As is typically the case each year, one of the biggest topics of discussion has been the expenditure of THA's Housing Assistance Payment (HAP) funds. This is the largest allocation of federal funding that THA receives, approximately \$55.3 million in 2021, as well as the largest expenditure of funds (\$50.8 million).

Here are some of the other notable features within the budget:

- The budget is based on current year federal funding (2021 HAP funding)
- The budget accounts for our agreed-upon agency priorities for 2022.
- The 2022 budget fits recurring expenses within recurring income.
- Like past budgets, this one is based on conservative estimates. THA's past prudence has allowed us to weather the continuing budget challenges. As we remain in an unsettled

environment for predicting future HUD funding, this approach should continue to serve the agency well.

- The 2022 Budget proposal leaves THA with adequate reserves of both MTW and non-MTW funds. There are also reserves remaining from the sale of ACC property (Salishan lots and AMP 6 Single Family homes), which are designated by HUD under the terms of the demo/dispo application for rehab or existing and developing of new affordable housing in the community. Additionally, we are anticipating that there will be HAP reserves remaining at HUD at the end of 2022. This is due to Cash management regulations HUD follows not allowing agencies to have excess MTW reserves held at the agency.

I am pleased to present this budget proposal to the Board. It reflects discussions throughout the year by both the Board and staff. The proposed budget leaves THA in good shape for 2022. It allows THA to continue core programs. It allows for more than 100% MTW utilization of Voucher allocation. It also allows THA to expand its focus on being an excellent provider of affordable housing, being an excellent place to work, and being a strong community partner.

Lastly, this budget allows us to continue making adjustments as needed in both operations and client support to the ongoing COVID pandemic that we have been dealing with since March, 2021.

PRINCIPLES GUIDING THE BUDGET CHOICES

Staff have used the following principles to guide the preparation of this budget proposal:

- **THA's priorities will drive the budget**

During the September Board meeting, we discussed the priorities that will drive our work in 2022. Those priorities are listed below with some brief detail about how they are accounted for in the 2022 budget.

- *Incorporate Diversity, Equity, Inclusion and Belonging (DEIB) in all THA work*
 - We have budgeted \$125,000 for a DEIB Consultant;
 - We have budgeted for HR recruitment support in an effort to embed DEIB in our recruitment efforts;
- *Support staff and make THA a place where people belong and are valued as people*
 - The DEIB assessment, including its interviews of staff, will help identify where we should prioritize our time and money to support this

effort. We have budget funds for HR supports and contracts that might be identified within the DEIB consultant analysis of THA's needs.

- We have budgeted for increases to THA's salaries, a salary analysis, and annual salary increases.
- We have budget for staff training and travel.
- Based on staff feedback, we have budgeted for additional staff to right-size workloads and provide training and management support for new staff.
- *Provide excellent customer service for internal and external customers*
 - We are adding staff in the customer-interfacing departments in order to better meet the needs of THA's customers.
 - We added several temporary positions to support getting caught up on contracts and improve our website.
 - The software conversion is a major investment in streamlining THA's operations to better meet the needs of THA internal and external customers.
 - Continue to invest in the Process Improvement project to create better systems for our customers and to make sure staff have access to the training resources they need to do their jobs.
- *Break down silos within the agency*
 - We have budgeted for staffing costs associated with a reorganization of the agency that will be focused on moving THA away from departmental priorities and into a "one agency" approach to our work.
 - We will be posting to fill all vacant leadership positions. We have budgeted for those recruitment efforts and will be seeking leaders with:
 - Substantive expertise
 - A willingness and commitment to creating a THA culture of diversity, equity, inclusion and belonging
 - A willingness and commitment to a human-centered leadership approach.
 - An ability to help THA move toward operating as "one-agency"

- Experience setting goals and metrics and streamlining operations to deliver on those goals.
- *Increase affordable housing in Tacoma using all available means*
 - Adding 57 Project-Based Voucher (PBV) units to Hilltop Lofts, making 57 new permanent supportive housing units available in Tacoma.
 - Adding 50 new subsidies to existing housing that could be made immediately available to households existing homelessness.
 - Funding a \$7M gap in the Housing Hilltop project and continuing to fund the Development staff necessary to plan and oversee this project that will add roughly 230 new units of affordable housing.
 - Continuing to fund development staff and pre-development expenses related to Aviva Crossing (previously known as James Center North (JCN)) and the redevelopment of Hillside 1500.
 - Continuing to fund staff and pre-development expenses related to acquiring new rental housing units.
- *Align THA's goals and strategies with greater community goals.*
 - We have set aside budgeted funds for new positions that will likely result from the new organizational structure. I plan to hire for a Director of Strategy and Community Engagement and an Intergovernmental Affairs Manager. Both of these positions will work to improve the alignment of THA's goals with the greater community goals and further leverage the work that is already being done.
- *Realign THA departments, positions, etc. to meet the goals of the community and agency, support staff, reduce redundancy, and offer clearer lines of responsibility and authority.*
 - We have budgeted for the costs associated with reorganizing the agency.
- *Refine education project—relationships with institutions/students/property owners, clear and measurable goals, simplify so work can be embedded in THA programs.*
 - We have budgeted to contract with the Foundation for Tacoma Students to analyze THA's education programs, suggest strategies for supporting students, and propose metrics we should use in measuring the success of our investment in student supports.

- The CSE department is updating its strategic plan and priorities. The focus on supporting students and their entire family, will be part of their plan, staffing, and metrics.
 - *Renew overt goals related to Section 3—THA hiring, CSE priorities, all development projects.*
 - We did not explicitly budget for this. Through the hiring of our Director of Human Resources, I hope to increase the capacity of our agency to provide the training and necessary support for applicants with training gaps.
 - The CSE department is updating its strategic plan and priorities. The focus on Section 3 and resident employment support will be part of their plan, staffing, and metrics.
 - *Maintain 99% occupancy in the portfolio.*
 - Continue to invest in community building and community safety so our communities are places people want to live.
 - Invest in 2 temporary positions to support Eviction Prevention efforts in the portfolio and Voucher program.
 - Add an additional Maintenance Supervisor to provide the maintenance staff with supervision and training supports they need to do their jobs well.
 - *Fully utilize Emergency Housing Voucher funds.*
 - The budget includes new staff positions with Rental Assistance to support new voucher holders in their search for housing and provide post-placement supports necessary to meet the needs of the households using these vouchers.
 - *Maintain financial sustainability.*
 - You will see our commitment to financial sustainability within this budget resolution. We maintain a conservative budget while remaining forward thinking and retaining ample reserves to pursue opportunities as they become available.
- **Congressional appropriations**
Congress is supposed to adopt a federal budget by October 1st. Per usual, there have been delays. As of the date this resolution was crafted, we are operating under a Continuing Resolution which expires December 3rd and provides funding

at 2021 levels. We are using this flat funding level as our basis for the 2022 budget proposal. Any additional funds received for 2022 will be beneficial to the agency in completing its mission. One of the first things we will be looking at depending on how much additional funding we receive, if any, is the absorption of approximately 100 Port in vouchers at approximately \$1 million per annum. This will increase our utilization over 100% and decrease the administrative burden of supporting these vouchers. We only receive a portion of the administrative fee for administering these vouchers, while the level of work is greater than the fee received.

- **Recurring income and expenses**

We seek a budget where our recurring income pays for our recurring expenses. We try not to spend reserves on recurring expenses because it is not sustainable. Our proposed budget provides a comfortable aggregate surplus of recurring income over recurring expenses.

- **Reserves and reserve spending**

Reserves are important. We want to keep enough for important purposes; to operate safely, remain credit worthy to investors and partners, and to allow enough funding for real estate development opportunities when they arise. We continue to identify minimum and maximum levels of reserves overall and for each type of reserve. A determination is then made by the Board as to what level of reserves is optimal. For our MTW funds, we project reserve levels at approximately, \$1.6 million at THA, and \$1.8 million at HUD at the end of 2022. For our Business Activity funds (Non-MTW without restrictions), we anticipate approximately \$16.3 million. It is important to note that we are anticipating receiving \$12 million from the closing of the Trees properties at the end of 2021. Even though we are intending to provide funds to cover a financing gap for Housing Hilltop, and property purchases in 2022, we still end up with a significant balance above optimal at the end of 2022. This will provide us flexibility in reviewing opportunities that may arise during the year, and into the future.

The budget also spends reserves as the Board's principles direct. The best use of reserves is to fund activities that have a plausible prospect of: (i) saving us money; (ii) making us money; (iii) making us more effective. A substantial portion of the spending of non-MTW reserves is on development projects that we expect will add more affordable housing to the market.

For the 2022 budget we will be moving forward on a platform conversion from Salesforce (OpenDoor) to Yardi's traditional housing platform; and ramp up our process improvement and documentation effort; We will also continue to support our families with services. As we typically have in recent years, we have set funds aside for property purchases, We also intend to provide gap funding for the Hilltop Redevelopment, allow for acquisition of new properties, and continued predevelopment needs for James Center and Hillside 1500.

NOTABLE BUDGET ASSUMPTIONS

All budgets rely on assumptions. These are the notable ones for this budget:

- **Budgeting at 2021 funding levels**
Between 2018- 2021, we received an approximate \$10.1 million combined HAP funding increase from HUD. As of this writing, we are operating under a Continuing Resolution for the 2022 Federal Budget, with HAP funded at 2021 levels. We will finalize this budget, using 2021 funding levels, with hope that there will be some increase once the Federal Budget is finalized.
- **Public Housing Operating Subsidy:**
This is no longer a significant factor in the agency budget, as we only have 5 units of Public Housing remaining. We are looking at bringing on Public Housing Faircloth units and transitioning them to RAD at some point. If this is done, due to the timing of how long a property may be Public Housing before being transitioned, we may periodically receive additional funds in this category.
- **Section 8 Admin Fee**
Section 8 Admin Fees are budgeted at 82% of authorized amount. This % is based upon an average of what we have received over the past few years.
- **Wages and salaries**
In connection with our 2018 Union negotiations, we established a minimum and maximum pay range for each position. These pay ranges have not been adjusted to reflect the current market conditions, and it is impacting recruitment and could lead to future retention issues. We are budgeting an increase to our range amounts to bring the ranges into closer alignment with the current employment market. This change will not impact many existing staff. Some salaries will be adjusted based on a compression chart that factors a staff member's years of service in their current position.

For all existing administrative staff, we will provide a wage adjustment effective the first full pay period in January to help with the salary alignment as we bring new staff members in with the revised range amounts in place. We are still in the process of negotiating with Trades regarding the maintenance staff salaries.

We are budgeting an increase for OPEIU non-represented and Trades staff effective July, along with an extra 2% for Variable pay based on performance. There is an additional \$200K added to the Executive Department's Special Recognition fund, above the 2% allocated to each department, to address any extraordinary efforts throughout the agency during 2022.

This resolution would also authorize the Executive Director to approve raises different from what is budgeted based on market conditions and Union negotiations.

Lastly, even though we are making the adjustments identified above, there has not been a salary analysis of positions since 2017-2018. To ensure our adjustments are in line with the market, we will be commissioning an analysis in 2022, and will make additional adjustments if necessary.

The budget includes an additional \$100K for compression adjustments, along with \$250K plus benefits for any adjustments that may be needed for reorganization.

- **Employee benefits**

We calculated the costs of employee benefits on the following assumptions:

Health Care benefits

We plan for a 5% increase in the Laborers Trust for our maintenance staff, effective July 1st. For our OPEIU and Non-represented staff, there was an approximate 4% increase in rates from 2021 for PEBB.

Dental

There was a 22.3% increase in our rates from 2021. This was the first substantial increase in the last few years.

Retirement

Washington State employer portion of retirement plan is budgeted at the 10.25%. This is a decrease in rates from the 12.97% in place the majority of 2021. This was the first decrease after several years of increases.

Short and Long Term Disability/Life Insurance

There is no significant change in these rates for 2022.

Unemployment Insurance

THA pays out all unemployment claims and remains self-insured for 2020. We are maintaining the accrual at 1.5% in 2022. THA pays for all of the claims from this accrual.

Benefits, on average, are approximately 40.0% of salary dollars.

- **Property Reserves**

We will maintain a six month operating reserve based on expenses, as well as a replacement reserve for all properties that we own. This accounts for the \$2.8 million reserve level for this category.

SOME BUDGET DETAIL

- **HAP Utilization:**

The intent is to serve as many families as possible under THA's rental assistance programs. In 2018, the Board of Commissioner approved a utilization rate of 95% of our Section 8 MTW authorization when there were issues with funding and utilization. No changes in utilization rate have occurred by the Board since that approval. Due to the additional funding received over the past few years, THA was able to increase MTW utilization to 100% by the end of 2019. We have maintained the utilization at 100% or higher since that time. In 2021, we increased our Project Based Vouchers by 132 for Arlington, Court F, and Home at Last. Households have left the program at a little lower rate than budgeted in 2021, we believe primarily due to the ongoing pandemic. In 2022, we intend to add 50 Property Based units to our portfolio and 57 new Project-Based Voucher (PBV) units at Hilltop Lofts.

- **Special Program Initiatives**

The budget provides approximately \$2.1 million for special program initiatives that the Board will recognize from past discussions:

- DSHS-PHA child welfare collaboration
- Rapid rehousing for homeless families
- Housing for unaccompanied youth
- Tacoma Schools Housing Assistance Program (TSHAP)

The funding for special programs represents housing an equivalent of approximately 150 families per year.

You will note that some of these program costs have been moved to non-recurring expenses to account for pending discussions to significantly reduce or end THA's investment in Rapid Rehousing (RRH) and TSHAP. We will talk in more detail about this when we review extensions to both of these contracts. In short, THA directed its funds into Pierce County's RRH and TSHAP programs when it was obvious that THA's mainline programs were mostly inaccessible to households experiencing homelessness. The landscape of THA's programs have changed since we began these investments.

- THA is now a recipient of Mainstream and Emergency Housing Vouchers. Both of those programs are available to households accessing housing through Coordinated Entry and exiting homelessness.
- In 2020, THA added a new Crisis Residential Center to its portfolio. This 12-bed center serves about 350 youth per year with this housing.
- In 2020-21, THA added 18 units in The Rise for veterans served by the VASH program and 44 homeless set aside units in Arlington Drive for young adults 18-24 years old and their children.

In total, THA now owns and manages 98 units of housing set aside for

people exiting homelessness.

- In 2022, THA will be attempting to add 50 new units of PBV, PBS or VASH assistance to units immediately available to households exiting homelessness. This will be an increased HAP cost of approximately \$600,000 per year.
- In 2022, THA partnered with Horizon Housing to provide the land to build Hilltop Lofts. Hilltop Lofts will provide 57 units of permanent supportive housing for people exiting homelessness.

All of these new investments cost money while adding long-term deeply subsidized housing options to the housing continuum. While we slowly divest from RRH programs, we are increasing permanent housing options. We see this as a win for the community and housing continuum in Tacoma-Pierce County.

- **HAP Expenditures**

Due to increasing upward pressure in the area's housing market, our average HAP has been increasing since 2016. With COVID presenting challenges for employment, and a freeze on rent increases during the majority of the pandemic, as well as escalating rents in the Tacoma market, we are budgeting for an average \$4 per month HAP increase for 2022.

We are also budgeting for HAP increases that could result from changes to the subsidy calculation for Housing Opportunity Program (HOP) and College Housing Assistance Program (CHAP) households. This decision is pending but we are budgeting for all possible outcomes.

- **Tax Property Cash Flows**

For 2022, we are budgeting approximately \$669K in recurring Cash flow from Renew Tacoma Housing; \$966K for the Salishan 1-6 properties; \$182K for Hillside 2300 & 1500. We are not projecting any cash flow from our Bay Terrace 1 or 2 properties, as there is minimal surplus in their 2022 budgets. We are projecting \$236K from the Rise at 19th, and \$93K from Arlington Youth Rental Apts., both in their first full year of operations in 2021. In total, including what we will receive from Alberta Canada, THA should receive an approximate \$2.24 million in recurring waterfall payments for 2022.

- **IT /Process Improvements/ Document Management**

We transitioned to our current IT platform (OpenDoor and Intacct) in 2017. Over the years, we found OpenDoor has not met our needs in the programmatic area of our operations. For the agency to make the changes necessary for the program to meet staff and client needs, it would be prohibitively expensive. In 2021, we conducted an analysis, and reached out to different vendors to see what options we had. In our analysis, and working with Yardi, it became increasingly

apparent that moving to Yardi from our current platform would improve our operations and be less costly for us over time. We are therefore intending to embark on a transition to Yardi as our IT platform for the work we do at THA. Even though initial steps have been taken, after the first of the year, we will more aggressively prepare the data and agency for conversion. It will take up to a couple of years to fully convert, and we believe Yardi will be fully operational by the end of 2023. We have budgeted \$1.2 million for the conversion in our 2022 budget, along with \$300K for software development for gaps identified when investigating Yardi. An additional \$250K has also been budgeted for Yardi consultants who understand the platform and who will keep us on track to set up and utilize Yardi the best we can from the start.

In 2021, we moved forward with the Process Improvement and Documentation effort by hiring three Business Analyst positions that were approved in the Budget. We believe this team will assist the agency in formalizing processes, and will also be a big asset in our conversion to Yardi.

Lastly, we had selected Laserfiche as our Document Management software, and pan on moving forward on implementing it, and determining how it integrates with Yardi.

Client Support

In 2019, it was decided that a \$250 fee would be charged to all properties we own and manage to support the clients we serve in being successful in their tenancy. This fee was made possible when we determined the rents for our Public Housing properties when they transitioned to Project Based Section 8 RAD units, and helps offset the MTW funds utilized for this area.

We also have staff assigned to support our Voucher tenants and partnering them with 3rd party services when necessary.

Lastly, we have realized that our clients have had challenges paying their rent during the pandemic. We are working to support our tenants in finding rental assistance, and ways for them to maintain their tenancy.

- **James Center North (Aviva Crossing)**
This complex was purchased in 2017, with commercial leases in place. THA is still investigating redevelopment opportunities, and working to come up with a plan for it's redevelopment in the early to mid 2020's. The development will be a mix of Affordable Housing, along with student housing, market rate and Commercial. This property will continue to generate revenue from a portion of the complex that we identified as being able to execute long term leases (10 years), and will be the last part of the development to be redeveloped.
- **Hilltop**

THA’s development of roughly 230 housing units on its property along S L Street between S 10th and 12th Streets will begin in 2022. THA has included \$7 million in the 2022 budget to assist in filling a funding gap that exists for the affordable housing units before development can proceed.

- **Reserve Appropriations/Operating Transfers**

In the budget, we specify certain areas where we will either make transfers from certain areas, or pull from reserves rather than operations for expenditures

- Budgeting \$7 million from our unrestricted funds for the funding gap at the Housing Hilltop development.
- Budgeting \$2 million from unrestricted funds for rental property purchases.
- Budgeting a \$700K transfer of funds from THA-owned rental properties to Business activities at end of 2022 in order to maintain optimal Operating and Replacement reserves at the properties.

- **Use of MTW flexibility**

Due to our MTW flexibilities, we have had the ability to combine our Public Housing Operating subsidies, Public Housing Capital Funds and Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source. With our Public Housing primarily converted to Section 8 RAD units, our flexibility lies in combining our Section 8 Housing Choice Voucher HAP funds and Section 8 admin fees for those units into a single funding source to carry out the mission of the MTW Demonstration program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 act.

- **Reserves**

The budget will leave us with the following reserves as indicated in Attachment A:

○ MTW Reserves	\$ 1,576,000
○ Business Activities (Non-MTW) reserves	\$ 16,333,000
○ PH Owned Property reserves	\$ 2,823,000
○ Reserves with Restrictions	\$ 7,465,000
○ Section 8 Reserves held at HUD	<u>\$ 1,800,000</u>
	\$ 29,997,000

Recommendation

I recommend that the Board adopt Resolution 2021-12-08 (1) to formally approve THA’s Fiscal Year 2022 Annual Budget.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08(X)

FISCAL YEAR 2022 ANNUAL BUDGET

WHEREAS, The Housing Authority of the City of Tacoma (“Authority”) intends to incur expenses and other cash outflows for Fiscal Year 2022.

WHEREAS, Authority staff has prepared and the Board of Commissioners of the Housing Authority of the City of Tacoma as reviewed and provided input to the proposed Fiscal Year 2022 annual budget,

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that:

1. The Board of Commissioners of the Housing Authority of the City of Tacoma adopts the attached FY 2022 Agency wide budget. Expenses and other cash outflows are projected as follows:

<u>Expenses - Operations</u>	
Administration	\$ 5,635,432
Client Support & Empowerment	4,882,825
Executive	2,079,254
Finance	1,876,873
Human Resources	1,358,311
Policy, Innovation and Evaluation	843,999
Rental Assistance	57,194,658
Real Estate Development	3,036,875
Property Management Overhead	2,033,638
Property Budgets	<u>2,514,590</u>
Subtotal	81,456,455
<u>Additional Cash Outflows</u>	
Debt Service	199,982
Capital Expenditures	10,997,000
Replacement Reserves	<u>172,653</u>
Subtotal	11,369,545
TOTAL APPROVED BUDGET	<u>\$92,826,090</u>

Approved: December 8, 2021

Stanley Rumbaugh, Chair



Attachment A

BOARD OF COMMISSIONER DECISION POINTS: 2022 Budget
December, 2021

Rev 2021-11-30 PM

The green boxes below denote the main decisions for the THA Board. The contents of the green boxes are staff proposals.
 The yellow boxes below and other text contain information and staff proposals that will help the Board decide.

1. AVAILABLE RESERVES

Minimum necessary and Optimal Reserves

Type/Purpose of Reserves	Projected Reserves 01/01/22	-	Minimum	Maximum	Amount to Reserve - 2022	=	Amount of reserves available to use in FY-2022
a. MTW Reserves	\$1,500,000		\$600,000	\$5,000,000	\$1,000,000		\$500,000
b. Business Activities (Non-MTW) reserves	\$23,000,000		\$5,000,000	\$8,500,000	\$8,000,000		\$15,000,000
c. THA Owned Property	\$2,700,000		\$2,700,000	\$3,000,000	\$2,800,000		(\$100,000)
d. Reserves with Restrictions (ACC sale proceeds)	\$7,465,000		\$0	\$0	\$0		\$7,465,000
e. Section 8 Reserves held at HUD.	\$8,300,000		\$0	\$0	\$0		\$8,300,000
	\$42,965,000		\$8,300,000	\$16,500,000	\$11,800,000		\$31,165,000

MTW Reserves

MTW Expenses Non-HAP

Annual Amount	Minimum		Maximum	
	Period	Amount	Period	Amount
\$15,000,000	1/2 month	\$600,000	4 months	\$5,000,000
	Total	\$600,000	Total	\$5,000,000

2. RECURRING OPERATIONAL INCOME AND EXPENSES FY-2022

	Recurring Income	-	Cost of Recurring operations	=	Surplus or (Shortfall) in recurring operations ¹
MTW	\$57,186,000		\$57,693,000		(\$507,000)
Non-MTW	\$11,976,000		\$12,140,000		(\$164,000)
Rental Properties	\$3,697,000		\$2,864,000		\$833,000
Total	\$72,859,000		\$72,697,000		\$162,000

3. BUDGET IMPACT - RESERVES - FY-2022

	Non - MTW					Total
	MTW	Business Activities	THA Owned Property	Reserves with Restrictions (ACC sale proceeds)	Section 8 Reserves held at HUD.	
Estimated Reserves - 01/01/22	\$1,500,000	\$23,000,000	\$2,700,000	\$7,465,000	\$8,300,000	\$42,965,000
a. Recurring Surplus/(Shortfall) ¹	(\$507,000)	(\$164,000)	\$833,000			\$162,000
Non-Recurring Income/(Expense)						Amount
b. Non Recurring Income - Operational	\$246,000	\$2,991,000	\$13,000			\$3,250,000
c. Non Recurring Income - Capital	\$0	\$1,250,000				\$1,250,000
d. Non Recurring Expenses - Operational	(\$4,166,000)	(\$4,943,000)	(\$23,000)			(\$9,132,000)
e. Non Recurring Expenses - Capital	(\$1,997,000)	(\$9,000,000)				(\$10,997,000)
f. Operating Transfers		\$700,000	(\$700,000)			\$0
g. HUD HAP Drawdown/Transfer to MTW	\$6,500,000				(\$6,500,000)	\$0
h. Arlington Youth Housing Developer Fee Receivable (2021)		\$1,749,000				\$1,749,000
i. Court F (The Rise) Developer Fee Receivable (2021)		\$750,000				\$750,000
j. Projected Reserves - 12/31/22	\$1,576,000	\$16,333,000	\$2,823,000	\$7,465,000	\$1,800,000	\$29,997,000

4. **FY-2022 PROJECTED END OF YEAR RESERVE LEVELS**

Type/Purpose of Reserves	Projected Reserves 12/31/22	Minimum	Maximum
a. MTW Reserves	\$1,576,000	\$600,000	\$5,000,000
b. Business Activities (Non-MTW) reserves	\$16,333,000	\$5,000,000	\$8,500,000
c. THA Owned Property	\$2,823,000	\$2,700,000	\$3,000,000
d. Reserves with Restrictions (ACC sale proceeds)	\$7,465,000	\$0	\$0
e. Section 8 Reserves held at HUD.	\$1,800,000	\$0	\$0
f. Totals	\$29,997,000	\$8,300,000	\$16,500,000

Amount to Reserve - 2022	Excess/(Deficit) Reserves Over Amount to Reserve
\$1,000,000	\$576,000
\$8,000,000	\$8,333,000
\$2,800,000	\$23,000
\$0	\$7,465,000
\$0	\$1,800,000
\$11,800,000	\$18,197,000

5. **A LOOK AHEAD (ADDITIONAL INCOME, SAVINGS OR EXPENSES TO EXPECT)**

5.1	Notable New Recurring FY-22 Income	Amount	Notable New Recurring FY-22 Expense	Amount
a.	Section 8 HAP - HUD increase		Staffing	
b.	-FY 2021 MTW Funding Increase	\$2,091,000	- New Positions/Reclass/Transitions from Non Recurring (Includes benefits)	\$1,218,000
c.	-FY 2022 Projected MTW Funding Increase	\$0	- Staff Compression/Reorg Placeholder (includes benefits)	\$426,000
d.	- Non-MTW Special Programs (FYI,EHV)	\$1,500,000	IT Contract Costs	
e.	Section 8 Admin Fees	\$80,000	- Siemens/Genetec Access Control System Maintenance	\$108,000
f.	Section 8 Portability In Voucher Income	\$370,000	IT Licenses (Various)	\$190,000
g.			Section 8 HAP	
h.			- Potential switch to Income Bases subsidy for HOPP Vouchers	\$300,000
i.			- 50 New Property Based Subsidy Vouchers	\$600,000
j.			- HAP increases existing MTW Vouchers - 2021	\$1,400,000
k.			-Section 8 Port In Vouchers	\$370,000
l.			- Non-MTW Special Programs (FYI,EHV)	\$1,500,000
m.				
n.	Subtotal	\$4,041,000		\$6,112,000
5.2	Notable Recurring 2022 Savings			
a.	Move Rapid Rehousing to Non Recurring - 2023 Reduction Amount	\$650,000		
b.	Move Rapid Rehousing to Non Recurring - Keep this amount in 23 and reevaluate for 24	\$650,000		
c.	Reduce TSHAP from \$800K to \$400K in 2022	\$400,000		
d.	Move remaining TSHAP funds to Non Recurring - reevaluate in 2023	\$400,000		
e.	Subtotal	\$2,100,000		
5.3	Recurring FY-23 Income		Recurring FY-23 Expense	
a.	Section 8 HAP - HUD increase	TBD	HAP expenditures for Hilltop Lofts PBV's	(\$650,000)
b.				
5.4	Non-Recurring FY-23 Income		Non-Recurring FY-23 Expense	
a.	Developer Fees		Hillside 2300 Substantial Rehab	\$2,000,000
1.	Housing Hilltop	\$875,000	Property Purchases	TBD
2.	Hillside 1500	TBD		

6. Board Future Commitments	2021 Commitments	2022 Budget Future Commitments	MTW or Non-MTW	Period

a. Business Process Improvement Project	\$1,260,000	\$1,000,000	MTW	2022-2024
b. Development Projects	\$2,500,000		Non MTW	2021 Forward
c. Education Projects	\$2,400,000		MTW	2021-2025
d. Faircloth RAD units	\$1,500,000	\$1,500,000	MTW	2021-2024
e. James Center North Loan Payment	\$3,000,000	\$3,000,000	Non MTW	2023
f. James Center North Loan Payment	\$2,000,000	\$2,000,000	Non MTW	2025
g. Open Door Future Enhancements	\$2,000,000		MTW	2022-2024
h. Software Platform Conversion/Upgrades		\$2,500,000	MTW	2022 -
i. Property Acquisitions	\$2,000,000	\$2,000,000	MTW/Non MTW	2022 -
j. Section 8 HOPP Increases	\$1,500,000	\$300,000	MTW	2022 -
k. Hillside 2300 Substantial Rehab		\$2,000,000	MTW/Reserves w/ restrictions	2023
l. Reserves				
1. Business Activity Reserves	\$8,000,000	\$8,000,000	Non MTW	In perpetuity
2. MTW Reserves	\$500,000	\$1,000,000	MTW	In perpetuity
3. THA Property Reserves	\$2,600,000	\$2,800,000	Non MTW	In perpetuity
Totals	\$29,260,000	\$26,100,000		

Back-up Detail - Notable Items

7. Non-Recurring Income: FY-2022

Sources of Non-Recurring Income	Amount	MTW/Non-MTW/Properties	Department
Operational			
a. 2021 HAP income carryover and included in 2022 budget	\$6,500,000	MTW	RA
b. <i>Developer Fee Income</i>			
1. Arlington Youth Rental Housing - Additional	\$185,000	Non-MTW	RD
2. Rise at 19th - Additional	\$760,000	Non-MTW	RD
3. Shiloh Development	\$250,000	Non-MTW	RD
c. Public Housing Capital Funds (Final Year carryover)	\$250,000	MTW	PM
d. Grant Income (All grants with end dates)	\$3,581,000	Non-MTW	CS/PI/RA
e. <i>Other Revenue</i>			
1. Pierce County Fees-lease up EHV (Emergency Housing Vouchers)	\$253,000	Non-MTW	RA

Capital	Amount	MTW/Non-MTW/Properties	Department
a. James Center North Land Sale	\$1,250,000	Non -MTW	RD

8. **Notable Non-Recurring Expenses (Non Grant Funded) - 2022**

8.1 **Operational**

	Amount	MTW/Non-MTW/Properties	Department
a. Salaries		\$903,500	
1. Non project oriented positions	\$453,500	MTW/Non-MTW	Multiple
2. Overtime/Interns	\$75,000	MTW/Non-MTW	Multiple
3. Executive Special Recognition Funds- Salary only	\$200,000	MTW/Non-MTW	EX
4. Temp hires to shore up contracts	\$175,000	MTW/Non-MTW	
b. Information Technology Expenses		\$585,000	
1. Cyber Security Consulting	\$40,000	MTW/Non-MTW	AD
2. Eagle Eye Camera System	\$50,000	MTW/Non-MTW	AD
3. EightCloud Managed Services	\$185,000	MTW/Non-MTW	AD
4. Microsoft Azure & 365 consultant	\$50,000	MTW/Non-MTW	AD
5. Yardi Consulting	\$250,000	MTW/Non-MTW	AD
6. Lease Software Implementation	\$10,000	MTW/Non-MTW	FD
c. Office Equipment		\$100,000	
1. Upgraded Computers and Replacements	\$100,000	MTW/Non-MTW	Multiple
2. Office Furniture & Equipment	\$0	MTW/Non-MTW	Multiple
d. Legal		\$320,000	
1. HR Litigation	\$100,000	Non-MTW	AD
2. New or upcoming Development Projects/Acquisitions	\$205,000	Non-MTW	RD
3. Eviction Requirement Analysis	\$15,000	MTW/Non-MTW	PM
e. Administrative Contracts		\$913,000	
1. Process Improvement Consulting	\$50,000	MTW/Non-MTW	AD
2. Capital Plan - THA Managed/Owned Properties	\$100,000	MTW	AD
3. Cabinet Succession Planning	\$75,000	MTW/Non-MTW	EX
4. Diversity, Equity & Inclusion Contractor	\$125,000	MTW/Non-MTW	EX
5. Budget Support & Finance Consulting	\$25,000	MTW/Non-MTW	FD
6. Employee Engagement Survey	\$25,000	MTW/Non-MTW	HR
7. Salary Compensation & Compensation Study	\$45,000	MTW/Non-MTW	HR
8. HR Consulting and Executive Recruitment	\$175,000	MTW/Non-MTW	HR
9. Administrative Plan	\$25,000	MTW	PI
10. Section 8 Market Study	\$15,000	MTW	RA
11. Service Fees-Lease up of EHV (Emergency Housing Vouchers	\$253,000	Non-MTW	RA
f. Due Diligence - Development Opportunities		\$1,250,000	
1. Existing Opportunities			
1.1 Hilltop Redevelopment	\$250,000	Non-MTW	RD
1.2 James Center North Redevelopment	\$250,000	Non-MTW	RD
1.3 Hillside 1500 Resyndication	\$250,000	Non-MTW	RD
1.4 Hillsdale Heights/Bridge Meadows	\$250,000	Non-MTW	RD
2. New Opportunities	\$150,000	Non-MTW	RD
3. Potential land/building acquisition	\$100,000	Non-MTW	RD
g. Tenant Services		\$85,000	
1. Security Deposit Assistance		\$85,000	
1.1 Section 8 Voucher Program	\$65,000	MTW	RA
1.2 THA Managed Rental Units	\$20,000	MTW	PM
h. Housing Assistance Payments		\$100,000	
1. Eviction Prevention/Landlord Incentives	\$100,000	MTW	RA
i. Contingency	\$150,000	Non-MTW	EX/PI

8.2 Capital

	Amount	MTW/Non-MTW/Properties	Department
b. IT Program Development		\$2,227,000	
1. Laserfiche - 1st Year Implementation	\$250,000	MTW	AD
2. Yardi Implementation	\$1,200,000	MTW	AD
3. Software - Yardi Gaps	\$300,000	MTW	AD
4. Meraki Wi-Fi Access Points - THA	\$25,000	MTW	AD
5. Meraki Switches - 902	\$90,000	MTW	AD
6. Meraki Switches - FIC	\$12,000	MTW	AD
5. IT Community Room Infrastructure Upgrades	\$50,000	MTW	AD
5. Video Collaboration Capable Devices	\$300,000	MTW	AD
c. Maintenance Vehicles	\$50,000	MTW	PM
d. Hillside 2 (2300) Rehab - 2023			
e. James Center North			
2. Next REDI loan payment not due until 2023		MTW or Non MTW	RD
f. Housing Hilltop Redevelopment		\$7,000,000	
1. Gap Financing	\$7,000,000	Non MTW	RD
2. Amazon Loan (Directly to Property)		Directly to Property	RD
g. New Acquisitions			RD
1. THA Funds	\$2,000,000	Non-MTW	RD

9 Notable Position Information/ Changes - FY 2021

Position	Department
9.1 <i>Currently Occupied Position Upgrades</i>	
a. Reclass Finance Manager to range 25	FD
b. Lead Position	FD
c. Lead Position	RA
d. Reclass Landlord Engagement Specialist	RA
e. Transition Program Manager to Supervisor upon any vacancy	RA
f. Transition Compliance Auditor to Program Supervisor	RA
9.2 <i>New Positions in 2022 Budget from 2021 Budget- Recurring</i>	
a. Asset Management Analyst	AD
b. Caseworker (RA support)	CS
c. Program Specialist-Community Builder - RA	CS
d. Department Director	PI
e. Legal Counsel Placeholder	PM
f. Maintenance Supervisor (50%THA-50% Properties)	PM
g. Property Specialist	SM
h. Housing Specialists (2)	RA
i. Program Supervisor	RA
j. Staff Compression Placeholder	HR
k. Staff Changes to Reorganization Placeholder	EX
9.3 <i>Transitions - Non Recurring to Recurring Positions</i>	
a. Accounting Specialist	FD
b. Compliance Auditor - grant funded 2021-transition to Program Supervisor in 22	RA
c. Housing Navigator- Pd by grant through May, then THA recurring	RA
d. Business Process Analysts (3)	AD
9.4 <i>New Positions - Grant Funded - Time limited</i>	
a. Program Specialist-Community Builder-Salishan	CS
b. Program Specialist-Community Builder-Central Tacoma	CS
c. Program Specialist-Community Builder (2/3) 1/3 charged recurring	CS
10.4 <i>Notable Non-Recurring Non Grant Funded Positions</i>	
a. Digital Content Specialist	EX
b. HR Analyst	HR
c. Program Specialist - Eviction Prevention	PM
d. Program Specialist - Eviction Prevention	RA
e. Housing Specialist	RA
10.4 <i>Positions deleted</i>	
Project Manager 1 - Grant Funded in 2021	PI

Tacoma Housing Authority - Agency Wide Budget

FY2022

	<u>AD Admin</u>	<u>CS Client Support</u>				<u>PI Policy</u>	<u>PM Property</u>	<u>RA Rental</u>	<u>RD Real Estate</u>	
	<u>Overhead</u>	<u>and</u>	<u>EX Executive</u>	<u>FD Finance</u>	<u>HR Human</u>	<u>Innovation &</u>	<u>Management</u>	<u>Assistance</u>	<u>Development</u>	<u>Agency Total</u>
		<u>Empowerment</u>			<u>Resources</u>	<u>Evaluation</u>	<u>Overhead</u>			
Revenue - Operations										
Revenue										
Operating Grants	-	2,360,514	-	-	-	-	280,000	66,797,747	-	69,438,261
Tenant Revenue	-	-	-	-	-	-	2,888,179	-	-	2,888,179
Management Fee Revenues	783,375	631,737	152,220	766,779	141,695	-	385,799	437,990	-	3,299,594
Other Revenues	-	855,651	-	32,000	-	131,532	3,146,597	1,460,816	1,357,268	6,983,864
Total Revenue	783,375	3,847,902	152,220	798,779	141,695	131,532	6,700,574	68,696,553	1,357,268	82,609,898
Total Revenue	\$783,375	\$3,847,902	\$152,220	\$798,779	\$141,695	\$131,532	\$6,700,574	\$68,696,553	\$1,357,268	\$82,609,898
Expenses - Operations										
<i>Operating Expense</i>										
Administrative Expenses	5,592,527	154,506	2,071,436	1,845,507	1,294,500	840,806	1,911,388	6,254,221	2,998,968	22,963,859
Tenant Services	-	4,703,808	-	-	-	-	79,850	296,416	-	5,080,074
Utilities	-	-	-	-	-	-	426,394	-	13,000	439,394
Maintenance	-	3,000	-	-	-	-	1,015,829	6,000	10,000	1,034,829
Protective Services (THA)	-	-	-	-	-	-	88,400	-	-	88,400
Insurance Premiums	42,905	21,511	7,818	8,866	3,811	3,193	206,789	40,447	7,907	343,247
Total Other General Expenses	-	-	-	22,500	60,000	-	275,150	103,100	7,000	467,750
Interest Expense and Amortization Cost	-	-	-	-	-	-	526,828	-	-	526,828
Total Operating Expense	\$5,635,432	\$4,882,825	\$2,079,254	\$1,876,873	\$1,358,311	\$843,999	\$4,530,628	\$6,700,184	\$3,036,875	\$30,944,381
<i>Non-Operating Expenses</i>										
Extraordinary Maintenance Expense	-	-	-	-	-	-	17,600	-	-	17,600
Housing Assistance Payments	-	-	-	-	-	-	-	50,494,474	-	50,494,474
Total Non-Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$17,600	\$50,494,474	\$0	\$50,512,074
Total Expenses - Operations	\$5,635,432	\$4,882,825	\$2,079,254	\$1,876,873	\$1,358,311	\$843,999	\$4,548,228	\$57,194,658	\$3,036,875	\$81,456,455
Surplus/(Loss) - Operations	(\$4,852,057)	(\$1,034,923)	(\$1,927,034)	(\$1,078,094)	(\$1,216,617)	(\$712,467)	\$2,152,347	\$11,501,895	(\$1,679,607)	\$1,153,442
Capital Expenses Revenue	(1,947,000)	-	-	-	-	-	(222,653)	-	(7,750,000)	(9,919,653)
Liability and Equity	-	-	-	-	-	-	(199,982)	-	-	(199,982)
Reserve Appropriation - Capital	-	-	-	-	-	-	-	-	9,000,000	9,000,000
Net Surplus/(Loss)	(\$6,799,057)	(\$1,034,923)	(\$1,927,034)	(\$1,078,094)	(\$1,216,617)	(\$712,467)	\$1,729,712	\$11,501,895	(\$429,607)	\$33,807

**Tacoma Housing Authority - Property Budget
FY- 2022**

	<u>AMP6</u>		<u>Highland Crest</u>	<u>James Center</u>	<u>Key Bank</u>	<u>Outrigger</u>		
	<u>Scattered Site</u>	<u>Salishan 7</u>	<u>Apartments</u>	<u>North</u>	<u>Building</u>	<u>Apartments</u>	<u>Prairie Oaks</u>	<u>Subtotal</u>
	<u>Homes</u>							
Revenue - Operations								
Revenue	22,400	1,106,955	1,007,169	772,508	3,000	574,651	223,494	3,710,177
Total Revenue	\$22,400	\$1,106,955	\$1,007,169	\$772,508	\$3,000	\$574,651	\$223,494	\$3,710,177
Expenses - Operations								
Operating Expense	7,506	829,701	605,311	564,266	1,441	301,162	189,104	2,498,490
Non-Operating Expenses								
Extraordinary Maintenance Expense	-	16,100	-	-	-	-	-	16,100
Total Non-Operating Expenses	-	16,100	-	-	-	-	-	16,100
Total Expenses - Operations	\$7,506	\$845,801	\$605,311	\$564,266	\$1,441	\$301,162	\$189,104	\$2,514,590
Surplus/(Loss) - Operations	\$14,894	\$261,154	\$401,858	\$208,242	\$1,559	\$273,489	\$34,390	\$1,195,586
Capital Expenses/(Revenue)	-	72,000	32,851	49,999	-	12,552	5,251	172,653
Liabilities and Equities	-	12,500	-	-	-	187,482	-	199,982
Net Surplus/(Loss)	\$14,894	\$176,654	\$369,007	\$158,242	\$1,559	\$73,455	\$29,139	\$822,951

Resolution 2



TACOMA HOUSING AUTHORITY

RESOLUTION 2020-12-08 (2)

Date: December 8, 2021
To: THA Board of Commissioners
From: April Black
Executive Director
Re: 2022 Board Commitments

This resolution would update the Board's commitment of Tacoma Housing Authority's (THA) reserves. These reserves are essential for purposes vital to THA's mission and to cover important obligations.

Background

THA is an MTW agency, and therefore subject to Housing and Urban Development (HUD) Cash Management rules. At the moment, any eligible Housing Assistance Payment funds (HAP) not reported on the agency's monthly report as HAP expenditures remain at HUD until the agency submits a request based on expenditures to draw it down.

Furthermore, HUD is now requiring MTW agencies to include it in HUD's annual MTW plan.

Over the years, THA has built up reserves in both its MTW and Business Activity areas. In doing so, the agency plans for the future in both capital and operational areas, and identifies areas where the Reserve funds will allow THA to move forward on accomplishing its goals.

Formally committing these funds with Board approval is a useful planning tool. It also helps HUD understand their purposes.

This Resolution updates the list of commitments.

Recommendation

Approve Resolution 2021-12-08 (2) committing THA reserves as identified in the attached Schedule of Board Reserve Commitments.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08 (2) (COMMITMENT OF AGENCY & MOVING TO WORK RESERVES)

WHEREAS, For THA has to be effective in its mission it must plan its use of financial resources over multi-year periods and have assembled reserves for those purposes; and

WHEREAS, The Authority has assembled adequate reserves for those purposes through its responsible prudent, and patient management and budgeting; and

WHEREAS, The attached Schedule of MTW Reserve Commitments updates Resolution 2020-12-09 (3) and reflects the Authority's current plans for such capital and operational expenditures of THA' reserve's, both MTW and Non-MTW; and

WHEREAS, The Authority has submitted an initial MTW commitment of Reserves in the 2022 MTW plan, and intends to include an updated Schedule of Board Commitments in the MTW annual report, including language that allows for shifting monies between the identified commitments; now, therefore, be it:

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that:

1. The Board authorizes commitments of the Authority's Reserves as outlined in the attached Schedule of THA Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board authorizes the Executive Director to include the latest THA Reserve Commitments in the annual MTW Report submitted to HUD.

Approved: December 8, 2021

Stanley Rumbaugh, Chair

2022 Schedule of Board Reserve Commitments

Board Future Commitments	2021 Commitments	2022 Budget Future Commitments	MTW or Non- MTW	Period
a. Business Process Improvement Project	\$1,260,000	\$1,000,000	MTW	2022-2024
b. Development Projects	\$2,500,000		Non MTW	2021 Forward
c. Education Projects	\$2,400,000		MTW	2021-2025
d. Faircloth RAD units	\$1,500,000	\$1,500,000	MTW	2021-2024
e. James Center North Loan Payment	\$3,000,000	\$3,000,000	Non MTW	2023
f. James Center North Loan Payment	\$2,000,000	\$2,000,000	Non MTW	2025
g. Open Door Future Enhancements	\$2,000,000		MTW	2022-2024
h. Software Platform Conversion/Upgrades		\$2,500,000	MTW	2022 -
i. Property Acquisitions	\$2,000,000	\$2,000,000	MTW/Non MTW	2022 -
j. Section 8 HOPP Increases	\$1,500,000	\$300,000	MTW	2022 -
k. Hillside 2300 Substantial Rehab		\$2,000,000	MTW/Reserves w/ restrictions	2023
l. Reserves				
1. Business Activity Reserves	\$8,000,000	\$8,000,000	Non MTW	In perpetuity
2. MTW Reserves	\$500,000	\$1,000,000	MTW	In perpetuity
3. THA Property Reserves	\$2,600,000	\$2,800,000	Non MTW	In perpetuity
Totals	\$29,260,000	\$26,100,000		

Resolution 3



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (3)

Date: December 8, 2021
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Contract with Pierce County for Rapid Rehousing Homeless Housing Program

This resolution would approve a new contract with Pierce County for Homeless Rapid Rehousing Housing Programs.

Background

In 2013, the Tacoma Housing Authority (THA) began its investment into the rapid rehousing system through two contracts with Pierce County: (1) housing for homeless families with children and (2) housing for homeless young adults aged 18-24. Under the contracts, THA invested \$1.288 million annually. \$1 million of the funds were in the Family contract while the remaining \$288,000 were in the Young Adult contract. At the time, THA recognized that its mainline programs were mostly inaccessible to households experiencing homelessness so it sought out ways to bolster and invest in more immediate housing solutions for this population, leading to this partnership.

The contracts have been amended multiple times over the history of the investment and in 2020, the two contracts were combined into one and the overall investment was increased to \$1.3 million per year. This resolution will allow staff to negotiate a new agreement with Pierce County to continue the investment and encompass all the amendments to date.

The contract will continue to dedicate THA's investment to housing for families with children and unaccompanied young adults aged 18-24. Pierce County's use of funding includes rental assistance and other types of flexible assistance including rapid rehousing, diversion, and prevention. THA will continue to report the outcomes of this investment in its annual Moving to Work (MTW) Report and to the Board upon consideration of the next contract renewal.

Since 2013, THA has dramatically increased its capacity to serve households experiencing homelessness through dedicated voucher subsidies and the creation of housing units designated for this population. These investments include the project based vouchers in Arlington Drive and Hilltop Lofts (pending). As a result, THA intends to reduce its investment by 50% during the 2023 contract negotiation process. With the recognition of Tacoma's constrained housing supply and THA's position as a large housing developer, THA is re-allocating its resources to investments that make hard units available in the near term to individuals and families experiencing



TACOMA HOUSING AUTHORITY

homelessness while continuing to aggressively seek out every new special voucher allocation from the federal government.

Recommendation

This resolution recommends adopting Resolution 2021-12-8 (3) to allow staff to negotiate and sign a contract with Pierce County for housing for families and young adults experiencing homelessness.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08 (3) (Pierce County Contract for Rapid Rehousing Programs)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA has been investing in the Pierce County Rapid Rehousing system and homeless housing programs since 2013; and

WHEREAS, The contract has been re-written to include historical contract amendments into a new contract effective January 1, 2022; and

WHEREAS, The contract will be in effect through 2023; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington, that:

THA's Executive Director is authorized to negotiate, and if those negotiations are successful, and to sign a new Pierce County contract for housing for families and young adults experiencing homelessness.

Approved: December 8, 2021

Stanley Rumbaugh, Chair

Resolution 4



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (4)

Date: December 8, 2021
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Contract with Pierce County for Tacoma Schools Housing Assistance Program

This resolution would approve an extension of the contract with Pierce County for the Tacoma Schools Housing Assistance Program (TSHAP).

Background

The Tacoma Schools Housing Assistance Program (TSHAP) provides housing supports in the form of rapid rehousing, diversion, and/or other one-time assistance to Tacoma Public Schools (TPS) students experiencing homelessness or housing insecurity and their families. These students are identified as McKinney-Vento by the school district, reflecting a special investment and designation from the federal government.

In June 2019, the THA Board of Commissioners approved Resolution 2019-6-26(1) *authorizing the Executive Director to enter into contract negotiation with Pierce County to administer the TSHAP program. The value of the contract will be up to \$400,000 per year for three years. Approval to execute this contract is contingent upon THA securing other sources to pay for supportive services and administrative overhead.*

By the end of 2019, THA was able to secure funding commitments from Tacoma Public Schools, Pierce County Human Services, and Graduate Tacoma. However, THA lacked a sustainable funding source for the supportive services necessary for the program's success.

In March 2020, an \$800,000 contract was executed for housing assistance and in August 2020, the contract was amended and increased to \$1,192,107. The increase accounted for \$335,648 in supportive services and \$35,646 to account for 10% cost in administrative fees charged to supportive services. The addition of these dollars was fundraised from private entities (Gates Foundation and the Ballmer Family Foundation) to support the upstart of TSHAP.

Launching in the midst of the pandemic combined with the contracted provider's lack of capacity, high need for training and technical assistance, and near constant staff turnover resulted in the

program's poor performance. As of August 2021, the program has expended 35% of its funding and has not served an adequate number of households for the amount of housing support and administrative oversight committed. Increased technical assistance and accountability structures throughout the pilot's launch have not improved the provider's performance. Further, administering TSHAP is unnecessarily burdensome for the County and THA because it is almost entirely duplicative of the work both agencies conduct to deploy THA's rapid rehousing program. Both agencies acknowledge that streamlining the programs would improve efficiency.

THA consulted Pierce County and Tacoma Public Schools to determine a path forward. Given the pilot's poor performance and continued provider challenges, we recommend to sunset this contract in 2022 and determine an alternative way to continue to serve this population. This resolution will permit the contract term to extend through the 2021/2022 school year to ensure continuity for TPS families. Near the conclusion of the school year, THA's Department of Policy, Innovation, and Evaluation (PIE), will conduct an assessment of the program to gain insights from the pilot and inform how to better serve McKinney-Vento students and their families moving forward. PIE will explore the following questions and use the rapid rehousing population as a comparison group, when data is available on both programs:

- How many households were served by one-time assistance and/or time-limited assistance? For households served via time-limited assistance, how long are they assisted?
- For household who were unhoused prior to receiving services, at what rate do they successfully lease a unit and how long did it take them to do so? Were they able to secure housing in Tacoma?
- Does a household's income change while receiving assistance?
- Do households remain housed at 6 and 12 months post-participation (as measured by a return to Pierce County's homeless crisis response system)?

THA may explore options including, but not limited to serving TPS McKinney-Vento families through the agency's existing rapid rehousing investment, creating preferences within our portfolio, and/or dedicating Property Based Subsidy investments to prioritize this population.

Recommendation

This resolution recommends adopting Resolution 2021-12-8 (4) to extend the Tacoma Schools Housing Assistance Program through August 31, 2022. At that time, the contract would sunset and THA will work with its partners to determine a plan to continue to serve McKinney-Vento families.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (4) (Pierce County Contract for Tacoma Schools Housing Assistance Program)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, THA, TPS and Pierce County Human Services share a vested interest to serve families with children and improve outcomes for students and the schools that serve low-income families; and

WHEREAS, The contract has been re-written to extend the term through the 2021/2022 academic year; and

WHEREAS, The contract will be in effect through August 2022; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington, that:

THA's Executive Director is authorized to extend the Pierce County contract for housing for the Tacoma Schools Housing Assistance Program.

Approved: December 8, 2021

Stanley Rumbaugh, Chair

Resolution 5



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (5)

Date: December 8, 2021

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Redevelopment of James Center North (Aviva Crossing) – Formation of Aviva Crossing 4 LLLP

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to form and execute the documents associated with Aviva Crossing 4 LLLP associated with the redevelopment of James Center North (Aviva Crossing).

Background

THA purchased the retail center known as James Center North in October 2017. The master plan was completed in 2019. THA plans to sell four of the five parcels to third party developers and develop one of the parcels itself. THA is in the process of developing a financing and redevelopment plan for its parcel in the newly named Aviva Crossing (f/k/a James Center North). Financial options are being considered to develop the new affordable units. We anticipate using both 4% and 9% low-income housing tax credits (aka 4/9/combo) to develop approximately 150 units of new affordable housing for households earning between 30% and 60% of AMI. The unit breakdown is proposed to be one- and two-bedroom units located in a single mid-rise elevator building.

THA expects to lease the land and the improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not limited to, the following sources of funding: tax credit equity, City of Tacoma/TCRA funding, private debt, bond and THA funds.

This resolution will authorize THA's Executive Director to:

1. Form a limited liability limited partnership for the 4% tax credit/bond portion of (Aviva Crossing 4 LLLP)
2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of the LLLP's use of low-income housing tax credits for the project

3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's general partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and
4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution.

Recommendation

Approve resolution 2021-12-8 (5) authorizing THA's Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (5)

(Initial Resolution authorizing the creation of Aviva Crossing 4 LLLP)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the formation of a limited liability limited partnership in which the Authority will be the sole general partner in connection with the acquisition, development, construction, equipping, and operation of an affordable rental housing project within the City of Tacoma, Washington, and providing for other matters properly related thereto.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines that:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”).

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income” (RCW 35.82.070(18)); and (v) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040).

(d) The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(e) The Authority expects to participate in the acquisition, development, rehabilitation, construction, equipping, operation and maintenance of [a residential rental housing project as part of the Aviva Crossing/James Center North redevelopment project located in the City of Tacoma in the vicinity of 1622 S. Mildred Street, Tacoma, Washington] (“Project”). The total financing for the Project is expected to require the use of various funding and credit enhancement sources, including low-income housing tax credits, loans from public and private lenders, and grants. Certain of these sources will require the creation of a partnership or limited liability company. The Board further finds and determines that the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

(e) Based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution, and that any financing provided by the Authority for the Project is important for the Project's feasibility and is necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. The Authority is authorized to participate in the formation of, and become the sole general partner of a Washington limited liability limited partnership (the "Partnership"). The Board intends that the Partnership will acquire, develop, construct, equip, operate and maintain the Project and receive low-income housing tax credits in connection therewith.

Section 3. The Authority's Executive Director, the Authority's Deputy Executive Director, and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership, and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership (it being understood that the words "Aviva Crossing 4 LLLP" should appear in the name to the greatest extent feasible); and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in their discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.

Section 4. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the general partner of the Partnership) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce and/or the Washington State Housing Finance Commission, as applicable, and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for all or a portion of the Project (depending on whether the Authorized Officers determine to pursue "9%" tax credits, "4%" tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation(s) (or approval(s)), and cause such allocation(s) (or any portion(s) thereof) to be assigned to the Partnership if the allocation(s) initially are made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director

determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of Project buildings; (xi) take all necessary and appropriate actions for the Partnership to acquire all or a portion of the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of all or a portion of the Project site); (xii) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority to finance the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority to finance the Project; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

Section 5. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

Section 6. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).

Section 7. Any action required by this resolution to be taken by the Executive Director of the Authority may, in the absence of the Executive Director, be taken by the Deputy Executive Director of the Authority.

Section 8. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 9. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting this 8th day of December, 2021.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

Stanley Rumbaugh
Chair, Board of Commissioners

ATTEST:

April Black
Executive Director

CERTIFICATE

I, April Black, the duly chosen qualified and Executive Director of the Housing Authority of the City of Tacoma (the “Authority”) and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution 2021-12-8 (5_) (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on December 8, 2021 (the “Meeting”), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

3. The public was notified of access options for remote participation in the Meeting via _THA website and social media; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand on December 8, 2021.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

April Black, Executive Director

Resolution 6



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (6)

Date: December 8, 2021

To: THA Board of Commissioners

From: April Black
Executive Director

Re: Redevelopment of James Center North (Aviva Crossing) – Formation of Aviva Crossing 9 LLLP

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to form and execute the documents associated with Aviva Crossing 9 LLLP associated with the redevelopment of James Center North (Aviva Crossing).

Background

THA purchased the retail center known as James Center North in October 2017. The master plan was completed in 2019. THA plans to sell four of the five parcels to third party developers and develop one of the parcels itself. THA is in the process of developing a financing and redevelopment plan for its parcel in the newly named Aviva Crossing (f/k/a James Center North). Financial options are being considered to develop the new affordable units. We anticipate using both 4% and 9% low income housing tax credits (aka 4/9/combo) to develop approximately 150 units of new affordable housing for households earning between 30% and 60% of AMI. The unit breakdown is proposed to be one- and two-bedroom units located in a single mid-rise elevator building.

THA expects to lease the land and the improvements to the LLLP for up to 99 years.

The financing structure is expected to include, but not limited to, the following sources of funding: tax credit equity, City of Tacoma/TCRA funding, private debt, bond and THA funds.

This resolution will authorize THA's Executive Director to:

1. Form a limited liability limited partnership for the 9% tax credit/bond portion of (Aviva Crossing 9 LLLP)
2. To prepare, execute and submit to the Washington State Housing Finance Commission any agreements and other documents necessary to secure the proper approval of the LLLP's use of low-income housing tax credits for the project;

3. To execute, deliver and/or file, on behalf of the Authority in its own behalf and in its capacity as the LLLP's general partner, as applicable, any other affidavits, certificates, letters, government forms, documents, agreements and instruments that the Executive Director determines to be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein and/or in connection with the application for low income housing tax credits or other financing for the project; and
4. To expend such funds as may be necessary to be paid by the Authority in connection with filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution

Recommendation

Approve resolution 2021-12-8(6) authorizing THA's Executive Director to approve, execute and deliver all documents necessary to assume the role of the LLLP's general partner.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-8 (6)

(Initial Resolution authorizing the creation of Aviva Crossing 9 LLLP)

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma providing for the formation of a limited liability limited partnership in which the Authority will be the sole general partner in connection with the acquisition, development, construction, equipping, and operation of an affordable rental housing project within the City of Tacoma, Washington, and providing for other matters properly related thereto.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF TACOMA, as follows:

Section 1. The Board of Commissioners (the “Board”) of the Housing Authority of the City of Tacoma (the “Authority”) finds and determines that:

(a) The Authority seeks to encourage the provision of long-term housing for low-income persons residing within the City of Tacoma, Washington (the “City”).

(b) The Authority is authorized by the Housing Authorities Law (chapter 35.82 RCW) to, among other things: (i) “prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (RCW 35.82.070(2)); (ii) “lease or rent any dwellings . . . buildings, structures or facilities embraced in any housing project” (RCW 35.82.070(5)); (iii) “make and execute contracts and other instruments, including but not limited to partnership agreements” (RCW 35.82.070(1)); (iv) “make . . . loans for the . . . acquisition, construction . . . rehabilitation, improvement . . . or refinancing of land, buildings, or developments for housing of persons of low income” (RCW 35.82.070(18)); and (v) “delegate to one or more of its agents or employees such powers or duties as [the Authority] may deem proper” (RCW 35.82.040).

(d) The phrase “housing project” is defined by RCW 35.82.020 to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks or other living accommodations for persons of low income.”

(e) The Authority expects to participate in the acquisition, development, rehabilitation, construction, equipping, operation and maintenance of [a residential rental housing project as part of the Aviva Crossing/James Center North redevelopment project located in the City of Tacoma in the vicinity of 1622 S. Mildred Street, Tacoma, Washington] (“Project”). The total financing for the Project is expected to require the use of various funding and credit enhancement sources, including low-income housing tax credits, loans from public and private lenders, and grants. Certain of these sources will require the creation of a partnership or limited liability company. The Board further finds and determines that the Partnership (as defined below) and the Project will provide for the necessary support of the poor within the City.

(e) Based on its consideration of the funding sources available for the Project, the need for affordable housing in the City, and other matters, the Board deems it necessary to proceed with the transactions described in this resolution, and that any financing provided by the Authority for the Project is important for the Project's feasibility and is necessary to enable the Authority to carry out its powers and purposes under the Housing Authorities Law.

Section 2. The Authority is authorized to participate in the formation of, and become the sole general partner of a Washington limited liability limited partnership (the "Partnership"). The Board intends that the Partnership will acquire, develop, construct, equip, operate and maintain the Project and receive low-income housing tax credits in connection therewith.

Section 3. The Authority's Executive Director, the Authority's Deputy Executive Director, and their respective designees (each, an "Authorized Officer" and, collectively, the "Authorized Officers"), and each of them acting alone, are authorized on behalf of the Authority to: (i) execute, deliver and file (or cause to be executed, delivered and filed), to the extent required by law, a partnership agreement, a certificate of limited partnership, and all such forms, certificates, applications and other documents that are necessary to form the Partnership; (ii) determine the name of the Partnership (it being understood that the words "Aviva Crossing 9 LLLP" should appear in the name to the greatest extent feasible); and (iii) take any other action that they deem necessary and advisable to give effect to this resolution and the transactions contemplated herein. The Authority's Executive Director is delegated the authority to cause, in their discretion, the Partnership to be created as a Washington limited liability company, in which case all references in this resolution to limited liability limited partnership, partnership agreement, general partner, limited partner, chapter 25.10 RCW, and certificate of limited partnership shall be deemed to be references to limited liability company, operating agreement, managing member, investor member, chapter 25.15 RCW and certificate of formation, respectively.

Section 4. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (in its individual capacity and/or in its capacity as the general partner of the Partnership) to: (i) apply for, and enter into contracts relating to, such funding for the Project as they deem necessary or desirable, including without limitation public and/or private sector financing, Community Development Block Grant(s), Washington State Housing Trust Fund grant(s) and/or loan(s), an allocation of private activity bond volume cap from the Washington State Department of Commerce and/or the Washington State Housing Finance Commission, as applicable, and other federal, state and local funds; (ii) apply for any and all necessary approvals from the U.S. Department of Housing and Urban Development in connection with such funding; (iii) lend or grant all or any portion of the money derived from such funding sources to the Partnership, and/or cause any contracts relating to such funding to be assigned to the Partnership; (iv) apply to the Washington State Housing Finance Commission for an allocation of (or approval of the use of) low income housing tax credits for all or a portion of the Project (depending on whether the Authorized Officers determine to pursue "9%" tax credits, "4%" tax credits), enter into such agreements (including a credit reservation and carryover allocation contract), provide such documents (including cost certifications) necessary to secure such allocation(s) (or approval(s)), and cause such allocation(s) (or any portion(s) thereof) to be assigned to the Partnership if the allocation(s) initially are made to the Authority; (v) seek and approve investors to serve as subsequent limited partners in the Partnership in connection with the receipt of low income housing tax credits for the Project; (vi) negotiate with potential investors regarding their acquisition of limited partnership interests in the Partnership and, if the Executive Director

determines the same to be advisable, limited partner or member interests in limited partnerships and/or limited liability companies formed to finance other Authority tax credit projects; (vii) execute documents pursuant to which Authority funds (including amounts granted or lent to the Authority for the Project) may be lent to the Partnership; (viii) prepare all appropriate resolutions for Board review and approval; (ix) prepare all documents required so that the Authority and the Partnership comply with state and federal securities laws; (x) negotiate contracts relating to the use, management and naming of Project buildings; (xi) take all necessary and appropriate actions for the Partnership to acquire all or a portion of the Project by sale or lease from the existing owner thereof (including entering into any option to lease, or lease, necessary to provide the Partnership with control of all or a portion of the Project site); (xii) apply for bond insurance and other credit enhancement for any bonds to be issued by the Authority to finance the Project (but only if the Authority's Executive Director determines such credit enhancement to be cost effective); (xiii) solicit investment banking firms to serve as the lead underwriter(s) and as members of a selling group (if any) for any bonds to be issued for the Project, and select such lead underwriter(s) and the members of any selling group (if the Executive Director determines that a selling group is desirable); (xiv) apply for ratings of any bonds to be issued by the Authority for the Project (but only if the Authority's Executive Director determines such ratings to be desirable); (xv) assist in the preparation of any official statement to be used in connection with the offering of any bonds by the Authority to finance the Project; and (xvi) otherwise execute the Authority's rights under the Partnership Agreement. Nothing herein shall commit the Authority to issuing bonds to finance the Project.

Section 5. The Authorized Officers, and each of them acting alone, are hereby directed, and granted the discretionary authority, to execute and deliver any and all other certificates, documents, agreements and instruments that are necessary or appropriate in their discretion to give effect to this resolution and to consummate the transactions contemplated herein, including, but not limited to, any development services agreement between the Partnership and the Authority (and/or others) providing for the development of the Project, contracts with architects, engineers and other consultants, and construction contracts.

Section 6. The Authority is authorized to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. To the extent any fees or predevelopment costs are incurred and payable by the Partnership prior to the time the Authority enters into a formal loan agreement, the Authority may lend money to the Partnership to pay such costs, with the loan bearing interest at such rate that the Executive Director determines, in his discretion (which may be 0% per annum).

Section 7. Any action required by this resolution to be taken by the Executive Director of the Authority may, in the absence of the Executive Director, be taken by the Deputy Executive Director of the Authority.

Section 8. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 9. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of the Housing Authority of the City of Tacoma at an open public meeting this 8th day of December, 2021.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

Stanley Rumbaugh
Chair, Board of Commissioners

ATTEST:

April Black
Executive Director

CERTIFICATE

I, April Black, the duly chosen qualified and Executive Director of the Housing Authority of the City of Tacoma (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution 2021-12-8 (6) (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority as adopted at a meeting of the Authority held on December 8, 2021 (the "Meeting"), and duly recorded in the minute books of the Authority;

2. That in accordance with RCW 43.06.220, and the Proclamations of the Governor of the State of Washington, as extended by the leadership of the Washington State Senate and House of Representatives (a) one or more options were provided for the public to attend the Meeting remotely, including by telephonic access, and (b) the means of attending the Meeting provided the ability for all persons attending the Meeting to hear each other at the same time;

3. The public was notified of access options for remote participation in the Meeting via _THA website and social media; and

4. The Meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting through telephonic and/or internet means of remote access, and a majority of the members of the Board of Commissioners of the Authority present at the Meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand on December 8, 2021.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

April Black, Executive Director

Resolution 7



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08 (7)

Date: December 8, 2021
To: THA Board of Commissioners
From: April Black
Executive Director
Re: Interlocal Agreement with the Pierce County Housing Authority for Brawner Contract

This Resolution would authorize Tacoma Housing Authority's (THA) Executive Director to execute an Intergovernmental Cooperative Purchasing Agreement with Pierce County Housing Authority (PCHA) so that it may rely on THA's procurement of Brawner & Company to contract with Brawner for financial services.

Background

Pierce County Housing Authority seeks to secure a consultant to assist in financial consulting services for the repositioning of its public housing portfolio under the Rental Assistance Demonstration (RAD) program. The work involves the repositioning and syndication of 498 units, of which 395 will be converted under the RAD program. For this same type of work THA procured Brawner & Company. PCHA wishes to rely on THA's procurement to contract with Brawner & Company. This is permissible if THA and PCHA sign an Interlocal Cooperation Agreement under The Interlocal Cooperation Act, Chap. 39.34 RCW.

Recommendation

Staff recommends entering into an Interlocal Agreement with Pierce County Housing Authority so it may contract for needed procurement services.



TACOMA HOUSING AUTHORITY

RESOLUTION 2021-12-08 (7) (Interlocal Agreement with Pierce County Housing Authority)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, Pierce County Housing Authority seeks to secure a consultant to assist in financial consulting services; and

WHEREAS, THA followed the Housing and Urban Development (HUD) procurement process 24 CFR 85.36 and THA's Procurement policy in procuring financial consultation services with J.H. Brawner & Company (Brawner) in August, 2016; and

WHEREAS, The THA Board of Commissioners approved resolution 2016-8-24 (3) authorizing a contract with Brawner for financial services; and

WHEREAS, PCHA wishes to use the services of Brawner to provide financial consulting services for the repositioning of its Public Housing Portfolio under the Rental Assistance Demonstration (RAD) program; and

WHEREAS, Chapter 39.34 RCW (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, includes the purchase of goods and services; now, therefore be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

The Executive Director is authorized to enter into an Intergovernmental Cooperative Purchasing Agreement with Pierce County Housing Authority so that housing authority may rely on THA's procurement of Brawner & Company to contract with Brawner & Company for financial services provided.

Approved: December 8, 2021

Stanley Rumbaugh, Chair