



MOVING TO WORK 2015 ANNUAL REPORT



Tacoma Housing Authority

Submitted for HUD Approval – March 31, 2016

Tacoma Housing Authority Board of Commissioners

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Table of Contents

(I) Introduction 3

(II) General THA Operating Information 10

(II.A) Housing Stock Information..... 10

(II.B) Leasing Information..... 12

(II.C) Wait List Information..... 17

(III) Proposed MTW Activities: HUD Approval Requested 18

(IV) Approved MTW Activities: HUD Approval Previously Granted..... 18

(V) Sources and Uses of Funds 48

(VI) Administrative 50

Additional Appendix Items..... 52

Appendix A: Local Asset Management Plan 53

Appendix B: McCarver Program Year Three Evaluation:- Sent in separate document. 67

(I) Introduction

This report covers January 1, 2015 through December 31, 2015.

LONG TERM GOALS

Near the end of 2016, THA celebrated its 75th anniversary. This year offered a chance to celebrate and to reflect on the agency's endeavors, accomplishments and experiences. In 2016, THA will remain focused on its long-term vision for its city. THA's Board of Commissioner has stated it clearly:

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

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

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

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

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

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

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

With the agency vision and mission and HUD's MTW statutory objectives in mind, THA has completed planning for its strategic objectives and performance measures that will guide the agency through the coming years. THA's Board has developed seven strategic objectives. They show below. The Board has also devised performance measures for each one. Listed below each strategic objective are the strategies THA has tentatively chosen to fulfill the objective. THA has also chosen performance measures for each strategy.

In general, these strategic choices have THA provide high quality housing and supportive services to people in need, with a focus on the neediest. THA will seek to do this in ways that also get two other things done. **First**, it seeks to help people prosper. It wants their time on its housing programs to be transforming and temporary. It wants this certainly for people who can work but emphatically for children because it does not wish them to need its housing when they grow up. **Second**, THA seeks to help the City of Tacoma develop equitably so that it makes hospitable room for households of all types, needs and incomes. The following seven strategic objectives and strategies are ambitious. THA will require all the tools within reach, including its MTW flexibility.

1. *Housing and Supportive Services*

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

To meet this objective THA will:

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

2. *Housing and Real Estate Development*

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

To meet this objective, THA will:

- Increase the number and type of THA units.
- Improve the quality of housing that THA owns and manages.
- Increase the life-span of the units within THA's portfolio.
- Continue to develop and rehabilitate housing that is of award-winning quality.
- Improve the cost effectiveness of THA's development function.
- Assist in the development of affordable housing by other organizations.

- Reduce the amount of THA dollars in each development and increase the amount of private and public investments.

- Develop healthy and vibrant communities as measured by their incorporation of art and the walkability to community assets such as parks, schools, grocery stores, public transit and other community amenities promoting health.

3. *Property Management*

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

To meet this objective, THA will:

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

4. *Financially Sustainable Operations*

THA seeks to be more financially sustaining.

To meet this objective, THA will:

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

5. *Environmental Responsibility*

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

To meet this objective, THA will:

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

6. *Advocacy and Public Education*

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

To meet this objective, THA will:

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

7. Administration

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

To meet this objective, THA will:

- Improve its operating efficiency.
- Lower its administrative costs per household served.
- Increase the number of households served per full time employee (FTE).
- Decrease the average amount spent on community service per client.
- Increase its employee engagement scores.
- Decrease its staff turnover.
- Maintain positive audit results.

THA feels proud and excited about these objectives and the path they set for its work and its city. MTW flexibility makes this work adaptable and innovative and helps give meaning to each of THA's seven strategic objectives. Here are some examples of how THA has used its MTW flexibility:

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

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

THA has modified its Family Self-Sufficiency program to build escrow accounts for customers as they achieve tangible, individual goals rather than through extremely complicated calculation worksheets.

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

- **Real Estate Development:** THA is able to invest MTW dollars to build or buy new housing. Over the next five years, THA plans to add an average of 70 new housing units per year. This investment is important especially as Tacoma's rental market becomes less and less affordable making vouchers less effective. This investment also allows THA to (i) bring affordable housing to higher opportunity parts of the market that would be unaffordable or inaccessible even with a voucher; (ii) invest in depressed parts of the market that need the investment and embolden others to invest.
- **Property Management:** THA has used MTW dollars to maintain its public housing portfolio. This investment is also critical. That portfolio is valuable. It serves THA's neediest households, including those who would not do well in the private rental market even with a voucher, such as disabled persons, seniors, households coming from trauma and those who do not speak English. THA and its talented and multi-lingual staff are very good landlords to such tenants. This use of MTW dollars is also how THA can bring investments to neighborhoods that need it and to spur their development in ways that benefit all their residents.
- **Financially Sustainable Operations:** The addition of affordable housing units to the portfolio will increase the agency assets. It will also add new income streams to the agency.
- **Environmental Responsibility:** THA achieved Certified LEED Gold Bay Terrace Phase I development that we developed using MTW dollars is.
- **Advocacy:** MTW has allowed THA to develop and test new ideas using its federal flexibility. These programs have added value to the Tacoma community and benefitted the customers we serve. We have been able to share these experiences with a wide national audience.
- **Administration:** THA has greatly simplified how it verifies household income and assets for the purpose of calculating rent.

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

Throughout all this work THA seeks to use the best data and research available. It builds evaluation into its program design. For these purposes, THA has joined with three other neighboring MTW agencies - Seattle Housing Authority, King County Housing Authority, and Home Forward (Portland) – to contract for research and evaluation services from the Urban Institute.

SHORT TERM GOALS

THA remains ambitious and 2016 will be no different. In 2016, we plan to complete a portfolio-wide Rental Assistance Demonstration (RAD) conversion, a software conversion and further rent reform planning. All of these activities will serve our long-term strategic planning. Below are updates to the progress THA has made in each of these areas to date.

RAD

THA continues to work with HUD and various partners on the final conversion of its Public Housing units to Project Based Vouchers through the RAD program. While the closing of THA's two-part RAD conversion has been stalled a couple of times throughout the process, THA still expects to fully convert to RAD by the end of 2016.

Software Conversion

The final implementation of THA's new software system, OpenDoor on the Salesforce platform, is scheduled to take place in two tracks. In February, THA "went live" with the first track of implementation. This included IT ticketing, MTW activity and metric tracking, public comment tracking, case management, reasonable accommodations, contracts, preventative maintenance tracking, capital needs tracking, grant management and Constant Contact. Track two will include the implementation of housing and voucher systems, maintenance, procurement, purchasing and inventory systems, Human Resources systems, finance configuration and the development of dashboards and reports. THA will continue to update HUD on the implementation process.

Rent Reform

2016 will be its planning year for program-wide rent reform. We have set a research agenda that will allow us to study what types of environments, rent structures and service interventions best help people succeed as parents, students and wage earners. With this information, THA will work with its customers, staff and stakeholders to propose agency-wide rent reform that will help THA serve more households, help households increase their self-sufficiency, increase mobility and lessen the administrative burden of using federal subsidies. THA will provide an update to this planning efforts in its 2017 MTW Plan.

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 persons, especially those in crisis and those not well served by HUD's mainline programs in our local markets.

(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
Nativity House	50	50	Housing for Chronically Homeless Individuals
New Tacoma Phase II	12	8	Homeless Seniors
THA Public Housing	809	0	RAD Conversion
Randall Townsend	10	0	Permanent Supportive Housing for homeless Veterans
Anticipated Total Number of New Vouchers to be Project-Based		Actual Total Number of New Vouchers that were Project-Based	
881		58	
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	
1557		696	
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	
699		656	
Other Changes to the Housing Stock that Occurred During the Fiscal Year			
<p>- In 2015, THA purchased the managing member's interest of the New Look Apartments. All 42 units in the building are PBVs, which had been previously subsidized as PBVs by THA.</p> <p>- Also in 2015, THA purchased a 49 unit apartment complex known as the Outrigger. The property is not subsidized.</p> <p>- THA is in the middle of disposing of its 34 scattered sites public housing units. In 2015, THA sold 4 of these units and plans to sell the remaining units by the end of 2016.</p> <p>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.</p>			
General Description of Actual Capital Fund Expenditures During the Plan Year			
CFP and RHF funds were used in preparation for the RAD conversion.			

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
Tax Credit	24	Bay Terrace
Market Rate	49	Outrigger-Family Property
Total Other Housing Owned and/or Managed	102	
<p>*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.</p>		

(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**	24	24
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs**	120	62
Port-In Vouchers (Not Absorbed)	N/A	20
Total Projected and Actual Households Served	144	106
* 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***	288	288
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs***	1032	766
Port-In Vouchers (Not Absorbed)	N/A	240
Total Projected and Actual Unit Months Occupied/Leased	1728	1294
THA contracts with Pierce County to administer this program. In 2015, Pierce County and providers continued to work to expend the full contract amount and serve as many households as possible. The decrease of affordable housing stock in Tacoma might be a contributing factor to the actual number of households served.		
*** 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	141	86	0	0	0
Number of Local, Non-Traditional MTW Households with Incomes 50% of Are Median Income	0	0	47	139	86	0	0	0
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	0	0	100%	99.1%	100%	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**	43%	20%	16%	11%	7%	5%	100%
Number of Households Served by Family Size this Fiscal Year***	1895	900	723	443	312	250	4,523
Percentages of Households Served by Household Size this Fiscal Year****	43%	20%	16%	10%	7%	5%	100%
Percentage Change	0	0	0	-.01	0	0	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	No Issues	
HCV	No Issues	
Local Non-Traditional	Pierce County did not serve the expected number of households through this contract. THA and Pierce County are still working on identifying issues and revising the contract to address outstanding issues.	
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	N/A**	Number of households who leave the program and do not need rental assistance.
McCarver Program/2	8 (cumulative over four years)	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	10	
*The number provided here should match the outcome reported where metric SS #8 is used.		

** Note: THA is evaluating its Rapid Rehousing investment in 2016 and will provide an update in its 2016 MTW Report.

(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	1,287	Closed	No
Rapid Re-Housing	Central Intake	31	Open	Open
Youth Housing	Central Intake	79	Open	Open
Low Income Housing (total)	Site Based	10,433	Open	Open

* *Select Housing Program:* 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.

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

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

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	Met

Discussion of Benchmarks: This activity was not used in 2015.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics.

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

2. TACOMA PUBLIC SCHOOLS SPECIAL HOUSING PROGRAM (FORMERLY MCCARVER SPECIAL HOUSING PROGRAM)

Impact of Activity: The Tacoma Public Schools Special Housing Program began accepting families in the fall of 2011. During the 2014-15 school year, the program supported 33 formerly homeless families (56 students at McCarver). THA and TPS have decided to expand this program in the 2016 school year based on positive results of the third party evaluations completed by Geo Education Research. The details of the expansion are under development. THA will update HUD on the expansion of this program in its 2017 MTW Plan.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	THA does not have a specific goal for resources leveraged in this program.	\$322,866	N/A

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	\$20,991 (16 of 33 households had earned income in 2015) \$16,984 all households	Did Not Meet but Made Substantial Progress

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	16	Did not meet
	0%	34%	32%	Did not meet
2) Employed part-time	0	17	6	Did not meet
	0 %	34%	12%	Did not meet
3) Enrolled in an Educational Program	0	20	26 (4 year cumulative)	Met
	0%	40%	52%	Met
4) Enrolled in a Job Training Program	0	25	26 (4 year cumulative)	Met
	0%	50%	52%	Met
5) Unemployed	42	8	17	Did not meet
	100%	16%	34%	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	39	33	Did not meet

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).	\$789 in 2014	TBD in 2016	\$729	TBD in 2016 but THA has seen a decrease in HAP

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase) by exiting the program for employment and/or increased income.	0	0	8 (4 year cumulative)	Met

Discussion of Benchmarks: Many of the program's benchmarks were met or made substantial progress in the 2014-2015 school year. In the metrics listed above, it is important to note that the number of households enrolled in a job training or educational program were not reported separately in the third party evaluation. THA will begin to track these separately in the coming school year.

Below is some promising information from the fourth year evaluation.

“Families have experienced increases in education, job training employment, and income. Incomes fluctuated monthly. In August 2015, 20 adults in 16 households in the Program had earned income (46.5% of the 43 adults in the 33 households). This is a decline from last year when 60.4% of adults were employed. The percentage of adults employed rose steadily from a low of 11.4% at Program entry to 60.4% last year. The families had 16 adults employed full time and 6 employed part time.

Among the 43 adults in the 33 families in the Program in August 2015, many have maintained or gained employment while in the Program. Their jobs include: baker, machinist, housekeeper, custodian, customer service representative (2), carpenter (2), home health care worker, sales clerk (2), laborer (4), trainer, warehouse worker, administrative clerk, day care worker, CNA certified caregiver (4), cashier, mail carrier, recycler, truck driver, paint salesperson, car salesperson, medical receptionist, social worker, and pizza chef.

Many (14) started with and some have continued receiving some government assistance. Seven households receive some SSI payments (5 for children); 10 receive child support; three receive TANF; two receive unemployment compensation; and none receive support from family members; most receive SNAP (food stamps Earned income (averaging \$1,048/month) now far exceeds unearned income (averaging \$384/month).)

Only 3 families (9.1%) receive Temporary Assistance for Needy Families (TANF¹). The average amount of TANF funding received decreased from \$558 per month to \$494 for those receiving TANF. Some families also receive unearned income from other sources (e.g., child support, unemployment insurance). The efforts of caseworkers to help families apply for needed and qualified financial support has helped many supplement their incomes and increase their financial stability.

Overall, median monthly household income stayed flat at \$782. Average monthly household income rose 6.9% to \$1,432. Due to the small size of the cohort (which skews the average when a few members have relatively large incomes), the median numbers are more meaningful. Among all households, six had zero income; another three received less than \$500; eight received between \$500 and \$1,000; six received between \$1,000 and \$2,000; and 10 received more than \$2,000. Households now get 73.2% of their income from employment (well up from 56.9% last year and from 36.2% at Program entry). These figures do not take into account family size.”

Hardships: This program saw an increase in hardship requests in the fourth year when households were expected to pay 60% of their rent. The number of households able to pay the expected share of rent without undue rent burden was fourteen (14). The number of households unable to pay the expected share of rent without undue burden was nineteen (19). Because of this, THA made an interim rent structure change. At the beginning of the fifth year of this program, participating households began receiving assistance under the MTW HCV rent calculation where households pay 28.5% of their income toward rent. THA is continuing to survey participating households to better understand the issue. THA may implement a new rent structure in the expansion of the program based on these discussions.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics.

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

¹ Possibly impacted by time limits on TANF support.

3. LOCAL PROJECT- BASED VOUCHER PROGRAM (HCV)

Impact of Activity: This activity has been completely implemented. 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).	\$12,180	\$8,526	\$8,945	Although the outcome is higher than the benchmark, this is still considered an achievement. THA added 20 PBVs to its portfolio in 2014 which increased the dollar amount of this activity.

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Total amount of staff time dedicated to the task prior to implementation of the activity (in hours).	Expected amount of total staff time dedicated to the task after implementation of the activity (in hours).	Actual amount of total staff time dedicated to the task after implementation of the activity (in hours).	Whether the outcome meets or exceeds the benchmark.

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).	THA cannot establish a baseline for this metric.	TBD in 2015	TBD in 2015	TBD in 2015

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).	TBD	TBD	TBD	TBD

Discussion of Benchmarks: THA sees annual savings through the authority that this activity gives the agency to inspect its own units. THA is working on setting benchmarks and a tracking system for metric CE#3 and will begin to report on this metric in the 2016 Report. THA will set baselines and benchmarks for HC#4 once the number of PBVs exceeds the 20% cap.

Revisions to Benchmarks or Metrics: THA has made changes to the metrics to match HUD's standard metrics.

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

4. ALLOW TRANSFERS BETWEEN PUBLIC HOUSING AND VOUCHER PROGRAMS

Impact of Activity: THA fully implemented this activity in 2012. THA used this activity to transfer 15 households in 2015. THA did not meet its goal of transferring 25 or more households in 2015. The agency continues to use a new database to help the transfer policy be more effective in 2016. THA expects to meet the benchmark of 25 households moving to a more suitable unit by the end of 2016.

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	15	Did not meet

Discussion of Benchmarks: THA believes it will meet its benchmark in 2016.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics.

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

5. LOCAL POLICIES FOR FIXED INCOME HOUSEHOLDS

Impact of Activity:

THA received authorization for this activity in 2011 and fully implemented this activity in 2013. 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 in dollars (decrease).	\$21,438	\$14,291	\$13,915	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,051	701	596	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	TBD	TBD	TBD	TBD

Discussion of Benchmarks: THA met its benchmarks in 2015 for agency cost and staff time savings. THA has not increased the minimum rent for this population, as THA is planning for program-wide rent reform to be implemented in 2018 which will likely impact this population.

Hardships: Hardship numbers in 2015.

- Hardships Requested: 20

THA received twenty (20) hardships in the fixed income group in 2015.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics.

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

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

Impact of Activity THA received authorization for this activity in 2011 and fully implemented this activity 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 in dollars (decrease).	\$56,202	\$28,101	\$28,395	Did not Meet but made substantial progress

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	2755	1377.5	1225	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Rental revenue in dollars (increase).	TBD	TBD	TBD	TBD

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	\$12,991	\$15,873	Met

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	438	475	453	Did not meet but made substantial progress
	21%	14%	13%	Did not meet but made substantial progress
2) Employed part-time	597	635	625	Did not meet but made substantial progress
	TBD	19%	18%	Did not meet but made substantial progress
3) Enrolled in Educational Program	TBD	TBD	12	TBD
	TBD	TBD	3%	TBD
4) Enrolled in Job Training	TBD	TBD	8	TBD
	TBD	TBD	2%	TBD
5) Unemployed	TBD	TBD	395	TBD
	TBD	TBD	12%	TBD

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	400	294	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 graduated from the FSS program.	0	TBD	TBD	TBD

Hardships: Hardship Numbers for 2015

- Total Hardship Requests: 63

THA saw an increase in hardships in 2015. The minimum rent in this group is \$75.

Discussion of Benchmarks: THA continued to see a reduction in the number of annual reviews processed in 2015 thanks to biennial reviews. This led to an agency cost savings. Community services staff is continuing outreach to households that have \$0 earned income to engage these households in employment services. THA continues to see improvement in employment status of households. Households removed from TANF in 2015 reflect all households removed from TANF regardless of whether the reason was due to an increase in income or to the temporary nature of the assistance.

Additionally, THA is planning for program wide rent reform in Plan Year 2018. THA has not raised the minimum rent in this group because of that. THA will report on the increase in tenant share upon implementation of any such rent reform.

Revisions to Benchmarks or Metrics: With the implementation of THA's new software in 2016, THA will be able to better track the effect of this activity regarding educational attainment and job training and may consider revisions to the benchmarks. Currently, THA only counts the educational attainment and job training of those enrolled in FSS. It is likely that there are more households achieving these milestones who are not captured.

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

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 2015 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	\$10,400	\$0	Met

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	Met

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).	Cannot establish baseline.	0%	0%	Met

Discussion of Benchmarks: THA has seen a 100% savings from only verifying assets over \$25K as none of THA's households have assets over this amount.

Hardships: No hardships were requested in the 2015 because of this activity.

Revisions to Benchmarks or Metrics: THA has made changes to the metrics to match HUD's standard metrics.

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

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

Impact of Activity: 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. 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 and need assistance. Forms now come in 100% complete and correctly filled out. THA has seen an increase in the total number of interims processed from the first year implemented. The increased convenience of filling out a change of circumstance form online may be the reason for the increased number of interims in 2015.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$33,354	\$23,348	\$41,260	Did not meet

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	1,145	1,780	Did not meet

Discussion of Benchmarks: THA did not meet the 30% reduction number that it had set out in the benchmarks. This may be the result of online interims. THA will continue to monitor the number of interims submitted and will reassess the benchmark based on the changes to the process in 2016.

Hardships: No hardships were requested in 2015 because of this activity.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

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).	\$6,793	\$3,396.50	\$1,680	Met

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	72	Met

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).	THA cannot establish baseline data for this metric.	0	0	Met

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

Hardships: 0.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

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).	\$6,630	\$3,978	\$3,563	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	325	195	154	Met

Discussion of Benchmarks: THA met the benchmarks for both metrics for this activity in 2015.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

15. REGIONAL APPROACH TO SPECIAL PURPOSE HOUSING

Impact of Activity: THA received authorization for this activity in 2012. THA 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	\$150,000	\$393,259	Exceeded

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	120	86	Did not meet

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0	20	TBD in 2016	TBD in 2016

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	120	86	Did not meet

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	120	86	Did not meet

Discussion of Benchmarks: THA planned on serving 120 households in 2015 but was able to serve 86. These households included 226 households. THA is working with the program administrators in Pierce County to increase the number of households served and to consistently track households transitioned to self-sufficiency. THA will report the total number of households transitioned to self-sufficiency as a result of this activity in its 2016 Report.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

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 used 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 replaced 70 of those units with a mix of project based units, public housing units and affordable tax credit units. THA brought these units on line starting in May through December 2014. Phase II of this planned development will bring on 74 new units that will be available to households at or below 80% AMI. Phase II is scheduled to open in July 2017.

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	26	0 in 2015	Did not Meet

HC #2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	0	26	0 in 2015	Did not Meet

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	26	0 in 2015	Did not Meet

Discussion of Benchmarks: THA did not use the flexibility of this activity to develop in plan year 2015.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

17. HOUSING OPPORTUNITY PROGRAM (HOP)

Impact of Activity:

THA implemented this program in 2013 after receiving MTW approval. THA increased the number of HOP households to 391 in 2015. THA is continuing to monitor lease up rates and the geographic locations of where HOP households are able to find affordable housing. THA will also continue to monitor the program to ensure no single population (race, ethnicity, and family size) is being negatively affected more than one throughout 2016. THA may consider changes to the HOP program in the 2018 Plan year depending on the findings of THA's research agenda. This will inform the effects of time limits and fixed subsidies on household's earned income among other factors.

SS #1: Increase in Household Income (Work Able Only)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$12,372	\$13,609	\$15,619	Met

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	30	197	Met
	0	25%	50%	Met
2) Employed part-time	0	40	197	Met
	0	33%	50%	Met
3) Enrolled in an Educational Program	0	TBD in 2016	TBD in 2016	TBD in 2016
	0	TBD in 2016	TBD in 2016	TBD in 2016
4) Enrolled in a Job Training Program	0	TBD in 2016	TBD in 2016	TBD in 2016
	0	TBD in 2016	TBD in 2016	TBD in 2016
5) Unemployed	TBD in 2016	TBD in 2016	TBD in 2016	TBD in 2016
	TBD in 2016	TBD in 2016	TBD in 2016	TBD in 2016

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households removed from TANF assistance (decrease).	0	28	65	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). Households participating in FSS.	0	15	12	Did Not Meet (currently, this metric counts HOP households participating in FSS)

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).	\$604 for traditional section 8	\$460 for HOP households	\$467	Did not Meet but Made Substantial Progress

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 reached more than 80% AMI.	0	0	0	N/A

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	3.045 Years	Did not meet but made significant progress.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	TBD in 2016	TBD in 2016	TBD in 2016	TBD in 2016

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	TBD in 2016	TBD in 2016	TBD in 2016	TBD in 2016

CE # 3: Decrease in Error Rate of task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a rent calculation as a percentage (decrease).	THA cannot establish a baseline for this metric.	0	0	Met

CE # 4: Increase in Resources Leveraged (From the College Housing Assistance Program)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$22,000	\$22,000	Met

Discussion of Benchmarks: 2015 was the third year THA brought families onto the program. 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'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 as engaging households in community services continues to be a struggle for the agency. THA's Client Services department continues to strategize on best practices for engaging with households.

HOP household earned income increased from 2014 to 2015. Although THA did not reach the benchmark for the time a household spends on the waitlist, a two year average decrease was achieved. In order to complete the metrics regarding staff time and agency cost savings, a more extensive staff time survey is necessary than would have been allowed to complete in the timeframe for report submittal. THA will continue to work on establishing thoughtful baselines and benchmarks in 2016 and report on these metrics in the 2016 Report.

Hardships

Zero hardships were requested or granted in plan year 2015.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

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.

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	100	509	Met

Discussion of Benchmarks: THA has seen an increase in the number of households that use this flexibility.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

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	\$1,583	\$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).	\$9,231	\$9,697	\$15,404	Exceeded

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$500	\$943	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	68	71		Did Not Meet
	54%	59%		Did Not Meet
2) Employed part-time	23	10		Did Not Meet
	18%	23%		Did Not Meet
3) Enrolled in an Educational Program	16	20	12	Exceeded
	13%	16%		Exceeded
4) Enrolled in a Job Training Program	29	30	8	Did Not Meet
	23%	25%		Did Not Meet
5) Unemployed	33	31		Did Not Meet
	26%	21%		Did Not Meet

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	18	Met

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	124	Did Not Meet

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).	\$589 2014	\$580 in 2015	\$589 in 2015	TBD in 2016

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
PHA rental revenue in dollars (increase).	THA cannot establish a baseline for this metric.	TBD	TBD	TBD

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 that graduate the FSS program each year.	10	10	10	Met

Discussion of Benchmarks: Numbers for the FSS program continue to be consistent with the exception of the number of households served. There was a slight decrease in the total number from 2014 to 2015. THA's Client Services department is working diligently to increase the number of households that participate in FSS.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

21. CHILDREN'S MATCHED SAVINGS ACCOUNTS

Impact of Activity: THA proposed this activity in its 2014 MTW Plan and implemented the program in fall 2015. THA continued its fundraising efforts for this activity throughout 2015 and now has sufficient funding to support the first cohort. In 2016, THA will continue to recruit children living in Salishan into this program in order to help those children save for college.

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	TBD in 2016	TBD in 2016	TBD in 2016

Discussion of Benchmarks: THA will set benchmarks for this activity in 2016.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

24. SECURITY DEPOSIT ASSISTANCE PROGRAM

Impact of Activity: THA proposed this activity in its 2014 MTW Plan and implemented the program in winter 2015. Program funds are available to households participating in the Tacoma Public Schools Special Housing Program, College Housing Assistance Program and households wishing to live in THA's properties but cannot afford a security deposit. One household used the activity in 2015.

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	20	1	Did Not Meet

Discussion of Benchmarks: THA implemented this program late in 2015. THA will update HUD on the use of this program after it has been implemented full a full Plan year.

Revisions to Benchmarks or Metrics: No changes were made to the benchmarks or metrics for this activity.

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

B. Not Yet Implemented Activities:

9. 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)

Update: THA proposed this activity in 2012 but has not had the opportunity to use this activity yet. THA is looking at a RAD conversion in 2015. Since RAD has been approved, THA may drop this activity to the closed out section of the 2016 Plan.

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.

22. Exclude Financial Aid from Excess Income for Students

Update: THA will implement this activity later in 2016 with the development of its new software.

C. On Hold Activities:

20. MTW Seed Grants

Update: 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. THA did not utilize this activity in 2014.

D. Closed Out Activities:

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

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

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

(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 Client 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, the Children’s Matched Savings Account and the Tacoma Community College Housing Assistance Program. • 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 funds the costs of operating its public housing portfolio. • THA has used single fund flexibility in the development of Bay Terrace.
V.4.Report.Local Asset Management Plan
B. MTW Report: Local Asset Management Plan
<p>Has the PHA allocated costs within statute during the plan year? Yes</p> <p>Has the PHA implemented a local asset management plan (LAMP)? Yes</p>
<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>
<p>Has the PHA provided a LAMP in the appendix? Yes</p>
<p>In the body of the Report, PHAs should provide a narrative updating the progress of</p>

implementing and operating the Local Asset Management Plan during the fiscal year.

In 2014, THA operated within its LAMP. It was in its fourth year of operations with minor tweaks during that period of time. In 2015, we are making some changes to the plan.

V.5.Report. Unspent MTW Funds

C. MTW Report: Commitment of Unspent Funds for 2016

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	Bay Terrace Redevelopment	\$0	\$400,000
Capital	Redesign of Family Investment Center that houses THA's Community Services staff and property management staff for Salishan.	\$0	\$579,500
Capital	Renovation of Salishan Maintenance Shop	\$0	\$286,500
Capital	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.	0	\$1,200,000
Conversion	Housing Software Conversion	\$0	\$750,000
Education	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.	\$0	\$310,000
		\$0	\$3,526,000

THA is committed to a number of different endeavors. Some are underway. Others will be accomplished in the near future. Our Bay Terrace redevelopment effort continues, and will break ground in 2016. We recently finished remodeling the 2nd floor of our administrative building. We need to do renovations in our FIC and Maintenance shop in the next two years. In 2015, we signed a contract for our Mainframe software development and conversion, with contractors on board. The intent is to expand our Education program that has been so successful at McCarver Elementary in the fall of this year.

(VI) Administrative

A. Certification that the PHA 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 families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and 3) 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.

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

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

A. 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 2015.

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 2015, 97.2% of all households were at or below 50% AMI.)

Certification of Statutory Compliance <u>2011</u>			Certification of Statutory Compliance <u>2015</u>		
Family Size	50% AMI and Below	Above 50% AMI	Family Size	50% AMI and Below	50% AMI and Above
1	98%	2%	1	98%	2%
2	95%	5%	2	94%	6%
3	92%	8%	3	93%	7%
4	93%	7%	4	95%	5%
5	93%	7%	5	89%	11%
6	96%	4%	6	96%	4%
7	97%	3%	7	89%	11%
8+	93%	7%	8+	94%	6%

- 2) Continuing to assist substantially the same total number of eligible low-income families as 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	2014 Households Served	2015 Households Served
Public Housing	817 ²	904	870	762	792	801
Section 8	3,696 ³	3,448	3,552	3,634	3,673	3,685
Local Non-Traditional	0	0	0	47	128	86
Totals	4,513	4,352	4,422⁴	4,443	4,593	4,572

- 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%
2014	43%	19%	15%	10%	7%	3%	2%	100%
2015	43%	20%	16%	10%	7%	3%	2%	100%

Michael Mirra

Michael Mirra, Executive Director

Date: March 31, 2016

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

⁴ THA received 103 TPV vouchers between July and October 2012.

Additional Appendix Items

Appendix A: Local Asset Management Plan

Appendix B: McCarver Program Year Four Evaluation- Sent separately because of HUD inbox issues.

Appendix A: 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 modify somewhat the cost approach as described in the previous year’s LAMP. This cost approach continues to eliminate all current allocations and book 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.

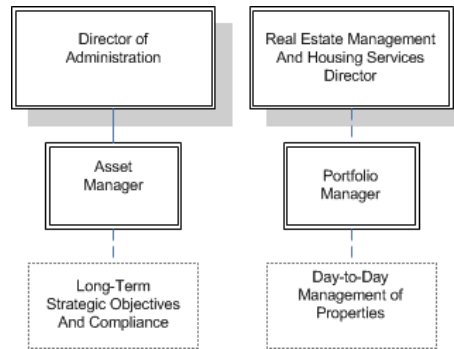


Figure 1: Organizational Structure

Description of 2015 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 desired in Salishan. Rather than managing different types of properties in the same AMP, THA changed it’s 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 it’s 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. During 2014, THA changed the model again in order to gain more efficiencies in Maintenance Operations.

During 2014, THA eliminated the centralized maintenance team concept, and re-assigned the entire maintenance staff to fall under the purview of the Maintenance Supervisor. We now have 4 zones that are staffed based on geographical location, with each zone having a maintenance lead to both direct, oversee, and assist in ensuring the team is meeting its objectives in completion of the maintenance work. The administrative time for staff will be charged out on as an allocation based on the projects in the zone they are located, while the time worked performed in a unit will be charged directly to the project the unit is located. If necessary, a team member from one zone can be assigned to work on a unit in a different zone. That time will be charged to the property the unit is located.

Acquisition of Goods

THA has been operating under a decentralized purchasing model for the acquisition of goods. We are going to a more hybrid method where goods are primarily ordered by site staff for unit turns. We have hired a supply chain analyst to assist with distribution of supplies and ensuring that goods are available to move forward on both unit turns and work orders without disruption to the sites. THA is in the process of making that transition and will monitor its success.

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 on a routine basis. 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.

Error! Reference source not found.The end of this plan indicates the breakdown of how the administrative cost portion of the PSC will be charged out.

Direct Costs

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

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

Table 1: Direct Costs

Indirect Costs (Program Support Fees)

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

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

Project Support Fee

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

- Executive Department
- Purchasing
- Asset Management, including compliance
- Human Resources Department
- Real Estate Management and Housing Services Director
- Accounting and Financial Services
- Real Estate Development Director and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing Staff and expenses Elderly Services Coordinator

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 Managed housing side, THA will use the HUD Management Fee schedule as the base amount. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

Project Support Fee				
Fee	Rental Assistance	Property Management - Senior	Property Mgt - Family	
HUD-Prescribed Management Fee (33.3% of prescribed fee for PM)	\$12.00	\$47.91	\$47.91	
Bookkeeping Fee	\$6.00	\$7.50	\$7.50	

HUD-Prescribed Asset Management Fee	\$0.00	\$10.00	\$10.00
IT Fee (maintained by IT, but previously charged out as allocated direct charge)	\$2.00	\$6.00	\$6.00
Elderly Service Coordinator Fee		\$16.83	
Leasing Support	\$2.45	\$7.40	\$7.40
Total Fee:	\$22.45	\$95.64	\$71.41

For THA's tax credit properties, the agency receives management fees per the entity's operating agreement. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-16) to cover deficits in the Tax Credit PSC.

Cost Centers

Property Management

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

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%

Table 3: Rental Assistance Unit Equivalencies

Community Services

The Community Service department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. 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 have become more important. Additionally, THA has received a number of grants that provide funding for a variety of services to its clients. The majority of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but overhead costs not reimbursed by the grants will.

THA's 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.
- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

In taking this approach, it allows the Community Services department to operate as a business activity. It is set up in such a manner that THA's 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. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units. Additionally, THA has applied 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 2015 if we are approved. As we are unclear of the status of our application since we are approximately 4,000 units above the current 60,000 unit cap, we have not included any costs in our 2015 budget.

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 FY2015, each area will be charged \$24.24 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent Paid by Program for Main Office Space (\$24.24 / Sq Ft)					
Area	Sq. Ft at Main Office	CAH Activity (MTW)	Tax Credit Activity (MTW)	Business Activity (Non-MTW)	TOTALS
Rental Assistance	4,300	\$91,724	\$0	\$12,508	\$105,952
Real Estate Development	1,500	\$12,362	\$0	\$23,998	\$36,360
Total	5,800	\$104,086	\$0	\$37,108	\$140,592

Table 4 Annual Rent Paid by Program for Main Office Space

All rental revenue and the expense to operate the main office reside in the MTW Program Support Center (PSC). The chart below provides the cost details used to determine rent amounts for FY2015.

Rent Fund 005 Program Support Center

Income	FY2015 Budget
Rental Income	\$140,600
Total Income	\$140,600
Expenses	
Depreciation	\$164,700
Maintenance Salaries	\$35,000
Maintenance Benefits	\$11,500
Maintenance Contracts	\$50,000
Maintenance Materials	\$6,000
Utilities	\$42,200
Security	\$7,200
Property Insurance	\$5,500
Total Expenses	\$322,100
Net Income (Loss)	(\$181,500)

Table 5: Rental Income and Building Expenses

Since the expenses relate to both the administrative staff that reside within the main office building and the areas identified above that pay rent to the PSC, there will always be a loss in the Business Activities PSC. Commencing 2015, we will no longer charge rent to the Property Management units.

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 returned to using the standard Fee for Service as prescribed by HUD as it’s base fee. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator) that could have been allocated out to the projects, but as these expenses are not under the control of the Property Manager we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD’s rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA’s mission and serve the agency’s low-income clientele.

4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee 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 2015.

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 Credit (MTW)	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 Credit (MTW)	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%
				76.41%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties (PH)		1	327	23.59%
				23.59%
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%
Salishan 7	90	0	0	0.00%
				0.00%
			1,386	100.00%

Table 6: Unit Equivalency Charts

Program Support Center Allocation Detail

Program Support Center Unit Equivalencies					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SC0002			10	10
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers – Roll into MTW 07/01/13	103			103
	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
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7			90	90

Property Management: Public Housing AMPs	AMP 1 - K.G & M	160		160
	AMP 2 - 6th Wright, Fawcett	152		152
	AMP 3, Dixon, BT, Lawrence	144		144
	AMP 4, 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
	Bay Terrace		70	70
	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	672	476
			476	5,434
Development	THA MTW Support including CFP	277		277
	THA as Developer			538
	Unit Equivalentents	277	0	538
	Total Units/Unit Equivalentents - 15% of Units	4,563	672	1,014
Program Support Center Equivalentencies (% of All Units)		73.02%	10.75%	16.23%
				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 B: McCarver Program Year Three Evaluation:- Sent in separate document.