

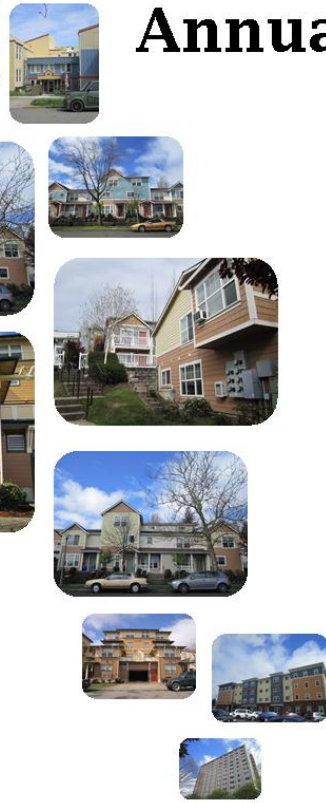
Submitted 04/30/13



2013 Moving to Work Annual Report



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Table of Contents

(I) Introduction 3

(II) General THA Operating Information 12

(II.A) Housing Stock Information..... 12

(II.B) Leasing Information..... 13

(II.C) Wait List Information..... 18

(III) Proposed MTW Activities: HUD Approval Requested 19

(IV) Approved MTW Activities: HUD Approval Previously Granted..... 19

(V) Sources and Uses of Funds..... 40

(VI) Administrative 42

Additional Appendix Items..... 44

Appendix A: Units Offline Because of Meth Contamination: 45

Appendix B: Local Asset Management Plan 47

Appendix C: McCarver Program Year Two Evaluation:- Sent in separate email. 64

(I) Introduction

This report covers January 1, 2013 through December 31, 2013.

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.

These goals fit THA's own strategic mission: to house 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."

Long-Term MTW Plan

THA has established four long-term goals for its MTW program that reflect both the MTW statutory objectives 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 a more efficient property manager and manager of programs. THA began its MTW career, for example, focused on reducing unnecessary annual certifications for senior or disabled households, and de-linking annual inspections from annual recertifications so our inspectors can more efficiently cover the

geographic spread of units. The fungibility of funds also gives THA more flexibility that has helped assign resources in a more efficient alignment to need. We have also simplified the rent subsidy to a fixed amount. We did this for several reasons. One of them is the greater ease of administration. We are eager to save still more in administration, especially as the federal funding for public housing and the voucher program diminishes.

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, wage earners, and builders of assets." 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 and for their time with us to be temporary. We seek this certainly for the parents but emphatically for their children. Supportive services make this transformation more likely. In this way, THA regards itself as more than a landlord and more than an administrator of rental assistance programs.

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

- Regulatory reform for rent and definition of income

THA's previous MTW plans included rent reforms. These changes included five-year time limits for work-able recipients of rental assistance and fixed subsidies to give households a greater incentive to increase their earned income. As its evaluation progresses, THA expects to refine and extend these efforts. **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 if appropriate buy a house. THA intends to explore how MTW status can get this done in a better and 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 and systems, such as the school district, the child welfare system, and provides of clinical services for special needs populations. 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 the Education 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 four main reasons. **First**, educational success is an important part of the transformation to self-sufficiency that we seek to promote. **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. A family afflicted in these ways is likely to be making some progress 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 the schools that serve them to elicit adequate confidence from parents of school age children. Low-income parents do not have a choice but to enroll their children. Higher income parents may have a choice. The schools need to appeal to all parents. For this reason, THA has a direct stake in the success of those schools. **Fourth**, it is clear that the school district needs help. Children who grow up in deep poverty bring challenges to the classroom that the best trained teacher in the fanciest classroom cannot address alone. THA seeks to do its part. Specifically, it seeks to address those aspects of child poverty with ruinous effects on school outcomes. Near the top of that list is housing instability and homelessness.

THA's Education Project started with a surmise that THA can influence school outcomes. This surmise arises from three facts that are probably common to all public housing authorities, especially the urban ones. **First**, except for the school district and the public assistance agency, THA serves more poor children than anyone in the city. It houses or helps to house 1 out of 7 public school students, and nearly 1 out of every 4 low-income public school student. **Second**, in serving them THA is already deep into the lives of their families. It is their landlord. It manages their heavily regulated rental assistance programs. It provides them with supportive services. This involvement gives THA influence over their choices and prospects. **Third**, THA as a MTW PHA can direct its housing dollars in ways that can match the needs of its school district and can leverage reform. **Fourth**, THA owns and manages large residential properties with ample community space. These can serve as the staging grounds for the efforts of others.

THA's Education Project has already received notable national attention from HUD, PHAs, school districts and foundations. The evaluation of these efforts will have an interesting pertinence throughout the nation.

The Education Project has many elements to it. Some do not require MTW status. Most do. Our initial MTW plan launched them. Here are three examples:

Linking Housing Assistance with School Programs: THA's plan would provide housing assistance to homeless families of children enrolled in elementary schools. It has already begun doing this with its McCarver Elementary School Housing Program. See below. In a similar program design, THA is planning to provide rental assistance to homeless students enrolled in Tacoma Community College. These programs condition the assistance on the student's continued enrollment in school.

Matched Savings Accounts (Individual Development Accounts) Linked to Education: THA is planning two uses of Individual Development Accounts (IDA) focused on education. Research from the Corporation for Enterprise Development (CFED) reports that it does not take much of a balance in such an account to get the child and his or her family thinking more positively about the future. According to CFED, children with IDA accounts are much more likely to go to college. THA seeks to take advantage of this experience, in two ways. **First**, its Scholars Incentive Program will enroll 6th graders who live in THA's HOPE VI community of New Salishan and who attend the nearby First Creek Middle School. THA's Scholars Incentive Program will devise an individualized plan that takes each such 6th grader through high school graduation and enrollment in a post-secondary program. It will set milestones along the way. Upon the student meeting each milestone, the program will make two payments. One will be a small cash payment to the student. The other will be a deposit in an IDA account in the student's name. The balance in the IDA account will grow as the student hits each milestone. He or she will have access to the balance when and if he or she completes the journey and only for post-secondary educational purposes. The Bill & Melinda Gates Foundation is helping to fund this effort. **Second**, in a collaboration with THA will provide IDAs for children who enroll in kindergarten at Lister Elementary School in New Salishan. This program will match the family's deposit into those accounts up to \$500 per year from kindergarten to 5th grade.. Together these two programs, once fully in place, will take a child from kindergarten to post-secondary school enrollment. A student and a family who participates fully will allow a student to accumulate \$10,000 by high school graduation. This will supplement THA's success in enrolling 100% of its 8th graders in the State of Washington's College Bound Scholarship Program. That program is a promise that the state makes to every low-income child: that if they graduate from high school; have at least a 2.0 grade point average, stay out of serious trouble, and get admitted to an approved post-secondary program, the state will make sure that tuition is affordable, with grants, not loans. This is very valuable. Yet, there is a catch to it. The student and his or her parent or guardian must sign up for the program by the end of his or her 8th grade year. When THA started its enrollment project, nearly half the children in the state were missing this deadline. THA resolved to sign up 100% of its 8th graders every year. THA has been doing this every year since 2010-2011 school year. Yet the state program does not cover non-tuition expenses like housing, food or transportation. These costs often preclude attendance. THA's IDA programs will make these expenses affordable.

McCarver Elementary School Initiative: THA spent more than a year planning this innovative effort to reform an underperforming public elementary school. McCarver's student population is among the poorest in the Puget Sound region. It has the most homeless students of any elementary school in the region. In part because of these problems, more than 100% of its student population turns over during each school year. In some years the turnover rate approaches 200%. This instability arises from deep poverty, homelessness and the accompanying family challenges. This turnover has a ruinous effect on school outcomes of the children who come and go and for their classmates who must sit there and watch it happen. It has also led to a very high teacher turnover. THA's McCarver Elementary School Initiative has four elements: (i) THA is using rental assistance to help stabilize the school. It is providing rental assistance to 50 McCarver families who are homeless or at risk of homelessness and who have a child enrolled in kindergarten, first or second grade. Their children comprise about a fifth of the school population. This assistance lasts as long as their children are enrolled in McCarver, for a maximum of five years. (ii) Participating families agree to some important commitments. They commit to keep their children at McCarver. They commit to the various ways that parents can support their children's school success (get their children to school on time every day, attend

parent-teacher-student conferences, attend PTA meetings, read to their children, make homework time and homework space available every evening). Parents commit to invest in their own educational and employment prospects. A robust range of services from thirty non-profit partners are available to help them do all this. (iii) The school district also committed to important investments. The school district has embraced this initiative fully. In particular, it has committed the investment to turn McCarver into an International Baccalaureate Primary Program. This will greatly raise academic standards for both teachers and students. (iv) The fourth element is a detailed third party evaluation to track a variety of metrics. Two years of third party evaluation are promising. (See attached evaluation report). The schools transience rate is down to 75%. Reading scores of the cohort children have increased 22%, higher than other cohorts. Cohort families have doubled their earned income, although they are not yet ready for their increasing share of the rent. We are one year away from having three years of data. At that time, THA and the school district will decide whether to expand the model to the next three elementary schools in Tacoma with ruinous transience rates. Funds from the Bill & Melinda Gates Foundation and local government support this initiative.

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

To increase housing opportunities for low-income households in Tacoma, THA is trying the following activities:

- Serve More Households

THA uses its MTW flexibility and efficiencies to allow it to serve more households. Several examples of how this works bear mention. **First**, THA's changes in how we calculate the rent subsidy in our rental assistance program means individual subsidies for some families are smaller than they would otherwise be. This savings allows THA to serve more families. Similarly, savings in administrative costs will have the same effect. MTW fungibility also allows THA to redirect savings in HAP expenditures to sustain public housing operations. **Second**, THA's five year limit on the duration of rental assistance for work-able persons will give more people a turn sooner to receive assistance when they otherwise would wait longer on our waiting lists. **These strategies should be available to other PHAs.**

- Serve Households Otherwise Shut Out of THA Programs

THA is using its MTW authority to learn from rapid re-housing data from HUD and the Bill & Melinda Gates Foundation. This data shows new strategies to stabilize homeless families with children. Homeless families presently find THA's HUD funded programs inaccessible. If they come to THA's door they would find a long waiting list that is often not even taking new applicants. Even if they could apply, the wait would be years. Even if THA gave them a voucher on the spot, they would still be a month away from housing while they found a landlord, had the unit inspected, and moved in. Homeless youth have these challenges as well, plus the added one that comes from being young. In response, THA has signed contracts with its county government to redirect up to 3% (\$1 million) of its MTW dollars to the county's rapid-rehousing program serving homeless families and youth. For example, redirecting \$1 million will mean THA will serve about 130 fewer households on its regular rental assistance program. But it will allow the rapid-rehousing program to stabilize 300 – 350 homeless families with children, or about 30% of the homeless families in the city who seek assistance.

- 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, to preserve existing affordable housing, and to 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), Hillside Gardens (same), Guadalupe Vista (Catholic Community Services), Harbor View Manor (ABHOW), New Look Apartments (MLK Housing Development Association) and New Nativity House presently under construction (Catholic Community Services). 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. In all these ways, 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 sideshow. 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 and growing 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. For example, using MTW flexibility, THA is participating with Washington State’s child welfare agency to provide rental assistance to teenagers aging out of foster care and who would otherwise face homelessness. **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 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 and/or Mentally Ill Adults: People afflicted with drug or alcohol dependency present a housing challenge that also requires flexibility that MTW may provide. For example, THA is using its MTW authority to place project based vouchers into New Nativity House that Catholic Community Services is building in Tacoma to house and serve this population.

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 choose 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 to 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 changes in the following:

- Earned income among various work-able 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 PHA. 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.

Short-Term MTW Plan

THA did not include a short term plan in its 2013 MTW Plan as it was not required at the time. THA did work towards several short term goals in plan year 2013.

- Implementing the Housing Opportunity Program- THA successfully implemented the program and continues to work with the MTW office on refining the program.
- Implementing changes to the FSS program- THA used 2013 implement the redesigned FSS program. The program is running more efficiently and clients have been more engaged.
- Refining MTW Activities: THA realizes that all MTW activities need to be continually monitored and refined. In 2013, THA made some adjustments to its rent reform program after receiving MTW office approval.

- Business Process Improvement- THA is working on a Business Process Improvement project that will allow the agency to recognize greater efficiency in its operations. The project is using a combination of workflows, automation, standard operating procedures and Six Sigma Lean techniques to help THA work towards a streamlined agency.

Overall, THA has a collection of activities that meet the MTW program goals of spending federal dollars more efficiently, helping residents find employment and become self-sufficient, and increasing housing choices for low-income families.

(II) General THA Operating Information

(II.A) Housing Stock Information

New Housing Choice Vouchers that were Project-Based During the Fiscal Year			
Property Name	Anticipated Number of New Vouchers to be Project-Based	Actual Number of New Vouchers that were Project-Based	Description of Project
N/A	0	0	N/A
N/A	0	0	N/A
N/A	0	0	N/A
N/A	0	0	N/A
Anticipated Total Number of New Vouchers to be Project-Based		Actual Total Number of New Vouchers that were Project-Based	
0		0	
Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year*		Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	
648		648	
Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year		Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	
648		590	
Other Changes to the Housing Stock that Occurred During the Fiscal Year			
In 2013, THA sold 59 units at Stewart Court. Those units were reported as non-MTW in prior reports.			
THA had 48 units offline in 2013 because of meth contamination. A full list of these units are available in Appendix A.			
Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.			
General Description of Actual Capital Fund Expenditures During the Plan Year			
In 2013, THA expended \$230,040 in Capital Funds on renovation activities on THA's scattered site properties. Work included roof repair and replacement, siding and window repair and replacement, exterior paint and miscellaneous upgrades.			
Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End			
Housing Program*	Total Units	Overview of the Program	
Market Rate	1	North Shirley Homes	
Market Rate	9	Alaska Homes	
Tax Credit	16	Hillside Terrace-Family Property	
Tax Credit	3	Salishan-Family Property	
Non-MTW HUD Funded	50	Wedgewood	
Total Other Housing Owned and/or Managed	29		
*Select Housing Program from: Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.			

(II.B) Leasing Information

Actual Number of Households Served at the End of the Fiscal Year		
Housing Program:	Number of Households Served*	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs**	0	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs**	59	47
Port-In Vouchers (Not Absorbed)	50	49
Total Projected and Actual Households Served	109	96
* Calculated by dividing the planned/actual number of unit months occupied/leased by 12.		
** In instances when a Local, Non-Traditional program provides a certain subsidy level does not specify a number of Units/Households Served, the PHA should estimate the number of Households served.		
Housing Program:	Unit Months Occupied/Leased****	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs***	0	0
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs***	708	564
Port-In Vouchers (Not Absorbed)	600	588
Total Projected and Actual Unit Months Occupied/Leased	1308	1152
THA signed its contract with the county late in the year than anticipated. That led to program implementation being delayed.		
*** In instances when a Local, Non-Traditional program provides a certain subsidy level does not specify a number of Units/Households Served, the PHA should estimate the number of Households served.		
**** Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to the unit category during the year.		

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income

HUD will verify compliance with the statutory objective of “assuring that 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency’s fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	0	0	47	0	0	0	0	0
Number of Local, Non-Traditional MTW Households with Incomes 50% of Are Median Income	0	0	47	0	0	0	0	0
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	0	0	100%	0	0	0	0	0

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the PHA will provide information in the following formats:

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes*	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	385	1466	0	1851	42.58%
2 Person	179	681	0	860	19.77%
3 Person	141	538	0	679	15.62%
4 Person	96	364	0	460	10.58%
5 Person	60	227	0	287	6.60%
6+ Person	43	167	0	210	4.85%
Totals	904	3443	0	4347	100%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized	N/A
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Mix of Family Sizes Served							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained**	42.58%	19.77%	15.62%	10.58%	6.60%	4.85%	100%
Number of Households Served by Family Size this Fiscal Year***	1846	871	704	451	332	239	4443
Percentages of Households Served by Household Size this Fiscal Year****	41.54%	19.61%	15.84%	10.16%	7.47%	5.37%	100%
Percentage Change	-1.0%	-0.1%	0.3%	-0.4%	0.9%	-0.5%	0

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages	N/A
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* “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the PHA. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the PHA includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

** The numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

*** The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when PHA entered MTW” and “Utilized number of Section 8 Vouchers by family size when PHA entered MTW” in the table immediately above.

**** The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decision that may alter the number of families served.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End		
Housing Program	Description of Leasing Issues and Solutions	
Public Housing	THA has had issues with meth contamination in its public housing in 2013. Because of that issue, THA had a lower average occupancy rate in 2013. THA is working with the health department and the field office on lowering the number of instances and decreasing the time the units are off the market. List of units contaminated are in Appendix A.	
N/A	N/A	
N/A	N/A	
Number of Households Transitioned to Self-Sufficiency by Fiscal Year End		
Activity Name/#	Number of Households Transitioned*	Agency Definition of Self-Sufficiency
Local Activity for Work-Able Households/6 and 19	10	Number of FSS graduates
Housing Opportunity Program/17	0	Number of households who reach 80% of AMI or higher
Regional Approach to Special Purpose Housing/15	11	Number of households who leave the program and do not need rental assistance.
McCarver Program/2	2	Number of households who leave the program and do not need rental assistance.
Households Duplicated Across Activities/Definitions	10	
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF-SUFFICIENCY	24	
*The number provided here should match the outcome reported where metric SS #8 is used.		

(II.C) Wait List Information

Wait List Information at Fiscal Year End				
Housing Program(s)*	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open, Or Closed***	Was the Wait List Opened During the Fiscal Year
Housing Opportunity Program (Housing Choice Voucher)	Community Wide	1000	Closed	No
Rapid Re-Housing	Central Intake	850	Open	Open
Youth Housing	Central Intake	850	Open	Open
Low Income Housing (total)	Site Based	4337	Open	Open
* <i>Select Housing Program:</i> Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.				
** <i>Select Wait List Types:</i> Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).				
*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.				

Housing Opportunity Program- Serves multiple population including families and senior disabled.
Public Housing- Serves multiple populations including families and senior disabled.

If Local, Non-Traditional Program, please describe:

Rapid Rehousing- Local Non-Traditional Program being operated in conjunction with county. This program serves homeless or near homeless households in Tacoma and Pierce County.
Youth Housing- Local Non-Traditional Program being operated in conjunction with county. This program serves homeless unaccompanied youth in Tacoma and Pierce County.
N/A

If Other Wait List Type, please describe:

N/A
N/A
N/A

If there are changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

N/A

(III) Proposed MTW Activities: HUD Approval Requested

All proposed activities that are granted approval by HUD are reported on in Section IV as 'Approved Activities'.

(IV) Approved MTW Activities: HUD Approval Previously Granted

A. Implemented Activities:

1. EXTEND ALLOWABLE TENANT ABSENCE FROM UNIT FOR ACTIVE DUTY SOLDIERS

Impact of Activity: THA received authorization to allow soldiers to be absent longer than 180 days from their house when they are deployed away from home. The normal HUD rules would have THA terminate a soldier's assistance when he or she is away serving the nation for a prolonged deployment. This does not happen too often but contemplating such a termination is disturbing. Tacoma is also home to one of the nation's largest military bases so we want to be ready if this issue arises again. This activity is meant to allow soldiers who are deployed the opportunity to leave without worrying about their housing situation when they are gone. The activity did not get used in 2013.

HC #1: Additional units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	0	0	Achieved

HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box.	0	0	0	Achieved

Discussion of Benchmarks: This activity is meant to allow soldiers who are deployed the opportunity to leave without worrying about their housing situation while they are gone.

Revisions to Benchmarks or Metrics: THA is using HUD standard metrics.

Changes to Data Collection Methodology: THA is tracking this activity through the use of a scorecard. Emails are sent to staff to gather information on any households who may have utilized this activity.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

2. MCCARVER ELEMENTARY SCHOOL PROJECT: HOUSING AND EDUCATION

Impact of Activity: The McCarver Special Housing Program began accepting families in the fall of 2011. Currently, we are supporting 42 formerly homeless families (76 students at McCarver). We have decided not to add any additional families to this cohort even if a family leaves before the end of the Program. In January 2014 we received the annual evaluation report from our external evaluator, GEO Education and Research. Data from the 2012-2013 school year was included. GEO will submit their next report in October 2014. All data in this report are as of Dec. 31, 2013 unless otherwise noted.

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$0	\$17,061	\$16,080	Benchmark not achieved but significant progress made

SS #3: increase in Positive Outcomes in Employment Status				
Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed full-time	0	17	13	Benchmark not achieved but significant progress made
1) Employed full-time as a %	0%	40%	31%	Benchmark not achieved but significant progress made
2) Employed part-time	0	17	13	Benchmark not achieved but significant progress made
2) Employed part-time as a %	0	40%	31%	Benchmark not achieved but significant progress made
3) Enrolled in an Educational Program	0	11	17	Exceeded
3) Enrolled in an Educational Program as a %	0	25%	40%	Exceeded
4) Enrolled in job training program	0	25	27	Exceeded
4) Enrolled in job training program as a %	0%	60%	64%	Exceeded
5) Unemployed	42	8	16	Did not meet
5) Unemployed as a %	100%	20%	38%	Did not meet

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	42	42	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase) For the purpose of the McCarver Program, self-sufficiency is defined as the family being able to pay 100% of their rent without public subsidy	0	0	2	Exceeded

Hardships: No hardships were requested in 2013. The McCarver program case managers track the hardships and report to the policy analyst.

Changes to Data Collection Methodology: THA is working with Tacoma Public Schools (TPS) on data collection. THA will continue to work with the school system on tracking metrics. THA has included an external report.

Discussion of Benchmarks: THA has worked with TPS to develop benchmarks and will continue to meet and update as needed. THA has switched to the HUD standard metrics.

Revisions to Benchmarks or Metrics: THA is using the HUD standard metrics.

Changes to Data Collection Methodology: THA continues to partner with TPS to find the best ways to collect data. THA and TPS will use state tests as well as a new teacher evaluation system that TPS is developing.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: Standard MTW agreement Attachment C Section D.1.e and D.7

3. LOCAL PROJECT- BASED VOUCHER PROGRAM (HCV)

Impact of Activity: This activity has been completely implemented. THA did complete an RFP to issue new vouchers in 2013 but they will not go into effect until 2014. THA waived the option that allows PBV holders to automatically receive a tenant based voucher after one year in 2011. THA grandfathered in anyone who had a PBV before October 1, 2011. THA began inspecting its own PBV units in early 2012 and noticed a small savings in the amount of money it cost the agency to inspect those units.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease)by inspecting its own units	\$12,180	\$8526	\$8,063.	Met goal

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased) by Project basing vouchers with partner agencies.	0	\$0 in 2013 \$5,000 in 2014	\$0	PBV's were awarded but not activated in 2013.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	0 in 2013	0	Yes

Discussion of Benchmarks: THA has made changes to match with HUD's proposed MTW standard metrics.

Revisions to Benchmarks or Metrics: THA has made changes to the metrics to match closer to HUD's proposed standard metrics. THA did not use hours saved as a metric because the time it takes to do an inspection did not increase. Doing it in house saved dollars so THA chose to use that metric.

Changes to Data Collection Methodology: THA is using a scorecard to track this information. Methodology is tracked in the scorecard and is linked to any reports or information needed to support the final numbers. In the future, partner reports on dollars leveraged will be linked and stored with the scorecard.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: Standard MTW agreement Attachment C Section D.1.e and D.7

4. ALLOW TRANSFERS BETWEEN PUBLIC HOUSING AND VOUCHER PROGRAMS

Impact of Activity: THA fully implemented this activity in 2012. THA used this activity to issue 11 vouchers in 2013. THA did not meet its goal of transferring 25 or more households in 2013. The agency is using a new database to help the transfer policy be more effective in 2014. THA expects to meet the benchmark of 25 households moving to a more suitable unit by the end of 2014.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	25	11	Did not meet

Discussion of Benchmarks: THA believes it will meet its benchmark in 2014 after implementing a new transfer process database and process improvement project.

Revisions to Benchmarks or Metrics: THA is using the HUD standard metrics.

Changes to Data Collection Methodology: THA is using a transfer database moving forward to track the number of transfers that were completed in a year.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C Section D.1.e and D.7

5. LOCAL POLICIES FOR FIXED INCOME HOUSEHOLDS

Impact of Activity:

THA realized its first full year of administrative savings because of the triennial review cycle in 2013. The time avoidance was put to use by public housing staff spending more time on client needs. Section 8 THA created a new position to investigate fraud and program integrity.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task (annual reviews) in dollars (decrease).	\$21,438	\$14,291	\$8,100	Exceeded

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task (annual reviews) in staff hours (decrease).	1051	701	386	Exceeded

Hardships: Hardship numbers in 2013.

- Hardships Requested: 4
- Hardships Granted: 4
- Open Hardships: 0
- Closed Hardship: 4

THA did not see many hardships in the fixed income group in 2013. The minimum rent in this group is \$25 and is not scheduled to increase as of now.

Discussion of Benchmarks: THA exceeded its benchmarks in 2013. 526 reviews were completed for senior/disabled households in the plan year. That was a dramatic decrease.

Revisions to Benchmarks or Metrics: THA used the 2013 plan to change the metrics to match the proposed HUD standard metrics.

Changes to Data Collection Methodology: THA is using a scorecard to track and store the final numbers for this activity. Internal reports and communications will be stored within the scorecard or have the location of the report or numbers within the scorecard. THA has worked through the numbers to show the baseline number of hours and dollars spent. The current hours spent is using an updated post MTW implementation staff time survey that reflects the reduced number of minutes it takes to complete an elderly disabled review.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section C(4) and D.1.4

6. LOCAL POLICY FOR WORK-ABLE HOUSEHOLDS (HCV/PH)

Impact of Activity This activity was fully implemented in 2013. The last part of this activity to be implemented was the biennial recertifications. Biennial's resulted in staff time savings which was redirected towards increased fraud monitoring, client support and interim tracking.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task (annual reviews) in dollars (decrease).	\$56,202	\$28,101	\$30,597	Staff costs went up in 2013 resulting in THA slightly missing the benchmark, although we reduced costs significantly.

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task (annual reviews) in staff hours (decrease).	2755	1377.5	1457	Did not achieve, although we reduced staff hours significantly

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$12,372 (2012)	\$12,991	\$13,217	Exceeded

SS #3: increase in Positive Outcomes in Employment Status				
Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed full-time Employed Full time as a %	438	438 in 2013 475 in 2014	438 in 2013	Met
	21%	21% in 2013 22% in 2014	21% in 2013	Met
2) Employed part-time	597	597 in 2013 635 in 2014	597 in 2013	Met
	29%	29% in 2013 30% in 2014	29%	Met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	431	431 in 2013 400 in 2014	431 in 2013	Met

SS #6: Reducing per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$641	\$5 decrease	\$618.79	Exceeded

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). (Households who graduate from the FSS Program)	0	(10)	(10).	Met

Hardships: Hardship Numbers for 2013

- Total Hardship Requests: 39
- Total Hardships Approved: 39
- Closed Hardships: 29
- Open Hardships: 10

THA had an increase in hardships in 2013 but anticipated more hardship requests.

Discussion of Benchmarks: THA did realize a reduction in the number of annual reviews it processed in 2013 thanks to biennial reviews. THA had to set the baseline numbers for the metrics in SS# 3 using 2013 numbers.

Revisions to Benchmarks or Metrics: THA has updated the metrics using the standard menu.

Changes to Data Collection Methodology: No changes were made to the data collection methodology.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section C (4) ,C.11, D.1.c, D.2.a, and D.3.b

7. LOCAL INCOME AND ASSET POLICIES (HCV/PH)

Impact of Activity: THA received permission to implement several policy changes that would reduce the agency's administrative burden. Part of this activity included allowing tenants to self-certify assets valued at less than \$25,000 and eliminate EID. Staff time interviews have shown that in 2013 they did not have any households with more than \$25,000 in assets. That led to a 100% staff time savings on this activity.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$19,726.00	\$10,400	\$0	Exceeded

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	967	500	0	Exceeded

Hardships: No hardships were requested in the 2013 because of this activity. All hardships requested were a result of a recertification.

Discussion of Benchmarks: THA has adopted the HUD standard metrics.

Revisions to Benchmarks or Metrics: THA has switched the metrics to follow HUD's standard metrics.

Changes to Data Collection Methodology: THA is using staff time surveys for tracking the time spent on these activities. The hours spent is multiplied by the average hourly rate of an L&O (housing specialist.) This information is being stored in the designated scorecard for the activity. Any updates to staff time surveys will either be stored in the scorecard or a corresponding report that links to the scorecard.

Changes to Authorization Used: No changes

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section BC.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.

8. LOCAL INTERIM PROCESSING AND VERIFICATION POLICIES (HCV/PH)

Impact of Activity: THA has seen a decrease in the total number of interims processed from the first year implemented. THA believes that is because of the 20% decrease rule. THA has found that parts of the interim policy were causing more work than necessary. Because of that, THA will no longer require an interim increase for every interim decrease processed. THA will also limit interims to two per recertification cycle. While THA did not meet its benchmarks, the agency is still seeing progress. In 2013, a process improvement project led to THA accepting all changes of circumstances (interims) online. The activity has worked well and THA supports clients who cannot use a computer or need assistance. Forms now come in 100% complete and correctly filled out.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$33,354	\$23,348	\$26,859	Benchmark not achieved but significant progress made

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,635	1145	1279	Benchmark not achieved but significant progress made

Hardships: No hardships were requested in 2013 because of this activity. All hardships requested were a result of a recertification.

Discussion of Benchmarks: THA did not quite meet the 30% reduction number that it had set out in the benchmarks. However; THA did see a decrease in the total number of interims from our baseline. The number is hard to predict and THA is satisfied that the number and costs have decreased.

Revisions to Benchmarks or Metrics: THA changed the metrics in the 2013 MTW plan to match the proposed HUD standard metrics.

Changes to Data Collection Methodology: THA is using Crystal Reports to extract the information from VisualHomes. The information is being tracked quarterly in a scorecard.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, C.4, C.11,D.1.c, D.2.a, D.3.a and D.3.b

11. SIMPLIFIED UTILITY ALLOWANCE

Impact of Activity: HUD approved this activity which allows THA to streamline the utility allowance (UA). THA implemented this simplified UA in November of 2011. This activity has had

a positive impact on both staff and residents. It has made explanation of the UA much simpler and cut back on the amount of time staff uses to process the UA's.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).to process utility allowances	\$6,793	\$3396.5	\$1400	Exceeded

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	333	166.5	67	Exceeds

Hardships: 0.

Discussion of Benchmarks: THA met the benchmarks outlined for this activity.

Revisions to Benchmarks or Metrics: THA is using HUD standard metrics for this activity.

Changes to Data Collection Methodology: THA is using a scorecard to track and collect information. THA has used staff time surveys to assign a time value to this activity and HR data to assign a dollar figure. In the future, THA will update the staff time by surveying staff and update the dollar figure by getting data from HR.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section C.11 and D.2.a

12. LOCAL PORT OUT POLICY

Impact of Activity: THA implemented the activity in 2012 and has seen the monthly number of port outs decrease. The decrease combined with the attrition that comes with absorbing and households leaving the program have led to THA being close to its goal in 2013. The hours and dollars spent decreased but fell short of the 40% decrease benchmark.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease). Processing port outs	\$6633	\$3978	\$4157	Benchmark not achieved but significant progress made

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).Processing port outs	(325 hours).	195 hours	198 hours.	Benchmark not achieved but significant progress made

Discussion of Benchmarks: THA was very close to the benchmarks in 2013. Because the numbers were so close, THA does not believe any changes in the activity are needed.

Revisions to Benchmarks or Metrics: THA is using the HUD standard metrics.

Changes to Data Collection Methodology: THA is using a scorecard to track and collect information. The scorecard uses data from staff time surveys and HR to assign a dollar and hour amount to the time it takes to process port outs. The scorecard ties directly to an internal report about the number of port outs pulled from THA’s housing software.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: 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.

15. REGIONAL APPROACH TO SPECIAL PURPOSE HOUSING

Impact of Activity: THA has used this activity to implement its local non-traditional housing programs in 2013. THA partnered with Pierce County on two programs that worked with hard to house populations. The program uses the rapid rehousing model in order to quickly house or re-house homeless or at risk of being homeless families and individuals. The program also allows THA to leverage service dollars for the housing dollars spent.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	0	\$100,000 in 2013 \$150,000 in 2014	\$124,800 in 2013	Exceeded

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$7794	2013- \$7794 2014- \$7950.	2013- \$7794	Met benchmark

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	(0).	59 in 2013 80 in 2014	47 in 2013	Benchmark not achieved but significant progress made

SS #6: Reducing per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$0	\$600	\$520	Exceeds

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). (Households who leave the program and rent a unit without subsidy.)	0	(11) in 2013 (20) in 2014	(11).in 2013	Met the 2013 benchmark.

HC #1: Additional units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0	59 in 2013 80 in 2014	47 in 2013	Did not meet benchmark

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	47 in 2013 80 in 2014	47 in 2013	Met benchmark

Discussion of Benchmarks: THA planned on serving 59 households in 2013. Because the contract was signed late, some of the benchmarks were not hit.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD proposed standard metrics.

Changes to Data Collection Methodology: THA will track these metrics by using reports from partnering agencies and the county. The data will be stored in a scorecard that ties back to the report. THA is using the new HUD standard metrics but many of the data points were not known prior to implementing this program. THA is working with its partners to gain better access to data points but was limited for this report.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: Attachment C (B)(1), (b)(vi), (C)(1)-, (C)(2), (c)(10)-, (C)(15)- Attachment D- THA needs uses of funds authorization according to PIH notice 2011-45.

16. CREATION AND PRESERVATION OF AFFORDABLE HOUSING

Impact of Activity: THA proposed this activity in a 2012 plan amendment to preserve and create affordable housing units under MTW. The project THA is developing will have a mix of public housing units, project based units and non-subsidized affordable units. 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. THA is using RHF dollars in this project. THA did use MTW dollars in 2013 on the development of affordable housing units to replace Hillside Terrace. In total 104 public housing units were torn down. In 2014, phase I will replace 70 of those units with a mix of project based units, public housing units and affordable tax credit units. THA will bring these units on line starting in May through Fall 2014.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). If units reach a specific type of household, give that type in this box.	0	0 in 2013 26 in 2014	0 in 2013	Development of these units took place in 2013.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	0 in 2013 26 in 2014	0 in 2013	Units were in development in 2013.

Discussion of Benchmarks: THA did use the flexibility of this activity to develop in plan year 2013. The units will come on line in 2014. THA is looking for funding for phase II. That would bring on an additional 24 affordable units or more in future years.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD proposed standard metrics.

Changes to Data Collection Methodology: THA will track the total number of affordable housing units developed that do not include any type of public housing or voucher subsidy.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: Attachment C (B)(1),

(b)(vi), (C)(1)-, (C)(2), (c)(10)-, (C)(15)- Attachment D- THA needs uses of funds authorization according to PIH notice 2011-45.

17. HOUSING OPPORTUNITY PROGRAM (HOP)

Impact of Activity

THA implemented this program in 2013 after receiving MTW approval. The first year of the program was successful. THA brought 185 new residents onto the HOP program in 2013. Lease up rates for the program were close to 80% and THA's GIS mapping program showed that the households that leased up did so in comparative areas to the regular Section 8 program. THA will continue to monitor the program to ensure no single population (race, ethnicity, and family size) is being negatively affected more than one throughout 2014.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of recertifications in dollars (decrease)	\$4180 dollars (\$0 saved baseline)	\$1,109 for the 2014 HOP reviews.	\$0, THA did not complete any HOP reviews in 2013	We have not completed any HOP reviews

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete HOP Reviews in staff hours (decrease).	0 hours	49 hours for HOP reviews	0, THA did not complete any HOP reviews in 2013	We have not completed any HOP reviews

CE # 3: Decrease in Error Rate of task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	70%-	10%	0, THA did not complete any HOP reviews in 2013	We have not completed any HOP reviews

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	\$283 per household traditional Section 8	\$311 per household in HOP Program	\$327 per household HOP in 2013	Exceeds

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$12,372	\$13,609	\$14,099 or a 13.9% increase over traditional voucher households baseline	Exceeded

SS #3: increase in Positive Outcomes in Employment Status-Based on 120 work-able households in 2013

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full Time	0	30 in 2013	27 in 2013	Benchmark not achieved but significant progress made
Employed Full Time	0	25%	22.5%	Benchmark not achieved but significant progress made
Employed Part Time	0	40 in 2013	39 in 2013	Met
Employed Part Time	0%	33%	32.5%	Did not meet but made progress
Enrolled in an Educational Program	0	24	14 in 2013	Did not meet benchmark
Enrolled in an Educational Program	0%	20%	11.6%	Did not meet benchmark
Enrolled in Job Training Program	0	24	6 in 2013	Did not meet benchmark
Enrolled in Job Training Program	0%	20%	5%	Did not meet benchmark

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	0	60 in 2013	32 in 2013	Failed to meet

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0	24	41 in 2013	Met

SS #6: Reducing per Unit Subsidy Costs for Participating Households

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease).	\$604 for traditional section 8	\$460 for HOP households	\$447 in 2013	Exceeded

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	\$\$283	\$311	\$327	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). (Households who have reached 80% of AMI or more) 0	0	2 in 2013	0 in 2013	Did not meet

HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	5.16 years	2 years	5.16 years	Not achieved

Discussion of Benchmarks: This was the first year THA brought families onto the program. Because of that, it was difficult to give hard benchmarks and baselines. THA believes that 200 people will be added to the program each year from now on unless there are major funding issues. THA will base yearly benchmarks off of those numbers and work with MTW office to adjust as necessary. THA believes that the number of people in job training and education programs will increase in 2014. THA's Community Services department is working on a plan that will allow them to have more outreach to HOP clients once they are on the program. THA believes the average wait time for households on the HOP waitlist will dramatically decrease once the prior waiting list is exhausted in early 2014.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD standard metrics.

Changes to Data Collection Methodology: THA will track this data in a scorecard using various reports and data collection methods.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: Attachment C (D) 2 (a) (d) Attachment C Section D.1.a, D.1.b, D.1.c, D.1.f, D.1.g, D.3.a, D.4, B.3

Hardships in 2013

Zero hardships were requested or granted in plan year 2013.

18. ELIMINATE THE 40% RULE

Impact of Activity: THA implemented this program in 2013 after receiving MTW approval. The first year of the program went successfully. The activity allowed more households in THA's voucher programs the opportunity to lease units that they would have not had the opportunity to lease in the past. In addition, staff saved time explaining the 40% rule to clients. This resulted in both staff time savings and better customer service as clients have more flexibility.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$612 (\$0 saved baseline)	\$0	\$525	Did not meet benchmark but came close.

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	30 (0 hours saved baseline)	0	25	Did not meet benchmark but came close.

Discussion of Benchmarks: THA had anticipated a 100% savings on this activity. Staff time surveys showed that they were still spending some time explaining the rule change to landlords and clients. THA expects to see more time savings as our populations become more used to this change.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD standard metrics.

Changes to Data Collection Methodology: THA will track this data in a scorecard using various reports and data collection methods.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement, Attachment C, Statement of Authorizations, Section: D.2.a.

19. MODIFY THE FSS PROGRAM

Impact of Activity: THA implemented this program in 2013 after receiving MTW approval. To successfully implement this program, THA created an FSS internal software to track the program. The program uses a pay point approach in lieu of the traditional income based escrow system. Program implementation started in late 2012 and carried into 2013. Everyone in the FSS program is now using this modified approach.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease) by not having escrow errors	\$15,826	\$1583	\$0	Exceeded

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease) by not having escrow errors	780	78	0	Exceeded

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$9231	\$9697 2013	\$13,007	Met

SS #3: Increase in Positive Outcomes in Employment Status-Based on 120 Work-able Households in 2013				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full Time	68	71	79	Exceeds
Employed Full Time %	54%	59%	65%	Exceeds
Employed Part Time	23	10	22	Benchmark met
Employed Part Time%	18%	23%	18%	Benchmark met
Enrolled in an Educational Program	16	20	20	Benchmark met
Enrolled in an Educational Program %	13%	16%	16%	Benchmark met
Enrolled in Job Training Program	29	30	29	Benchmark not achieved but significant progress made
Enrolled in Job Training Program	23%	25%	24%	Benchmark not achieved but significant progress made
Unemployed	33	31	16	Exceeds
Unemployed %	26%	21%	13%	Exceeds

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	19	18	17	Exceeds

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	140	140	154	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Number of households who graduate FSS program each year.	10	10	10 2013	Met

Discussion of Benchmarks: Benchmarks were set off of 2012 baseline data.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD standard metrics.

Changes to Data Collection Methodology: THA will track this data in a scorecard using various reports and data collection methods. Community Services will provide the data points for all HUD standard metrics.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement, Attachment C, Statement of Authorizations, Section E.

20. MTW SEED GRANTS

Impact of Activity: THA implemented this program in 2013 after receiving MTW approval. THA used this activity in 2013 to contract with a service provider for job readiness soft skills.

SS #3: increase in Positive Outcomes in Employment Status				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Employed Full Time	0	3	3	Met
Employed Full Time as %	0%	17%	17%	Met
Employed Part Time	0	3	3	Met
Employed Part Time as a %	0%	17%	3	Met

Enrolled in an Educational Program	0	18	18	Met
Enrolled in an Educational Program	0%	100%%	100%	Met
Enrolled in Job Training Program	0	1	1	Met
Enrolled in Job Training Program as a %	0%	6%	1	Met

Discussion of Benchmarks: THA set benchmarks on some of these activities (households enrolled in educational program and households enrolled in job training) in the 2012 plan. At the time, THA was not sure how much would be spent on this activity. We have re-benchmarked this activity to match the outcome. THA can change the metrics back if the MTW office requests. The rest of the benchmarks were set in 2013 as the other activities were added when the HUD standard metrics were adopted.

Revisions to Benchmarks or Metrics: THA has switched the metrics to use the HUD standard metrics.

Changes to Data Collection Methodology: THA will track this data in a scorecard using various reports and data collection methods.

Changes to Authorization Used: No changes were made to the authorizations used to implement the initiative.

Description of Authorization or Regulation Waived: MTW Agreement, Attachment C, Statement of Authorizations, Section: (B) 1. (b).iii

B. Not Yet Implemented Activities:

10. LOCAL HQS ACTIVITY

Update: This activity was proposed in 2011. THA has been working with the city on implementing part of its inspection code into our HQS standards. Staff has needed updated training and the agency needed to ensure all the units were up to Tacoma city code before implementing any multi-year inspection policy. THA hopes to implement biennials in either late 2014 or early 2015.

10. SPECIAL PROGRAM VOUCHERS

Update: THA proposed this activity in 2011. THA has several special programs it is running but they have all been proposed separately as rent reform activities or local non-traditional programs to this point. . THA may use this activity in 2014.

13. LOCAL BLENDED SUBSIDY (LBS)

Impact of Activity: THA proposed this activity in 2012 but has not had the opportunity to use this activity yet. THA is looking at a possible RAD conversion in 2014 or 2015. If RAD is approved, THA may drop this activity to the closed out section of the report.

14. SPECIAL PURPOSE HOUSING

Update: This activity would allow THA to partner with agencies in the community to allow different at risk populations who typically might not qualify for public housing to use our public housing units. THA did not implement this activity in 2013 because of possible RAD conversion. Based on the outcome of the RAD application, this activity might be moved to the closed out section of the report next year.

C. On Hold Activities:

N/A

D. Closed Out Activities:

N/A

(V) Sources and Uses of Funds

Annual MTW Report				
V.3.Report.Sources and Uses of MTW Funds				
A. MTW Report: Sources and Uses of MTW Funds				
Actual Sources and Uses of MTW Funds				
PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System – PHA (FAS-PHA), or its successor system.				
Describe the Activities that Used Only MTW Single Fund Flexibility				
<p>THA uses single fund flexibility in the following areas:</p> <ul style="list-style-type: none"> • THA has implemented rent reform activities that are captured in the individual activities within the plan body. • THA has used MTW dollars to fund our community services department. The department includes employment services, self-sufficiency caseworker and caseworkers to assist our Housing Opportunity program participants. • THA continues its Education Program which includes activities like the McCarver Program and the Tacoma Community College Housing Assistance Program that will be launched with MTW approval in the future. • THA has made upgrades to its I.T. systems in order to implement and operate our multiple rent reform activities. THA is also using its single fund flexibility to maintain its administrative staff at appropriate levels. • THA analyzed its administrative overhead and charges expenses directly to the programs wherever possible. The agency will charge administrative or 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 has used single fund flexibility in the development of what was Hillside Terrace but has been renamed Bay Terrace. THA will use single fund flexibility in order to allow the property to cash flow upon completion. • THA paid off a \$2 million dollar loan in 2013 for Salishan 7. We did this after checking with the MTW office. 				
V.4.Report.Local Asset Management Plan				
B. MTW Report: Local Asset Management Plan				
<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Has the PHA allocated costs within statute during the plan year?</td> <td style="width: 20%; text-align: right;">Yes</td> </tr> <tr> <td>Has the PHA implemented a local asset management plan (LAMP)?</td> <td style="text-align: right;">Yes</td> </tr> </table>	Has the PHA allocated costs within statute during the plan year?	Yes	Has the PHA implemented a local asset management plan (LAMP)?	Yes
Has the PHA allocated costs within statute during the plan year?	Yes			
Has the PHA implemented a local asset management plan (LAMP)?	Yes			
<p>If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.</p>				

Has the PHA provided a LAMP in the appendix?			Yes
In the body of the Report, PHAs should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.			
The Tacoma Housing Authority has been operating under a Local Asset Management Plan since 2011. There have been minimal revisions to the plan since its inception. The Agency is following the plan as laid out.			
V.5.Report. Unspent MTW Funds			
C. MTW Report: Commitment of Unspent Funds			
In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.			
Account	Planned Expenditure	Obligated Funds	Committed Funds
Development	In 2013, THA demolished Hillside Terrace which had 104 units	\$X	\$2,420,000
MTW	In process of remodeling THA Administrative building. This would be for phase 2 of the project.	\$X	\$700,000
MTW	Redesign of Family Investment Center that houses THA's Community Services staff and property management staff for Salishan.	\$X	\$X
MTW	THA is anticipating in converting its entire portfolio to PBV with RAD. There will be significant Capital needs during this transition. This is THA's initial estimate of MTW funds needed to supplement other financing.	\$X	\$1,000,000
MTW	Housing Software Conversion	\$X	\$600,000
MTW	THA's McCarver educational program only has funds to support a portion of the program through 2014. We are anticipating the need to supplement the program with MTW funds.	\$X	\$310,000
Type	THA has been aggressive in the remediation of Meth in its portfolio. As there is no insurance and the remediation costs are costly, THA is committing funds to continue our remediation efforts.	\$X	\$500,000
		0	\$5,830,000.00

(VI) Administrative

A. General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue; **(N/A)**

B. Results of latest PHA-directed evaluations of the demonstration, as applicable: (McCarver Report attached as appendix C)

C. On behalf of the Tacoma Housing Authority, I certify that that the agency has met the 3 statutory requirements of the MTW program in fiscal year 2013.

Certification that the Agency has met the three statutory requirements of:

- 1) Assuring that at least 75 percent of the families assisted by the Agency are very low-income 50% AMI and below families; (In 2013, 96.5% of all households were at or below 50% AMI.)
- 2) Continuing to assist substantially the same total number of eligible low-income families as

Certification of Statutory Compliance <u>2011</u>			Certification of Statutory Compliance <u>2013</u>		
Family Size	50% AMI and Below	Above 50% AMI	Family Size	50% AMI and Below	50% AMI and Above
1	98%	2%	1	99%	1%
2	95%	5%	2	96%	4%
3	92%	8%	3	95%	5%
4	93%	7%	4	94%	6%
5	93%	7%	5	92%	8%
6	96%	4%	6	95%	5%
7	97%	3%	7	97%	3%
8+	93%	7%	8+	96%	4%

would have been served had the amounts not been combined; and

Program	Moving to Work Baseline (Updated 2013)	2011 Households Served	2012 Households Served	2013 Households Served
Public Housing	817 ¹	904	870	762
Section 8	3,696 ²	3448	3552	3634
Local Non-Traditional	0	0	0	47
Totals	4,513	4,352	4422³	4443

- 3) Maintaining a comparable mix of families (by family size) served, as would have been provided had the amounts not been used under the demonstration.

Persons in Household	MTW Household Breakdown							Total
	1	2	3	4	5	6	7+	
Pre-MTW	36%	21%	18%	12%	7%	3%	2%	100%
2011	42%	20%	16%	10%	7%	3%	3%	100%
2012	41%	20%	16%	10%	8%	3%	2%	100%
2013	42%	20%	16%	10%	7%	3%	2%	100%

Michael Mirra

Michael Mirra, Executive Director

April 29, 2014
Date

¹ 104 units public housing were torn down at Bay Terrace in 2013.

³ THA received 103 TPV vouchers between July and October 2012.

Additional Appendix Items

Appendix A: Units offline because of meth contamination

Appendix B: Local Asset Management Plan

Appendix C: McCarver Program Year Two Evaluation- Sent separately because of HUD inbox issues.

Appendix A: Units Offline Because of Meth Contamination:

#	Dev. #	Bldg. #	Unit #	Effective Date	Comments
257	WA00500	0488	000896	01/01/2013	Unit tested positive for meth contamination.
253	WA00500	0488	000901	06/27/2013	Unit tested positive for meth contamination. Offline for modernization.
251	WA00500	0488	000904	05/14/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
216	WA00500	0523	001013	08/29/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
214	WA00500	0523	001014	02/05/2013	Meth Contamination
212	WA00500	0523	001019	09/20/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
210	WA00500	0523	001021	08/29/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
208	WA00500	0523	001025	04/30/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
206	WA00500	0523	001031	03/08/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
202	WA00500	0523	001033	12/19/2013	Request unit be taken off line for modernization due to testing positive for meth contamination.
198	WA00500	0523	001043	02/01/2013	Meth Contamination.
196	WA00500	0523	001045	08/29/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
194	WA00500	0523	001059	08/16/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
192	WA00500	0523	001062	08/29/2013	Unit tested positive for meth contamination. Request offline for modernization
190	WA00500	0523	001063	08/23/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
234	WA00500	0525	001087	04/20/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
225	WA00500	0525	001101	02/01/2013	Units are undergoing modernization due to testing which indicated meth contamination by the TPCHD.
223	WA00500	0525	001102	02/27/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
171	WA00500	0524	001107	01/04/2013	Meth Contamination
169	WA00500	0524	001144	3/23/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
167	WA00500	0524	001145	08/24/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
184	WA00500	0527	001170	04/03/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
178	WA00500	0527	001182	09/11/2013	Unit tested positive for meth contamination. Request offline for modernization
165	WA00500	0559	001389	08/20/2013	Unit tested positive for meth contamination. Request offline for modernization

142	WA00500	0565	001448	11/27/2013	Request unit be taken off line for modernization due to testing positive for meth contamination.
140	WA00500	0566	001459	10/15/2013	Unit tested positive for meth contamination. Offline for modernization.
131	WA00500	0582	001475	02/02/2013	Meth contamination
138	WA00500	0591	001499	01/05/2013	Meth Contamination
119	WA00500	0621	001542	02/07/2013	Meth Contamination
113	WA00500	0622	001550	06/11/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
101	WA00500	0631	001584	10/01/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
91	WA00500	0662	001645	03/22/2013	Meth Contamination
80	WA00500	0689	001701	06/05/2013	Unit undergoing modernization due to testing for meth contamination TPCHD
75	WA00500	0692	001710	04/02/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
70	WA00500	0696	001724	06/25/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
67	WA00500	0699	001732	01/08/2013	Meth Contamination
43	WA00500	0955	001800	01/03/2013	Meth Contamination
36	WA00500	0966	001811	03/08/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
29	WA00500	0970	001816	04/09/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
23	WA00500	0973	001819	04/05/2013	Meth Contamination
19	WA00500	0988	001833	03/08/2013	Unit tested positive for meth contamination. Offline for modernization. DLO
14	WA00500	0992	001839	02/09/2013	Meth Contamination
11	WA00500	0992	001840	02/09/2013	Meth Contamination
8	WA00500	0997	001849	10/01/2013	Unit tested positive for meth contamination. Offline for modernization. DLO

Appendix B: Local Asset Management Plan

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.

In 2012, THA changed 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 previous year’s 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

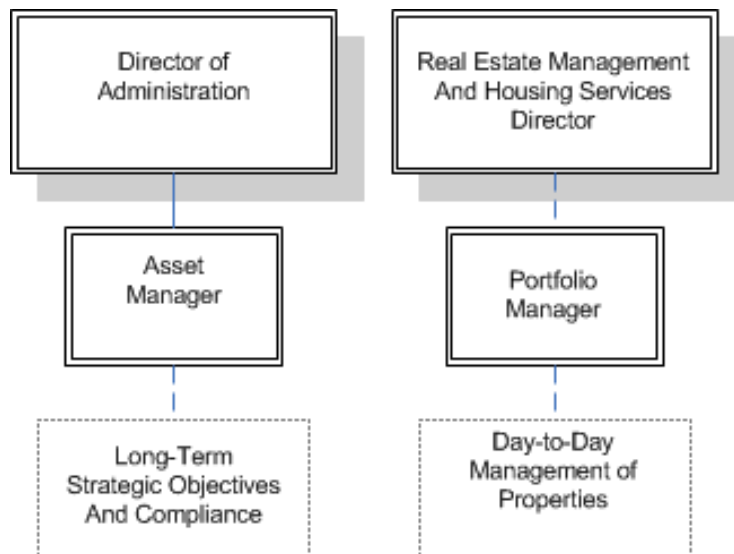
The City of Tacoma established the Tacoma Housing Authority under State of Washington enabling legislation in 1940 through resolution. The resolution states that the City formed the Housing Authority to address a “shortage of safe and sanitary dwelling accommodations in the City of Tacoma, Washington 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.



Description of 2014 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 restructured its entire portfolio in 2012 in order to achieve the operational efficiencies achieved in Salishan. Rather than managing different types of properties in the same AMP, THA changed its management groupings into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized management group rather than managing seven Salishan properties as separate entities. THA has made the same conversion for its 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 by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. In 2012, the agency changed its model 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.

For 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 reports 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 has made this change in its 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. Site 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, Community Services and Real Estate Development. The committee meets at least

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 current 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.

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

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 and Capital Fund Monitoring
- 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 (MTW Vouchers, FUP, NHT, VASH, etc), 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. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. On the Property Management side, THA reduced the fee to 33.3% of the HUD Management Fee schedule, as much of the direct program supervision portion of the fee is included in the Management Support Fee. The Bookkeeping fee was increased to be more realistic of time spent by Finance staff in direct support of the Property Management Program. The same methodology was used for the IT Fee.

Administrative Components	Support		Fee
	Rental Assistance	Property Management	
HUD-Prescribed Management Fee (20% of blended admin fee @ 100% funding for RA. HUD prescribed rate for PM)	\$12.00	\$15.97	
Bookkeeping Fee	\$4.00	\$12.50	
HUD-Prescribed Management Fee	Asset \$0.00	\$10.00	
IT Fee (maintained by IT, but previously charged out as allocated direct charge)	\$2.0	\$6.0	
Elderly Service Coordinator Fee			
Total Fee:	\$18.00	\$44.47	

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 7-15) to cover deficits in the Tax Credit PSC.

Management Support Fee

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

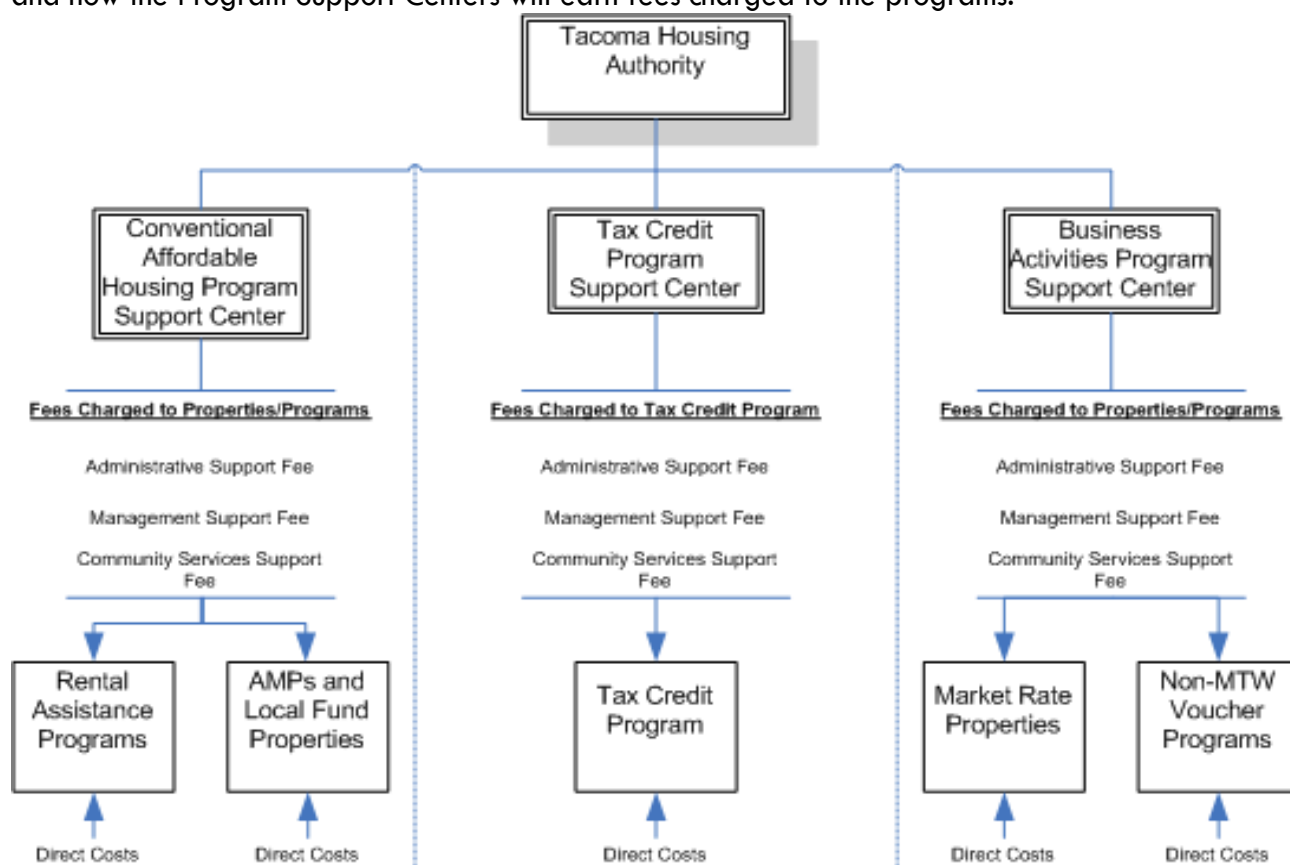
- Portfolio Manager - A
- Maintenance Supervisor - A
- Warehouse Process Analyst - A
- Lead Property Mgt. Asst. - A
- Work Order Clerk - A
- Operations Coordinator - B
- Elderly/Disabled Services Coordinator - C
- Compliance Auditor - D
- Civil Rights and Reasonable Accommodations - D
- Leasing Staff and Expenses - E

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	A	B	r	D	E	Total Fee (Monthly)g
CAH (MTW)	\$16,712	\$5,412	\$6,703	\$8,546	\$15,223	\$52,595
Tax Credit (MTW) Business Activities (Non-MTW)	\$13,551	\$1,869	\$0	\$2,952	\$2,856	\$21,228
	\$ 4,345	\$782	\$0	\$1,236	\$87	\$6,450
Totals (Monthly):	\$34,608	\$8,064	\$6,703	\$12,733	\$8,268	\$80,273

Summary

The diagram below summarizes how THA's costs will be distributed and tracked by activity area and how the Program Support Centers will earn fees charged to the programs.



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 include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA's Rental Assistance Division. These programs include Housing Choice Voucher (HCV), 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	84.92%
TPV Vouchers	253	6.06%
Non-MTW	Units Supported	Percentage
SRO	81	1.94%
FUP	50	1.20%
VASH	145	3.48%
NHT	100	2.40%

Community Services

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

THA’s 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 is in the process of expanding its role in the Tacoma community. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded 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 approximately 10 – 15 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. No sources 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. Additionally, THA is applying for a whole portfolio RAD conversion of its Public Housing portfolio, with 50% (primarily Tax Credit PH units) to be converted near the end of 2014. We have not yet determined the impact on the 2014 budget, and it is not included except for the consulting phase, and a place holder for anticipated capital needs.

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 FY2013, each area will be charged \$24.64 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent (\$24.64 / Sq Ft)	Paid by	Program	for	Main Office	Space	
Area	Sq. Ft at Main Office	CAH Activity (MTW)	Tax Activity (MTW)	Credit	Business Activity (Non-MTW)	TOTALS
Rental Assistance	4,300	\$93,238	\$0		\$12,714	\$105,952
Real Estate Development	1,500	\$12,566	\$0		\$24,394	\$36,960
Total	5,800	\$105,804	\$0		\$37,108	\$142,912

All rental revenue and the expense to operate the main office reside in the MTW Program Support Center (PSC). The chart on the next page gives the cost details used to determine rent amounts for FY2013.

Rent Fund 005 Program Support Center	
Income	FY2014 Budget
Rental Income	\$142,912
Total Income	\$142,912
Expenses	
Depreciation	\$160,700
Maintenance Salaries	\$30,000
Maintenance Benefits	\$9,000
Maintenance Contracts	\$50,000
Maintenance Materials	\$6,000
Utilities	\$41,700
Security	\$13,200
Property Insurance	\$4,400
Total Expenses	\$315,000
Net Income (Loss)	(\$172,088)
Unit Equivalents for Units from Chart 3	2,627
Rent Charge per unit	\$5.46

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 to areas at the per unit rate indicated in Table 6.

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 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** - These charts are based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2014.

Unit Equivalencies

All Property Management Units					
CAH (MTW)		Units Supported	Unit Factor	Factored Units	Percentage
AMP1		160	1	160	15.77%
AMP2		152	1	152	14.98%
AMP3		144	1	144	14.19%
AMP6		34	1	34	3.35%
					48.29%
Tax (MTW)	Credit	Units Supported	Unit Factor	Factored Units	Percentage
Tax	Credit				
Properties		602	0.66	397.32	39.16%
					39.16%
Non-MTW		Units Supported	Unit Factor	Factored Units	Percentage
9 Homes		9	1	9	0.89%
North Shirley		1	1	1	0.10%
Stewart Court		58	1	58	5.72%
Wedgewood		0	1	0	0.00%
Salishan 7		90	0.66	59.4	5.85%
					12.56%
		1,250		1,015	100.00%

All REMHS Units - (Operations Coordinator/Compliance/Reasonable Accommodations)					
CAH (MTW)		Units Supported	Unit Factor	Factored Units	Percentage
Section 8		3796	0.33	1251	48.24%
AMP1		160	1	160	6.16%
AMP2		152	1	152	5.85%
AMP3		144	1	144	5.55%
AMP6		34	1	34	1.31%
					67.17%
Tax (MTW)	Credit	Units Supported	Unit Factor	Factored Units	Percentage
Tax	Credit				
Properties		602	1	602	23.18%
					23.18%
Non-MTW		Units Supported	Unit Factor	Factored Units	Percentage
SRO		81	0.25	20	0.78%
FUP		50	0.25	13	0.48%
NHT		100	0.25	25	0.96%
VASH		130	0.25	33	1.40%
9 Homes		9	1	9	0.35%
North Shirley		1	1	1	0.04%
Stewart Court		58	1	58	2.23%
Wedgewood		0	1	0	0.00%
Salishan 7		90	1	90	3.47%
					9.71%
		5,402		2,592	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	3796	0.15	571	41.05%
AMP1	160	1	160	11.54%
AMP2	152	1	152	10.97%
AMP3	144	1	144	10.39%
AMP6	34	1	34	2.45%
				<u>76.41%</u>
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties (PH)		1	327	23.59%
				<u>23.59%</u>
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
9 Homes	9	0	0	0.00%
North Shirley	1	0	0	0.00%
Wedgewood	50	0	0	0.00%
Stewart Court	90	0	0	0.00%
Salishan 7	90	0	0	0.00%
				<u>0.00%</u>
			1,386	100.00%

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
	Hillside Terrace Relocation Vouchers – Roll into MTW 07/01/13	105			105
	HUD FSS Grant	N/A			0
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			145	145
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* Salishan 7			X 90	0 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, Demo'd 2012	0			0
	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		4,286	602	519	5,407
Development	THA MTW Support including CFP	277			277
	THA as Developer			537	537
	Unit Equivalents	277	0	537	814
	Total Units/Unit Equivalents - 15% of Units	4,563	602	1,056	6,221
Program Support Center Equivalencies (% of All Units)		73.35%	9.68%	16.97%	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.

Appendix C: McCarver Program Year Two Evaluation:- Sent in separate document.