



Tacoma Housing Authority's Moving to Work Plan

January 1st 2012-December 31st 2012

Submitted October 15, 2011

Resubmitted December 22, 2011

Technical Amendment Submitted April 16, 2012

2nd Amendment Submitted June 28, 2012

Final Submission July 19, 2012

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TABLE OF CONTENTS

<u>SECTION I: INTRODUCTION AND SUMMARY</u>	<u>2</u>
<u>SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION</u>	<u>2</u>
<u>SECTION III: NON-MTW RELATED HOUSING AUTHORITY INFORMATION</u>	<u>6</u>
<u>SECTION IV: LONG-TERM MTW PLAN</u>	<u>7</u>
<u>SECTION V: PROPOSED MTW ACTIVITIES</u>	<u>13</u>
<u>SECTION VI: ONGOING MTW ACTIVITIES</u>	<u>24</u>
<u>SECTION VII: SOURCES AND USES OF FUNDING</u>	<u>27</u>
<u>SECTION VIII: ADMINISTRATIVE</u>	<u>31</u>
<u>APPENDIX I: PUBLIC HEARING COMMENTS</u>	<u>32</u>
<u>APPENDIX II: LOCAL ASSET MANAGEMENT PROGRAM</u>	<u>35</u>
<u>APPENDIX III: CAPITAL FUND DOCUMENTS</u>	<u>50</u>
<u>APPENDIX IV: RHF PLAN</u>	<u>51</u>

SECTION I: INTRODUCTION AND SUMMARY

THA is proposing four new activities this year. These activities include adopting local policies for portability in the Section 8 department, developing a locally blended subsidy, creating special purpose housing and developing a regional approach for special purpose dollars.

THA's vision, mission, and strategic objectives fall perfectly in line with the MTW demonstration project. The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish the three primary MTW statutory objectives:

- *Objective 1:* Reduce cost and achieve greater cost effectiveness in federal expenditures;
- *Objective 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 assist people to obtain employment and become economically self-sufficient; and
- *Objective 3:* Increase housing choices for low-income families.

THA will mirror these objectives as it sets its goals for the next year. Doing so will further the mission, shared by THA and the MTW statute, to create housing for people in need, to help them become self-sufficient and to get it done efficiently. This work will advance the day when, in the words of THA's vision statement, everyone will have an adequate home with the support they need to succeed as "parents, students, wage earners and neighbors."

THA's MTW Goals

The MTW objectives for this demonstration project fit THA's strategic direction very well. THA understands the following shared goals:

- Goal 1: Increase THA's administrative efficiency; and
- Goal 2: Encourage economic self-sufficiency among THA's participants;
- Goal 3: Increase housing options for low-income households residing in THA's jurisdiction

SECTION II: GENERAL HOUSING AUTHORITY OPERATING INFORMATION

A. Housing Stock Information FY2012

Number of Public Housing Units at the beginning of FY2012

There are a total of 921 public housing units in Tacoma Housing Authority's portfolio. A breakdown of these units by AMP and property is provided below.

AMP Number	Property Information	Number of Public Housing Units
AMP 1	911 N K St	43
	1201 S M St	77
	401 N G St	40
AMP 2	3201 Fawcett St	30
	602 S Wright Ave	58
	2302 6 th Ave	64
AMP 3	5425 Lawrence St	41
	5303 S Orchard (Bergerson Terrace)	72
	5420 Stevens (Dixon Village)	31
AMP 4	Hillside Terrace 2500 and 1800 blocks	104
AMP 6	Scattered Site public housing	34
AMP 7-9	Hillside Terrace 2300 and 1500 blocks	37
AMP 10-15	Salishan	290
	Total	921

Table 1: Listing of Public Housing Units by Site

Description of Planned Capital Expenditures: Although there are large scale projects planned, none of the amounts used in 2012 will equal the 30%

Revitalization capital improvements include:

Description of New Public Housing Units to be Added

THA will not be adding public housing units in 2012.

Number of Public Housing Units to be Removed from Inventory

THA plans to remove 104 units from its inventory in the Hillside 2500 and 1800 block developments (AMP 4). THA is working on the demo/disposition process to remove the 104 units. The demolition would begin at the end of 2012. The 104 units of Public Housing are planned to be removed from THA's inventory during the plan year as the units (AMP 4) are severely distressed physically. They have a very poor apartment and site design, do not meet current codes, walkways, stairs and ramps are crumbling and the plumbing and electrical systems are failing. The units are also expensive to maintain and are considered a liability risk. The units will be replaced, however, not in the current plan year.

THA will replace these units with 140 units of either project based or affordable housing that will be built in two phases. More detail is given in activity 5.

THA will consider other opportunities to remove public housing units from inventory. Specifically, THA may participate in the Transition to Rental Assistance (TRA) program if (1) it allows properties to more effectively cash flow and (2) it does not adversely affect residents.

THA will follow Section 18 requirements with respect to any demolition or disposition action it undertakes.

Number of MTW Housing Choice Voucher (HCV) Units Authorized

THA has 3,543 authorized Housing Choice Voucher Units. THA will apply for any and all grants that will increase the number of MTW and non-MTW HCV units to benefit THA's applicants, participants and the community.

Number of non-MTW HCV Units Authorized

There are 486 non-MTW HCV units authorized. These consist of 50 Family Unification Program (FUP) Vouchers and 105 Veterans Administration Supportive Housing (VASH) vouchers. THA received 100 Non-Elderly Disabled (NED) vouchers last year, and also received 150 tenant protection vouchers that will be administered as non-MTW vouchers. In addition, THA has 81 Moderate Rehab vouchers.

Number of HCV Units to be Project-Based during the Plan Year

THA will look to use a combination of Project based Section 8 and Public Housing subsidy to form a Locally blended subsidy under MTW authorization. THA will seek 104 Project Based Vouchers to replace the units of public housing being removed from the inventory

Number of non-MTW Moderate Rehab Vouchers

THA will continue administering 81 Moderate Rehab Vouchers under three separate increments in 2012.

Baseline Number of People Served Prior to Becoming MTW Housing Authority

THA is committed to meet the statutory objective to continue serving at least the same number of households. The baseline units to use in the measurement of this objective will be the number of households served as of July 1, 2010; which equals 4,347 households.

Program Type	Number of households
Housing Choice Voucher	3,443

Public Housing	904
Total	4347

Table 2: Baseline Number of People Served

B. Leasing Information–Planned

Below is a chart of THA’s leasing information. This information is estimated and may change during the Plan year.

Anticipated total number of MTW PH units leased in the Plan year	921
Anticipated total number of non-MTW PH units leased in the Plan year	N/A
Anticipated total number of MTW HCV units leased in the Plan year (this includes 676 Project Based units)	3,443
Anticipated total number of non-MTW HCV units leased in the Plan year (FUP, VASH, NED and Mod Rehab)	486
Mod Rehab	81
FUP	50
NED	100
VASH	105
Tenant Protection vouchers	150
Number of project-based vouchers in use at the start of the Plan year	690

Table 3: Leasing Planned

THA does not anticipate any issues relating to potential difficulties in leasing units in either program.

C.Waiting List Information

Per the MTW statute, at least 75% of new admissions must be very low-income (50% AMI). In 2011, THA removed its local preferences in order to give these very low income households an equal opportunity to receive housing assistance. Very low income households are typically households that are working but not making enough to pay for rent, food and utilities. They are often referred to as “working poor.” THA hopes to use its rent reform programs to help these households get the skills and training necessary to move to higher paying jobs, earning enough to cover their expenses and move off the program.

THA will continue to consider preferences for its project-based vouchers and special programs on an as-needed basis.

THA does not anticipate making any changes to the opening or closing of waiting lists in the next year. The Housing Choice Voucher waiting list is currently closed with a wait time of approximately five years. The Public Housing waiting list was re-opened on November 14, 2009 after being closed for eighteen months. THA plans to leave this list open.

THA implemented site-based waiting lists for its public housing AMPs and project-based voucher sites in late 2011.

THA also implemented the rental assistance program for households in the McCarver School District.

SECTION III: NON-MTW RELATED HOUSING AUTHORITY INFORMATION

Below is THA's list of planned sources and uses of other HUD or other Federal Funds. Some of this information is estimated based on usage, and information that is available concerning HUD funding levels at the time of plan submission.

Sources of Federal Non-MTW Funds (FY 2012)	Amount
FUP Vouchers	\$520,200
VASH Vouchers	\$651,500
NED Vouchers	\$562,100
FUP/VASH/NED Admin Fees @ 65% pro-rate	\$112,500
Moderate Rehab HAP	291,500
Moderate Rehab Program Administrative Fees earned	\$34,110
HUD Grants – ROSS	\$183,700
HUD Grant – FSS	\$138,000
ARRA Funding	Completed
Total Sources	\$2,493,600
Uses of Federal Non-MTW Funds	
FUP Vouchers	\$520,200
VASH Vouchers	\$651,500
NED Vouchers	\$562,100
FUP/VASH/NED Administrative Expenses	\$112,500
Moderate Rehab Program HAP	\$291,500
Moderate Rehab Administrative expenses	\$34,110
Resident Service Activities	\$321,700
ARRA expenditures	Completed
Total Uses	\$2,493,600

Table 4: Sources and Uses of Non-MTW Funds

Description of non-MTW activities proposed by the Agency

The following sources are not included in THA MTW Activities:

- Funding for VASH, Family Unification Vouchers and Non-Elderly Disabled Vouchers in the Housing Voucher program, whether new allocations or renewal of existing vouchers.
- Vouchers under the Moderate Rehabilitation program.
- Family Self Sufficiency Coordinator positions and ROSS grant funding will be used for the intended purposes.

SECTION IV: LONG-TERM MTW PLAN

THA has established four long-term goals for its MTW program that reflect both the MTW statutory objectives established by HUD and THA's priority for using its MTW flexibility in line with its own strategic objectives:

Goal 1: Increase THA's administrative efficiency;

Goal 2: Encourage economic self-sufficiency among THA's participants;

Goal 3: Increase housing opportunities for low-income households residing in THA's jurisdiction; and,

Goal 4: Monitor program effectiveness and performance through a "digital dashboard."

THA looks forward to determining effective uses of MTW authority for these purposes. Some notable examples of its plan appear below. Some of them seem replicable in other places or on a larger scale. When that is the case, we say so **in bold**.

Goal 1: Increase THA's Administrative Efficiency;

THA is eager to explore the full limits of MTW flexibility to make itself into a more efficient property manager and manager of programs. THA will begin its MTW career, for example, focused on reducing unnecessary annual certifications for senior or disabled households whose incomes are stable, and de-linking annual inspections from annual recertifications so our inspectors can more efficiently cover the geographic spread of units. The fungibility of funds will also give THA more flexibility that will help assign resources in a more efficient alignment to need. Over the longer term, THA will study the full range of leading edge strategies and systems. We are eager for such an assessment unencumbered by those HUD rules and reporting systems that do not always relate to a well run property.

Goal 2: Encourage Self-Sufficiency among THA's Participants

The MTW statutory objective of economic self-sufficiency for assisted households nicely complements THA's view of supportive services for its residents and voucher families. THA provides

supportive services that allow tenants to succeed as tenants. Yet, as its strategic directives contemplate for the non-disabled and non-elderly households with children, THA wants them also to succeed as “parents, students and wage earners.” THA wants them to come into its housing programs and prosper so they can live without assistance. In this way, it wants its housing programs to be a transforming experience for them. Supportive services make this transformation much more likely. In this way, THA regards itself as much more than a landlord.

THA’s long term strategies to get this done include the following:

- Regulatory reform for rent and definition of income

THA’s proposed initial MTW plan included rent reforms for all MTW families. Over the longer term, THA expects that this search will continue with increasing refinement and increasingly widespread application. **Although effective reforms of this sort must account for local factors, success in one place will be interesting in others. THA has certainly studied the experience of other MTW agencies. If THA is successful, other agencies will study our experience.**

- Supportive Services to Spur Economic Self-Sufficiency

THA seeks to provide supportive services to help families prosper. These efforts strive to keep people in school, get them back to school, get them into job training, teach them English, get job skills, find a job, keep a job, get their drivers’ license, clean up their credit, save money, and buy a house. THA intends to explore how MTW status can get this done better and in a more sustained way.

THA, in particular, is interested in finding out if MTW is useful for two types of self-sufficiency initiatives. **First**, we hope that MTW will help THA finance the supportive services and staff these self-sufficiency efforts require. The fungibility of funds that it confers will help do this. **If this works, it will be very interesting to that portion of the affordable housing industry that seeks to provide supportive services.**

Second, THA seeks to better link its housing resources with the supportive services of other organizations. Such linkage makes both the housing and the services more effective. Such leveraging of effect makes these linkages a very good use of a housing dollar.

- THA’s Education Project

THA’s Education Project and THA’s initial MTW plan to support that project are a very good example of how THA regards its mission and the MTW flexibility this mission requires. The goal of this project is to improve the educational outcomes of the children THA houses or whose families receive its rental assistance and to improve the outcomes of the public schools that serve THA communities. THA focuses on education for three main reasons. **First**, educational success is an important part of self-sufficiency and a meaningful life. **Second**, educational success is a good proxy for other important outcomes that are harder to measure. THA spends considerable time and effort assisting families address problems of drug or alcohol dependency, domestic abuse and other maladies. This work is important. But it is hard to tell if it is effective. Tracking educational outcomes can help. The family must be making some progress on those other problems if its child’s reading levels are

improving. **Third**, the success of Tacoma's public schools is essential to the health of THA's communities. For example, THA owns and is building mixed-income communities. Their financial and social success requires them to attract middle income households whose incomes allow them to live elsewhere. Yet, even if these properties are lovely and well managed, middle income families will not move in or will not stay if the local public school is failing. For this reason, THA has a direct stake in the success of those schools.

THA's Education Project seeks to test three propositions that should be very interesting to HUD, other public housing authorities and other school districts:

- That THA, and other public housing authorities, in how it provides housing and supportive services to needy families, can improve educational outcomes for their children and the outcomes of the schools that serve its communities;
- That THA, and other public housing authorities, should find out the effective ways to do this;
- That THA should then embed these strategies into its normal program operations as part of the appropriate mission of an alert and engaged public housing authority.

THA believes that its Education Project will pioneer the effort to determine a PHA's role in spurring educational success of residents and of local schools. Any success will have obvious and crucial pertinence throughout the nation. PHAs may turn out to be singularly placed for such experiments. They have the physical communities that can be the staging ground for initiatives, especially those that are most successful if identified with a discrete community. They are already engaged in the lives of families in ways that give them an influence. They are stable and enduring organizations prepared for a long term effort.

By its Education Project, THA seeks to determine the influence it can have and to exercise it effectively. See Section V.

The Education Project has many elements to it. Some do not require MTW status and are already underway. Others require MTW flexibility and our initial MTW plan will launch them. Here are three examples:

Linking Housing Assistance with School Programs: THA will determine whether it should or could expect its families to cooperate with their children's schooling as a condition of receiving housing assistance. Coupled with supportive services to help the families comply, such a linkage will help raise educational expectations generally. This can be an important contribution to educational success because expectations are critical.

Matching Housing Assistance with Academic Support Services and Scholarships: Several notable public and private efforts provide very valuable support to students in Tacoma's public schools. For example, the private College Success Foundation (CSF) provides mentoring and support to selected promising low-income high schoolers in each of Tacoma's five mainline high schools. The students

chosen for this assistance are fortunate. Yet, a notable minority of them have serious housing problems that imperil their ability to comply with the program and receive its benefit. Providing housing assistance in such cases is a good use of a housing dollar because it leverages valuable academic services. The normal rules of the public housing or voucher programs do not make it an easy match for programs like CSF. For example, the wait list rules are difficult to adjust. The rules do not permit THA to limit the assistance to the duration of the student's participation in the program and then to reassign the assistance to the next cohort of students. THA is looking forward to collaborating with CSF and similar organizations in designing its housing contribution to the success of participating students.

McCarver Elementary School Initiative: As we mention above, THA has provided housing assistance to stabilize the student population of McCarver Elementary School. McCarver's student population is among the city's poorest. It has the most homeless students. In part because of these problem, more than 100% of its student population turns during each school year. This instability greatly detracts from the prospects for good school outcomes. THA will find out whether it can help in the recovery of McCarver.

Goal 3: Increase Housing Opportunities for Low-income Households Residing in THA's Jurisdiction

To meet this goal, THA plans to address the following issues and activities:

- Serve More Households

Over the longer term, but starting right away, THA will seek to determine if the flexibility and efficiencies of MTW status will allow it to serve more households. Several examples of how this may work bear mention. **First**, saving administration costs of running the Housing Choice Voucher program may allow THA to transfer administrative funds to HAP funds to pay for more vouchers.

Second, MTW fungibility will allow THA to redirect savings in HAP expenditures to assist more families or to sustain public housing operations. **These strategies should be available to other PHAs.**

- Increase Housing Supply

MTW status will allow THA to project base more vouchers. This is an important development strategy that allows THA and other nonprofit developers to finance the construction of new housing or the preservation of pre-existing housing, and ensure the long term affordability of both types. THA has used this to very good effect in Tacoma, e.g, Eliza McCabe Homes (Intercommunity Mercy Housing), Guadalupe Vista (Catholic Community Services), Harbor View Manor (ABHOW), New Look Apartments (MLK Housing Development Association). Banks have learned how to lend against the long term rental stream that a long term HAP contract denotes. This financing not only gets the housing built but makes it affordable to households down to zero income. It also locks in this deep affordability for a long time. Additionally, these arrangements usually leverage supportive services as well. Project basing is a very good use of a housing dollar and MTW will allow THA to do more of it. **This use of project basing vouchers should also be applicable in other jurisdictions.**

- Increase housing throughout the continuum of need

THA is very interested in using its MTW status to provide housing and services along more parts of the housing continuum. Generally, THA has been focused on providing permanent housing to households headed by adults capable of living independently, perhaps with light assistance. THA is interested in better providing or arranging more intensive supportive services to serve a wider variety of needs.

The effort to do this elicits an important feature of how THA views supportive services generally. In general, there are two views of supportive services in the affordable housing industry. By one view, supportive services are a side show. They are interesting but, by this view, the housing provider has no particular role in providing them. According to this view, housing providers are primarily landlords. In contrast, THA, and most MTW agencies, have a different view. It goes like this: supportive services are a necessary companion to the housing they provide. Their necessity derives from whom we house, and why. We house some of our community's neediest households – seniors aging in place, disabled persons trying to live independently, and families coming from trauma, such as homelessness and domestic violence. These households need help to succeed as tenants.

THA provides considerable services for these purposes. It seeks to do more. MTW flexibility will make this easier to do in the following possible ways:

Sustainable Source of Funding for Services: THA looks forward to finding out if the financial flexibility and efficiencies that MTW allows will make it easier to fund supportive services within a building from the operating funds assigned to that building. As HUD realizes, regarding supportive services as an “above the line” expense for a building is the elusive ambition of all housing providers interested in supportive services. Perhaps MTW flexibility will make this more attainable. **If MTW provides this ability to sustain supportive services then it would greatly interest many other PHAs.**

Homeless Youth: Tacoma has a serious and growing problem of homelessness among unaccompanied youth. These youth are not with adults. They are not in foster care. They are not in school. They constitute a first rate child welfare disaster for our community. Using state funds, and in collaboration with service partners, THA participates in an “Independent Youth Program” that serves these youth. THA provides the rental assistance and partners provide the wrap around services. It is a very good model. However, the state funds are ending. Unfortunately, except for a limited number of FUP vouchers, THA's mainline federal housing resources are not well designed to be helpful in such programs. THA will be very interested in finding out if MTW flexibility will better equip THA to participate in a collaborative community response to this growing emergency. **Most other cities see a significant population of homeless, unaccompanied youth. A successful model of intervention would interest many other PHAs.**

Disaster Relief: THA had an interesting and frustrating experience during the Hurricane Katrina disaster that makes it eager for MTW flexibility so it can be more helpful with the next disaster. Hurricane Katrina caused the largest loss of housing from a single event in American history. Afterward, the South Puget Sound area received several hundred families from the Gulf Coast. THA helped to coordinate the effort to receive them. The FEMA assistance never proved very effective. THA, and other providers, filled in as best as their program rules permitted. THA wrote about the

experience in a report: *THA Review of Its Katrina Relief Plan 2006 (THA 2006)*. It is available at <http://www.tacomahousing.org/about/reports.html>. As the report makes clear, although THA did help several dozen households, its federal rules were not flexible enough to respond effectively or quickly. THA means to find out how MTW will better equip its ability to respond to the next disaster. **Whether PHAs can or should become sources of emergency assistance in a mass disaster is a question that will surely recur with the next calamitous hurricane, earthquake or flood. Innovative answers should interest the entire PHA community.**

People Coming from Correctional or Psychiatric Institutions: The Tacoma area has more than its full share of people discharged from correctional institutions and psychiatric institutions. (It is home to large correctional institutions, including the state's only women's prison. It is also home to the state's largest psychiatric hospital.). As HUD knows well, people discharged from these places have serious housing needs. They are also among the hardest to house. It is clear that the normal programmatic templates are not suited to the challenge. THA intends to examine its role in fulfilling this need. MTW flexibility will no doubt be very useful, especially in partnerships with service providers, rules of occupancy, and terms of assistance. **Many successful models exist to effectively serve these difficult populations. It is a separate question on how mainline federal housing programs like public housing and the Housing Choice Voucher program could or should adapt to the purpose. Effective answers will be interesting and transferable to many other PHAs.**

Drug or Alcohol Dependent Adults: People afflicted with drug or alcohol dependency present a housing challenge that also requires flexibility that MTW may provide.

Goal 4: Monitor Program Effectiveness and Performance through a "Digital Dashboard."

THA intends to design a digital dashboard to track the various performance measures it will chose for its strategic objectives and operations. We mention this separately because it will be a critical tool in assessing MTW effectiveness, as well as overall agency success. Even at this time, however, THA has a detailed list of metrics to track. Baselines have already been established for most activities and methods put in place to extract the required data from THA's various systems. THA recently entered into a new contract with the consultant who performed the impact analysis for the agency and part of the scope of work includes defining the logic required for the THA dashboard in order for THA move forward into the development phase.

The purpose of the digital dashboard is to place various performance measures and the results front and center. Some performance measures most pertinent to MTW will include:

- Earned income among various populations
- Savings rates
- Educational outcomes
- Number of households of various subpopulations served
- Various metrics indicating housing stability
- Per unit costs of operations
- Per voucher cost of operations
- Metrics of individual properties and portfolio aggregates (vacancy rates, unit turns,

work orders, rent collections, turnover rates, maintenance expenses, etc.)

A successful dashboard will allow staff to see the “needle” or gauge change as they succeed or fail at their work. It will place the important measures prominently in view. This system will change department meetings, cabinet meetings and board meetings. The focus of these meetings can then be where it belongs - on how we are doing and why or why not. This in turn will become a valuable source of data for program design – exactly what a creative MTW agency needs in order to make good use of MTW flexibility.

An effective digital dashboard should be applicable to nearly every other PHAs. They collect or should collect similar data. They should value similar performance measures. They share with all organizations a pressing need for a greater focus on outcomes and transparency in results.

SECTION V: PROPOSED MTW ACTIVITIES

This Plan will be effective January 1, 2012 through December 31, 2012. Once the Plan is approved, then we would move forward with implementing each activity. Staff training and revisions to the Administrative and ACOP plans would take place. Upon approval, THA would reach out to the neighboring housing authorities to explain the changes in our portability process.

Proposed activities table

Activity #	Activity Name
1	Local Policy on Port-Outs
2	Local Blended Subsidies
3	Special Purpose Housing
4	Regional Approach to Project Based Vouchers
5.	Creation and, Preservation of affordable housing:

*** Table 5: Proposed Activities**

Activity 1: Local Policy for Port-Outs

- a. Description of MTW activity
 - THA will limit outgoing portability except for households who need to move out of the jurisdiction due to a reasonable accommodation, employment, situations covered underneath the Violence Against Women Act (VAWA) and education. THA would allow a family to port-out if the receiving housing authority absorbed the voucher. Voucher participants porting out for employment will need to verify they would be working at least 20 hours minimum wage applicable in the state. Participants porting out for education would need to show proof of enrollment. The purpose of restricted portability in our MTW program is to allow THA to accurately assess the impacts of the MTW policies in our local community.
- b. MTW statutory objective

This activity relates to the statutory objective of reducing costs and achieving greater cost effectiveness in federal expenditures.

c. Anticipated impact

- THA anticipates that the impacts will be a decrease in the amount of families that port out of Tacoma and an increase in the percentage of HAP dollars spent in THA's jurisdiction.
- THA anticipates that there would be a decrease in the amount of time processing portability paperwork.

Families that port out will be leaving because of reasonable accommodations, VAWA situations or a work/school opportunity that is out of THA's jurisdiction.

d. Baselines and benchmarks

Metric	Baseline	Benchmark	Benchmark Target Date
End of year balance of port-out households	200	150	12/31/2012
Annual staff time in hours spent to process outbound portability	250	188	12/31/2012
Annual administrative dollars spent outside of the agency	\$101,340	\$76,005	12/31/2012
Percentage of annual HAP dollars spent in THA's jurisdiction	93.6%	95.0%	12/31/2012

* **Table 6: Port Out Metrics**

e. Data collection metrics and products

- The Housing Choice Voucher Program would gather the statistics on existing and on-going portability activity. As an implementation activity, a THA employee would conduct an analysis of the time involved in administering a billed voucher for both the Housing Choice Voucher program and the Finance Department of THA. The change in portability activity will then be further quantified by multiplying the time saved by the number of transactions involved.

f. Authorization cited

- This proposal is authorized in Attachment C, Heading D. (1g.), allowing the Agency to establish its own portability policies with other MTW and non-MTW housing authorities.

Activity 2: Local Blended Subsidy

a. Description of MTW activity

THA seeks to create a local blended subsidy (LBS) at existing and, as available, at new or rehabilitated units. The LBS program will 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. The units may be new construction, rehabilitated, or existing housing. THA will look at several factors when deciding where to use the LBS:

THA plans to redevelop Hillside Terrace 2500 and 1800 block developments. This development process would add 140 units of public housing to THA's inventory. THA would utilize Local Blended Subsidy on all of the units in this development. The development would be in two phases.

Phase I: Would begin construction in December of 2012 and begin leasing in October of 2013.

Bedroom sizes	Type	Accessible features	Development
1 Bedroom – 26 units	Mix of elevator mid rises, townhomes, flats and walkups	For phase I, all units will be visit able and 20% will be accessible to persons with disabilities.	Hillside Terrace I
2 Bedroom- 30 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace I
3 Bedrooms 14 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace I

Phase II: Would begin construction in December of 2013 and begin leasing in October of 2014

Bedroom size	Type	Accessible Features	Development
1 Bedroom- 26 units	Mix of elevator mid rises, townhomes, flats and walkups	For phase II, all units will be visit able and 20% will be accessible to persons with disabilities.	Hillside Terrace II
2 Bedrooms-30 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace II
3 Bedrooms- 14 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace II

THA will be converting Stewart court apartments using Local Blended Subsidy (LBS). Because of the nature of LBS, this would require turning on 59 units of public housing. Stewart Court is a bond financed affordable housing development. There is no subsidy currently attached to Stewart Court. The project needs urgent exterior upgrades. THA would be requesting to turn on the 59 units of public housing in December of 2012.

Bedroom Sizes	Type	Accessible features	Development
1 Bedroom-40 units	Walk Up		Stewart Court
2 Bedroom- 19 Units	Walk Up		Stewart Court

- LBS will be used at developments that require a subsidy level other than that available through the traditional public housing program and/or experience operational and administrative inefficiencies due to the combination of different subsidized housing types. THA will work with investors if the agency decides a project currently funded by Project Based Vouchers (PBV) would be better served by using LBS.
- THA would run any potential project through the asset management committee and intensive internal scrutiny before making any move to blended subsidy.
- THA understands that being able to combine subsidies would only last through 2018. At that point, THA would either convert the projects over to traditional public housing or seek to convert some or all of them to project based subsidies.
- THA would ensure all financial partners are aware of the subsidy structure and the implications of using the model. This would be shown by having a signed document.
- THA understands it would go through the traditional 941 process for adding any public housing units to the portfolio.
- THA understands that using LBS would have an impact on the RHF received and there are limitations for using capital funds for debt service.
- THA understands that adding public housing units would increase THA's baseline.
- THA understands that if subsidies are combined within one unit, it would be considered public housing of regulatory compliance purposes.

b. MTW statutory objective

- Increase housing choice for low-income families
- Reduce cost and achieve greater cost effectiveness in federal expenditures

c. Anticipated impacts

- THA anticipates this policy change will allow THA to increase the amount of quality housing choices for low income families. The blended subsidy will allow THA to use public housing subsidies in combination with section 8 funds to form a subsidy that maximizes THA's ability to assist families in the jurisdiction.

- THA will also be able to use public housing units that are currently “on the shelf” from previous demolition projects to create more affordable housing.
 - THA is aware that blended subsidy would end with the Moving to Work demonstration in 2018. THA would ensure that any units converted to blended subsidy would still work as public housing units if the MTW demonstration ends.
- d. Baselines and benchmarks: The following metrics are for the three aforementioned projects under consideration for LBS. If LBS were not used for these projects, project based vouchers would be used. The metrics show what the funding for the projects would look like and how many additional vouchers THA could issue by using LBS vs. project based scenarios.

Local Blended Subsidy: Stewart Court (Leasing Starts Dec. 2012)

Metric	Baseline	12/31/2012 Benchmark	12/31/2013 Benchmark	12/31/2014 Benchmark
Number of LBS units	0	59	59	59
Average monthly HAP per LBS unit	\$0	\$467	\$467	\$467
Annual HAP to be allocated to LBS	\$0	\$27,562	\$330,744	\$330,744
Operating subsidy allocated to LBS	\$0	\$4,497	\$53,967	\$53,967
Annual operating margin for Stewart Court	-\$71,682	\$21,722	\$260,664	\$260,664
Incremental annual capital funds to THA	\$0	\$6,760	\$81,125	\$81,125
Incremental vouchers that could be issued from savings (vs. PBV)	0	5	5	5

***Table7: Local Blended Subsidy Metrics: Stewart Court**

Local Blended Subsidy: Hillside Phase 1 (Leasing Starts October 2013)

Metric	Baseline	12/31/2012 Benchmark	12/31/2013 Benchmark	12/31/2014 Benchmark
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Number of LBS units	0	0	70	70
Average monthly HAP per LBS unit (PBV baseline)	\$815	\$0	\$590	\$590
Annual HAP to be allocated to LBS (PBV baseline)	\$684,426	\$0	\$123,966	\$495,864
Operating subsidy allocated to LBS	\$0	\$0	\$47,141	\$188,562
Incremental annual capital funds to THA	\$0	\$0	\$24,063	\$96,250
Incremental vouchers that could be issued from savings (vs. PBV)	0	0	19	19

***Table8: Local Blended Subsidy Metrics: Hillside Phase 1**

Local Blended Subsidy: Hillside Phase 2 (Leasing Starts October 2014)

Metric	Baseline	12/31/2012 Benchmark	12/31/2013 Benchmark	12/31/2014 Benchmark
Number of LBS units	0	0	0	70
Average monthly HAP per LBS unit (PBV baseline)	\$815	\$0	\$0	\$590
Annual HAP to be allocated to LBS (PBV baseline)	\$684,426	\$0	\$0	\$123,966
Operating subsidy allocated to LBS	\$0	\$0	\$0	\$47,141
Incremental annual capital funds to THA	\$0	\$0	\$0	\$24,063
Incremental vouchers that could be issued from savings (vs. PBV)	0	0	0	19

***Table9: Local Blended Subsidy Metrics: Hillside Phase 2**

e. Data collection metrics and products

THA would use its software system VisualHOMES to track the number of LBS units, amount of HAP allocated to LBS, capital funds infused, and the financial implications to Stewart Court and Hillside Phases 1 and 2.

f. Authorization cited

Standard MTW Agreement: Attachment C, Section B(1) – Single Fund Budget with Full Flexibility allows THA to combine subsidies Attachment C, Section C(2) – Local Preferences and Admission and Continued Occupancy Policies and Procedures allows THA to adopt changes that would make LBS units fall under public housing rules.

Activity 3: Special Purpose Housing

a. Description of MTW activity

- Tacoma Housing Authority seeks to utilize public housing units to provide special purpose housing and to 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 likely be admitted in 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 providers would be responsible for choosing families for the program. Service providers would have to meet basic criteria, including all requirements of PIH Notice 2011-45, when selecting families for the units. The ability to designate public housing units for specific purposes and populations facilitates this work, by allowing units to target populations with specific service and housing needs, and specific purposes such as homeless teens and young adults.
 - Partners would maintain their own waiting lists, and use their own eligibility and suitability criteria with THA approval. Approval would only be given if the eligibility and suitability requirements met all regulations and rules.
 - The public housing lease would be signed between THA and the service provider
 - THA would oversee contracts for compliance
 - THA has reviewed PIH Notice 2011-45 and this activity will comply with all of the terms of the notice

b. MTW statutory objective

- Increase housing choice for low-income families

c. Anticipated impacts

- THA anticipates being able to leverage its housing units in order to offer increased supportive services to populations in Tacoma that are at risk.

d. Baselines and benchmarks

Metric	Baseline	Benchmark	Benchmark Target Date
Number of special purpose housing units	0	50	12/31/2012
Participation rates in NPO programs among the special purpose housing units*	0	100%	12/31/2012
Leveraged dollars – amount of annual service dollars provided per unit	\$0	\$2,500	12/31/2012

**TBD - THA will develop targets based on NPO programs and participant backgrounds*

Table 10: Special Purpose Housing Metrics

e. Data collection metrics and products

THA will track the number of special purpose units that offer support that come on line after approval.

f. Authorization cited

MTW Agreement - Attachment C (B)(1)-Single fund budget allows THA to provide housing assistance for the proposed program.

(b)(vi)- This allows THA to work with partners to develop a separate special purpose housing program where the managers of the program are the partner. THA will audit the partners for compliance.

(C)(1)- Allows partner to create separate waiting list as long as it complies with all regulations and rules

, (C)(2)-Allows partner to create specialized preferences for specific housing programs as long as they comply with regulations and rules

(c)(10)-Would allow THA to work with community stakeholders and advocacy groups in developing a occupancy restrictions for public housing buildings or units.

(C)(15)-Allows THA and partners to make available public housing property including dwelling and non-dwelling spaces for services and programs that benefit residents.

Attachment D- THA needs uses of funds authorization according to PIH notice 2011-45.

Activity 4: Develop a Regional Approach for Special Purpose Dollars

a. Description of MTW activity

- Under this activity THA would be allowed to use the competitive funding process established by the local government jurisdiction (Pierce County Consortium) to award THA

funds/resources for sponsor based housing. THA would commit MTW dollars and or housing units to be awarded through the locally established funding cycle. This would allow THA to “pool” resources with the local jurisdiction to meet the local needs as prioritized through city and or county planning process. THA would ensure that grantees serve households below 80% AMI and would establish mandatory reporting and audit guidelines to monitor the success of the program. THA would have an audit system in place to ensure compliance with rules and regulations including PIH Notice 2011-45.

- THA will go through an annual planning process to identify the amount of MTW dollars, project based vouchers and or THA owned units that will be set aside for this purpose each year.
- THA needs to go through a formal planning process and receive board approval for this activity. At this point, THA foresees putting \$150,000 in MTW dollars and 6 Public Housing units into the pool.

b. MTW statutory objective

- Increase housing choice for low-income families
- Reduce cost and achieve greater cost effectiveness in Federal expenditures

c. Anticipated impacts

- Increase the number of households served

d. Baseline and benchmarks

e. Data collection metrics and products: An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on quarterly basis. The report will summarize the data on a quarter-to-date and year-to-date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities

f. Authorization cited: MTW Agreement Attachment D, Broader Uses of Funds

Metric	Baseline	Benchmark	Benchmark Target Date
Annual investment	\$0	\$150,000	12/31/2012
Average annual HAP per incremental unit	\$9,300	\$8,370	12/31/2012
Number of incremental project-based units developed	0	18	12/31/2012

Leveraged annual non-housing dollars per unit	0	\$2,500	12/31/2012
Public Housing units contributed	0	6	12/31/2012

***Table11: Metrics for Special Purpose Dollars**

a. Data collection metrics and products

THA will track the number of incremental project-based units provided under this initiative using its VisualHOMES system. THA's finance department will provide documentation on investment

b. Authorization cited

MTW Agreement - Attachment C (B)(1)- Allows THA single fund budget with full flexibility which will allow THA to contribute MTW dollars to this activity

(b)(vi)-Allows flexibility in the design of programs including tenant selection and management of housing projects within the scope of PIH notice 2011-45

(C)(1)-Would allow a specific housing project or program to create a locally designed waiting list within the scope of PIH notice 2011-45

(C)(2)-Would allow for admissions policy to differ from the HUD statues within the scope of PIH notice 2011-45

(c)(10)-Would allow THA to work with community stakeholders to develop a local preference for certain Public Housing communities or buildings

(C)(15),- Would allow THA to make available public housing property including dwelling units for the purpose of providing services.

Activity 5. Creation and, Preservation of affordable housing:

a. Description of MTW activity

THA proposes to preserve and create affordable housing units under MTW. These units would be affordable housing units, not public housing units and therefore will not require an operating subsidy. This initiative would allow THA to use its MTW funds to provide low-income families the opportunity to reside in safe, decent, and sanitary housing paying affordable rents. These affordable housing units can be any bedroom size and will be located within the City of Tacoma and 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 these units, including those that may be receiving Section 8 rental assistance. All households would require HQS inspections per PIH Notice 2011-45. THA also recognizes that this entire activity is under the parameters of PIH Notice 2011-45. THA will abide with PIH Notice 2011-45 when implementing this activity. Please note THA does not intend to reduce the number of vouchers it administers in order to fund this initiative; its desire is to increase housing choices for low-income families using as many avenues as possible.

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. In the future, using broader uses of funds authority, THA will be able to create and preserve additional properties using MTW funds in combination with other funds to increase the number of affordable housing units in the City of Tacoma. This flexibility will allow scarce local resources to be used for other purposes.

THA plans to use this activity in the development of two phases of the Hillside Terrace redevelopment.

Phase I: Would begin construction in December 2012 and begin leasing in October of 2013: The project would have 43 project based units and 27 affordable tax credit units.

Bedroom sizes	Type	Accessible features	Development
1 Bedroom – 26 units	Mix of elevator mid rises, townhomes, flats and walkups	For phase I, all units will be visit able and 20% will be accessible to persons with disabilities.	Hillside Terrace I
2 Bedroom- 30 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace I
3 Bedrooms 14 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace I

Phase II: Would begin construction in December of 2013 and begin leasing in October of 2014
The project would have 43 project based units and 27 affordable tax credit units.

Bedroom size	Type	Accessible Features	Development
1 Bedroom- 26 units	Mix of elevator mid rises, townhomes, flats and walkups	For phase II, all units will be visit able and 20% will be accessible to persons with disabilities.	Hillside Terrace II
2 Bedrooms-30 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace II
3 Bedrooms- 14 units	Mix of elevator mid rises, townhomes, flats and walkups		Hillside Terrace II

- b. Statutory objective: Increase housing choices for low income families
- c. Anticipated impact: The anticipated impact of this initiative will be that additional affordable housing units will be created, preserved or rehabbed in the City of Tacoma, thereby increasing housing choices for low income families.
- d. Baseline and benchmarks

Metric	Baseline	Benchmark	Benchmark Target Date
Number of non-traditional affordable housing units created	0	140	12/31/2014
Number of non-traditional affordable housing units preserved	0	59	12/31/2013

- e. Relation to Statutory Objectives: Increase housing choices for low-income families

Authorization Cited MTW Agreement Attachment D, Broader Uses of Funds

SECTION VI: ONGOING MTW ACTIVITIES

THA's 2011 MTW plan contained very ambitious activities including rent reform for most of the households that THA serves. THA wanted go live with the rent reform activities January 1, 2012 because of amendments needed to the activities. With approval, THA has met the goal of going live for 2012 with all of the rent reform activities. Activities 5,6,7, 8 and 11 all combined to help THA meet its goals of true rent reform. A new software system was built to connect to our current housing software. This new "MTW add-on system" calculates the tiered rents, eliminates the deductions that were approved in the MTW plan, applies the MTW simplified utility allowance, assigns the caseloads to biennial recertification's and calculates the simplified medical deductions. Staffs begin processing in the system for the January 1st, 2012 annuals successfully.

Activity Number	Initiative Description	Statutory Update	Plan Year	Status Update
1	Extend allowable tenant absences from unit for active duty soldiers	Encourage self sufficiency	2011	Implemented July 2011. THA has not had the occasion to use this activity.
2	McCarver Elementary	Increase housing choices for low	2011	In the fall of 2011, Tacoma Housing Authority began accepting families into the McCarver

	School Project: Housing and Education	income families, encourage self- sufficiency		Elementary Special Housing Program. As of December 14, 2011 we have issued rental support to 48 families and have two more in the final stages of approval. We secured funding from Pierce County to hire two full-time case workers assigned to the Program. We have established an MOU with Tacoma Public Schools for this partnership which includes locating our case workers at the school along with a case worker from the state Department of Social and Health Services. Our case workers meet with all the families regularly and we have monthly meetings with the whole group. We have begun the process of identifying job training and financial education opportunities for our parents who must prepare to pay an increasing proportion of their rent each year and be rent independent in five years. We will begin a parenting class for all families in January 2012. McCarver Elementary has responded to the increased family stability by beginning the process of becoming a Primary Years International Baccalaureate school, the first in the Puget Sound region and one of the few in the country serving a predominantly low income student population. We have begun sharing data with Tacoma Public Schools and are documenting a baseline of student achievement and non-academic data. This spring we will contract with an external evaluator to refine the evaluation and data collection plan for the Program.
3	Local Project Based Voucher Program	Reduce costs and achieve greater cost effectiveness	2011	THA continues to look at ways to utilize PBV's.
4	Allow Transfers Between Public Housing and Voucher lists	Increase housing choices	2011	Will implement in 2012. THA had to make changes to its waiting list and adopt them to the Administrative and ACOP plans.
5	Local Policies for Fixed- Income Households	Reduce costs and achieve greater cost effectiveness	2011	Because of 2011 Plan amendment, activity will be implemented January 2012. THA has begun calculating MTW households using the policies from this household with an effective date of 1/1/12. All MTW

				households in this category will go onto MTW rent calculations at their next annual from 1/1/12 on. THA has made a change to the hardship policy for this activity. THA has added a layer to the policy that will allow the Policy and Planning Analyst to be the first person to review a denial of hardship by the frontline staff. THA believes this process will only expedite a decision for households and speed the process up. THA does not anticipate any negative consequences for tenants because of this change.
6	Local Policies for Work-Able Households	Encourage self Sufficiency, Reduce costs and achieve greater cost effectiveness	2011	Because of 2011 Plan amendment, activity will be implemented January 2012. THA has begun calculating MTW households using the policies from this category with an effective date of 1/1/12. All MTW households in this category will go onto MTW rent calculations at their next annual from 1/1/12 on. THA has made a change to the hardship policy for this activity. THA has added a layer to the policy that will allow the Policy and Planning Analyst to be the first person to review a denial of hardship by the frontline staff. THA believes this process will only expedite a decision for households and speed the process up. THA does not anticipate any negative consequences for tenants because of this change.
7	Local Income and Asset Policies	Reduce costs and achieve greater cost effectiveness	2011	Implemented July 2011. This policy has allowed saved THA time and resources by not looking at assets under \$25,000. THA does have the households sign a self-certification that the assets are under the \$25,000 amount.
8	Local Interim Processing and Verification policies	Reduce costs and achieve greater costs effectiveness	2011	THA implemented this activity in November of 2011. THA conducted multiple staff trainings as well as procedural memo's outlining the policy. THA also posted the new policy on the website as well as advertising it in the offices for the next year.
9	Modified	Reduce costs and	2011	Because of changes to the City of Tacoma's

	Housing Choice Voucher Inspection Process	achieve greater cost effectiveness		code inspections, THA is holding off on implementing this activity. THA still has interest in implementing in the near future.
10	Special Program Vouchers	Increase housing choices for low income households	2011	THA has not used the approval as of this writing, but is actively looking for opportunities partner with our service partners. THA may use activity 4 from the 2012 plan to identify a partner
11	Simplified Utility Allowance	Reduce costs and achieve greater cost effectiveness	2011	This activity has been successfully implemented in November of 2011.

***Table 12: Ongoing MTW Activities Table**

SECTION VII: SOURCES AND USES OF FUNDING

A. List of Planned Sources and uses of MTW Funds

THA's Moving to Work plan covers the period January 1 through December 31, 2012. The information in the Sources and Uses section is based on preliminary budgeting and the House version of funding for the Agency programs as of the first part of October.

Sources of MTW funds (FY2011)	Amount
HCV Housing Assistance Payments	\$30,783,000
HCV Administrative fee income @ 65% pro-ration	\$1,917,000
Public Housing operating subsidy @ 64.5% pro-ration	\$1,696,000
Public Housing rental income	\$1,587,000
Public Housing non-rental income	\$45,000
Public Housing Capital Fund (including RHF funds & Capital Facilities Grant)	\$6,903,000
Interest income	\$43,000
Management fee income	\$2,826,000
Other revenue sources*	\$121,000
Reserve Appropriation to cover Operating Subsidy Recapture – AMP's 1 - 6	\$356,000
MTW reserves	\$542,000
Total Sources	\$46,819,000
Uses of MTW Funds (FY2011 budget)	
HCV Housing Assistance Payments	\$29,103,000
Program administration	\$7,720,000
Utilities	\$615,000

Maintenance	\$1,241,000
Resident service activities	\$440,700
Housing Related Capital Expenditures	\$5,479,000
Relocation for Hillside Terrace Redevelopment	\$394,300
RHF Bond payments	\$450,000
Subsidy payments to Tax Credit properties – based on 64.5% pro- ration	\$666,000
HAP – Portability Out Administrative Fees	\$94,000
Insurance	\$143,000
Security	\$148,000
Structural Changes for Security – THA Admin Building	\$300,000
Other miscellaneous operations	\$25,000
Total Uses	\$46,819,000

Table 7: Sources and Uses of MTW Funds

* **Note:** Other Revenue Sources includes the following sources:

Other Revenue Source	Amount
Section 8 Port In Admin Fees earned	\$ 12,000
Section 8 Fraud Recovery	\$ 35,000
Other Revenue – PH Projects	\$ 29,000
Community Services	45,000

B. List of Planned Sources and Uses of State or Local Funds

Sources of State/Local Funds	Amount
Washington State/City community service funds	\$216,000
Tenant Based Rental Assistance (TBRA)	\$74,250
TCRA Funds to assist in redeveloping Hillside Terrace	\$1,125,000
Total Sources	\$1,415,250
Uses of State/Local funds	
Washington State/City funded community services	\$216,000
TBRA HAP	\$67,500
TRBA administrative fees	\$6,750
TCRA funds to assist in redeveloping Hillside Terrace	\$1,125,000
Total Uses	\$1,415,250

Table14: Sources and Uses of State/Local Funds

C. Planned Sources and Uses of Program Support Center

As discussed in the Local Asset Management Plan (Appendix-II), the agency has replaced the Central Office Cost Center with a Program Support Center (PSC), which supports each of its three activities - Conventional Affordable Housing (CAH), Tax Credit Management (TC), and Business Activities (BA). Both the CAH and TC support center will be reported on the FDS schedule as part of the MTW demonstration program, while the BA portion will be reported as part of Business Activities on the FDS. Any shortfalls in these centers will be covered by operational surpluses or reserves in the areas they support.

Planned Sources and Uses of Program Support Centers (Previously COCC)	MTW PSC	BA	Amount
Sources of Program Support Funds	Amount		
Mangement Fee Income	2,665,100	296,500	\$2,961,600
Capital Fund Program	\$695,600		\$695,600
Investment income - operating	\$41,000	\$7,000	\$48,000
Other income		\$43,000	\$43,000
Total Sources	\$3,401,700	\$346,500	\$3,478,200
Uses of Program Support funds			
Administrative salaries & benefits	\$2,587,000	\$336,400-	\$2,923,400
Management fees	\$162,000		\$162,000
Other administrative expenses	\$662,000	\$89,400	\$751,600
Resident services	\$52,300	-	\$52,300
Utilities	\$33,100		\$33,100
Maintenance/facility expenses	\$134,600		\$134,600
Insurance	\$22,700	\$15,100	\$37,800
Total Uses	\$3,653,900	\$440,900	\$4,094,800

Table15: Planned Sources and Uses of Program Support Centers

D. Cost Allocation and Fee-for-Service Approach

Effective with last years plan, THA no longer allocates indirect expenses. Any expense that is not associated with a specific fund will be charged to the Program Support Center, or the central Community Services fund. Fees will then be charged out to projects in accordance to the Local Asset Management Plan as outlined in Appendix II. THA decided on this method as it provides the most transparency in financial reporting for operational managers. This structure makes it easier for managers to track costs they have direct control over, and encourages them to gain an understanding of the fees associated with operating their project or program. This model provides the manager with the information needed to make more effective operational decisions.

E. Use of Single-fund Flexibility

THA is combining its Public Housing Operating subsidies, Public Housing Capital Funds and its Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source (MTW Funds). Public Housing Capital Funds will still be subject to the obligation and expenditure deadlines and requirements provided in section 9(j) of the 1937 Act despite the fact that they are combined into a single fund.

THA uses this single funding source to fund Public Housing operations, the Public Housing Capital Fund and 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.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self sufficiency.
- THA is considering funding and developing a resident training program, through which residents would engage in training activities and take an assessment at the end of each activity. If the resident completes the training and passes each phase, they would then be assigned appropriate functions within the agency based on skills they obtained utilizing MTW funds.
- THA is in the initial year of implementing its Education program. THA is providing Housing Choice Vouchers to 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 outcomes, 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 may also make 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 is investigate MTW's flexibility in the acquisition, new construction, reconstruction or moderate to substantial rehabilitation of housing. THA is doing this in strict accordance with its mission, and the objectives of the MTW demonstration. One of the areas THA is focusing on in this plan is the Local Blended Subsidy model.

SECTION VIII: ADMINISTRATIVE

A. Resolution Signed by Board of Commissioners

B. Description of Planned or Ongoing Agency-Directed Evaluations of the Demonstration

THA is contracting with a third-party evaluator to complete an impact analysis and financial modeling tool for each of the rent reform activities proposed in this plan. The contractor is assisting THA in creating baselines and benchmarks for each activity, evaluating potential effects on different protected classes, developing hardship criteria, and assisting in evaluating the financial impacts on both THA and its participants.

APPENDIX I: PUBLIC HEARING COMMENTS

The Plan was posted for public review beginning July 29th 2011. Two public meetings were held September 12th 2011. THA also met independently with the local Legal Services program, Northwest Justice Project on August 10, 2011.

Additional review included:

- A THA Board of Commissioners information session on September 9th 2011.
- Review by the THA Executive Team on August 15, 2011.
- Final board approval on October 12, 2011.
- As the MTW PIH Notice 2009-29 required, THA also made copies of the draft plan publicly available for 30 days on its website and at its main office.

Public comments received are included on the following pages.

Date	From	Comment/Question regarding limits on portability	THA Response
9/9/11	Resident	Can I move to Michigan if they take my voucher?	If the housing authority agrees to absorb your voucher you would be able to port. If not, you would have to look at the other exceptions to see if you qualify.
9/12/11	Resident	I have a medical condition and may need to move, will I be able to?	You can request a reasonable accommodation, and if granted would be able to port your voucher.
9/12/11	Resident – via email	I am planning to transfer to a job in Spokane. Can I take my voucher?	As long as you can verify 20 hours a week of employment you will be able to port your voucher.
9/8/11	Email from resident	I schedule my calendar two weeks in advance, your letter should have went out much earlier	Thank you for the comment. We will take this under consideration.
9/12/11	Public hearing	Is it easier to track ports in state then it is out of state?	Once a voucher ports out, it is much more difficult to track it regardless of the location of the port.
9/23/11	Phone call	THA is turning into a police state. Is this Russia? You are telling us where we can live because we are poor.	THA is proposing limiting portability so it can accurately assess the MTW program and keep housing dollars in the jurisdiction. There are exceptions to the policy and if a housing authority agrees to absorb the voucher, the port will be allowed.
9/8/11	Phone call	I disagree with this policy. I may want to move closer to my family one day.	THA would not stop a household from moving. However, if one of the exceptions are not met, you would not be able to move with continued assistance.
Date	From	Comments/Questions on local blended subsidy	THA Response

9/12/11	Public Comment	Will more money be spent on vouchers?	This activity would return money to the voucher pool making it a possibility that more vouchers could be issued.
9/12/11	Public Comment	Is Salishan more projects based or public housing?	Salishan has around an equal mix of project based units and public housing
9/13/11	Phone Call	Will THA spend more money on fixing properties?	This activity would bring in more funds and could allow for THA to spend more on maintenance and repairs.
Date	From	Comments/Questions on Special Purpose Housing	THA Response
9/12/11	Public hearing	If someone has a criminal background and evictions can they live in this housing	THA will use special purpose housing to serve populations that may not be able to typically live in public housing. THA has not decided what populations will be targeted at this time.
9/14/11	Phone Call	Will these people go ahead of me in getting housing?	If THA signs a lease with a provider, it would be up to the provider to decide who is eligible for the waitlist and waitlist selection.
9/12/11	From	Comments/Questions on Regional Approach to Special Purpose dollars	THA Response
9/12/11	Public Hearing	I have to move from a 3 bedroom to a 2 bedroom because of occupancy standards	THA changed the occupancy standards last year and has given notice multiple times. You have the right to request a reasonable accommodation by contacting your caseworker.

Table 16: MTW Annual Plan Public Comments

APPENDIX II: LOCAL ASSET MANAGEMENT PROGRAM

A. Background and Introduction

The First Amendment to the Amended and Restated Moving to Work Agreement authorizes 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.

THA is in the process of changing the structure of property management operations in order to achieve greater efficiencies. The new structure is described in Section C below. Since 2007, 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. THA will continue to use the same cost approach as described in the 2011 LAMP. This cost approach eliminates all current allocations and books all indirect revenues and expenses to a Program Support Center 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 enabling 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 Real Estate Management and Housing Services (REMHS) 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.

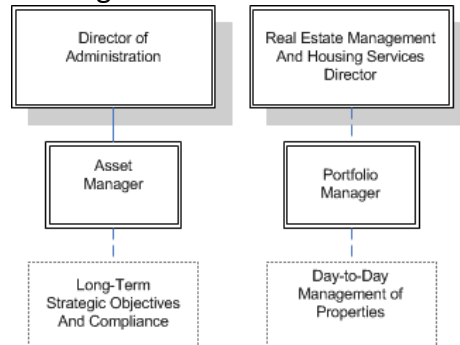


Table 17 Organizational Structure

Description of 2012 Plan

THA's 2011 LAMP described a distinction between the method in which it managed its "conventional" AMPs and the Salishan portfolio. THA decided to manage these areas differently in order to capitalize on the efficiencies of managing Salishan as a larger property. THA is reviewing the possibility of restructuring its entire portfolio in order to achieve the operational efficiencies described above. Rather than managing different types of properties in the same AMP, THA proposes to group its properties into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized rather than managing seven Salishan properties as separate entities. The intention is to do the same with the agency's 4 Hillside Terrace properties. A Portfolio Manager oversees all of THA's managed properties, including Public Housing, Local Fund, and Tax Credit Properties. The chart below shows this management structure.

Asset and Compliance Management

While the Property Management Division 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
- AMP Performance Review
- Strategic Planning
- Policy Development and Implementation
- AMP Procurement Regulation

Project-Level Reporting

THA instituted project-based budgeting and accounting practices in 2007. In 2008, THA Finance staff developed systems and reports to facilitate the onsite management of budgets, expenses, rent collection and receivables, and purchasing; in 2009 the Asset Management division developed reports and financial models to analyze all properties at the project level.

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. The agency desires to apply these efficiencies to the rest of its portfolio, wherever possible. In the new model, there are two separate teams of maintenance personnel, one that is centralized and one that is based at a specific grouping of properties.

Each property grouping there are at least two maintenance personnel. The main functions of these maintenance personnel are to complete work orders and take care of the grounds at the properties assigned.

The centralized team is the “Go-To Team” and focuses on unit turns and fills in other needs at the site as they arrive. This team is to report to a Maintenance Supervisor in charge of dispatching the team members to the appropriate site based on priority. The work of this team will be charged out to each property as a direct cost.

THA considers these maintenance practices in order to achieve a cost-effective balance of centralized, decentralized, and contracted maintenance. This hybrid approach shows THA’s flexibility in finding the most effective balance of duties based on the needs of a specific property.

Acquisition of Goods

THA has a decentralized purchasing model for the acquisition of goods. Sites staff use a simple purchasing system that enables them to be able to purchase goods directly from their pool of vendors while still enabling management staff to track spending habits.

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

In 2010, THA formed an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, and Real Estate Development. The committee meets monthly. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the AMPs, 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 adoption of a smoke-free policy and changes to THA's current rent policy and occupancy standards. 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 updated cost approach is to charge all direct costs related to day to day operations to the specific project 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. Community Service 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, the term project refers to any property or AMP that THA manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. 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 project 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 hold negotiations 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.

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 Public Housing and Local Fund Properties. 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.

at 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	Administrative Support Fee, Management Support Fee, Community Services Support Fee
	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	Administrative Support Fee, Management Support Fee,
	HAP Expenses	
	Audit Costs	
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs

Table 18 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
- Management Support Fee

Administrative Support Fee

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

- Executive Department
 - Purchasing
 - Asset Management (not including Compliance)
 - Human Resources Department
- Real Estate Management and Housing Services Director
 - Accounting and Financial Services
 - Real Estate Development Director
 - Information Technology

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 (Section 8, FUP, VASH, etc), except for TBRA, and the fee charged to Property Management will be charged to all managed housing units, regardless of occupancy status. The following chart shows how these fees are derived. Note that THA uses the rates as determined by HUD as the starting basis (Management Fee, Bookkeeping Fee, and Asset Management Fee) to compare the performance of the cost centers to the HUD model.

Administrative Support Fee Components		
Fee	Rental Assistance	Property Management
HUD-Prescribed Management Fee (20% of blended admin fee @ 100% funding for RA. HUD prescribed rate for PM)	\$13.50	\$45.07
Bookkeeping Fee	\$4.00	\$7.50
HUD-Prescribed Asset Management Fee	\$0.00	\$10.00
IT Fee (maintained by IT, but previously charged out as allocated direct charge)	\$1.22	\$4.88
Elderly Service Coordinator Fee		
Total Fee:	\$18.72	\$67.45

Table 19: Administrative Support Fee Components

For THA's tax credit properties, the agency receives management fees per the entity's operating agreement. 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.

The chart below shows the fees distributed across the three activity areas.

Administrative Support Fee Support Fee by Project / Program			
Activity Area (Program Type)	Units Supported	Per Unit Fee	Total Fee (Monthly)

CAH (MTW)			
Rental Assistance	3,693	\$18.72	\$69,133
Property Management	1,927	\$67.45	\$129,975
Tax Credit (MTW)			
Tax Credit Portion: Hillside Terrace (by agreement)	37	\$32.50	\$1,203
Tax Credit Portion: Salishan (by agreement)	540	\$45.00	\$24,300
AMP Portion (Hillside Terrace)	37	\$0.00	\$0
AMP Portion (Salishan)	290	\$12.45	\$3,610
Business Activities (Non-MTW)			
Rental Assistance	336	\$18.72	\$6,290
Property Management	158	\$67.45	\$10,657
Totals:			\$245,167

Table 20: Administrative Support Fee by Project / Program
Management Support Fee

The Management Support Fee will cover the costs of the services provided by the following centralized functions:

- Portfolio Manager
- Operations Coordinator
- Maintenance Supervisor
- Compliance Auditor
- Elderly Services Coordinator
- Portion of Civil Rights Compliance Officer and Reasonable Accommodation
- Leasing Staff and Expenses

The fee is determined by taking the total amount budgeted for the staff in each category and charging it out on a per-unit-month (PUM) basis. The chart below shows how the fee is distributed across the three activity areas:

Management Support Fee Summary - Monthly								
Activity Area	Portfolio Management	Maintenance Supervisor	Operations Coordinator	Elderly/Disabled Service Coordinator:	Compliance Auditor:	Civil Rights Coord & Reasonable Accommodations Coordination:	Leasing	Total Fee (Monthly)
CAH (MTW)	\$5,088	\$5,595	\$4,971	\$5,334	\$5,084	\$2,698	\$15,682	\$44,452
Tax Credit (MTW)	\$3,404	\$1,858	\$1,651	\$0	\$1,688	\$896	\$2,828	\$12,326
Business Activities (Non-MTW)	\$1,091	\$755	\$670	\$0	\$686	\$364	\$865	\$4,431
Totals (PUM):	\$9,583	\$8,208	\$7,292	\$5,334	\$7,458	\$3,958	\$19,375	\$61,209

Table 21: Management Support Fee Summary

Cost Centers

Property Management

Property Management uses of funds includes the Direct Costs and Program Support Fees for all of the properties managed by THA. The Property Management sources of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue.

Rental Assistance

Rental Assistance uses of funds includes 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), TBRA, SRO/SCO, 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.

Rental Assistance Unit Equivalencies		
CAH (MTW)	Units Supported	Percentage
Section 8	3543	87.72%
TPV Vouchers	150	3.71%
Non-MTW	Units Supported	Percentage
TBRA	10	0.25%
SRO	81	2.01%
FUP	50	1.24%
VASH	105	2.60%
NHT	100	2.48%

Table 22: Rental Assistance Unit Equivalencies

Community Services

The Community Service department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. THA has received a number of grants that provide funding for a variety of services to its clients. Unfortunately, most 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 the overhead costs not reimbursed by the grants will.

THA's Community Service 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 pro-active way to move towards self-sufficiency.

THA's Community Service department will either hire caseworkers or collaborate with other agencies to assist families at different levels. Community Services works with families who are facing hardship and cannot meet minimum rent requirements; prepares them to succeed as tenants; and assists tenants in obtaining skills that allow them to become self-sufficient. This is an area THA prides itself in and believes it is a good way to utilize Moving to Work savings.

In the agency's approach to Community Services 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 Community Service 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 Community Services staff assisting the agency's Property Management portfolio and MTW Voucher holders, along with the administrative costs associated with it, are charged to a Community Services fund supported by the agency's MTW flexibility.

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 Real Estate Management area must negotiate for the level of service it desires, and the cost is known up front.

Development

THA defines development activities to include modernization of the current portfolio, investigation and design of new affordable and market-rate development opportunities, and administration of the Capital Fund Grant. THA also acts as its own developer in building of affordable housing, and plans on expanding this role in the near future. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded by the Capital Fund to one of the two MTW activity areas. Any time that THA earns a developer fee as a developer, or performs tasks as either a Public Development Entity (PDE) or a Community Development Authority (CDA), 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 10% 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. No sources or uses are projected for new development activities in this year's plan, but 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. All areas not considered administrative support pay rent for the space used in the main office. The amount of rent charged to each area is determined by the number of square feet occupied in the main office. The per square foot charged to each area is determined by adding up all of the costs to operate the main office and dividing by the total occupied square feet. For FY2011, each area will be charged \$20.87 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent Paid by Program for Main Office Space (\$20.87 / Sq Ft)					
Area	Sq. Ft at Main Office	CAH Activity (MTW)	Tax Credit Activity (MTW)	Business Activity (Non-MTW)	TOTALS
Rental Assistance	4,307	\$82,157	\$0	\$7,730	\$89,887
Real Estate Development	2,300	\$22,800	\$0	\$25,201	\$48,001
Total	6,607	\$104,957	\$0	\$32,931	\$137,888

Table 23: Annual Rent Paid by Program for Main Office Space

All rental revenue and the expense to operate the main office reside in the Business Activity (Non-MTW) Program Support Center (PSC). The chart on the next page gives the cost details used to determine rent amounts for FY2012.

Rent Fund 005 Program Support Center	
Income	FY2012 Budget
Rental Income	\$137,888
Total Income	\$137,888
Expenses	
Depreciation	\$130,800
Maintenance Salaries	\$45,000
Maintenance Benefits	\$13,500
Maintenance Contracts	\$47,500
Maintenance Materials	\$10,000
Utilities	\$33,100
Security	\$18,000
Property Insurance	\$2,950
Total Expenses	\$300,850
Net Income (Loss)	(\$162,962)
Unit Equivalents for Units from Chart 3	2,684
Rent Charge per unit	\$5.06

Table 24: Rental Income and Building Expenses

Since the expenses relate to both the administrative staff that reside within the main office building and the areas identified above that pay rent to the PSC, there will always be a loss in the Business Activities PSC. This loss will be covered by charging it out against the Program Support Centers based on unit allocation. Based on the figures in the Rental Income and Building Expenses chart above, the charge will be figured as follows:

Allocation of Rental Income Deficit	
Total Units (All Rental Assistance and Property Management Programs):	2,684
Total Loss:	\$162,962
Rent Charged per Unit Month(Loss/Units):	\$5.06

Table 25 Allocation of Rental Income Deficit

F. 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 decided not to use the standard Fee for Service as prescribed by HUD. THA's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. In addition, the fee structure deviation will allow THA to recognize its deficit areas and devise new methods for covering the overhead. Under this new structure, the Program Support Center will earn fees from the programs and properties for a blended Administrative Support Fee, and a Management Support Fee. The intention of expanding these fees is to allow the managers of our AMP's, Rental Assistance, and other direct program areas to determine how these areas are doing by looking at the direct costs under their control and easily identify the fees that are inserted into their area for administration or indirect costs. It also allows the agency to determine the profitability of the different support areas and see what changes may be needed in the administration of each of those areas.
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 to an AMP for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the AMP is paying a fee on a unit that is not receiving any revenue; and 2) doing so will allow both the AMPs and 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.

G. Charts

Unit Equivalencies

All Property Management Units				
CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
AMP1	160	1	160	14.30%
AMP2	152	1	152	13.59%
AMP3	144	1	144	12.87%
AMP4	104	1	104	9.30%
AMP6	34	1	34	3.04%
				53.10%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	602	0.66	397.32	35.52%
				35.52%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
9 Homes	9	1	9	0.80%
North Shirley	1	1	1	0.09%
Stewart Court	58	1	58	5.18%
Wedgewood	0	1	0	0.00%
Salishan 7	90	0.66	59.4	5.31%
				11.39%
	1,354		1,119	100.00%

All REMHS Units (w/o Counting S8 Tax Credit Units Twice) - Leasing				
CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3693	0.33	1219	54.42%
AMP1	160	1	160	7.14%
AMP2	152	1	152	6.79%
AMP3	144	1	144	6.43%
AMP4	104	1	104	4.64%
AMP6	34	1	34	1.52%
				80.94%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties (PH)		1	327	14.60%
				14.60%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
9 Homes	9	1	9	0.40%
North Shirley	1	1	1	0.04%
Wedgewood	50	0	0	0.00%
Stewart Court	90	0	0	0.00%
Salishan 7	90	1	90	4.02%
				4.46%
			2,240	100.00%

All REMHS Units - (Operations Coordinator/Compliance/Reasonable Accommodations)				
CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3693	0.33	1219	45.83%
AMP1	160	1	160	6.02%
AMP2	152	1	152	5.71%
AMP3	144	1	144	5.41%
AMP4	104	1	104	3.91%
AMP6	34	1	34	1.28%
				68.16%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	602	1	602	22.63%
				22.63%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
TBRA	10	0.25	3	0.11%
SRO	81	0.25	20	0.75%
FUP	50	0.25	13	0.49%
NHT	100	0.25	25	0.94%
VASH	105	0.25	26	0.98%
9 Homes	9	1	9	0.34%
North Shirley	1	1	1	0.04%
Stewart Court	58	1	58	2.18%
Wedgewood	0	1	0	0.00%
Salishan 7	90	1	90	3.38%
				9.21%
	5,393		2,660	100.00%

Table 26: Unit Equivalency Charts

Program Support Center Allocation Detail

Program Support Center Unit Equivalencies					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SC0002			10	10
	Mod Rehab SR0002			41	41
	Section 8 Vouchers		3,543		3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12		150		150
	HUD FSS Grant		N/A		0
	TBRA			10	10
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			105	105
Property Management: Local Fund Units	N Shirley			1	1
	Alaska 9 Homes			9	9
	Local Fund - Stewart Court			58	58
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7			90	90
Property Management: Public Housing AMPs	AMP 1 - K.G & M		160		160
	AMP 2 - 6th Wright, Fawcett		152		152
	AMP 3, Dixon, BT, Lawrence		144		144
	AMP 4, Old HT		104		104
	AMP 6 - Scattered Sites		34		34
Property Management: Tax Credit Partnerships	Hillside Terrace			21	21
	Hillside Terrace 2			25	25
	Hillside Terrace 1500 Blk			16	16
	Salishan 1			90	90
	Salishan 2			90	90
	Salishan 3			90	90
	Salishan 4			90	90
	Salishan 5			90	90
	Salishan 6			90	90
Total Units			4,287	602	504
					5,393
Development	THA MTW Support including CFP		183		183
	THA as Developer			356	356
	Unit Equivalents		183	0	356
	Total Units/Unit Equivalents - 10% of Units		4,470	602	860
Program Support Center Equivalencies (% of All Units)			75.35%	10.15%	14.50%
					100%
* Note that Wedgewood is managed by a third party, therefore the units are not factored into any of the accounting in THA's cost approach.					

Table 27: Program Support Center Allocation Detail

APPENDIX III: CAPITAL FUND DOCUMENTS

APPENDIX IV: REPLACEMENT HOUSING FACTOR PLAN (RHF PLAN)

First Increment Funding

THA has received first increment RHF funds as a result of the disposition of 512 public housing units at the Salishan site and 38 PH units at Hillside Terrace 2300 Block. THA began receiving the first increment of RHF funds in 2004. THA is utilizing a portion of these funds to repay a Capital Funding Financing Plan Bond that was used to assist with the financing of the rebuilding of the Salishan neighborhood. THA plans to utilize the remaining RHF funds pursuant to Option 3 of THA's MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years, and be eligible for the second increment of RHF funds.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005501-10	\$1,337,436	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan(57 units) Year 1 out of 5
WA19R005501-11	\$734,132	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan(57 units) Year 2 out of 5
WA19R005501-12	(Estimated) \$659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan(57 units) Year 3 out of 5
WA19R005501-13	(Estimated) \$119,643-	Salishan(57 units) Year 4 out of 5
WA19R005501-14	(Estimated) \$119,643	Salishan(57 units) Year 5 out of 5
1st Increment before deductions	\$2,969,940	
Minus CFFP Bond Payment	\$1,082,341	
Final Total 1st Increment	\$1,887,599	

This funding will be used to fill gaps in financing as needed to develop affordable housing units at the in Tacoma, Washington. THA will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed.

It is THA's understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for these funds will be October 2016 and the disbursement date will be October 2018.

Second Increment Funding

THA has received second increment Replacement Housing Factor (RHF) funds as a result of the disposition of 38 public housing units at Hillside Terrace 2300 Block and 512 public housing units at Salishan. THA plans to utilize these RHF funds pursuant to Option 3 of THA's MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005502-10	\$99,262.84	Hillside Terrace (14 units) Year 2 out of 5 Hillside Terrace (24 units)Year 1 out of 5
WA19R005502-11	\$551,768	Hillside Terrace (14 units) Year 3 out of 5 Hillside Terrace (24 units)Year 2 out of 5 Salishan (198 units) Year 1 out of 5
WA19R005502-12	\$495,364	Hillside Terrace (14 units) Year 4 out of 5 Hillside Terrace (24 units)Year 3 out of 5 Salishan (198 units) Year 2 out of 5
WA19R005502-13	(Estimate) \$1,034,807	Hillside Terrace (14 units) Year 5 out of 5 Hillside Terrace (24 units)Year 4 out of 5 Salishan (198 units) Year 3 out of 5 Salishan (29 units) Year 1 out of 5 Salishan (191 units) Year 1 out of 5 Salishan (37 units) Year 1 out of 5
WA19R005502-14	(Estimate) \$1,005,421	Hillside Terrace (24 units)Year 5 out of 5 Salishan (198 units) Year 4 out of 5 Salishan (29 units) year 2 out of 5 Salishan (191 units) Year 2 out of 5 Salishan (37 units) Year 2 out of 5
WA19R005502-15	(Estimate) \$1,074,688	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan (57 units) Year 1 out of 5
WA19R005502-16	(Estimate) \$659,086	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan (57 units) Year 2 out of 5

Grant Number	Amount	Project-Increment
WA19R005502-17	(Estimate) \$659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan (57 units) year 3 out of 5
WA19R005502-18	(Estimate) \$119,643	Salishan (57 units) Year 4 out of 5
WA19R005502-19	(Estimate) \$119,643	Salishan (57 units) Year 5 out of 5
2nd Increment before deductions	\$5,818,762.00	
Minus CFFP Bond Payment	\$2,015,062	
Final Total 2nd Increment	\$3,803,700.	

THA will ensure that the requisite number of affordable housing units required under the “Proportionality test” will be developed.

It is THA’s understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for grant numbers WA19R005502-10 through WA19R005502-14 is October 2016. The disbursement end date will be October 2018. The obligation end date for grant numbers WA19R005502-15 through WA19R005502-19 is October 2021. The disbursement end date will be October 2023. THA will develop new units in accordance with the requirements found in THA’s MTW Agreement and will meet the newly established obligation and disbursement deadlines

THA confirms its RHF Amendment was submitted to HUD on March 1st 2012. THA is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting. THA understands that it must obtain a firm commitment of substantial additional funds other than public housing funds to meet the leverage requirement. When the leveraged funds are secured, THA will submit written documentation confirming the funding.