

# Tacoma Housing Authority **MOVING TO WORK PLAN** 2019

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## Section I: Introduction and Overview

The City of Tacoma is facing a variety of opportunities and challenges that directly impact THA's work and the households THA serves. The City of Seattle is seeing tremendous economic and population growth. This growth is migrating south to Tacoma. With that migration comes higher wage earners and opportunities for economic growth in Tacoma. This growth puts a strain on existing housing affordability (the delta between what people earn and the cost of housing). Data shows that Tacoma needs an additional 17,419 units of affordable housing to serve the current Tacoma households earning 30% or less of the area median income.

Tacoma is experiencing a growing homeless population amongst single adults, families, and unaccompanied children and young adults. Many of these children and adults are attending Tacoma's public schools and colleges.

In 2019, THA will continue to take an active role in its long-term vision for its city. THA's Board of Commissioner has stated this vision clearly:

*"THA envisions a future where everyone has an affordable, safe and nurturing home, where neighborhoods are attractive places to live, work, attend school, shop and play, and where everyone has the support they need to succeed as parents, students, wage earners and neighbors."*

THA acknowledges that such a future is not pending, or presently plausible. This makes THA's mission that much more urgent. THA's Board of Commissioners has also stated that mission clearly:

*"THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just."*

THA's Moving to Work (MTW) designation is essential to this effort. MTW status does not give THA more funding from HUD. Instead, and critically, MTW status makes the funding more flexible. It allows THA to design its programs to better serve Tacoma's community in ways that best account for Tacoma's local needs and markets as THA and its community judges them to be.

THA's vision and mission align completely with the three MTW statutory objectives:

1. Increase housing choices for low-income families

2. Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that help people obtain employment and become economically self-sufficient
3. Reduce cost and achieve greater cost effectiveness in federal expenditures

THA looks forward to determining effective uses of MTW authority for these purposes.

### LONG and SHORT TERM GOALS

In 2019, THA will face challenges that have been slowly approaching for a while and are now arriving with a dramatic and harmful effect on the people and City that THA serves. Two challenges stand out. **First**, Tacoma's housing market is rapidly becoming unaffordable to an increasing portion of Tacoma residents and even more out of reach for low-income families. Tacoma faces not only record high rents but also record low vacancy rates. As a result, THA's housing vouchers are not working in growing parts of the city. This happens in part because the vouchers cannot keep up with the rising rents. It also happens because landlords are able to be much choosier. Voucher households cannot compete with other households with stronger credit or rental histories. THA renters are also competing with displaced Seattle renters with higher incomes and fewer barriers. Another result is that Tacoma neighborhoods are gentrifying. The City must anticipate that in 15 years their only affordable housing will be what THA and others are able to build or buy now. The **second** challenge arises from the flat lining or decreases in federal resources for affordable housing. Combined, these challenges limit THA's ability to serve households that need housing in Tacoma

Amid these challenges, THA is fortunate, and grateful, for its MTW flexibility. The MTW program allows THA to respond creatively to local Tacoma conditions and to make the most of THA's resources. With the agency vision and mission and HUD's MTW statutory objectives in mind, THA presents its plan for addressing these challenges in 2019.

THA's Board has chosen the agency's seven strategic objectives, each with performance measures that will guide the agency through the coming years. These strategic objectives show on the following pages. Listed below each strategic objective are the strategies THA has chosen to fulfill the objective.

In general, these strategic choices have THA provide high quality housing and supportive services to people in need, with a focus on the neediest. THA will seek to do this in ways that also get two other things done. **First**, it seeks to help people who can work to succeed, not just as tenants but also, as THA's vision statement and strategic objectives contemplate, as "parents, students, wage earners and builders of assets". It wants their time on its housing programs to be transforming in these ways and temporary. It wants this certainly for grownups but emphatically for children because it does not wish them to need its housing when they grow up. **Second**, THA seeks to help the City of Tacoma develop and to

help ensure that when the city does develop it does so equitably. It seeks this so that Tacoma becomes a place that households of all incomes, races, needs and compositions experience that, as THA's mission statement contemplates, is "safe, vibrant, prosperous, attractive, and just." The following seven strategic objectives and strategies are ambitious. THA will require all the tools within reach, including its MTW flexibility.

## **1. Housing and Supportive Services**

*THA will provide high quality housing, rental assistance and supportive services. Its supportive services will help people as tenants, parents, students, wage earners, and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.*

To meet this objective THA will:

- Strive to increase the number of households and persons receiving THA housing or rental assistance.
- Maintain an economic, racial, ethnic, language, age and differed abilities diversity that is reflective of our community.
- Provide the support and incentives necessary to help households to increase their household incomes.
- Help households get banked and build assets.
- Monitor the educational outcomes of students in our programs and provide interventions where necessary to help students succeed.
- Connect adult customers with education and employment services.
- Help households successfully exit THA's housing programs.
- Assess households on a scale of "in-crisis" to "thriving" and provide the services and referrals necessary to help households move to self-sufficiency.
- Regularly assess our service investments to ensure customers are satisfied and that the investments are offering the outcomes we hope for our customers.

## **2. Housing and Real Estate Development**

*THA will efficiently develop housing and properties that serve primarily families and individuals unable to find affordable and supporting housing they need. Its work will serve to promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.*

To meet this objective, THA will:

- Increase the number and type of THA units.
- Improve the quality of housing that THA owns and manages.



- Increase the life-span of the units within THA's portfolio.
- Continue to develop and rehabilitate housing that is of award-winning quality.
- Improve the cost effectiveness of THA's development function.
- Assist in the development of affordable housing by other organizations.
- Reduce the amount of THA dollars in each development and increase the amount of private and public investments.
- Develop healthy and vibrant communities as measured by their incorporation of art and the walkability to community assets such as parks, schools, grocery stores, public transit and other community amenities promoting health.

### **3. Property Management**

*THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.*

To meet this objective, THA will:

- Lower its per unit per year operating costs.
- Increase its rent collection.
- Improve each property's cash flow.
- Maintain high quality properties.
- Schedule and complete capital repairs on a regular schedule.
- Maintain a high level of customer satisfaction as judged by customer surveys.
- Consult with customers in advance of any policy changes 100% of the time.

### **4. Financially Sustainable Operations**

*THA seeks to be more financially sustaining.*

To meet this objective, THA will:

- Achieve an agency-wide operating surplus.
- Maintain minimum and maximum restricted and unrestricted reserves.
- Achieve a 1.15 debt-service ratio.
- Increase the value of THA's land and properties.
- Increase and diversify its income.

## 5. Environmental Responsibility

*THA will develop and operate its properties in a way that preserves and protects natural resources.*

To meet this objective, THA will:

- Develop environmentally responsible properties.
- Develop communities that incorporate creativity and healthy place making.
- Reduce energy and resource consumption.
- Reduce the use of greenhouse emitting products.

## 6. Advocacy and Public Education

*THA will advocate for the value of THA's work and for the interests of the people it serves. It will be a resource for high quality advice, data, and information on housing, community development, and related topics. THA will do this work at the local, state and national level.*

To meet this objective, THA will:

- Strive to maintain a positive public regard for THA.
- Lend staff to serve as effective members of community advisory panels.
- Be an effective advocate for the value of its work and the people it serves.

## 7. Administration

*THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.*

To meet this objective, THA will:

- Improve its operating efficiency.
- Lower its administrative costs per household served.
- Increase the number of households served per full time employee (FTE).
- Decrease the average amount spent on community service per client outcome.



- Increase its employee engagement scores.
- Decrease its staff turnover.
- Maintain positive audit results.

Embedded within these objectives and strategies are tradeoffs that are unavoidable in the face of flat funding, increasing need and tightening rental markets. For example, a dollar spent on increased rental assistance or supportive services means serving fewer households, less support for leased housing and its tenants or weaker administration and customer service. THA can feel very confident about its judgment and the tradeoffs they denote. Yet some of them, like limits on rental assistance or increases, may not be occasions to celebrate. We may not have made some of those choices if Tacoma did not face an affordable housing crisis or if THA was flush with resources to meet it. Yet THA, in consultation with our community, will make these choices with the market we face and the resources we have. Within those constraints, THA feels proud and excited about these objectives and the path they set for its work and its city. MTW flexibility makes this work adaptable and innovative and helps give meaning to each of THA's seven strategic objectives.

Here are some examples of how THA has used and plans to use its MTW flexibility in order to meet these objectives:

**Housing and Supportive Services:** THA has modified its rent structure for its Housing Opportunity Program (HOP). Its flat subsidy removes the disincentive to increase earned income. It makes it easier to administer and explain. It also lowers program costs. The savings allow THA to serve more families and to invest in supportive services that households need to succeed as “tenants, parents, students, wage earners and builders of assets.”

THA has used MTW dollars and flexibility to fund its innovative Education Project. Among its initiatives is a program that has stabilized an elementary school that had ruinous transient rates among its students because of family homelessness. THA has extended this program model to house homeless community college students and their families during their enrollment as long as they make adequate academic progress toward a degree.

THA has modified its Family Self-Sufficiency program to build escrow accounts for customers as they achieve tangible, individual goals rather than through extremely complicated calculation worksheets that few people could understand and that took a lot of staff to explain and administer.

THA has also been able to invest federal dollars in non-traditional rental assistance programs that serve homeless households with children, homeless youth without families, and families who need housing to prevent or shorten their children's foster care placements.

#### Plans for 2019



THA will not be able to serve the same number of households that it has in the past. In 2018, THA's board faced a decision that has been brewing for a couple of years. The Tacoma rental market is changing rapidly and it is becoming increasingly difficult for households to maintain their current tenancy and find new units due to rising rents and shrinking vacancy rates. Federal funding has also been stagnant. THA had the choice to (1) decrease the amount of rental assistance it gives to each household, possibly making it even harder for them to find and retain housing; (2) serve higher income households that would require less subsidy in order to make their rent affordable; (3) disinvest from other THA activities such as building and buying affordable housing and providing supportive services for families; or (4) serve fewer households. The Tacoma community strongly favored serving fewer households and the Board adopted this choice in early 2018.

In order to effectively serve THA's households in this inhospitable rental market, THA has hired a Landlord Liaison to assist THA's participants and landlords. THA will also consider increasing its security deposit assistance program and deploying new landlord incentive programs.

THA will expand its innovative Elementary School Housing Assistance Program to other elementary schools in Tacoma to help families in crisis stabilize so their children can succeed in school. It will continue its expansion of its College Housing Assistance Program (CHAP) from 25 rental subsidies to 150 subsidies. This program will also be expanded to serve not just homeless Tacoma Community College (TCC) students but also students who begin their TCC coursework while they are in prison. When they get out of prison they come to campus to continue their studies. Many of them are also mothers reuniting with children. Their housing problems are much more challenging.

THA will expand its partnership with local service providers to provide more resources to families. THA is engaging with a system funded by the local United Way called Centers for Strong Families. These integrated service centers are intended to interrupt poverty and connect households with employment coaching, financial empowerment resources and access to financial products aimed at asset building.

Expand how THA offers rental assistance to include property-based subsidies to improve affordable housing options available to low-income renters. THA is designing a new rental assistance model to make it appealing to private owners to make long-term commitments to set aside units at rents affordable to households from 30-50% of area median incomes.

THA will continue to invest in the Pierce County homeless system for families and young adults. THA will continue its \$1.288 million investment and will expand the use of funds to include all types of housing, not just rapid rehousing.

**Real Estate Development:** THA is able to invest MTW dollars to build or buy new housing. Over the next five years, THA plans to add an average of 70 new housing units per year. This investment is important especially as Tacoma's rental market becomes less and less affordable making vouchers less and less effective. This investment also allows THA to (i) bring affordable housing to higher opportunity parts of the market that would be or are becoming unaffordable or inaccessible even with a voucher; (ii) invest in depressed parts of the market that need the investment and embolden others to invest.

#### **Plans for 2019**

THA will partner with Community Youth Services (CYS) to develop a service-enriched campus providing homeless youth without families and homeless young adults with short and long-term housing and high quality, empowering and supportive services. These services will include professional trauma-informed case management services, independent living skills training, and job training. The campus will include the following elements:

- A Crisis Residential Center (CRC) for homeless youth aged 12 to 17 years, with 12 beds for short-term stays. The CRC offers youth a safe, supervised, and nurturing place to stay while skilled case managers work to arrange a safe place to live. This may be back with family, to relatives, to a new family, or to foster care. CYS's CRC in Olympia, WA has a 95% rate of successful discharge to a safe new residence. We anticipate that the CRC at Arlington Drive will serve 400-500 Pierce County youth every year.
- 40 to 50 units of rental housing for young adults ages 18 to 24 years, with focused support services to address their behavioral and physical health needs and to help them complete their education, get a skill, find a job and begin a meaningful adulthood.
- High quality supportive services that emphasize social community activities, diversity, equity, and social enterprise.
- A design that will be a thoughtful, lovely addition to the neighborhood, with a tree canopy.

THA will complete Hilltop Master Planning to inform THA's investments in a neighborhood that is becoming increasingly unaffordable. This will include developing affordable and workforce housing on property it has acquired in this neighborhood.

Acquire and develop housing units in Tacoma's West End neighborhood near Tacoma Community College where housing has become unaffordable and unavailable to THA's voucher participants and to TCC students generally.

Redevelop THA's 1800 Block of the property formerly known as Hillside Terrace. This is the third phase of the new Bay Terrace development and will hold up to 80 units developed with low income housing tax credits and other financing sources. The third phase will also include set-aside units for households exiting homelessness.

Acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).

**Property Management:** THA has used MTW dollars to maintain its public housing portfolio. This investment is also critical. That portfolio is valuable. It serves THA's neediest households, including those who would not do well in the private rental market even with a voucher, such as disabled persons, seniors, households coming from trauma and those who do not speak English. THA and its talented and multi-lingual staff are very good landlords to such tenants. This use of MTW dollars is also how THA can bring investments to neighborhoods that need it and to spur their development in ways that benefit all their residents.

#### **Plans for 2019**

THA will complete its portfolio-wide Rental Assistance Demonstration (RAD) conversion by converting the Salishan and Hillside Terrace portfolios to RAD financing.

THA will embark on life after its RAD conversion at THA's remaining properties. This life will include streamlining the processes to meet various funder and investor requirements and providing high quality supportive services to our tenants.

THA will continue to invest in supportive services for the tenants living in its portfolio. The focus of these services include community building, bringing tenant resources on-site, and case staffing to help maintain tenancies.

**Financially Sustainable Operations:** The addition of affordable housing units to the portfolio will increase the agency assets. It will also add new income streams to the agency.

#### **Plans for 2019**

THA will complete its portfolio-wide Rental Assistance Demonstration (RAD) conversion by converting the Salishan and Hillside Terrace portfolios to RAD financing.

With the acquisition of additional units and property in Tacoma's West End neighborhood, THA will have additional unsubsidized rental income to help offset the cost of operations.

**Environmental Responsibility:** THA achieved Certified LEED Gold in the Bay Terrace Phase I development that we developed using MTW dollars.

#### **Plans for 2019**

THA will deploy a document imaging/management program to allow THA to begin moving to paperless operations.

**Advocacy:** MTW has allowed THA to develop and test new ideas using its federal flexibility. These programs have added value to the Tacoma community and benefitted the customers we serve. We have been able to share these experiences with a wide national audience.

#### **Plans for 2019**

THA will partner with Forterra and University of Washington-Tacoma to renew the advocacy effort with the city council for effective affordable housing policies. These policies include: (i) a local housing trust fund, (ii) inclusionary and incentive zoning to require in some cases and entice in others the inclusion of affordable housing in a market rate development. (iii) a contingent loan program to lower borrowing costs for affordable housing development.

THA continues to be available as a source of data and advice to city, county, state and national policy makers on housing, community development and related topics. The topics to note in 2019 include increasing affordable housing and expanding tenant protections in the private market.

Staff will continue to present at local and national conferences about its work and the benefits of MTW.

**Administration:** THA has greatly simplified how it verifies household income and assets for the purpose of calculating rent.

#### **Plans for 2019**

THA will continue to deploy a new, self-developed software system on the Salesforce platform to manage the bulk of THA operations. This system should make program administration, data monitoring and reporting, staff onboarding, and tenant/public communication easier and more streamlined. Getting this done will continue to be an operational preoccupation at THA. If we succeed as we expect, we can offer the software applications to other housing authorities. If it all goes bust, you will read about us in the newspaper.

THA will continue to look for innovative ways to best leverage its MTW designation in order to meet these objectives. THA's efforts could inform policy choices of other Public Housing Authorities unable to participate in the MTW demonstration.

## Section II: General THA Operating Information

### A. HOUSING STOCK INFORMATION

#### i. Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

| ASSET MANAGEMENT<br>PROJECT (AMP) NAME AND<br>NUMBER | BEDROOM SIZE |   |   |   |   |    | TOTAL<br>UNITS | POPULATION<br>TYPE* | # of Uniform Federal Accessibility<br>Standards (UFAS) Units |           |
|--|--------------|---|---|---|---|----|----------------|---------------------|--|-----------|
|  | 0/1          | 2 | 3 | 4 | 5 | 6+ |                |                     | Fully Accessible   | Adaptable |
| N/A  | #            | # | # | # | # | #  | 0              | N/A                 | #  | #         |

Total Public Housing Units to be Added in the Plan Year

0

\*Select "Population Type" from: General, Elderly, Disabled, Elderly/Disabled, Other

If "Population Type" is "Other" please describe:

Description

#### ii. Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year.

| AMP NAME AND NUMBER              | NUMBER OF UNITS<br>TO BE REMOVED | EXPLANATION FOR REMOVAL               |
|----------------------------------|----------------------------------|---------------------------------------|
| Salishan One, AMP<br>WA005000010 | 55                               | Rental Assistance Demonstration (RAD) |
| Salishan Two, AMP<br>WA005000011 | 55                               | Rental Assistance Demonstration (RAD) |
| Salishan Three, AMP              | 45                               | Rental Assistance Demonstration (RAD) |

|                                      |    |                                       |
|--------------------------------------|----|---------------------------------------|
| WA005000012                          |    |                                       |
| Salishan Four, AMP<br>WA005000013    | 45 | Rental Assistance Demonstration (RAD) |
| Salishan Five, AMP<br>WA005000014    | 45 | Rental Assistance Demonstration (RAD) |
| Salishan Six, AMO<br>WA005000015     | 45 | Rental Assistance Demonstration (RAD) |
| Hillside Phase 1, AMP<br>WA005000007 | 21 | Rental Assistance Demonstration (RAD) |
| Hillside Phase 2, AMP<br>WA005000008 | 12 | Rental Assistance Demonstration (RAD) |

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### iii. Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

| PROPERTY NAME     | NUMBER OF VOUCHERS TO BE PROJECT-BASED | RAD? | DESCRIPTION OF PROJECT  |
|-------------------|--|------|---|
| Rialto Apartments | 13                                     | No   | The property serves low-income households with criminal histories. The property provides on-site case management and support services. These vouchers will be used to serve existing households with incomes below 50% AMI. |



|                 |     |     |   |
|-----------------|-----|-----|---|
| Hotel Olympus   | 49  | No  | The property will provide case management to the tenants of the site with a focus on access to benefit programs, education and employment series. These project based vouchers will serve existing households with incomes below 50% AMI. |
| Arlington Drive | 58  | No  | Affordable housing for homeless young adults  |
| Hillside 1800   | 53  | No  | 70 new units with 53 project-based 1&2 bedroom units at 30%, 40% and 60% AMI with set-asides for homeless and disabled persons  |
| Unknown         | 50  | No  | THA will project-base vouchers into at least one new property in 2019.  |
| Salishan 1 – 6  | 290 | Yes | THA is converting 290 public housing units to project-based units under the RAD.  |

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**Planned Total Vouchers to be Newly Project-Based**

**iv. Planned Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | PLANNED STATUS AT END OF PLAN YEAR* | RAD? | DESCRIPTION OF PROJECT |
|---------------|----------------------------------|-------------------------------------|------|------------------------|
| Bay Terrace 1 | 20                               | Leased/Issued                       | No   | Family Housing         |

|                        |     |               |     |   |
|------------------------|-----|---------------|-----|---|
| Bay Terrace 2          | 52  | Leased/Issued | No  | Family Housing                                      |
| Eliza McCabe Townhomes | 10  | Leased/Issued | No  | Family Housing                                      |
| Flett Meadows          | 14  | Leased/Issued | No  | Family Housing                                      |
| Guadalupe Vista        | 40  | Leased/Issued | No  | Family Housing                                      |
| Harborview Manor       | 147 | Leased/Issued | No  | Senior Housing                                      |
| Hillside Gardens       | 8   | Leased/Issued | No  | Family Housing                                      |
| Hillside Terrace 1500  | 12  | Leased/Issued | No  | Family Housing                                      |
| Hillside 2             | 13  | Leased/Issued | No  | Family Housing                                      |
| Nativity House         | 50  | Leased/Issued | No  | Housing for chronically homeless individuals        |
| New Tacoma Phase 2     | 8   | Leased/Issued | No  | Senior Housing                                      |
| Pacific Courtyards     | 23  | Leased/Issued | No  | Transitional housing for formerly homeless families |
| Salishan 1 - 7         | 340 | Leased/Issued | No  | Family Housing                                      |
| Tyler Square           | 15  | Leased/Issued | No  | Permanent Supportive Housing for families           |
| Renew Tacoma Housing   | 456 | Leased/Issued | Yes | Converted Public Housing                            |
| Bay Terrace 1 (RAD)    | 26  | Leased/Issued | Yes | Family Housing                                      |

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**Planned Total Existing Project-Based Vouchers**

**v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year**

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

**PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR**

THA will redevelop its 1800 block of the property formerly known as Hillside Terrace. This is the third phase of the new Bay Terrace development and will hold up to 70 units developed with low income housing tax credits and other financing sources.

THA will develop Hilltop Lofts. This property will have up to 60 units of workforce housing, developed with low income housing tax credits.

THA will acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).

THA will be selling the last seven lots of in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.

THA plans to add up to 500 property-based subsidies in 2019.

THA's RAD conversion and disposition of its scattered site public housing through Section 32 will be completed in 2018. This will leave THA with 709 public housing units. THA is considering placing Public Housing Faircloth units in new acquisitions and new developments, and potentially other projects owned by others in the community.

**vi. General Description of All Planned Capital Expenditures During the Plan Year**

Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

**GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR**

RAD contract rents are comprised of THA Rents, Operating Fund Subsidy & CFP funds, and may be supplemented with existing voucher funding. As HAP payments do not actually start until January 1st, 2020, the CFP funds in 2019 would be transferred to the RAD properties along with the Operating Fund Subsidy, and any addition Voucher supplementation, to fund the properties at the Contract level amount.

## B. LEASING INFORMATION

### i. Planned Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

| PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH: | PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED** |
|--|--|---|
| MTW Public Housing Units Leased              | 3888   | 324   |
| MTW Housing Choice Vouchers (HCV) Utilized   | 47797  | 3983  |
| Local, Non-Traditional: Tenant-Based^        | 970  | 81  |
| Local, Non-Traditional: Property-Based^      | 1071   | 89  |
| Local, Non-Traditional: Homeownership^       | 0  | 0   |
| Planned Total Households Served              | 53,726   | 4477  |

\* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

\*\* "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

| LOCAL, NON-TRADITIONAL CATEGORY | MTW ACTIVITY NAME/NUMBER                         | PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED* |
|---------------------------------|--|--|--|
| Tenant-Based                    | Regional Approach for Special Purpose Housing/15 | 970  | 81   |
| Property-Based                  | Creation & Preservation of Affordable Housing/16 | 1071   | 89   |
| Homeownership                   | N/A  | 0  | 0  |

\* The sum of the figures provided should match the totals provided for each local, non-traditional categories in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable..

**ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing**

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

| HOUSING PROGRAM            | DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS   |
|----------------------------|--|
| MTW Public Housing         | THA does not expect issues with leasing any properties owned and managed by THA.   |
| MTW Housing Choice Voucher | THA voucher holders will continue to have challenges leasing up in the private market due to rising rents, lack of affordable units, ongoing client challenges with credit/criminal/rental history, required deposits amounts, required income qualifying amounts, etc. Tacoma's private markets are experiencing low vacancy rates which means landlords can ask for a premium on their units. THA will focus on acquiring and developing more affordable housing, project-basing existing complexes and more client education.         |
| Local, Non-Traditional     | THA currently invests in two local non-traditional housing programs that are administered through Pierce County. The county is responsible for allocating THA's investment to local rapid rehousing providers. Depending on the capacity of county and local providers to utilize and allocate these funds, there may be issues related to fully utilizing the allocated amount. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will plan accordingly for unused funds. |

## C. WAITING LIST INFORMATION

### i. Waiting List Information Anticipated

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The "Description" column should detail the structure of the waiting list and the population(s) served.

| WAITING LIST NAME | DESCRIPTION | NUMBER OF HOUSEHOLDS ON WAITING LIST | WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED | PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR |
|-------------------|-------------|--------------------------------------|---|---|
|-------------------|-------------|--------------------------------------|---|---|

|   |  |      |                |               |
|---|--|------|----------------|---------------|
| <b>Children's Housing Opportunity Program</b>                                 | Other / Families re-uniting  | 54   | Open           | Yes           |
| <b>Bay Terrace (non-PH, non-PBV units, non-traditional MTW housing units)</b> | Other/ Non-PH, non-PBV, non-traditional, MTW funded tax credit units for families. Applications are accepted on a rolling basis and are served on a first-come, first-serve basis as units become available.   | 62   | Open           | Rolling basis |
| <b>Low Income Housing (Housing Choice Voucher Program and THA RAD Units)</b>  | Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list  | 3200 | Closed         | Yes           |
| <b>College Housing Assistance Program</b>                                     | Other/ Literally homeless students are admitted on a rolling basis. For near-homeless students, applications are accepted quarterly for a two-week time period. Applicants are placed in a lottery for selection into program. Remaining applications are purged and are able to re-apply for lottery the following quarter. | 0    | Partially Open | Yes           |
| <b>Rapid Rehousing - Families</b>   | Community-Wide/ A tenant-based Local, Non-Traditional Housing Assistance Program operated in conjunction with Pierce County. It serves homeless or near homeless households with children in Tacoma and Pierce County.   | 121  | Open           | Yes           |



|   |   |    |        |               |
|---|---|----|--------|---------------|
| <b>Rapid Rehousing - Youth and Young Adults</b>     | Community-Wide/ A Tenant-Based Local, Non-Traditional Housing Assistance Program operated in conjunction with Pierce County. It serves homeless or near homeless youth and young adults in Tacoma and Pierce County.  | 27 | Open   | Yes           |
| <b>Elementary School Housing Assistance Program</b> | Other / Tenant-Based assistance for homeless families enrolled into the Tacoma School District. The structure is TBD.   | 0  | Closed | Yes           |
| <b>Highland Flats</b>                               | Other/ Property-based assistance for households at or below 30% AMI which a preference for homeless students enrolled at Tacoma Community College who are participating in the College Housing Assistance Program. Vacancies will be posted by the property-owner as they become available. | 0  | Closed | Rolling basis |

**Please describe any duplication of applicants across waiting lists:**

N/A

**i. Planned Changes to Waiting List in the Plan Year**

Please describe any anticipated changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

| WAITING LIST NAME                            | DESCRIPTION OF PLANNED CHANGES TO WAITING LIST  |
|--|---|
| THA Consolidated Waitlist                    | <p>In 2018, THA consolidated its site-based waiting and Housing Opportunity Program (HOP) waiting lists into one waiting list. Once an applicant reaches the top of the list they will be offered the option of either (a) receiving a fixed-subsidy, time-limited housing voucher; or (2) remain on the waiting list until there is a vacancy with THA's portfolio. THA is also considering making several policy and procedural changes. The intent is that applicants will wait no longer than two years before they are offered housing assistance. At this time, THA has not approved or finalized any changes. In 2019, THA endeavors to open an online client portal where clients can check their status, update their information and check-in. If THA is able to bring the client portal online in 2019, THA is considering a check-in system which will require clients to check-in on a regular basis or they will be removed from the waiting list. THA is also considering re-opening the waiting list in 2019.</p> |
| Elementary School Housing Assistance Program | <p>THA's Elementary School Housing Assistance Program has served homeless families enrolled at McCarver Elementary. Throughout 2018, THA has been working toward expanding and redesigning the program. THA plans to open the ESHAP waiting list in 2019, but the structure and policies have yet to be determined.</p>   |

## Section III. Proposed MTW Activities

### 25. Modify HQS for initial and annual inspections

THA proposes this activity in two parts.

1. Currently, THA permits landlords to self-certify in cases where there are “fail minors” and may permit alternate inspection methods including self-certification with additional evidence and follow-up (such as receipts, invoices for work completed, etc) when there is a “major fail.” To further reduce staff time required for re-inspections; reduce the time a client must wait until they are permitted to move-in; and to streamline the experience for private landlords and property managers renting to voucher holders – THA proposes to allow landlords to self-certify in cases where fail items are non-life threatening as determined by a prescribed list developed and maintained by THA. Landlords will be required to resolve fail items within a 30-day time frame. THA will also continue to conduct audits for quality control and the unit will be subject to its annual inspection. THA will evaluate its metrics to ensure that units are still meeting HQS during audit and annual inspections.
2. In addition the proposal above, THA proposes a modified HQS inspection for newly developed and/or rehabilitated units, in which THA would accept a “Certificate of Occupancy” issued by the City of Tacoma in lieu of an initial inspection being completed by THA. This proposal intends to save staff time and money from duplicating work already done by the City. THA will conduct quality control audits and units will still be subject to annual inspections. This proposal will apply for the inspections process for upcoming projects under the “Property-Based Subsidies” activity.

#### **Describe how it will achieve one or more of the three statutory objectives and specific impacts on that objective**

This activity proposal will meet the statutory objective to “reduce cost and achieve greater cost effectiveness in federal expenditures” by reducing the amount of staff time spent conducting re-inspections which fail due to non-life threatening items.

#### **Provide anticipated schedule for implementation**

THA anticipates implementing Activity 25 Part I after developing its own prescribed list of “life threatening” fail items and implementing a process for compliance – this is expected to happen by early to mid-2019.

THA anticipates implementing Activity 25 Part II in late 2019.

#### **Applicable Standard HUD metrics**

***CE #1: Agency Cost Savings***

| Unit of Measurement  | Baseline   | Benchmark                                | Outcome                   | Benchmark Achieved?                                 |
|--|--|--|---------------------------|---|
| Decrease total cost of task measured by staff time (decrease). | Total cost of initial re-inspections in 2018 (TBD) (in dollars). | 20% decrease from baseline (in dollars). | TBD in 2019 (in dollars). | Whether the outcome meets or exceeds the benchmark. |

| <i>CE #2: Staff Time Savings</i>                           |  |  |  |   |
|--|--|--|--|---|
| Unit of Measurement  | Baseline   | Benchmark                              | Outcome  | Benchmark Achieved?                                 |
| Total time to complete the task in staff hours (decrease). | Average time to conduct initial inspections x number of initial re-inspections | 20% decrease from baseline (in hours). | Actual amount of total staff time dedicated to the task after implementation of the activity (in hours). | Whether the outcome meets or exceeds the benchmark. |

**Give data source from which the metric data will be compiled**

THA will compile data using THA's "Open Door" software system to track initial inspections which utilize the option to self-certify in lieu of a re-inspection.

**Cost Implications**

THA expects this activity to result in a slight positive gain.

**If cost implications provide estimate of amount and how PHA will manage surplus or deficit**

A significant savings is not expected the surplus can be expected to remain within the department to continue supporting daily operations.

**Need/Justification for MTW flexibility**

MTW Authorization: Attachment C, D. 5 Authorizations Related to Section 8 Housing Choice Vouchers Only - Ability to Certify Housing Quality Standards.

**Explain why the cited authorization is needed to engage in proposed activity**

THA needs the authorization in order to remove the requirement to conduct re-inspection of initials with 10 or less non-life threatening items. THA needs the authorization in order to bypass the requirement under 24 CFR 982.401 which states that “all program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.” THA needs the authorization in order to remove the requirement that the unit must pass HQS prior to approval for the family of the assisted tenancy, or executing a HAP contract under 24. CFR 982.305.

## Section IV: Approved MTW Activities

### Implemented Activities

**1. Extend allowable tenant absences from unit for active duty soldiers:** THA proposed and implemented this activity in 2011. THA modified its policy for terminating households who were absent from their unit for more than 180 days. Modifying the policy was necessary to account for households with adults called to active duty from retirement, from the reserves, or national guards. THA's programs have a number of reserve or guard military families because of close proximity to Fort Lewis, one of the nation's largest military bases. Active duty may force a household to be absent from their assisted unit for more than 180 days than the normal rules allow, leaving them without housing assistance when the service member returns home. Although the question of having to terminate such a household of service men and women arose only a few times during the war and although THA managed to avoid such terminations with an artful understanding of the rules, even the prospect of terminating these households is too unsettling even to risk. This activity allowed THA to make the following policy revisions:

- Allow a previously assisted household returning from deployment to request reinstatement within 90 days from the date they return from deployment.

**Status Update:** THA has not needed to exercise this flexibility since 2010 but, since Tacoma is home to one the nation's largest military bases, THA wants to be ready if this issue arises again.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity during the Plan year.

**2. Elementary School Housing Assistance Program (formerly McCarver Elementary Housing Assistance Program):** This activity was proposed and implemented in the 2011 MTW Plan. THA used the flexibility provided under Moving to Work status to pilot an innovative rental assistance program in partnership with Tacoma Public Schools. The rental assistance program is designed to assist families at McCarver Elementary School and to help transform the school. Among its many challenges, McCarver Elementary had a very high student turnover rate. For the 2007- 2008 school year, the school's student population had a turnover rate of 121%; in prior years, the turnover rate was as high as 179%. This population is transient because of family homelessness, a high poverty level in the school (96%), and the attendant housing insecurity. McCarver has more homeless students than any other elementary schools in Tacoma, the region and possibly the state.

THA used its MTW authority to provide rental assistance for eligible students and their families at McCarver for the duration of their enrollment at the school. THA began by serving 50 families with a plan to assess the results on stability and educational outcomes. THA believes that increased housing stability will show in better school performance.

The initiative has five elements: (i) the rental assistance to homeless families with children enrolled at McCarver. The assistance lasts for as long as the children remain at McCarver, with a maximum five years; (ii) parental commitment to keep their children enrolled at McCarver, support their children's education by getting them to school on time every day, reading to them, making time and space for homework, attending every student-parent-teacher conference and PTA meetings, and investing in the parents' own education and employment prospects; (iii) close case worker support from THA to help the parents fulfill these commitments; (iv) an investment in the school by the Tacoma Public School District to make the school worthy of the commitment we ask the parents to make. In particular, the School district has invested the considerable funds and effort to make McCarver an International Baccalaureate Primary Years Program that raises student and faculty standards for the entire school; (v) third party evaluation tracking an array of metrics (paid for by the Bill & Melinda Gates Foundation.)

Throughout their participation in the project, a family's compliance with program requirements are monitored by a case worker assigned to them. If a family has difficulty meeting the requirements, the case worker provides additional support. Should THA determine the family to be unable or unwilling to comply with the requirements, THA can terminate their participation.



**Other Metrics:** Other metrics beyond those HUD asks us to track are at the core of the initiative. McCarver Elementary's annual transiency rate declined between 15%-30% throughout Year 1 and Year 5 of the program. School attendance improved, with 92% of cohort students not missing more than one day of school per month by Year 5.

**Status Update:** As reported in the previous report, THA changed the rent structure for all participant families to an income based model already in use at THA due to the level of shelter burden impacting program families by year 3. Household rent calculations were set on THA's current rent reform model of the traditional Section 8 program. This means that household rent is based on 28.5% of the household income.

In July 2017, families who belonged to the initial program's cohort 1 reached the end of their program term time limits.

Throughout 2018, THA and TPS took the data of previous years' evaluation and feedback to identify the areas of the program needing improvement and where THA and TPS can address the issues of the current rental market. THA and TPS aim to have an expansion plan ready for implementation by fall 2018.

**Planned Non-Significant Changes:** The program is currently serving its second cohort of program families, the majority of whom joined the program in the early half of 2017. THA continues to apply the traditional Section 8 income-based rent structure for program families. In anticipation of the completion of the redesign by summer of 2018, THA and TPS worked with families to develop a legacy policy that would allow households to continue benefitting from the offerings of the program. The policy provided a clear operational plan for staff and an assistance plan for families that would alleviate potential disruption that may be brought forth by the redesign. The legacy policy states that families will continue to receive a subsidy based on 28.5% of their income until July 1, 2019. Following that, THA will transition families to the Housing Opportunity Program (HOP) voucher utilizes a flat-subsidy model based on 50% of the payment standard. In order to qualify for the HOP voucher, families must demonstrate engagement toward asset-building activities.

THA also removed the requirement that families remain enrolled in McCarver Elementary School. Based on Tacoma's increasing rental market and low supply of affordable housing, 80% of cohort-two program families were unable to lease-up within the McCarver catchment by the start of the 2017 school year. Thus, transportation to McCarver became burdensome for majority of families living at far distances. In order to eliminate this burden for families and promote on-time and regular school attendance, THA and TPS allowed students to enroll at their neighborhood schools.

**Planned Changes to Metrics/Data Collection:** Depending on the number of households receiving assistance through the program expansion, THA may reset the benchmarks to appropriately reflect those numbers.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity during the Plan year.

**3. Local Project Based Voucher Program:** THA proposed this activity in 2011. THA implemented parts of the program in 2011, and to date, it has implemented most of the activity except that THA has not yet exceeded the cap on PBVs in its own developments. This program introduced several changes to the way THA operates the project based voucher program. They are as follows:

- THA removed the cap on project based vouchers for its own developments. That will allow THA to finance more developments in the future.
- THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
- THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.
- THA used this flexibility to waive the Choice Mobility option for PBV households in previous years. THA's board approved policy changes that would allow all PBV holders to exercise CM given that households meet the following conditions: 1) in good status/no debts owed; 2) one-time use policy 3) required pre-issuance counseling; 3) unpaid tenant charges could result in termination of voucher assistance.

The changes have allowed THA to streamline many parts of the project based program that were inefficient or unfair to those on the waitlist.

In 2018, THA modified the activity by waiving the per project cap on a case-by-case basis for projects, including those not owned by THA; and allowing individual project owners to manage their own waiting lists.

**Status Update:** Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project Based Vouchers. THA received permission through MTW to go above this threshold toward PBVs in projects owned and operated by the agency. THA will maintain the cap in projects not owned or operated by the agency. Below are the percentages of THA's ABA toward both types of PBV subsidy:

*PBVs in THA Properties\*(919 units): 22.1%*

*PBVs in THA Partner Properties (310 units): 6.2%*

Together, THA spends roughly twenty-eight (28.3) percent of its ABA towards PBVs.

\*Includes RAD PBV

**Planned Non-Significant Changes:** THA does not anticipate any modifications to this activity in the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity in the Plan year.

**4. Allow transfers between public housing and voucher waitlists:** This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. The policy combines the public housing transfer list and the list of HCV movers who are having difficulties finding a unit that meets their needs on the private rental market. Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. Voucher holders may be transferred into a public housing unit if they cannot find a unit on the market that meets their needs.

**Status Update:** The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA is continuing to look into ways to help clients on our transfer list find units that better meet their needs. Seven (7) households successfully transferred between public housing and voucher programs in 2017 and 70 households total were on the transfer waiting list.

**Planned Non-Significant Changes:** THA anticipates that this activity will be closed out after the agency's public housing portfolio has been converted to RAD.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity in 2019.

**5. Local Policies for Fixed Income Households:** THA proposed and implemented this activity in 2012. THA used local policies to implement rent reform for fixed income households in 2012. This plan applies to households in which all adult members are either elderly or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, or pension. These households are subject to the following rent policy:

- Eliminate elderly/disabled deduction;
- Eliminate dependent deduction;
- Eliminate medical deductions below \$2500 and implement bands
- Implement 28.5% TTP to help offset the elimination in the elderly/disabled deduction and simplification of medical expense allowances.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 7.
- Implement minimum rent of \$25 (and therefore eliminate utility allowance reimbursements)

**Status Update:** The above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. The activity has allowed THA to save staff time because the reviews per year have been cut by over 50% for the activity population. THA is doing triennial reviews for this population. As a result, THA sees roughly \$9,000 in agency cost savings and 455 hours in staff time savings.

**Planned Non-Significant Changes:** HUD has approved biennial and triennial reviews for any PHA to implement, not just MTW agencies.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**6. Local Policies for Work-Able Households:** This activity was proposed and implemented in 2012. Local policies for work-able households are very similar to the fixed income activity with minor differences. THA used this activity to implement rent reform for work-able households. Under this plan work-able households are subject to the following rent policy:

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no “off-year” COLA-related rent adjustments unless interim is triggered.
- Eliminate dependent deduction.
- Eliminate medical deductions below \$2500 and implement bands.
- Implement 28.5% TTP to help offset the dependent deduction.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 7.
- Implement minimum rent of \$75 (and therefore eliminate utility allowance reimbursements).

**Status Update:** This above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. THA continues to see staff time and cost savings because of the biennial review schedule. As a result, THA sees roughly \$28,000 in agency cost savings and 1,225 hours in staff time savings. Household earned income for this population has also risen from an average of \$12,372 in 2011 to \$13,586 in 2017. Also in 2017, 375 households had at least one member employed full time and 242 households had at least one member employed part time.

**Planned Non-Significant Changes:** As noted above, biennial and triennial reviews no longer require MTW flexibility.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity in the Plan year.



**7. Local Income and Asset Verification Policy:** THA proposed and implemented this activity in 2011. THA implemented the following policies:

- Allow tenants to self-certify assets valued at less than \$25,000.
- Disregard income from assets valued at less than \$25,000.
- Eliminate earned income disallowance (EID).
- Exclude resident stipends up to \$500.
- Accept hand-carried third party verifications and increase number of days verifications are valid up to 180 days.
- Extend the authorization of the HUD 9886 form.
- Accept hand carried verifications.

These changes allowed THA to further streamline inefficient processes and save both staff time while reducing the burden on clients to provide information that made little difference in rent calculation.

**Status Update:** The activity has been successful and THA has seen 100% time and cost savings most years by no longer having to verify income in the stated cases.

**Planned Non-Significant Changes:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**8. Local Interim Policy:** THA proposed and implemented this activity in 2011 to streamline the interim review process. THA limited the number of interims a household can have over a period of time. Households also have to meet a 20% threshold before an interim will be processed.

**Status Update:** THA has found some of the rules of the program are hurting efficiency and are burdensome on residents. Since 2013, THA has not required an interim recertification for income increases if a household has had an interim decrease in between recertifications. THA will keep the 20% rule because it has been the major factor in the reduction of interims processed. This requirement has been both an administrative burden and a burden on clients trying to process an interim decrease.

**Planned Non-Significant Changes:** Using MTW flexibility, THA has limited the instances in which interim rent increases and reductions are processed. In order for THA to process a rent decrease, the household must experience a twenty (20) percent decrease in income. As an incentive for households to increase their earned income, THA does not process interim increases in income.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**11. Local Utility Allowance Schedule:** THA proposed and implemented this activity in 2011. This activity streamlined the utility allowance credit given to housing choice voucher and public housing clients. Utility allowances varied by building type, bedroom size, and type of fuel/energy used. These variables resulted in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in methodological misunderstandings. In addition, HUD determined that incorrectly calculated utility allowances are one of the most common rent calculation errors in the country.

The Housing Authority has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision provides each household responsible for tenant supplied utilities with the average allowance based upon unit bedroom size. Households have a more simplified explanation of utility allowance benefits and the Housing Authority staff now selects an allowance based only on unit size instead of determining individual allowances for every unit leased.

**Status Update:** THA continues to see staff time saved each year because of this activity.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**12. Local Policy on Port Outs:** THA proposed and implemented this activity in 2012. THA put limits on outgoing portability except for households that need to move out of the jurisdiction due to reasonable accommodation, employment, situations covered underneath the Violence Against Women Act (VAWA), and education. THA also allows a family to port-out if the receiving housing authority absorbs the voucher. The policy intends to cut back on the number of invaluable housing dollars leaving Tacoma and to cut back on the burden of administering port outs while preserving portability in enumerated cases where it would advance important program goals.

**Status Update:** THA has not made any changes to the activity. The activity has been successful in reducing the total number of port outs each year. So far in 2018, 154 clients have ported out of THA's jurisdiction. This is a decrease of 171 households from the baseline of 325 households prior to implementation of this activity in 2011.

**Planned Non-Significant Changes:** THA is considering changes to the Housing Choice Voucher program portability policies. Current MTW flexibility allows THA to limit the reasons a household may port out of THA's jurisdiction. For example, households are eligible to port out of THA's jurisdiction if the head of household or spouse has secured part time employment or part time enrollment in a college/university/trade school that is more than 35 miles away. The region THA serves is growing rapidly meaning that commuting times are worsening and people have to travel longer to get to work and/or school. THA may consider lessening or eliminating the mileage restriction from this policy.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**15. Regional Approach for Special Purpose Housing:** THA proposed this activity in 2012 and implemented it in 2013. Under this activity THA has used the competitive funding process established by the local government jurisdiction (Pierce County Consortium) to award THA funds/resources for sponsor based housing. THA has committed MTW dollars to be awarded through the locally established funding cycle. This allows THA to “pool” resources with the local jurisdiction to meet the local needs as prioritized through city and or county planning processes. The pooling of resources has allowed THA to serve homeless and “at risk” of being homeless adults, unaccompanied youth and young adults, and families in the Tacoma/Pierce County area. Without the ability to operate these local non-traditional programs, THA would not be able to serve these households when they need housing assistance the most. THA is using this activity to fund an unaccompanied youth housing program and to add funds to the rapid rehousing program supporting households with children for the area.

**Status Update:** THA has successfully continued serving households through this activity in 2018. In early 2016, THA and its partner amended the family service contract to allow for the county to use funds towards program operations and supportive services as long as fifty-six (56) percent of the contract funds are used to provide rental assistance. The family service contract increased to one million dollars in 2017. In 2017, THA revised the contract with its partner to reduce spending on supportive services in the family contract so that seventy-five (75) percent of contract funds are used to provide rental assistance. Twenty-five (25) percent may be used on supportive services necessary to stabilize homeless families with children. The contract revision allows THA to reevaluate the contracts on an annual basis in response to the demonstrated need based on the prior year’s spending.

Starting in late 2018, THA will continue to count households served under this activity as “served” six months post participation. THA’s partners report that THA funded service providers still provide assistance (particularly case management to ensure sustained stability in their housing), to households up to six months post program participation. Households are allotted a six month period, similar to the “hold” voucher holders are permitted after being notified of a pending End of Participation (EOP). This provides a safety net for rapid rehousing households who often continue to need assistance after their housing assistance has ended. This allows families to receive the services they need without requiring them to re-enter the Coordinated Entry system.

In 2016, THA designated one (1) of its Public Housing scattered units to provide shelter to homeless and unaccompanied youth in Tacoma and Pierce County. THA does this through a partnership with Community Youth Services (CYS) through a state licensed Crisis Residential Center for youth aged 12-17 years. The Crisis Residential Center falls within a current approved disposition plan and will be reoccupied. The unit will remain in its current disposition approved status in PIC. THA will continue to adhere to the disposition timeframe for which the unit was approved.

The use of this unit as shelter for the aforementioned purpose addresses a growing population in Pierce County of homeless, unaccompanied youth. This unit offers a temporary solution. THA is also seeking a long term, permanent solution through its collaborative partnership with CYS, Amara, the City of Tacoma and Pierce County to dispose of and retain land to build, maintain and operate a Crisis Residential Center and housing on THA's Arlington Drive, a remaining unused parcel in THA's Salishan community, and on THA's Hillside Heights property foster homes and an Emergency Sanctuary.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

**16. Creation and Preservation of Affordable Housing:** This activity was proposed in 2012 and implemented in 2012. This initiative allows THA to use its MTW funds to provide low-income families the opportunity to reside in safe, decent, and sanitary housing while paying affordable rents. The affordable housing units may be any bedroom size and will be located within the City of Tacoma. They may be acquired or created by THA to be rented to families at or below 80% AMI. THA intends to allow eligible low-income families to reside in the units, including those that may be receiving Section 8 rental assistance. This activity falls under PIH Notice 2011-45. The 'broader uses of funds' authority under MTW makes this initiative possible as HCV funds can be used to serve a greater number of families residing within the City of Tacoma. These units may house both families who are MTW Housing Choice Voucher participants and families who are not currently receiving other types of rental assistance.

**Status Update:** This MTW activity allowed THA to activate its broader uses of funds ability so the agency could spend MTW dollars on the construction and acquisition of affordable housing units. This activity was used in 2012 to help with the development of Bay Terrace, formerly Hillside Terrace. Phase I came online in 2014. Phase II for Bay Terrace was completed in 2017 and is fully leased. The new Bay Terrace units completed under this activity are a mix of project based units and affordable units that do not have a subsidy attached. THA will use unrestricted funds to fill any funding gaps in the affordable units that will be in the project.

The development provides 74 newly constructed units comprised of thirty (30) 1BR, twenty-nine (29) 2BR and fifteen (15) 3BR units serving households with annual incomes between 30% and 60% of AMI. Rents for all of the units at 40% of median income or below will be subsidized with Project Based subsidies provided by THA; the remaining twenty-two (22) units will be unsubsidized and/or be leased to households with a Section 8 Voucher. This project was developed using Low Income Housing Tax Credits.

THA plans to use MTW dollars to develop and/or acquire the following projects:

#### ***Hilltop Development***

This new development will be located in the Hilltop neighborhood of Downtown Tacoma. Planning of the project, which may have up to 250 units will begin in late 2018. Depending on funding, construction may start in 2020. One of the parcels is located at the corner of Martin Luther King Way and Brazill Street and three others follow the alley from Brazill to 10<sup>th</sup> street which are the very center of the rapidly changing area. With its close proximity to downtown and the hospitals, its many current and future mass transit options, and the neighborhood's colorful history as an artist community, a series of multi-family mixed use building will serve as a catalyst for high quality residential and commercial development that will encourage increasing private investment in the area, while ensuring that affordable commercial and retail spaces are

available. *This would all be part of the Housing Hilltop plan.* Financing would be a combination of THA, local, state and tax credits program sources.

#### *The 1800 Hillside Terrace*

THA will complete the third phase of Hillside Terrace redevelopment plan. Phase III will continue the theme of a strategic investment in the Hilltop neighborhood through the production of high quality, well designed multifamily units that integrates into the neighborhood, takes advantage of public transit and ensures that affordable rental housing will be available in the neighborhood for years to come. Phase III will provide an additional 70 rental housing units in a mixed-income setting. The unit mix will consist of 1 and 2 bedroom homes affordable to households earning between 30% and 60% AMI. A 20% special needs set-aside is programmed for both persons with disabilities and another 20% is for individuals/small families experiencing homelessness. THA has committed to provide Project Based Section 8 vouchers for those units designated to serve households below 40% AMI.

#### *Acquisition*

THA will acquire existing rental housing where THA doesn't have a strong presence and/or to preserve housing affordability is being pursued. Acquiring existing rental housing that is affordable to households earning 80% or less of the AMI is one of THA's rental housing preservation strategies. These properties are acquired with a combination of bond, HOME, CDBG and THA resources.

#### *Hillsdale Intergenerational Development*

This new development is planned to be located on approximately 7 acres of vacant land currently owned by THA. A potential partnership with the Korean Women's Association (KWA), the program will serve a multigenerational community where traumatized children receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite care givers, honorary grandparents and tutors to the families. There are more 3,100 children in foster care who need a forever family, a record number of elders who want to stay connected, and parents and families who need support to raise these very special children. This development will be built on a foundation of community services in support of the community.



The project will provide approximately 80 units of affordable housing for seniors and another 52 units of 1 to 4 bedroom units for kinship families who agree to adopt youth in the foster care system. This is modeled after a multigenerational community in Portland. Currently, construction completion is scheduled for year 2021.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the metrics or data collection during the Plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

**17. Housing Opportunity Program (HOP):** THA proposed this activity in the 2013 MTW plan and implemented it in 2013. THA re-proposed HOP in the 2014 plan because of changes to the program that required additional authorizations. These changes included allowing for longer voucher times and flexibility in lease requirements, allowing participants to self-certify their income during the review process and allowing participants to lease up in shared housing units or to rent from relatives. Program requirements were also re-proposed in the 2014 plan. The changes included that applicants must be at or below 50% AMI to qualify, the age of elderly was defined as 57 for HOP only, and that participants will income out once they reach 80% AMI and will receive 90 days of continued assistance.

All new admissions to the tenant-based voucher program receive a HOP subsidy. A HOP subsidy is a fixed subsidy as opposed to a subsidy based on income. That includes senior/disabled households. Work-able households have a five year time limit on their assistance. Households experiencing a hardship may apply for a three (3) month extension for an unforeseen loss of income or up to one (1) year to complete a qualifying self-sufficiency activity. Senior/disabled households do not have a time limit. HOP households have annual reexaminations so THA can monitor the earned income and compare it to its other programs. There are no interim exams in this program. THA does not permit port outs for this program except for domestic violence issues covered by VAWA, Reasonable Accommodations or if the receiving PHA will absorb the voucher. The goal of the program is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term and to give other waiting households a turn to receive assistance. An example of the fixed subsidy is below:

| SUBSIDY AMOUNT                                      |       |       |       |         |         |
|---|-------|-------|-------|---------|---------|
| Voucher Size (Bedrooms)                             | 1     | 2     | 3     | 4       | 5       |
| MTW Subsidy Amount<br>(50% of payment<br>standards) | \$463 | \$601 | \$833 | \$1,009 | \$1,160 |

**Status Update:** THA implemented this activity in 2013 and the results of the program have been mixed. THA completed an in-depth analysis of the HOP program in early 2018. Work-able households in the final year of the program increased their earned income by 45%, dramatically reduced their reliance on public assistance and over 80% are working (compared to 60% at admission). Because of the fixed subsidy, THA has been able to serve 20% more households than it could serve if the agency maintained an income-based subsidy. However, these households will experience extreme shelter burden at exit. The average shelter burden at exit will be greater than 50%. To date, 11 work-able households have exited HOP after spending 4 or more years on the program. The average shelter burden for those households is 51%. THA expects approximately

60 work-able households to exit the program in 2018. THA will report on shelter burden metrics and survey results for first year exits in the 2018 MTW Report.

Through the use of targeted funding, THA provides a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CHAP) and the Children's Housing Opportunity Program (CHOP). Descriptions of these programs follow:

CHAP: THA partnered with the Tacoma Community College (TCC) where THA provides rental assistance to homeless students at the community college. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidies as the HOP program and has a three (3) year limit on assistance. Graduates are considered a success and transitioned off of the program with a 30 day notice. The community college handles all eligibility but anyone on the program would have to be an active student at the community college. Students have to continue to stay in college and maintain a 2.0 grade level.

CHOP: THA partnered with the Department DSHS to provide rental assistance to families who need housing to prevent or shorten their child's foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood as a homeless person. Information on this program has been included in the HOP activity.

**Planned Non-Significant Changes:** After a thorough analysis of the HOP program THA approved the implementation of a hardship policy which allows households experiencing a hardship to apply for a three month extension for an unforeseen loss of income or for a completion of a self-sufficiency activity for up to one to year. In 2017, THA also expanded the CHAP program from 25 vouchers for homeless students to 150 vouchers for homeless or near homeless students with 25 set-aside for recently incarcerated students.

**Planned Changes to Metrics/Data:** In the 2017 MTW Plan, THA made changes to the metric in which we measure self-sufficiency. THA initially used graduation from FSS as a measure for self-sufficiency but moved away from this definition for two reasons: 1) Households enrolled in the FSS program set varying goals from which they could achieve and then graduate from the FSS program. It has been determined that this may not be the best way to measure self-sufficiency. 2) In today's tightening rental market, a better measure of self-sufficiency is to gauge a household's capacity to maintain their housing without rental assistance.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

**18. Elimination of the 40% Rule:** This activity was proposed in the 2013 MTW Plan and implemented in 2013. THA used this activity to waive the 40% cap on the percentage of income spent on rent. Our goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant's ability to understand the program and lease up more quickly. THA has observed that the voucher program has been extremely confusing for participants. Despite using multiple tools to simplify the process, many participants leave the voucher briefing unsure about how to apply the information as they begin their search. As a result, the number of calls THA fields during the lease up process is high. THA wants participants to be confident about their choices in the housing market.

**Status Update:** THA implemented this activity in 2013. The change has made it easier for clients to understand the leasing program. THA has seen an increase in the number of households that use this flexibility. In 2018 over 600 households spent more than 40% of their income on rent. A report from June 2018 prepared for Tacoma City Council cited that more than 40% of households in Tacoma pay more than 30% of their income towards rent.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

**19. Modification of the Family Self Sufficiency Program:** This activity was proposed in the 2013 Plan and implemented in 2013. THA modified the way the FSS program handles the escrow payments. THA changed the escrow calculations to simplify the process and to provide clearer motivation and guidelines for participating families.

THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Below are examples of pay points:

- \$2,000 Maintain 32 hours/week employment for a minimum of 6 consecutive months
- \$1,000 Complete ESL classes; Levels 1-5, \$200 per level
- \$100 Receive certificate of successful completion of financial literacy
- \$3,000 Complete educational goal such as a GED, degree from an accredited school/college, vocational certificate, etc. Maximum escrow credit for achieving educational goals is \$3000 per family.
- \$500: 0-6 months vocational training certificate
- \$750: 7-12 months vocational training certificate
- \$1,000: 13-24 months vocational training certificate
- \$1,500-Associate degree
- \$2,000-Bachelor's degree

**Status Update:** This activity was successfully implemented in 2013. Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service. In 2017, FSS served 166 households; 15 households graduated from the program and 66 households maintained employment for greater than one year.

**Planned Non-Significant Changes:** THA may consider revisions to the pay point schedule in order to ensure that all households participating in FSS are eligible to try to achieve a maximum incentive amount of \$8,500. The current pay point schedule, for example, allows one pay point of \$1,000 for participants completing five levels of ESL. Not all participants require ESL, which limits their maximum pay point potential. THA may consider offering an equivalent pay point for households who do not require ESL. Pay point revisions will be made with recommendations from current and interested participants, and will include alignment with other Client Support & Empowerment programming, including the Children's Savings Account Program and financial capabilities services offered by the Sound Outreach Empowerment Counselor. Forty-seven (47) percent of all FSS participants have utilized financial capability services. These services include one-on-one financial coaching, credit analysis, and workshops geared towards saving and investing. Many clients receiving these services have shown gains in credit scores and display positive attitudes towards saving for their future.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the metrics or data collection during the Plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**20. MTW Seed Grants:** This activity was proposed in 2013 and implemented in 2013. THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient.

**Status Update:** THA used this activity to provide three (3) job skills and soft skills trainings for work-able households in 2013. In THA's 2014 MTW Report, this activity was moved to the "on hold" section of the report because it was not used in 2014. THA does not have specific goals for this activity in 2019 but would like to keep it in the implemented section of the plan in case an opportunity to leverage a partnership through the use of a seed grant arises. THA will report any use of this activity in its reports, otherwise, the activity will be marked as "on hold" if it is not used.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA has worked with HUD to implement new standard metrics for this activity and does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**21. Children's Savings Account (formerly Local Asset Building Activity):** This activity was proposed in the 2014 MTW plan and implemented in the fall of 2015. THA offers children's savings accounts (CSAs) to the children of New Salishan from kindergarten through high school. The program is aimed at developing a savings habit among students and their families and improving academic achievement, graduation rates, college preparation and enrollment. New Salishan is THA's largest community. It is a HOPE VI redevelopment that created a mixed-income community of 1,350 renter and homeowner households on an award-winning design.

THA's CSA Program contains following elements:

*Elementary School Stage:* When a Salishan student enrolls in elementary school, THA will open a savings account in his or her name. THA will remain the account custodian. THA will make an initial \$50 deposit into the account. THA will match the family's deposit into the account up to \$400 per year. This match will continue through 5<sup>th</sup> grade.

*Middle School through High School Stage:* When students reach 6<sup>th</sup> grade the match stops. Instead the student and a counselor will devise a plan with milestones from then until high school graduation and enrollment in college. *E.g.:* improved attendance; improved Grade Point Average; enrolling in the College Bound Scholarship Program; taking the PSAT, SAT and ACT; taking college preparatory courses; applying to college; filling out the FAFSA; getting into college; graduating from high school, and starting college. Upon the student reaching each milestone, THA will deposit more money into the account up to \$700 per year.

An example of pay points is on the following page.



| GRADE 6  |           |   |                  |
|--|-----------|---|------------------|
| 1ST SEMESTER   | VALUE     | 2ND SEMESTER  | VALUE            |
| <b>ATTENDANCE</b>  |           |   |                  |
| Maintain perfect attendance  | \$ 75.00  | Maintain perfect attendance   | \$ 75.00         |
| 1 - 3 full day absences with zero unexcused  | \$ 50.00  | 1 - 3 full day absences with zero unexcused   | \$ 50.00         |
| <b>ACADEMIC PREPARATION</b>  |           |   |                  |
| Turn in a minimum of 90% of your assignments.  | \$ 30.00  | Turn in a minimum of 90% of your assignments.   | \$ 30.00         |
| <b>GPA</b>   |           |   |                  |
| Maintain a cumulative G.P.A of 3.7 or better   | \$ 100.00 | Maintain a cumulative G.P.A of 3.7 or better  | \$ 100.00        |
| Maintain a cumulative G.P.A of 2.7-3.6   | \$ 75.00  | Maintain a cumulative G.P.A of 2.7-3.6  | \$ 75.00         |
| Maintain a cumulative G.P.A of 2.0-2.6   | \$ 50.00  | Maintain a cumulative G.P.A of 2.0-2.6  | \$ 50.00         |
| <b>EXTRACURRICULAR ACTIVITY</b>  |           |   |                  |
| Participate in a college prep program, sport or club at your school with 90% or better attendance <b>OR</b> Volunteer for school related activity  | \$ 30.00  | Participate in a college prep program, sport or club at your school with 90% or better attendance <b>OR</b> Volunteer for school related activity | \$ 30.00         |
| <b>FINANCIAL LITERACY</b>  |           |   |                  |
| Complete Junior Achievement Curriculum (In school activity)  |           |   | \$ 60.00         |
| <b>EXPLORING CAREERS</b>   |           |   |                  |
| Research a description of and the education/training requirements required for three careers that interest you (email written descriptions to <a href="mailto:csa@tacomahousing.org">csa@tacomahousing.org</a> ) |           |   | \$ 30.00         |
| <b>CITIZENSHIP</b>   |           |   |                  |
| Zero days suspended or expelled  | \$ 30.00  | Zero days suspended or expelled   | \$ 30.00         |
| <b>BACK TO SCHOOL BONUS</b>  |           |   |                  |
| Back to school bonus opportunities are designed to keep you engaged with your success plan over the summer. Details about the opportunity will be sent to students in the spring!                                |           |   | \$ 80.00         |
| <b>Maximum Annual Payment Total</b>  |           |   | <b>\$ 700.00</b> |

When fully in place, these two programs will serve up to 760 children in cohorts covering 13 grades.

Experience and research strongly suggest that even modest balances in such accounts greatly increase the prospects that a student will attend college. For this reason, THA undertakes these efforts as part of its Education Project.

THA plans this effort in collaboration with Tacoma Public Schools (TPS), Prosperity Now, Heritage Bank, initial funding from the Bill & Melinda Gates Foundation, Medina Foundation, College Spark, the Bamford Foundation, other funders, and the collaboration of banking and social service partners in Tacoma. Further funding will determine the scope and schedule for this initiative.

**Status Update:** THA launched the program in the fall of 2015. 140 students are currently enrolled in the program (92 families). The total elementary seed and match as of June 5, 2018 is \$12,573 and the middle school incentives earned is \$23,805. The average CSA account balance across accounts is \$166. Reconsideration of the structure of the incentives and those eligible are underway through community consultation.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**24. Rental Assistance Success Initiative (formerly) Local Security and Utility Deposit Program:** This activity was proposed in the 2014 MTW plan and was implemented January 2016. The activity is a security deposit assistance program that would be open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA's affordable housing applicants/residents who are in need of assistance in order to move into a unit. THA realizes it is very difficult when a household comes to the top of a waitlist and it does not have the resources to pay the security deposit. This program ensures that families in need can afford to move into the unit when their name is called and will reduce the number of unit turndowns THA receives.

**Status Update:** So far up to June of 2018, THA has served 34 qualified households with deposit assistance. The program has helped households lease in the market and will need to be scaled up to meet the needs of the households attempting to lease with THA rental assistance.

**Planned Non-Significant Changes:** The Tacoma market has been shifting for the past couple of years as Seattle's economy booms and renters are searching for more affordable housing outside of the city of Seattle. Over the past 12 months, this rental shift has led to shrinking vacancy rates and growing rents in Tacoma. With the shrinking stock, subsidized households are being screened out of the market in favor of higher income renters with large sums of cash on hand to pay escalating security and move in costs. Property owners are also screening out more households with blemishes on their rental and credit histories. These factors have been and will continue to impact our utilization rate across all THA tenant-based subsidy programs—Housing Choice Voucher, HOP, Elementary School Housing Program, College Housing Assistance Program, etc. It is taking longer for households to find housing and larger numbers of new program participants are not able to use their subsidies at all.

THA is proposing to modify this activity to expand past just offering security deposits and to develop incentive programs to encourage property owners to add units to THA's rental assistance programs. THA will use its Moving to Work Authority in order to implement additional programs and activities that will lead to increased participation in the MTW program and the utilization of this highly valued housing assistance. In addition to the security deposit assistance program, THA will implement a landlord incentive program and damage mitigation fund using MTW funds. As a landlord incentive, THA intends to focus on developing strategic relationships with THA landlords by hiring a Landlord Engagement Specialist. This position will focus on being the primary point of contact for all THA landlords and will strengthen relationships between THA and landlords. THA's primary focus for landlord incentives, will be to help tenants become more attractive applicants by providing renter ready classes and THA may consider waiving debts owed to PHAS for admission into THA housing programs. THA consulted with its property owners through the 2017 MTW Plan public comment period regarding this modification. As you will see in the public comments, property owners are eager to work with THA to further develop these programs.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** With the expansion of this activity, we plan to add the following authorizations: Attachment C, Section (D) (1) (b), (d) and (f).



## **B. Not Yet Implemented:**

### **10. Special Program Vouchers:**

**Implementation Description:** This activity was proposed in 2011 but not yet implemented. The initial idea was to establish a Special Program Voucher program similar to the project-based voucher program. Vouchers were to be awarded to service partners for a special purpose or a special program. The service partners would be responsible for designing the program. This includes selecting households for the program, establishing program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process.

**Status Update:** This activity was proposed before HUD issued guidance on local non-traditional programs. THA now proposes any new activity that is not directly operated by our agency as a separate local non-traditional program activity. No activities are being operated under this activity as of now. There is not a timeline in place to use this activity.

**Modifications to the activity since approval:** THA does not anticipate any changes to this activity during the Plan year.

### **22. Exclude Excess Income from Financial Aid for Students:**

**Implementation Description:** This activity was proposed in the 2014 MTW plan and has not yet been implemented. The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes; THA will modify the administration of the full-time student deduction by excluding 100 percent of a student's financial aid.

**Status Update:** THA will implement this activity upon conversion to its new software system. Current system constraints have made implementation difficult. THA is still in the process of converting to a new system. THA will provide full details on this activity in the 2018 Report if the activity is implemented.

**Modifications to the activity since approval:** THA does not anticipate any changes to this activity during the Plan year.

**C. On Hold Activities: N/A**

#### **D. Closed Out Activities:**

**9. Modified Housing Choice Voucher Activity:** THA proposed this activity in 2011 and has yet to implement it. The activity proposed to modify the annual inspection process to allow for biennial inspections of qualifying HCV units (instead of yearly). Since HUD guidance was released on biennial inspections allowing any PHA to perform them, this activity was closed out in 2015.

**13. Local Blended Subsidy:** THA proposed this activity in 2012 but has not implemented it. The activity was created so that THA could create a local blended subsidy (LBS) at existing and, if available, at new or rehabilitated units. The LBS program would use a blend of MTW Section 8 and public housing funds to subsidize units reserved for families earning 80 percent or below of area median income. Because of the complicated nature of this activity, THA has not implemented it. THA has been approved for a RAD conversion in 2014/2015 which caused this activity to be closed out in 2015. The units may be new, rehabilitated, or existing housing. The activity is meant to increase the number of households served and to bring public housing units off of the shelf.

**14. Special Purpose Housing:** THA proposed this activity in 2012 and has not implemented it. The activity was meant to utilize public housing units to provide special purpose housing, and improve quality of services or features for targeted populations. In partnership with agencies that provide social services, THA would make affordable housing available to households that would not be admitted to traditional public housing units. With this program, THA would sign a lease with partner agencies to use public housing units both for service-enriched transitional/short-term housing and for office space for community activities and service delivery. The ability to designate public housing units for specific purposes and populations allows units to target populations with specific service and housing needs and specific purposes, such as homeless teens and young adults. Because of the RAD conversion, THA closed this activity in 2015.

## Section V: Sources and Uses of MTW Funds

| Estimated Sources of MTW Funding for the Fiscal Year                                   |  |                  |
|--|--|------------------|
| PHAs shall provide the estimated sources and amount of MTW funding for the Fiscal Year |  |                  |
| SOURCES  |  |                  |
| FDS Line Item  | FDS Line Item Name                     | Dollar Amount    |
| 70500 (70300+70400)  | Total Tenant Revenue                   | \$ 49,000.00     |
| 70600  | HUD PHA Operating Grants               | \$ 42,960,000.00 |
| 70610  | Capital Grants                         | \$ -             |
| 70700 (70710+70720+70730+70740+70750)  | Total Fee Revenue                      | \$ 2,940,000.00  |
| 71100+72000  | Interest Income                        | \$ 32,000.00     |
| 71600  | Gain or Loss on Sale of Capital Assets | \$ -             |
| 71200+71300+71310+71400+71500  | Other Income                           | \$ 28,000.00     |
| 70000  | Total Revenue                          | \$ 45,960,000.00 |



| Estimated Uses of MTW Funding for the Fiscal Year                                   |  |                  |
|---|--|------------------|
| PHAs shall provide the estimated uses and amount of MTW funding for the Fiscal Year |  |                  |
| USES  |  |                  |
| FDS Line Item   | FDS Line Item Name                               | Dollar Amount    |
| 91000<br>(91100+91200+91400+91500+91600+91700+91800+91900)                          | Total Operating - Administrative                 | \$ 9,750,000.00  |
| 91300+91310+92000   | Management Fee Expense                           | \$ -             |
| 91810   | Allocated Overhead                               | \$ -             |
| 92500 (92100+92200+92300+92400)   | Total Tenant Services                            | \$ 975,000.00    |
| 93000 (93100+93600+93200+93300+93400+93800)   | Total Utilities                                  | \$ 57,000.00     |
| 93500+93700   | Labor  | \$ -             |
| 94000 (94100+94200+94300+94500)   | Total Ordinary Maintenance                       | \$ 220,000.00    |
| 95000 (95100+95200+95300+95500)   | Total Protective Services                        | \$ 26,000.00     |
| 96100 (96110+96120+96130+96140)   | Total Insurance Premiums                         | \$ 103,000.00    |
| 96000<br>(96200+96210+96300+96400+96500+96600+96800)                                | Total Other General Expenses                     | \$ 1,160,000.00  |
| 96700 (96710+96720+96730)   | Total Interest Expense and Amortization Cost     | \$ -             |
| 97100+97200   | Total Extraordinary Maintenance                  | \$ -             |
| 97300+97350   | Housing Assistance Payments + HAP Portability-In | \$ 34,800,000.00 |
| 97400   | Depreciation Expense                             | \$ 800,000.00    |
| 97500+97600+97700+97800   | All Other Expenses                               | \$ -             |
| 90000   | Total Expenses                                   | \$ 48,331,000.00 |

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

Any shortfall in revenue vs. expenses will be covered by Business Activity funds.

### Planned Use of MTW Single Fund Flexibility

THA uses this single funding source to fund the Housing Choice Voucher programs in order 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. Below are listed some of the specific ways in which THA plans to exercise the Single-Fund Flexibility:

- THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends its processes to be less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Client Support and Empowerment area also assists tenants that are facing challenges in successful tenancy.
- THA is going into the sixth year of its Education program. It has various elements and initiatives. One has THA providing rental assistance to homeless households with children who attend a school with an exceptionally high level of turnover to help stabilize the student population. THA believes this approach will help to improve educational out-comes, add stability to the neighborhood, and create a better learning environment for the community as a whole.
- THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents.
- THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.
- THA wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.
- THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies in the community.
- THA has developed a property-based subsidy program. Under this model, THA makes an annual contribution of MTW funds. The owner then rents these units to low income households at a rent affordable to these households. THA inspects the units annually and reviews a percent of tenant files annually to ensure the owner is renting to low-income households.

### A. Local Asset Management Plan

Is the PHA allocating costs within statute?  or

Is the PHA implementing a local asset management plan (LAMP)?  or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?  or

There are minimal changes in the 2019 LAMP from the 2018. It reflects the fact that our remaining PH units within our Tax Credit portfolio will be transitioned to RAD in 2019, and updates our Management Fee Schedules.

### B. Rental Assistance Demonstration (RAD) Participation

#### i. Description of RAD Participation

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

#### RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION

- In April 2016, THA closed on the conversion of 456 units. Rehab on those units was completed on 12/31/2017.
- THA is in the process of converting another 323 units. This is a transaction in which no new Capital Financing will be involved.
- The anticipated close date is 4/30/2019. THA's original significant RAD amendment was submitted to HUD 7/27/2015 and was approved on 9/14/2015.

ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

N/A

## Section VI: Administrative

### A. Board Resolution and Certifications of Compliance



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2018-09-26 (3)

#### Certifications of Compliance

**Annual Moving to Work Plan  
Certifications of Compliance**

**U.S. Department of Housing and Urban  
Development, Office of Public and  
Indian Housing**

#### **Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan\***

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2019), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

(1)The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.

(2)The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.

(3)The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).

(4)The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.

(5)The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.

(6)The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's

jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.

(7)The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.

(8)The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

(9)In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identify, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.

(10)The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

(11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

(12)The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

(13)The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

(14)The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

(15)The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

(16)The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW



PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.

(17)With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

(18)The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

(19)The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

(20)The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.

(21)The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.

(22)All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the City of Tacoma  
**PHA Name**

WA005  
**PHA Number/HA Code**

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Dr. Minh-Anh Hodge  
**Name of Authorized Official**

Chair  
**Title**

  
**Signature**

9/26/2018  
**Date**

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

## B. Documentation of Public Process

(No public comments received)  
(Zero attendance during public hearings)

## Notice of Public Comment Period and Public Hearing

The Tacoma Housing Authority (THA) will open the public comment period for the 2019 Moving to Work (MTW) Plan.

*Residents, program participants, landlords, those on the waitlist and members of the public may submit comments on the proposed changes. The 30-day comment period begins on August 1, 2018 (8:00 a.m.) and ends September 1, 2018 (5:00 p.m.); all comments must be received by 5:00 p.m. on September 1, 2018.*

The draft plan can be viewed at: <http://www.tacomahousing.net/content/moving-work-0>

It is titled “**2019 DRAFT Moving to Work Plan**”

### Mail, Email or Call-in Comments To:

Tacoma Housing Authority  
Ava Pittman  
902 S. L Street  
Tacoma, WA 98405  
apittman@tacomahousing.org  
(253) 274-5581

THA will hold two public comment hearings to receive both oral and written comments on the plan and the proposed new activity. This hearing is not an appointment. It is not mandatory that you attend. The date, time, and location of the hearings are provided below:

|  |  |
|--|--|
| <b>Date:</b> August 15, 2018<br><b>Time:</b> 2 p.m.<br><b>Location:</b> Salishan Family Investment Center<br>1724 East 44th Street<br>Tacoma, WA 98404 | <b>Date:</b> August 15, 2018<br><b>Time:</b> 5 p.m.<br><b>Location:</b> Bay Terrace Community Room<br>2550 South G St.<br>Tacoma, WA 98404 |
|--|--|

Please attend to offer your views on the following item:

**2019 MTW Plan:** THA proposes to modify its Housing Quality Standards certification for initial inspections. Housing Quality Standards inspections are performed to ensure the safety and quality standards for THA voucher holders. THA proposes to permit landlords to self-certify non-life threatening items that require repair before move-in. This change intends to reduce staff time spent conducting re-inspections; reducing administrative requirements for landlords renting to THA clients; and reducing downtime for unoccupied units allowing a THA voucher holder to move into a new unit faster.

**Please call Ava Pittman at (253) 274-5581 if you need any reasonable accommodations or interpreters.**



### C. Planned and Ongoing Evaluations

- Elementary School Housing Assistance Program (ESHAP): Throughout 2018, THA has been evaluating program outcomes and collecting feedback from program families, schools, service partners, as well as public stakeholders. The information gathered is used to inform the decisions needed to be made in order to improve and expand the program. Key areas of the redesign explored strategies to maximize THA's investments of the housing dollar to serve more TPS families in 2019, who the program should target, how to structure the casework service model and strategies to leverage existing community resources..
- Children's Savings Account Evaluation: THA has selected the Urban Institute as a third party evaluator for the Children's Savings Account program. The evaluation will monitor THA's progress toward implementing the program. It will also strive to measure THA's performance against the desired program outcomes for students and families in short, intermediate and long term intervals.
- College Housing Assistance Program Evaluation: THA and Tacoma Community College will partner with Temple University on a third-party evaluation regarding housing and good insecurity. The evaluation will occur through 2019.
- Family Self-Sufficiency: THA plans to evaluate its FSS program to measure its current structure and its effectiveness.

#### D. Lobbying Disclosures

**Certification of Payments  
to Influence Federal Transactions**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 01/31/2017)

TACOMA HOUSING AUTHORITY  
Applicant Name

VOUCHERS, AFFORDABLE RENTAL UNITS, REAL ESTATE DEVELOPMENT, CLIENT  
SUPPORT AND MTW ADMIN SUPPORT  
Program/Activity Receiving Federal Grant Funding

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

|   |                                      |
|---|--------------------------------------|
| Name of Authorized Official<br><u>Michael Manis</u> | Title<br><u>Executive Director</u>   |
| Signature<br><u>Michael Manis</u>                   | Date (mm/dd/yyyy)<br><u>01.15.19</u> |

Previous edition is obsolete

form HUD 50071 (01/14)  
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

## Appendix A: Letter of Consistency



**Tacoma  
Community  
Redevelopment  
Authority**

October 5, 2018

Ava Pittman, Planning and Policy Analyst  
Tacoma Housing Authority  
902 South L Street  
Tacoma, WA 98405

RE: Consistency with City of Tacoma's Consolidated Plan  
THA's Moving to Work Plan

Dear Ava:

You requested a determination of consistency with the City of Tacoma's *Consolidated Plan* and support for your proposed Moving to Work (MTW) Annual Plan for 2019. This plan aligns with the Tacoma Housing Authority's initiatives to increase affordable housing options available to low-income households by providing property-based subsidies for units owned and managed by private landlords and property managers who agree to house very low-income households. THA will continue to utilize flexibility under the Moving to Work program to serve households and create new ways to increase the affordable housing stock in Tacoma for THA clients and low-income households in Tacoma.

This proposal is consistent with the City of Tacoma's *Consolidated Plan for Housing and Community Development 2015-2019*. This plan is dated May 5, 2015 and was approved by the U.S. Department of Housing & Urban Development (HUD) on July 22, 2015. It is the implementation document for the City's *Comprehensive Plan* and is administered by the City's Housing Division of the Community & Economic Development Department. Specifically, the *Consolidated Plan* places a high priority on not only preserving affordable housing opportunities, but also improving the quality of the housing available to low-income households.

If you have any additional questions or require additional information, please contact me at 253-591-5238, or via e-mail at [dmurillo@cityoftacoma.org](mailto:dmurillo@cityoftacoma.org).

Sincerely,

Daniel Murillo  
Housing Division Manager

747 Market Street, Room 900 • Tacoma, WA 98402-3701 • Phone: (253) 591-5086 • Facsimile: (253) 591-5180

## Appendix B: LAMP

### A. Background and Introduction

The First Amendment to the Amended and Restated Moving to Work Agreement authorize Tacoma Housing Authority (THA) to design and implement a Local Asset Management Program (LAMP) for its Public Housing Program and describe this program in its Annual MTW Implementation Plan. The term “Public Housing Program” means the operation of properties owned or units in mixed-income communities subsidized under Section 9 of the U.S. Housing Act of 1937, as amended (“1937 Act”) by the Agency that are required by the 1937 Act to be subject to a public housing declaration of trust in favor of HUD. The Agency’s LAMP shall include a description of how it is implementing project-based property management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements. Further, the plan describes its cost accounting plan as part of its LAMP, and in doing so it covers the method for accounting for direct and indirect costs for the Section 8 Program as well.

The existing Property Management structure has been in place for several years now THA has operated using project-based budgeting with on-site administrative and maintenance personnel responsible for the majority of the tasks associated with managing the properties. Our cost approach allocates all indirect revenues and expenses to a Program Support Center (based on unit count) and then charges fees to the programs and properties as appropriate.

### B. Guiding Principles

The City of Tacoma established the Tacoma Housing Authority under State of Washington legislation in 1940 through resolution. The resolution states that the City formed the Housing Authority to address a “shortage of safe and sanitary dwelling accommodations in the City of Tacoma, Washington available to persons of low-income at rentals they can afford.” Since then, THA has strived to meet the ever-increasing demands for low-income housing in the Tacoma area. With acceptance into the Moving to Work (MTW) program in 2010, THA took on three additional statutory objectives that further define the Agency’s role on both a local and a national scale. THA is required to keep these objectives in mind through the development of each activity related to MTW, including the development of the LAMP. The three statutory objectives are: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families [Section 204(a) of the 1996 Appropriations Act].

## C. Description of Asset-Based Operations

### *Overview of Organizational Structure*

THA's Property Management Department is responsible for the day-to-day operations of THA's portfolio and the Administration Department is responsible for Asset Management and compliance. The chart below shows this relationship and the positions responsible for these management functions.



Figure 1: Organizational Structure

### *Description of 2019 Plan*

THA manages its properties as 2 portfolios. We have Portfolio West, which consists of our 456 Renew Tacoma Housing (RTH) RAD units comprised of 9 properties of Elderly/Disabled and Family Housing. Our Hillside properties which comprises 5 properties and 206 units is also under the Portfolio West umbrella. As these properties are more spread out, we have one management team for the Hillside properties, and 3 management teams for the 9 RTH properties.

The other management group is called Portfolio East, and is responsible for management of our Salishan properties (seven), consisting of 631 units. As Salishan is in one geographical area, there is a centralized management team to manage those properties. . We have a Portfolio Manager that oversees our Salishan properties, and a separate one overseeing the reminder of our properties.

### ***Asset and Compliance Management***

While the Property Management Department oversees the day-to-day operations of the properties, THA's Asset Management and Compliance Division oversees the long-term strategic objectives of the properties. Having an Asset Management and Compliance Division enables THA to effectively plan for the future, ensure compliance with Local and HUD regulations, and keep the agency's strategic objectives at the forefront when making both operational and strategic decisions. Included within the scope of this division are the following responsibilities:

- Risk Management
- Compliance (file audits, PIC, finding resolution)
- Budget Oversight
- Financial Reporting and Modeling
- Capital Needs Assessment
- Property Performance Review
- Strategic Planning
- Policy Development and Implementation
- Procurement Regulation

### ***Project-Level Reporting***

THA instituted project-based budgeting and accounting practices before becoming an MTW agency. Systems and reporting are in place to develop and review onsite management of budgets, expenses, rent collection and receivables, and purchasing. With our current IT system, we are developing more robust reporting to review, analyze and compare property information.

### ***Maintenance Operations***

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. We continually review our practices and how they are working and update our approach when needed. , We have a maintenance supervisor position whose responsibility it is to oversee overall maintenance in our properties. We currently have four maintenance leads with more technical abilities who assist other maintenance specialists and oversees repairs and work orders in the two portfolios. Each portfolio has a team of maintenance specialists that perform work orders and repairs for the different properties in their portfolio. In 2018, we also instituted a unit turn team concept, which consists of 5 staff, including a lead, whose specific responsibility is to turn vacant units within all of our properties. The goal is to bring down costs, by having a dedicated team, and using less contract maintenance. It is important to note that when working in a unit, the maintenance personnel are charged directly to the property they are working in.

### ***Acquisition of Goods***

THA has been operating under a decentralized purchasing model for the acquisition of goods. Site staff is primarily responsible for purchasing supplies for the properties they oversee. Purchases are primarily completed through a P-Card system, while in certain circumstances Purchase Orders continue to be used.

### ***Acquisition of Services***

While the acquisition of goods is decentralized, the agency has adopted a hybrid approach to the acquisition of its services. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized staff to define scopes of work, and ensuring the work is done properly.

## **D. Strategic Asset Planning**

### ***THA's Asset Management Committee***

THA has an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, Community Services and Real Estate Development. The committee meets on a routine basis and is facilitated by the Agency's Asset Manager. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the properties, analyzing property performance metrics, and comparing cost data and operational data to industry standards. THA also uses financial models to compare our metrics to properties managed by private firms. The committee also considers any policy changes having a potential impact on the operation of its properties and decisions regarding property acquisition and disposition. Some examples of policy changes discussed here include changes to THA's current rent policy and occupancy standards, whether properties should be managed by agency staff or third party management.

The overall purpose of the committee is to ensure that THA makes decisions in a way that fosters appropriate communication between the major functional areas concerned with Asset Management and address related issues and concerns from a holistic perspective.

The cost approach developed by THA as described in the next section of this LAMP allows this committee and others in the agency to make informed decisions concerning the agency's portfolio. The cost approach will clearly show which areas of the agency cost the most to run and which provide the most value to the mission of the agency.



## **E. Cost Approach**

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Client Support and Empowerment expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. By the end of 2018, THA will own only one Public Housing unit outright. We converted our existing ACC Public Housing portfolio to RAD, setting up a new Tax Credit entity. The remaining Public Housing units are owned by our existing Tax Credit entities. We currently manage our properties in our Tax Credit entities.

THA developed this approach for the following reasons:

1. It allows the agency to easily see the costs directly related to the day-to-day operations of a property or program and determine whether the management of that cost center can support itself. Staff managing the programs and properties will be able to easily discern all related administrative and shared costs. Managers will negotiate if costs are determined unreasonable or if the AMP or program cannot support the proposed fees.
2. One of the goals of the MTW program is to increase administrative efficiency. By charging these costs out as a fee, it will be easier in the future to identify the administrative efficiencies at the program/project level and the indirect costs that support them. The tax credit entity fees paid to THA is based on a % of their Operating Income, and is distributed to the various support areas within THA.

### ***Activity Areas***

THA created three separate activity areas in order to track what it costs the agency to support different types of activities in which the agency engages. The three activity areas are:

- Conventional Affordable Housing (MTW)
- Tax Credit Management (MTW)
- Business Activities (Non-MTW)

THA decided to separate MTW activities into Conventional Affordable Housing and Tax Credit Management in order to tell how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs, including any remaining Housing properties we may manage, and Section 8. THA considers any other activities as Non-MTW activities and the revenues and expenses fall under the Business Activity area.

### ***Program Support Center***

Each of the three activity areas (Business Activities, CAH Activities and Tax Credit Activities) will have a Program Support Center (PSC). This is the equivalent of the Central Office Cost Center (COCC) under the HUD Asset Management model and it contains all of the programmatic support

costs related to each of the three activity areas. The expenses will be split out to one of the three support centers based on unit equivalency and where the project or program resides to more clearly identify where administrative expenses fall and measure either the profitability or cost to each of the identified areas.

The end of this plan indicates the breakdown of how the administrative cost portion of the PSC will be charged out.

### Direct Costs

Any costs that directly and wholly support a particular project or program will be charged as Direct Costs to the respective project or program. The following chart outlines which costs are considered Direct Costs.

| Program Area        | Cost Type                                  | Comments   |
|---------------------|--|--|
| Property Management | Personnel Costs                            |  |
|                     | Office Rent                                |  |
|                     | Insurance                                  | Includes property and liability insurance directly related to the AMP  |
|                     | Program Support Fees                       | Fees charged to the properties for administrative overhead and costs allocated out that are not under the direct purview of the managers |
|                     | Administrative Costs                       | Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs                        |
|                     | Maintenance Costs                          | Includes materials, maintenance personnel costs, and contracts   |
|                     | Utilities                                  |  |
|                     | Security                                   |  |
|                     | Relocation due to Reasonable Accommodation |  |
|                     | Collection Loss                            |  |
|                     | PILOT                                      |  |
|                     | Debt Service Payments                      |  |
|                     | Audit Costs                                |  |
| Rental Assistance   | Personnel Costs                            |  |
|                     | Office Rent                                |  |
|                     | Insurance                                  |  |
|                     | Program Support Fees                       | HUD fees and leasing   |
|                     | HAP Expenses                               |  |
|                     | Audit Costs                                |  |
|                     | Administrative Costs                       | Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs                        |

**Table 1: Direct Costs**

### ***Indirect Costs (Program Support Fees)***

Any indirect costs incurred by THA in support of its projects and programs will be incurred by the Program Support Center. The fees are:

- Administrative Support Fee based on HUD model. This also includes IT, Elderly Service coordinator and leasing cost. We choose not to allocate any costs out to a program or project that is not under their direct control.

### ***Project Support Fee***

The Administrative Support Fee will cover the costs of the services provided by the following:

- Executive Department
- Purchasing
- Asset Management, including compliance
- Human Resources Department
- Client Support and Empowerment
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing and Elderly Services Coordinator
- Policy, Innovation and Evaluation

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD our special program (FHP, NHT, VASH) will all be charged based on occupancy. . . The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-16) to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

| Administrative Support Fee Components    |                   |                       |                |
|--|-------------------|-----------------------|----------------|
| Fee                                      | Rental Assistance | Property Mgt. - AMP 6 | Tax Credit     |
| Management Fee                           |                   |                       |                |
| Executive                                | \$2.00            | \$2.00                | \$2.00         |
| Human Resources                          | \$1.50            | \$2.00                | \$2.00         |
| PM O'hd (including rent)                 | \$2.50            | Remaining             | Remaining      |
| Bookkeeping Fee                          | \$6.00            | \$20.00               | \$20.00        |
| Asset Management Fee                     | \$0.00            | \$10.00               | \$10.00        |
| IT Fee (IT portion of Operating Subsidy) | \$6.50            | \$9.00                | \$9.00         |
| Community Services                       | \$2.50            | \$2.50                | \$2.50         |
| Leasing Support                          |                   | \$1.50                | \$1.50         |
| <b>Total Fee:</b>                        | <b>\$21.00</b>    | <b>\$47.00</b>        | <b>\$47.00</b> |

**Table 2: Administrative Support Fee Components**

## **Cost Centers**

### Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The Property Management source of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue. It is anticipated that our Public Housing units remaining in existing Tax Credit entities will transition to RAD in 2019.

### Rental Assistance

Rental Assistance uses of funds include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA's Rental Assistance Division. These programs include Housing Choice Voucher (HCV), SRO, Project-Based Vouchers, FUP, VASH, NHT, and HUD FSS. The sources for Rental Assistance primarily include HAP Revenue and the Administrative Fees paid to the agency by HUD.

In addition to the fees Rental Assistance pays to the Program Support Center, there are other fees paid and earned in this area. All direct costs for all of the Rental Assistance programs will be recorded in our main Section 8 HCV fund in the MTW program. A fee will then be charged to our SRO and non MTW Section 8 programs based on unit equivalencies. This fee will be income earned by the MTW Section 8 HCV program for reimbursement of the expenses incurred by them. The chart below shows the equivalencies used.

### Client Support and Empowerment (CS)

The Client Support and Empowerment department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. As we continue to transition our new Voucher holders over to the Housing Opportunities (HOP) program that is both time limited, and a fixed subsidy program, these services have become more important. Additionally, THA has received a number of grants that provide funding for a variety of services to its clients. The majority of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but overhead costs not reimbursed by the grants will.

THA's Client Support area has traditionally assisted clients when Property Management staff has requested their assistance to help families remain viable tenants when in crisis. Moving to Work status has allowed the agency to continue that role, along with assisting families in a more proactive way to move towards self-sufficiency.

THA's CS department will either hire caseworkers or collaborate with other agencies to assist families at different levels. CS works with families who face hardship and cannot meet minimum rent or lease requirements, prepares them to succeed as tenants, and assists tenants in obtaining skills that allow them to become self-sufficient. THA is proud of this focus. It is what makes us more than a real estate developer, more than a landlord, and more than a manager of rental assistance. This is the work that makes us a social justice agency. This is the work that makes us an MTW housing authority.

In the agency's approach to CS for the LAMP, the following applies:

- Income and Expenses directly related to a grant is not included in the MTW area.
- All administrative overhead not covered by these grants are charged to a CS fund that tracks all MTW costs.
- The Elderly/Disabled Coordinator funded through the Operating Subsidy is charged out as a portion of the management fee to the elderly/disabled projects.
- The costs for the CS staff assisting the agency's Property Management portfolio and MTW Voucher holders, along with the administrative costs associated with it, are charged to a CS fund supported by the agency's MTW flexibility.
- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

In taking this approach, it allows the Community Services department to operate as a business activity. It is set up in such a manner that THA's Property Management area must negotiate for the level of service it desires and pays to receive, and the cost is known up front.

#### Real Estate Development

THA defines Real Estate development activities to include modernization of the current portfolio, investigation and design of new affordable and market-rate development opportunities, along with redevelopment of properties that have outlived their useful life.. THA also acts as its own developer in building of affordable housing, and is in the process of expanding its role in the Tacoma community. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded to one of the two MTW activity areas, as applicable. Any time that THA earns a developer fee as a developer, or performs tasks as either a Public Development Entity (PDE) or a Public Development Authority (PDA), all revenues and expenses will be considered Business Activities (Non-MTW).

Based on historic and projected activities, the agency estimates that Development activities make up approximately 15 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

#### **Other Considerations**

##### Personnel

Personnel costs are broken out a number of different ways, depending on which program(s) the staff support, where the funding for the positions comes from, and what the function of each position is.

##### Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. We used to break out rent separately as a line

item in the budget, and charge the different areas. This is now included in our Management Fee calculations.



### **Differences – HUD Asset Management vs. THA Local Asset Management**

THA is required to describe any differences between the Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. THA is using a modified fee for service as outlined above. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator) that could have been allocated out, but as these expenses are not under the control of the Property Manager we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the program/property is paying a fee on a unit that is not occupied ; and 2) doing so will allow the administrative staff to budget on a known fee amount, along with covering overhead incurred by the agency whether a unit is leased or not.
5. Under the HUD Asset Management Model the COCC financial information is reported as Business Activities. In THA's LAMP, each activity area has its own Program Support Center (PSC), which is the equivalent of the COCC, and the PSC's that support MTW will be included in the MTW Demonstration Program and the Business Activities PSC will be included in Business Activities column on the FDS.

**Program Support Allocation Detail** - The following chart is based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2019.

**Program Support Center Allocation Detail**

| Program Support Center Unit Equivalencies - 2019 Projected |  |                          |                                    |  |                |
|--|--|--------------------------|------------------------------------|--|----------------|
| Cost Center  | Funding Source   | CAH (MTW)<br>Unit Equiv. | Tax Credit<br>(MTW) Unit<br>Equiv. | Business<br>Activities<br>(Non-MTW)<br>Unit Equiv. | Total<br>Units |
| Rental Assistance  | Mod Rehab SR0003   |                          |                                    | 30   | 30             |
|  | Mod Rehab SR0002   |                          |                                    | 41   | 41             |
|  | Section 8 Vouchers   | 3,543                    |                                    |  | 3,543          |
|  | Life Manor TPV Vouchers- Roll into MTW 07/01/12                | 150                      |                                    |  | 150            |
|  | Hillside Terrace Relocation Vouchers                           | 103                      |                                    |  | 103            |
|  | Wedgewood  | 48                       |                                    |  | 48             |
|  | FUP Vouchers   |                          |                                    | 50   | 50             |
|  | NHT Vouchers   |                          |                                    | 100  | 100            |
|  | VASH Vouchers  |                          |                                    | 177  | 177            |
|  | RTH RAD Vouchers   | 456                      |                                    |  | 456            |
|  | Bay Terrace 1 RAD Vouchers                                     | 26                       |                                    |  | 26             |
|  | Salishan 1 - 6 & Hillside 1 & 2 converting in 2019 (323 units) |                          |                                    |  |                |
| Property Management: Local Fund Units                      | Salishan 7   |                          |                                    | 91   | 91             |
| Property Management Renew Tacoma Housing                   | RTH1   |                          | 150                                |  | 150            |
|  | RTH2   |                          | 162                                |  | 162            |
|  | RTH3   |                          | 144                                |  | 144            |
| Property Management: Tax Credit Partnerships               | Hillside Terrace   |                          | 21                                 |  | 21             |
|  | Hillside Terrace 2   |                          | 25                                 |  | 25             |
|  | Hillside Terrace 1500 Blk                                      |                          | 16                                 |  | 16             |
|  | Bay Terrace 1  |                          | 70                                 |  | 70             |
|  | Bay Terrace 2  |                          | 74                                 |  | 74             |
|  | Salishan 1   |                          | 90                                 |  | 90             |
|  | Salishan 2   |                          | 90                                 |  | 90             |
|  | Salishan 3   |                          | 90                                 |  | 90             |
|  | Salishan 4   |                          | 90                                 |  | 90             |
|  | Salishan 5   |                          | 90                                 |  | 90             |
| 3rd Party Managed - 50 % equivalency                       | Highland Crest   |                          |                                    | 36.5   | 73             |
|  | James Center North - Unit equivalents estimate-                |                          |                                    | 10   | 20             |
|  | New Look   |                          | 24                                 |  | 48             |
|  | Outrigger Apts.  |                          |                                    | 24.5   | 49             |
|  | Prairie Oaks   |                          |                                    | 7.5  | 15             |
|  | Total Units  |                          |                                    |  | 6,222          |
|  | Total Units for Allocation purposes                            | 4,326                    | 1,226                              | 568  | 6,120          |
| Development  | THA MTW Support Including CFP -15%                             | 140                      |                                    |  | 140            |
|  | THA as Developer - 855%  |                          |                                    | 793  | 793            |
|  | Unit Equivalents - 15% of Total Units available for allocation | 140                      |                                    | 793  | 933            |
|  | Total Units/Unit Equivalents - 15% of Units                    | 4,466                    | 1,226                              | 1,361  | 7,053          |

|  |               |               |               |             |
|--|---------------|---------------|---------------|-------------|
| <i>Program Support Center Equivalencies (% of All Units)</i> | <b>63.33%</b> | <b>17.38%</b> | <b>19.29%</b> | <b>100%</b> |
|--|---------------|---------------|---------------|-------------|

**Table 3: Total units & Program Support unit equivalencies**