

Tacoma Housing Authority MOVING TO WORK REPORT 2019

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Section I: Introduction and Overview

This report covers January 1, 2019 through December 31, 2019.

One of Tacoma Housing Authority's (THA) main challenges is maintaining a strong presence in a city that is quickly gentrifying. THA judges that many Tacoma neighborhoods are changing so fast that in 10 years the only notable measure of affordable housing and racial and economic integration, is what THA and its nonprofit partners can own, buy or build now. In the midst of these challenges THA continues to innovate and expand programs to house Tacomans in need. THA does so amid a lack of adequate increases in federal resources for affordable housing.

Our voucher programs continue to struggle with Tacoma's new rental market. Tacoma rents are climbing fast. Rising rents, low-vacancies and competition with renters who can pay more or have stronger rental credentials is the new normal. Yet, in the face of these challenges, THA finished the year with a utilization rate of 100.3% -- far surpassing the 95% expectation set at the beginning of the year. This was due in large part to THA's MTW flexibility which grants us the ability to use housing dollars in creative ways. This last year featured a larger investment in Landlord Liaison efforts and Renter Readiness partnerships in an effort to appeal to our landlord partners.

In 2019, THA expanded its new Property-Based Subsidy program to reserve more affordable housing for special populations in need. Of particular note, is our partnership with an assisted living facility serving Medicaid eligible residents that was at risk of becoming private pay. As you'll read throughout this report, THA uses its MTW flexibility to craft a localized response to Tacoma's economic and market conditions to make the most of THA's resources. For that, THA is fortunate, and grateful, for its MTW flexibility.

LONG TERM GOALS & OBJECTIVES

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

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

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

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

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

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

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

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

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

In general, these strategic choices have THA provide high quality housing and supportive services to people in need, with a focus on the neediest. THA will seek to do this in ways that also get two other things done. **First**, it seeks to help people who can work to succeed, not just as tenants but also, as THA's vision statement and strategic objectives contemplate, as "parents, students, wage earners and builders of assets". It wants their time on its housing programs to be transforming in these ways, and temporary. It wants this certainly for grownups but emphatically for children because it does not wish them to need its housing when they grow up. **Second**, THA seeks to help the City of Tacoma develop and to help ensure that when the city does develop it does so equitably. It seeks this so that Tacoma becomes a place that households of all incomes, races, needs and compositions experience that, as THA's mission statement contemplates, is "safe, vibrant, prosperous, attractive, and just." The following seven strategic objectives and strategies are ambitious. THA will require all the tools within reach, including its MTW flexibility.

1. Housing and Supportive Services

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

To meet this objective THA will:

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

2. Housing and Real Estate Development

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

To meet this objective, THA will:

- Increase the number and type of THA units.
- Improve the quality of housing that THA owns and manages.
- Increase the life-span of the units within THA's portfolio.

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

3. Property Management

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

To meet this objective, THA will:

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

4. Financially Sustainable Operations

THA seeks to be more financially sustaining.

To meet this objective, THA will:

- Achieve an agency-wide operating surplus.
- Maintain minimum and maximum restricted and unrestricted reserves.

- Achieve a 1.15 debt-service ratio.
- Increase the value of THA's land and properties.
- Increase and diversify its income.

5. Environmental Responsibility

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

To meet this objective, THA will:

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

6. Advocacy and Public Education

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

To meet this objective, THA will:

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

7. Administrative Services

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

To meet this objective, THA will:

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

SHORT TERM GOALS & OBJECTIVES

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

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

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

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

THA has also been able to invest federal dollars in non-traditional rental assistance programs that serve homeless households with children, homeless youth without families, and homeless community college students. One way THA does this is by investing in the local Coordinated Entry systems which provides housing assistance to these populations who are experiencing literal homelessness.

These same non-traditional activities allow THA to expand upon its innovative **Education Projects**. THA has expanded its Elementary School Housing Assistance Program (ESHAP) to all Tacoma Public School (TPS) students and their families experiencing homelessness. ESHAP’s expansion through THA’s local, non-traditional programs will also serve four times as many TPS families. In addition to serving families in the Tacoma Public Schools jurisdiction, THA has used these dollars to create more affordable housing options for homeless college students enrolled at Tacoma Community College and the University of Washington Tacoma. Through the creation of **THA’s property-based subsidy** contracts, THA has reserved over 200 units of housing affordable for homeless or near homeless college students. THA, Tacoma Community College and the Department of Corrections are developing a sub cohort of the CHAP program to serve returning citizens who are exiting corrections and are enrolled at Tacoma Community College.

THA’s use of property-based subsidies is also subsidizing units at local assisted living facilities which house Medicaid-eligible seniors who may have lost that housing otherwise. THA considers this investment to be valuable in maintaining housing for those who are receiving dementia care and other assisted living needs.

THA’s **Landlord Engagement Specialist** develops strategic relationships with THA landlords. This allows THA to respond to the feedback and needs of THA landlords, while increasing private-rental housing options for THA voucher holders. THA hosts Landlord Advisory Group meetings which occur each month. These convenings have maintained a healthy attendance of

landlords. Landlords have expressed interest to establish trainings for landlords to be well-versed in current laws and ordinances. There is also growing interest from community partners to create more opportunities to expand the Renter Readiness program.

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

THA has acquired James Center North which will allow THA to develop housing units in Tacoma's West End neighborhood near Tacoma Community College where housing has become unaffordable and unavailable to THA's voucher participants and to TCC students generally. James Center North will be a transit-oriented development and a mixed income community. The current plan anticipates +/- 500 units. Throughout 2018, THA initiated the project and conducted market and feasibility studies, community engagement, advisory group meetings and in May 2019 completed the master plan draft.

THA continues its work to redevelop its 1800 Block of the property formerly known as Hillside Terrace. This is the third phase of the new Bay Terrace development and will be 64 units developed with low income housing tax credits and other financing sources. In 2019, through neighborhood consultation, THA renamed the property to The Rise on 19th. THA broke ground on The Rise in July and construction will be completed in 2020.

THA continues its work to develop Housing Hilltop which will result in up to 250 new units of affordable housing in a rapidly gentrifying neighborhood. In 2019, a concept plan was identified for the Hilltop Lofts project, which was informed by thorough consultation with neighborhood groups, residents, as well as THA staff. THA is also seeking funding for permanent supportive housing to occupy one of the sites within this project.

In 2018, THA secured partnerships with developers, Community Youth Services and the YMCA of Greater Seattle to develop a service-enriched campus providing homeless youth and homeless young adults with short and long-term housing with high quality, empowering and supportive services. These services will include professional trauma-informed case management services, independent living skills training and job training. In 2019, THA hosted a groundbreaking celebration which attracted

nearly 300 attendees who heard from elected officials, young adults experiencing homelessness and partners in the project. Construction continued throughout 2019 and will be completed in 2020.

Property Management: THA has used MTW dollars to maintain its public housing portfolio and convert its portfolio to Rental Assistance Demonstration (RAD) financing. 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.

THA focused on fire safety/prevention security on THA properties. THA installed stove top fire suppressors in most of the units in our portfolio. In 2019, zero tenants were displaced by fires and THA experienced the lowest loss due to fires in five years. This also stabilized insurance expenses due to fire loss. THA also hosted 39 classes taught by Tacoma fire and city emergency management staff. An estimated 730 adults and youth participated. THA hopes this education will increase safety and reduce 911 calls for non-emergencies in 2020.

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.

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

James Center North has added unsubsidized rental income that has helped offset the cost of operations. At the end of 2019, the property was 84% leased.

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

THA continues its long-term project to deploy a document imaging/management program to allow THA to begin moving to paperless operations. In 2019, THA budgeted to hire new staff to lead this project.

THA secured a grant from Tacoma Public Utilities and the Bonneville Foundation to install energy saving solar panels at the Arlington Drive Homeless Youth Crisis Residential Center that is scheduled to be completed in 2020.

THA secured a grant to work with Tacoma Public Utilities to participate in a water heater demand demonstration for the 90 units in Salishan One. The demonstration provided new high-tech, low energy use water heaters for the units. The water heaters in the units were past their average life cycle and nearing required replacement schedule. The new water heaters are more energy efficient and have a longer life cycle than the traditional water heaters.

THA completed low-impact landscaping and improved tree canopy at our Bay Terrace Development.

THA staff began working with a small group of community leaders to set the foundation for establishing an Eco-District in the Hilltop. The Eco District framework is based on three Imperatives—Equity, Resilience and Climate Protection. The working group has added three additional imperatives—Economic Development & Jobs, Affordable Housing and Culture. The goal of the working group is for the Eco District to create a set of standards and metrics for future development in the Hilltop. This is an outgrowth of the community engagement work done for THA’s four parcels. To help build community on the Hilltop, THA and the Hilltop Action Coalition are co-sponsoring bi-monthly events, *Hilltop Happenings*.

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.

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

THA continues to be available as a source of data and advice to the city, county state and national policy makers on housing, community development and related topics.

THA participated in stakeholder meetings with landlords and tenant advocates and advised the Washington State Legislature in their work to increase tenant protections.

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

THA has fully deployed its new, self-developed software system on the Salesforce platform which is used to manage the bulk of THA operations. THA's "Open Door" software system has helped THA streamline its processes for program administration, data monitoring and reporting, staff onboarding and tenant/public communication. THA continues to refine this tool to help the agency become more efficient.

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

Section II: General Operating Information

Housing Stock Information

Actual New Project Based Vouchers

Tenant-based vouchers that the MTW PHA project-based for the first time during the Plan Year. These include only those in which a Housing Assistance Payment (HAP) Agreement was in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

Property Name	Number of Vouchers Newly Project-Based		RAD?	Description of Project
	Planned*	Actual		
Salishan	290	291	Yes	291 family public housing units that were converted to RAD-PBV.
Hotel Olympus	49	26	No	Hotel Olympus provides housing to families at or below 50% AMI.
Rialto Apts	13	52	No	Rialto Apartments provides housing to households at or below 50% AMI. This property accepts households with criminal histories.
Arlington Drive Apartments	58	0	No	Arlington Drive Apartment will provide housing to young adults near and/or are homeless.
Hillside 1800	53	0	No	Hillside 1800 is within THA's portfolio that will house low-income households.

502	460	Planned/Actual Total Vouchers Newly-Project Based
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*Figures in the "Planned" column should match the corresponding Annual MTW Plan.

Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:

The planned numbers for Hotel Olympus and Rialto Apartments were the original allotted number of PBV units. The final determination for actual PBV was based on the property’s utilization. Final counts are based on EOY utilization for each property. Arlington Drive Apartments and Hillside 1800 are still under construction and will begin leasing in 2020.

Actual Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which a HAP Agreement was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

Property Name	Number of Project-Based Vouchers		Status at End of Plan Year**	RAD?	Description of Project
	Planned*	Actual			
Bay Terrace	26	26	Leased	Y	THA family housing
Bay Terrace 1	20	20	Leased	N	THA family housing
Bay Terrace 2	52	51	Leased	N	THA family housing
Hillside 2	13	13	Leased	N	THA family housing
Hillside 2 (RAD)	33	28	Leased	Y	THA family housing
Hillside Gardens	8	7	Leased	N	THA family housing
Hillside Terrace 1500	12	11	Leased	N	THA family housing
Salishan Five	45	43	Leased	N	THA family housing
Salishan Four	45	43	Leased	N	THA family housing
Salishan One	35	35	Leased	N	THA family housing
Salishan Six	45	42	Leased	N	THA family housing
Salishan Three	45	44	Leased	N	THA family housing
Salishan Two	35	33	Leased	N	THA family housing
Tyler Square	15	14	Leased	N	THA family housing

Salishan Seven	90	90	Leased	Y/N	THA family housing (excludes the recently converted public housings reported in the New Project-Based section above)
Renew Tacoma Housing	456	449	Leased	Y	THA's Renew Tacoma Housing includes all of THA's elderly/disabled sites
Harborview Manor	147	144	Leased	N	Third-party affordable housing for seniors
New Tacoma Phase 2	8	8	Leased	N	Third-party affordable housing for seniors
Eliza McCabe Townhomes	10	10	Leased	N	Third-party housing for families experiencing homelessness
Flett Meadows	13	12	Leased	N	Third-party housing for families experiencing homelessness
Guadalupe Vista	38	36	Leased	N	Third-party housing for families experiencing homelessness
Pacific Courtyards	23	20	Leased	N	Third-party housing for households experiencing homelessness
Home at Last (Effective 11/2020)	30	0	Committed	N	Third-party housing for households fleeing domestic violence
Olympus Apts.	20	26	Leased	N	Third-party housing with affordable housing for households at or below 50% AMI
Nativity House	50	50	Leased	N	Third-party permanent supportive housing for chronically homeless individuals

1,314	1,255	Planned/Actual Total Existing Project-Based Vouchers
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* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

** Select "Status at the End of the Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Number of Vouchers Project-Based:

Differences occur when properties are not fully leased at the time of reporting.

Actual Other Changes to MTW Housing Stock in the Plan Year

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

Actual Other Changes to MTW Housing Stock in the Plan Year	
Property-Based Subsidies:	In 2018, THA implemented a new activity which allowed THA to enter into agreements with private owners and landlords to subsidize their units for low-income households.
2019 Changes in PBS housing stock:	In 2019, THA entered into an agreement with Crosspoint apartments (19) , Koz at the Dome (75), Campbell Court (10), Cascade Park Vista (75) and Cascade Park Gardens (70) which have set-aside a total of 215 new property-based subsidy units .
2019 Changes to RAD-PBV housing stock:	In late 2019 THA converted 33 public housing units at Hillside 2 to RAD-PBV. THA converted 290 public housing units at Salishan to RAD-PBV.

General Description of All Actual Capital Expenditures During the Plan Year

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

General Description of All Actual Capital Expenditures During the Plan Year
THA used CFP funds to supplement MTW operations, and also RAD rents for properties that converted in 2019.

LEASING INFORMATION

Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

Number of Households Served Through	Number of Units Months Occupied/Leased*		Number of Households Served **	
	Planned^^	Actual	Planned^^	Actual
MTW Public Housing Units Leased	3,888	2,919	324	243
MTW Housing Choice Vouchers (HCV) Utilized	47,797	48,651	3,983	4,054
Local, Non-Traditional: Tenant-Based ^	970	989	81	216 ¹
Local, Non-Traditional: Property-Based ^	1,071	1,674	89	251
Local, Non-Traditional: Homeownership^	0	0	0	0
Planned/Actual Totals	53,726	54,233	4,477	4,764

Please describe any differences between the planned and actual households served:

For MTW Public Housing Units Leased: THA converted 324 public housing units under RAD at the beginning of November – originally it was anticipated to happen at the end of December, or possibly early 2020.

FOR HCV: An increase in THA’s project-based voucher stock increased the actual households served beyond THA’s planned number of households served.

¹ HUD has recently granted THA approval to include households served under this activity into its utilization 6 months post participation. THA began with households served from January 2018 through December 2018.

For LNT: Throughout 2019, THA added new properties into our Property-Based Subsidies program that provided the opportunity to serve more households than predicted in our 2019 MTW Plan. LNT also includes THA unsubsidized tax credit units, for actual households served, THA subtracted households living in LNT market rate units that had THA subsidies. THA also anticipated that households would be served through its revamped Elementary School Education Program which was anticipated to launch in late-fall of 2019. The program has yet to go live.

Local Non-Traditional Category ⁷	MTW Activity Name/Number	Number of Units Occupied/Leased		Number of Households to be Served	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based	Regional Approach To Special Purpose Housing/15	970	989	81	216
Property-Based	Creation & Preservation of Affordable Housing/16	1,071	1,674	89	251
Homeownership	N/A	0	0	0	0
Planned/Actual Totals		2,041	2,663	170	467

* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous table. Multiple entries may be made for each category if applicable.

* ^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

Households Receiving Local, Non-Traditional Services Only	Average Number of Households Per Month	Total Number of Households in the Plan Year
-	0	0

WAITING LIST INFORMATION

Actual Waiting List Information

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The “Description” should detail the structure of the waiting list and the population(s) served.

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Was the Waiting List Opened During the Plan Year
2019 Consolidated Waitlist	Community wide – low income households	2,954	Closed	Yes
Child Welfare Housing Program (CHOP)/Family Reunification Program (FUP – non-MTW)	Other - families reuniting	68	Open	Yes
Family & Young Adult Rapid Rehousing (Local Non-Traditional) <i>THA eligible only</i>	Community Wide – homeless families	258	Open	Yes

Please describe any duplication of applicants across waiting lists:

None

Actual Changes to Waiting List in the Plan Year

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

Waiting List Name	Description of Actual Changes to Waiting List
Low Income Housing and Housing Opportunity Program	THA opened its Consolidated Waitlist for a two-week period in October 2019. Prior to the opening, THA’s waitlist comprised of a significant number of smaller households waiting for one-bedroom units but did not include enough applicants of larger households. THA accepted applications over a two-week period that prioritized households of 3+ people. Once the application period ended, THA selected 1200 households by random lottery to be placed on the 2019 Consolidated Waitlist.

INFORMATION ON STATUTORY OBJECTIVES AND REQUIREMENTS

75% of Families Assisted Are Very Low Income

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual households served upon admission during the PHA’s Fiscal Year reported in the “Local, Non-Traditional: Tenant-Based”; “Local, Non-Traditional: Property-Based”; and “Local, Non- Traditional: Homeownership” categories. Do not include households reported in the “Local, Non-Traditional Services Only” category.

Income Level	Number of Local, Non-Traditional Households Admitted in the Plan Year
Above 80% Area Median Income	0
80%-50% Area Median Income	16
49%-30% Area Median Income	30
Below 30% Area Median Income	273
Total Local, Non-Traditional Households Admitted	319

Maintain Comparable Mix

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

Baseline for the Mix of Family Sizes Served (upon entry to MTW)					
Family Size	Occupied Number of Public Housing units	Utilized HCVs	Non-MTW Adjustments *	Baseline Mix Number	Baseline Mix Percentage
1 Person	53	1,857	0	1,851	42.58%
2 Person	106	754	0	860	19.77%
3 Person	82	502	0	679	15.62%
4 Person	42	300	0	460	10.58%
5 Person	29	237	0	287	6.60%
6+ Person	17	179	0	210	4.85%
Totals	329	3,829	0	4,347	100%

* “Non-MTW Adjustments” are defined as factors that are outside the control of the MTW PHA. An example of an acceptable “Non-MTW Adjustment” would include demographic changes in the community’s overall population. If the MTW PHA includes “Non-MTW Adjustments,” a thorough justification, including information substantiating the numbers given, should be included below.

Please describe the justification for any “Non-MTW Adjustments” given above:

None

FAMILY SIZE	BASELINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	42.58%	1910	45.94%	-3.36%
2 Person	19.77%	860	20.68%	-0.91%
3 Person	15.62%	584	14.05%	1.57%
4 Person	10.58%	342	8.23%	2.35%
5 Person	6.60%	266	6.40%	0.20%
6+ Person	4.85%	196	4.71%	0.14%
TOTAL	100%	4158 ²	100.00%	0.00%

** The “Baseline Mix Percentage” figures given in the “Mix of Family Sizes Served (in Plan Year)” table should match those in the column of the same name in the “Baseline Mix of Family Sizes Served (upon entry to MTW)” table.

^ The “Total” in the “Number of Households Served in Plan Year” column should match the “Actual Total” box in the “Actual Number of Households Served in the Plan Year” table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the “Total” number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:

THA’s local, non-traditional households are excluded from the households reported in the above table. The exclusion of these households would change the numbers above, most notably, the number of single households utilizing traditional THA units and vouchers. The percentage changes from our baseline year is more pronounced due to the exclusion of our LNT households.

² THA is unable to report “Mix of Family Size” to match “Actual Households Served.” The former is based on actual households served versus the prescribed calculation used to derive “Actual Households Served.”

Number of Households Transitioned to Self-Sufficiency in the Plan Year

Number of households, across MTW activities, that were transitioned to the MTW PHA’s local definition of self-sufficiency during the Plan Year.

MTW Activity Name/Number	Number of Households Transitioned to Self-Sufficiency*	MTW PHA Local Definition of Self-Sufficiency
Elementary School Housing Assistance Program/2	1	Exited or graduated with market rent burden <=50%:
Local Policy for Work-Able Households/5	33	Exited or graduated with market rent burden <=50%:
Regional Approach to Special Purpose Housing/15	4	PBS students who have earned a diploma or certificate of any kind from participating colleges.
Housing Opportunity Program/17	23	Exited or graduated with market rent burden <=50%:
Modify the FSS Program/19	8	Exited or graduated with market rent burden <=50%:
	69	<i>(Households Duplicated Across MTW Activities)</i>
	69	Total Households Transitioned to Self Sufficiency

* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

Section III. Proposed MTW Activities

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

Section IV. Approved MTW Activities

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

Plan Year Approved, Implemented, Amended: THA proposed and implemented this activity in 2011.

Description: THA modified its policy for terminating households who were absent from their unit for more than 180 days. THA's programs have a number of reserve or guard military families because of close proximity to Fort Lewis, one of the nation's largest military bases. Active duty may force a household to be absent from their assisted unit for more than 180 days 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 allow a previously assisted households returning from deployment to request reinstatement within 90 days from the date they return from deployment.

Impact: THA has not needed to use this flexibility since its implementation. However, this activity provides the flexibility to honor an active service member's call to duty and permits the household to request reinstatement once they return from a deployment.

Update: This activity was not used in 2019.

HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of active duty soldiers at or below 80% AMI that would lose assistance or need to move (decrease).	0	0	0	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

2. ELEMENTARY SCHOOL HOUSING ASSISTANCE PROGRAM

Plan Year Approved, Implemented, Amended: The Elementary School Housing Assistance Program (ESHAP) was proposed in the 2011 MTW Plan (as the McCarver Elementary School Housing Assistance Program) and it began accepting families in the fall of 2011.

Description: ESHAP is an expansion upon the McCarver Elementary School Housing Assistance Program that launched in 2011 in partnership with Tacoma Public Schools. This program provided housing & case management assistance for 50 homeless families on an annual basis whose children were initially enrolled at McCarver Elementary. The program sought to reduce McCarver’s student mobility rate, improve student learning outcomes and family economic success.

Beginning in 2016, THA began the redesign process of this program to serve more homeless families in the school district. After thoughtful evaluation and public consultation, the school district and THA developed a plan to invest in the existing Pierce County Coordinated Entry System to serve district families identified as McKinney-Vento. This framework will allow THA and TPS to broadly serve more families in the school district, regardless of that student’s grade level or school while simultaneously leveraging existing infrastructure already serving homeless individuals and families in the county. THA and TPS will be able to rely on the sophisticated abilities of Coordinated Entry to assess every household for the appropriate housing assistance and case management care needed to exit them from homelessness. The partners are nearing the final program design and aim to implement this program in the spring of 2020.

Impact: The McCarver program has been able to provide housing to elementary students and their families while they were experiencing homelessness. McCarver produced promising results which saw an overall reduction in program student mobility, an increase in school attendance, and increases in families’ income.

Update: In 2019, 33 ESHAP households were served on the program, majority of whom began the program in 2017. This cohort included households with a total of 51 elementary aged children and 47 non-elementary aged children (under the age of 18). By July 2019, THA exited these households from the program and offered eligible households a Housing Opportunity Voucher.

The progress of families during their time on the program is promising, 71% of ESHAP families have earned income upon program exit, an increase from 55% in 2018. All participants received case management services, while over two-thirds of

households have completed a self-sufficiency activity such as educational, employment, asset-building programs and behavioral counseling.

In its 2019 MTW Plan, THA announced it would be closing this activity and merging it with Activity 16 which authorizes THA to invest its housing dollars in serving families who are experiencing homelessness and receiving case management and housing through Pierce County’s Coordinated Entry System.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased). Additional funds beyond THA’s investment in rental assistance.	\$500,000	\$350,000	Gates: \$300,000; Tacoma Public Schools \$125,000; City of Tacoma: \$110, 852; North Tacoma Rotary: \$950. Total: \$536, 802	Met

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).	\$6,243 (end of 2017)	\$17,940	\$15,214.73 (\$9,304 in 2018).	Not met. While the benchmark has not been met, households earned income has steadily increased each year.

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-	0	11	11	Met

	0%	35%	46%	Met
2) Employed Part-time	0	16	6	Not met
	0 %	50%	25%	Not met
3) Enrolled in an Educational Program	0	8	10	Met
	0%	25%	30%	Met
4) Enrolled in a Job Training Program	0	8	16	Met
	0%	25%	48%	Met
5) Unemployed	42	5	7	Not met
	100%	15%	29%	Not 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).	0	50% of ESHAP households receiving case management from THA Community Services	28 ESHAP households receiving case ESHAP management, 6 were enrolled in FSS and 3 households were receiving services from the Center for Strong Families (CSF)	Met

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$857 (75% of 2-BD payment standard)	\$949 (75% of 2-BD payment standard)	\$698	Met

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 with market rent burden less than 50%.	Exited with market rent burden <=50%: NA Average market rent burden (all ESHAP): 159%	50% of exiting or graduating households will have market rent burden <=50%	Exited or graduated with market rent burden <=50%: 1 exit in 2019 (@26% market rent burden) Average market rent burden (all ESHAP): 56.27% (123% in 2017)	Met

Hardships: No ESHAP households were granted hardships in 2019.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No actual changes in 2019.

THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have **evolving benchmark are as follows:**

SS#1: Increase in Household Income – the benchmark is based on Washington’s minimum wage and an assumption of a 30/hour work week. The benchmark will evolve in subsequent MTW reports as Washington State’s minimum wage changes.

SS#6: Reducing Per Unit Subsidy Costs for Participating Households – this benchmark has been revised to assume 75% of the average two-bedroom payment standard. The benchmark will evolve along with THA’s payment standards.

Actual Significant Changes: As an MTW activity, THA will be closing out ESHAP. Future metrics will be reported under Activity 16 under the program name Tacoma Schools Housing Assistance Program (TSHAP).

Challenges in Achieving Benchmarks and Possible Strategies: Families served by the ESHAP program were families who were identified to be homeless upon entering the program. These families entered the program with a range of barriers and needs beyond housing. Housing services provided through the ESHAP program were sufficient enough to stabilize families and created capacity for families to begin addressing issues such as: behavioral/mental health issues for both parents and children, planning for and pursuing educational and job training opportunities, financial barriers, etc. ESHAP has been undergoing a re-design that has involved outside partners and creating partnerships so that needs beyond housing can be addressed. ESHAP participants have not yet achieved the benchmarks set within the metrics but have seen steady growth in income and engagement in self-sufficiency activities. As a housing provider, THA has been able to provide housing subsidies to help stabilize the families and is now pursuing stronger relationships with community service providers to help ensure that families receive the help and services they need to continue their growth and progress.

3. LOCAL PROJECT- BASED VOUCHER PROGRAM (HCV)

Plan Year Approved, Implemented, Amended: THA proposed this activity in 2011 and it has been completely implemented.

Description: In 2011, THA implemented a local project-based voucher program to increase the number of vouchers that THA can project base. The local program includes the following:

1. THA removed the cap on project-based vouchers for its own developments to allow THA to finance more developments in the future. Up until 2018, THA maintained the 20% cap for project-based vouchers at properties not owned or operated by THA.
2. THA initially used this activity to waive the mobility option that allowed PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. Once THA converted a majority of its PBV units to RAD-PBV, THA revised its Choice Mobility policies. The RAD rules require THA to offer Choice Mobility vouchers to RAD-PBV tenants. In 2017, THA's board approved a revised version of this policy that Choice Mobility to be available to *all* PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following: 1) in good status/no debts owed; 2) one-time use policy 3) required pre-issuance counseling; 3) unpaid tenant charges could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.
3. THA established a reasonable competitive process and contract terms which includes the length of the contract for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
4. In 2012, THA began conducting its own Housing Quality Standards (HQS) inspections on units it owns or has interest in.

Impact: It's been several years since this activity's initial implementation and THA has been conducting its own inspections on all its project-based units. The biggest benefit THA sees from in-house inspections is being able to monitor and control the quality of HQS inspections. THA takes pride it's in portfolio and this allows THA to ensure its clients reside in safe, decent and sanitary housing.

This flexibility has enabled THA to partner with outside partners to serve households that have experienced homelessness and/or need supportive services provided by THA's community partners.

Update: There were no updates to this activity in 2019.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease). Cost of in-house PBV inspections compared to third party.	\$49, 560	\$39,648 (20% decrease)	\$21,856	Met

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

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection:

CE #2: Staff Time Savings – has been removed. THA uses its MTW flexibility to conduct in-house inspections for PBV units for a cost savings and quality control. There are not time savings by conducting in-house inspections.

CE#1: Agency Cost Savings – for 2019, THA updated the baseline based on a third-party invoice to conduct annual inspection reviews. THA applied the costs to conduct each annual HQS inspection to the number of PBV inspections completed by THA in 2019. The invoice does not include charges for administrative or other misc. tasks to come to an “apples-to-apples” comparison.

Previously the baseline was the cost of PBV inspections from the initial implementation of this activity back in 2012. The number of PBV units in THA’s portfolio has increased significantly since initial implementation of this activity. THA compares the costs to

conduct the same inspections in the given year by a third party to costs of conducting inspections in-house. THA hopes to achieve a 20% savings by conducting in-house inspections which determines the benchmark.

THA will set baselines and benchmarks for HC #4 once the number of PBVs exceeds the 20% cap. CE #3 (Decrease in Error Rate of Task Execution) was deleted from this impact analysis. Error rates have not been collected for this initiative throughout its implementation and there are no plans to start tracking this metric.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

4. ALLOW TRANSFERS BETWEEN PUBLIC HOUSING AND VOUCHER PROGRAMS

Plan Year Approved, Implemented, Amended: This activity was proposed and implemented in 2011.

Description: THA permits public housing clients to transfer to THA’s voucher programs under certain conditions such as when they are overhoused, underhoused or require a special accommodation lacking in their current unit. Some clients opt for a voucher to find a suitable unit in the private market.

Impact: This activity has allowed public housing households transfer to more suitable housing by allowing the transfer between unit-based and tenant-based housing. Without this flexibility, households may have to wait longer for a home that accommodates their households needs.

Update: Tacoma’s private rental market has been competitive and can be difficult for public housing clients to secure affordable housing. A large majority of THA’s public housing units have been converted to RAD-PBV. By the end of 2019, THA has a total of 4 public housing units. THA does not have any public housing households waiting for a transfer. The number of households who have successfully transferred between Public Housing and voucher programs in 2019 was (0) zero.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0	0	0 Public Housing households transferred into voucher program and leased-up	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: THA updated the benchmark to zero. Due to our large RAD conversion, we do not expect any public housing households to transfer between programs.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

5. LOCAL POLICIES FOR FIXED INCOME HOUSEHOLDS

Plan Year Approved, Implemented, Amended: THA received authorization for this activity in 2011 and it was fully implemented in 2013.

Description: This activity is for households in which all adult members are either elderly and/or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI or a pension. For these households this activity includes the following:

1. Annual recertifications are completed on a triennial schedule.
2. Eliminated the elderly/disabled deduction.
3. Eliminated the dependent deduction.
4. Eliminate medical deductions below \$2500.
5. Implement 28.5% TTP to help offset the elimination in elderly/disabled deduction and simplification of medical expense allowances.
6. Implement a tiered rent model based on adjusted income bands.
7. Implement local verification policies as outlined in Activity 7.
8. Implement a minimum rent of \$25 (and therefore eliminate utility allowance reimbursements).

Impact: This activity has allowed THA to reduce some of the administrative workload for THA Housing Specialists. The program is overall easier to administer for both staff and THA clients. Recertifications for fixed-income households are now on a triennial schedule.

Update: In 2019, THA modified its hardship requirements to remove the requirements that were burdensome for clients and made it difficult to apply and qualify for a hardship. Prior to the revision, THA required clients to seek third-party verifications that were difficult to obtain. THA has decided to remove the criteria that clients seek these third-party verifications and base eligibility on income as detailed in our Administrative Plan.

At the end of 2019, 1,178 fixed income households were subject to the MTW tiered rents (and minimum rent) and triennial recertification cycle outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and triennial recertifications.

2019 staff costs include salaries and benefits. One reason for the variance versus benchmark is increased staffing costs since 2012. Although we are including an estimate of staff costs used to process this task, it does not equate to real cost savings as THA has not reduced staffing as a result of the changes.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$98,456 cost to complete all elderly/disabled certifications impacted by this activity	\$32,494 (33% decrease from baseline)	\$32,822 in staff costs related to processing fixed income reviews.	Not met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	2,753 hours to complete all elderly/disabled certifications impacted by this activity	1,845 hours (33% decrease)	918 hours spent completing fixed income reviews	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$286	\$263 average monthly tenant share (increase from last year)	Not met

Hardships: 1 hardship granted under this activity in 2019.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: THA made changes to its baseline and benchmarks for both CE#1 and CE#3. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 33% since Housing Specialists are now conducting a third of recertifications each year due to this activity.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: For CE#5, Tacoma has seen rents rise steeply in the last few years. Households are experiencing higher rents in the general market or are receiving higher rent increases in their current units. Even with a subsidy, fixed-income households are paying more in rent than they have in previous years.

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

Plan Year Approved, Implemented, Amended: THA received authorization for this activity in 2011 and it was fully implemented in 2013.

Description: THA used this activity to implement rent reform for work-able households. Under this plan work-able households are subject to the following rent policy:

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

Impact: This activity has helped THA’s Housing Specialist save time by reducing the number of recertifications to be completed each year. The biennial recertification schedule reduces the annual workload of Housing Specialists by reducing the number of recertifications completed each year.

Update: At the end of 2019, 1,173 work-able households were subject to the MTW tiered rents (and minimum rent) and biennial recertification schedule outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and biennial recertifications.

Minimum rent is \$75 for this population and THA has seen an increase in tenant share as a result. Benchmarks were also met for household income, number of households on TANF and the number of households that are employed full time.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$118,118 cost to complete all work-able certifications impacted by this activity	\$59,059 (50% decrease)	\$59,059 staff costs	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	3,302 hours to complete all work-able certifications impacted by this activity	1,651 (50% decrease)	1,651 staff hours	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$633 (50% of 2-BD payment standard)	\$453 average monthly tenant share	Not met. Rents are rising above the payment standards affecting elderly/disabled and families earning lower hourly wages. However, the average family share for employed work-able households is \$633

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	\$17,940	\$21,976 *only includes HCV households with income	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	222	510	398	Not met
	21%	45%	34%	Not met
2) Employed part-time	307	510	258	Not met
	29%	45%	22%	Not met
3) Enrolled in Educational Program	0	TBD	NA	THA will establish benchmark in 2023
	0%	TBD	NA	NA
4) Enrolled in Job Training	0	TBD	NA	THA will establish benchmark in 2023
	0%	TBD	NA	NA
5) Unemployed	Cannot establish baseline	113	518	Not met
		10%	44%	Not met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	1,174 work-able households affected by this activity	Not to exceed 20% of work-able households	171 (15% of work-able receiving TANF)	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Work-able households on traditional MTW rent calculation exiting the program with rent burden <50%	Exited with market rent burden <=50%: NA Average market rent burden (all traditional work-able): NA	50% of exiting or graduating households will have market rent burden <=50%	Exited or graduated with market rent burden <=50%: 33 households (31% of all WA exits) 26% average market rent burden @ exit. Average market rent burden (all traditional work-able): 141%	Not Met.

Hardships: Two (2) households in this program were granted hardships in 2019.

Actual Non-Significant Changes: There were no changes to this activity, but minor changes in methodology. When interviewing staff to do time studies for metrics for CE# 1 and CE #2 – interpretation and understanding vary among staff so reported time for tasks vary each year. THA will re-create the interview process.

Actual Changes to Metrics/Data Collection: THA made changes to its baseline and benchmarks for both CE#1 and CE#3. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 50% since Housing Specialists are now conducting approximately half of recertifications each year due to this activity.

THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – the benchmark is based on Washington’s minimum wage and an assumption of a 30/hour work week. The benchmark will be revised in subsequent MTW reports as minimum wage changes.

SS#3: Increase in Positive Outcomes in Employment Status - THA has established new benchmarks for full, part, and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied to the number of households each year in order to establish numerical benchmarks.

CE#5 : Increase in Agency Rental Revenue - THA will now report average monthly tenant share which helps to isolate the rent change impact better than overall rent revenue which will fluctuate with population changes. For example, average monthly family share could decrease but overall revenue could increase through expansion in the overall population size. Additionally, average tenant share allows for an “apples-to-apples” comparison across participating households in voucher and public housing programs. We will use a benchmark of 50% of the 2-bedroom payment standard in the 2019 report (\$633).

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: In late 2018, THA began tracking the number of households enrolled in an educational and/or job training program for this population. This information is collected during annual recertifications. THA is on a biennial recertification schedule and has not collected sufficient data to report outcomes. THA will report on these metrics in 2021 – two years after implementing the requirement to collect this data.

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

Plan Year Approved, Implemented, Amended: THA proposed and implemented this activity in 2011.

Description: As part of this activity THA implemented the following policies:

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

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

Update: Staff time interviews from 2019 have shown that on average it takes thirty minutes to verify assets greater than \$25,000, but there were only nine households with reported assets over \$25,000. THA has seen nearly a 100% savings from only verifying assets over \$25,000.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease) as shown by hourly staff cost applied to hours required to perform task.	\$19,726	\$10,400	\$78	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	2 hours	Met

Hardships: No hardships were requested in the 2019 because of this activity.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes to metrics or data collection for this activity in 2019.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

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

Plan Year Approved, Implemented, Amended: THA proposed and implemented this activity in 2011.

Description/Impact/Update: THA found that parts of its interim policy were causing more work than necessary. Because of that, THA will no longer require an interim increase for every income increase reported and will process interim decreases when the income loss is 20% or more. THA will also limit interims to two per recertification cycle. In 2013, a process improvement project led to THA accepting all 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 met both of the benchmarks for this activity in 2018.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$11,409 (2016)	\$9,864	\$5,455 in staffing costs to process rent decreases	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease) to complete interims that result in rent changes.	347 (2016)	300 hours	141 hours	Met

Hardships: No hardships were requested in 2019 because of this activity.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: Because this activity limits the interim processing necessary for rent changing events, THA began calculating dollars and hours saved based on interims that led to an actual change in rent. In the past, THA included all interim processing while calculating these metrics, including FSS interims and inspections.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

11. SIMPLIFIED UTILITY ALLOWANCE

Plan Year Approved, Implemented, Amended: THA proposed and implemented this activity in 2011.

Description: This activity streamlined the utility allowance given to THA’s clients and residents. Historically, THA’s utility allowances varied by building type, bedroom size, and type of fuel/energy used. These variables resulted in numerous possible utility allowance combinations that were difficult to explain to property owners and clients, and often resulted in methodological misunderstandings. The new UA schedule was primarily streamlined by eliminating the structure type and energy type differentiators.

Impact: 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 UAs. THA staff still checks the accuracy of UAs although rent calculations and utility allowances are now automated in THA’s “Open Door” software system.

Update: No update to this activity in 2019.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$6,793	\$3,397	\$1,002 in staff cost to process UAs	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 hours	167 hours	26 hours	Met

Hardships: No households requested hardships due to this activity in 2019.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes in 2019.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity. However, it should be noted that the outcomes are derivatives from Activities 5 and 6 as it is part of the annual recertification process and it should not be interpreted as hours and costs in addition to those processes.

12. LOCAL PORT OUT POLICY

Plan Year Approved, Implemented, Amended: THA proposed and implemented this activity in 2012.

Description: This activity intends to cut back on the number of invaluable housing dollars leaving Tacoma and to cut back on the burden of administrating port outs while preserving portability in enumerate cases where it would advance important program goals. THA has limited the reasons a household may port-out. THA voucher holders are eligible to port-out when: their circumstances through an approved Reasonable Accommodation requires so; situations covered under the Violence Against Women Act (VAWA) and educational/employment circumstances. Households may also port-out when the receiving housing authority will absorb the voucher.

Impact: The activity has been successful in reducing the total number of port outs each year. Prior to implementation in 2011, THA saw 325 households port-out of its jurisdiction. Since then, THA sees around half the number of households porting-out.

Update: So far in 2019, 161 clients have ported out of THA’s jurisdiction. This is a decrease of 164 households from the baseline of 325 households prior to implementation of this activity in 2011.

CE # 1 (a): Agency Cost Savings – Staff Costs				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$18,428	\$11,056.95 (60% decrease)	\$14,985	No, but this is due to rising staff costs since implementation

CE # 1 (b): Agency Cost Savings – Port Out Administrative Billing				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	TBD	TBD	\$98,107	THA will establish a benchmark for this new metric in 2020.

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	403 hours	242 hours (60% decrease)	386 hours	Not met. New staff were assigned to process Ports in 2018. This accounts for the extra time spent processing ports.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes made to metrics/data collection in 2019.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

15. REGIONAL APPROACH TO SPECIAL PURPOSE HOUSING

Plan Year Approved, Implemented, Amended: THA received authorization for this activity in 2012. THA used this activity to implement its local, non-traditional housing programs in 2013.

Description: THA is using this activity to add funds to existing local infrastructures that provide housing assistance and services to families and young adults experiencing homelessness within the Tacoma/Pierce County area. Pierce County’s Coordinated Entry system is the central intake for all individuals and families in Tacoma/Pierce county seeking assistance to exit homelessness. Households coming through central intake are assessed for the appropriate housing intervention and case management care needed to exit them from homelessness. Under this activity, THA is able to pool resources with the County to serve households without housing, or at serious risk of losing their housing and provide the supportive services needed to stabilize the household. THA’s investment in Pierce County’s Coordinated Entry system is mostly used to assist households receiving services through Rapid Rehousing.

Expanding upon this partnership, THA and Tacoma Public Schools (TPS) developed the Tacoma Schools Housing Assistance Program (TSHAP) to invest into the existing homeless system to serve TPS families identified as McKinney-Vento. Previously THA served these families through its ESHAP (activity 2) but this re-design will allow TPS and THA to serve even more homeless children and their families within TPS’s jurisdiction. Just as other households coming through Coordinated Entry, each family will be assessed and provided housing assistance and services based on their need.

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

THA also uses the flexibility granted under this activity to designate one of its public housing scattered units to provide shelter to homeless and unaccompanied youth in Tacoma and Pierce County. THA does this through a partnership with Community Youth Services (CYS) through a state licensed Crisis Residential Center for youth aged 12 – 17 years.

Impact: Traditional waitlists are unable to address immediate housing needs and barriers, but through this investment THA is able to serve families when they need housing the most. Each year since its implementation THA has been able to serve hundreds of families and young adults who needed an immediate housing intervention to transition them from unstable to stable housing. THA has been able to leverage the resources available through the County and families are provided case management services to strengthen their ability to remain stably housed.

Update: At the end of the year, THA’s investment reached 216 households – totaling 562 adults and children – who were experiencing homelessness in Tacoma/Pierce County in 2019.

Of these households, 27% of participating young adults increased their overall income by an average of \$1,300; while 25% of these young adults saw an average increase of \$1,266 in earned wages. For the young adults served through this investment, 84% exited into permanent housing and remained housed over the past two years.

For families receiving assistance through this investment, 19% increased their earned wages at an average of \$1,614. Like their young adult counterparts, 84% of Rapid Rehousing families remained stably housed upon exit over the past two years.

TSHAP’s redesign is still underway and is expected to go live in late 2020.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$150,000	Pierce County Rapid-Rehousing: \$166,125 for family case management; \$47,235 for young adult case management	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).	0	120	216 unique families housed over 2019	Met

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	Exited or graduated with <=50% market rent burden: 4 families	Not Met

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	216 unique households served (RRH)	Met

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	0	120	216 unique households served	Met

of the activity (increase).				
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Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: Pierce County and THA amended the contract to include more client details in Pierce County’s submission to THA. This can allow for more targeted reporting and analysis for future metrics.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

16. CREATION AND PRESERVATION OF AFFORDABLE HOUSING

Plan Year Approved, Implemented, Amended: THA proposed this activity in a 2012 plan amendment to preserve and create affordable housing units under MTW. THA used MTW dollars in 2013 on the development of affordable housing units to replace Hillside Terrace.

Description: The flexibility granted through this activity allows THA to acquire or develop affordable housing to households at or below 80% AMI within the City of Tacoma. THA intends to allow eligible low-income families to reside in these units, including those that may be receiving Section 8 rental assistance. This activity allows THA to preserve an affordable housing stock within Tacoma, especially in areas where rents are quickly becoming unaffordable. 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 has used this activity to increase the affordable housing stock in Tacoma in the following ways:

Property-Based Subsidies: In 2018, THA re-proposed the activity to utilize its flexibility to place property-based subsidies in up to 500 units. Property-Based Rental Subsidies are contributions to properties that agree to make its units available at a rental price affordable to very low-income households. THA contracts with property owners who agree to these terms and in return THA would make contributions to the property based on a negotiated contract where the tenant contribution plus the subsidy would not exceed the market value of the unit based on a rent comparability study.

Development and acquisition: THA will acquire existing rental housing where THA doesn't have a strong presence is being pursued. Acquiring existing rental housing that is affordable to households earning 80% or less of the AMI is one of THA's rental housing preservation strategies. Under this activity THA is able to activate its broader use of funds ability so the agency could spend MTW dollars on construction and acquisition of affordable housing units.

THA is using its MTW dollars to develop and/or acquire the following projects:

(1) *Hilltop Development* – THA purchased 4 parcels in the surrounding Hilltop neighborhood. THA will develop a series of multi-family, mixed-use buildings which will serve as a catalyst for high quality residential and commercial development that will encourage increasing private investment in the area, while ensuring that affordable commercial and retail spaces are available. This will all be part of the Housing Hilltop plan.

(2) *1800 Hillside Terrace* – MTW funds were used to develop Bay Terrace, formerly Hillside Terrace. Phase I and II are completed and fully on-line. The development provides 74 newly constructed affordable housing units. The majority of the units are subsidized with project-based vouchers while 22 of the units are unsubsidized but remain affordable.

Impact: Through its Property-Based Subsidies program, THA has partnered with local housing providers to preserve and/or create affordable housing options for very low-income households in Tacoma. The flexibility from this activity also reduces THA’s administrative burden as the housing providers are responsible for the administration of the program. This activity also allows THA to serve low-income households in Tacoma in other non-traditional ways outside of tenant-based or project-based subsidies.

Update:

Property-Based Subsidies: Throughout 2019 THA contracted with four housing providers to create a total of 345 units that will be subsidized under the parameters of this activity. THA’s partnership with Cascade Park Vista and Gardens secured housing at a live-in facility which provides dementia care to Medicaid eligible seniors. Highland Flats, Koz and Crosspoint’s units are prioritized to serve college students who are experiencing homelessness while enrolled at Tacoma Community College or the University of Washington – Tacoma.

Hilltop Development: THA sought the feedback of neighborhood businesses and community organizations representatives to inform a concept plan for the 4-parcels within the Housing Hilltop plan. In 2019, THA relied on this feedback to identify a concept plan for these 4 parcels. THA is also seeking funding for a permanent supportive housing project for one of the parcels.

The 1800 Hillside Terrace: Phase III of this project is underway and will add 70 additional units made affordable to households earning between 30% and 60% AMI. A 20% special needs set-a-side is programmed for both persons with disabilities and another 20% for individuals/small families experiencing homelessness. In 2019, the Hilltop community re-named the property to The Rise on 19th. Construction began in 2019 and will be completed in 2020.

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) in 2019.	0	200	Crosspointe – 11 units KOZ on Puyallup – 75 units Koz Apartments – 52 units Cascade Park Vista – 75 units Cascade Park Gardens – 70 units	Met

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	62	Highland Flats – 62 units Crosspointe – 11 units Cascade Park Vista – 75 units Cascade Park Gardens – 70 units LIHTC Bay Terrace 1 – 24 units Bay Terrace 2 – 21 units	Met.

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	62	Highland Flats – 62 households Crosspointe – 11 households Cascade Park Vista – 75 households Cascade Park Gardens – 70 households Koz Apartments – 52 households LIHTC Bay Terrace 1 – 24 households Bay Terrace 2 – 21 households	Met

Actual Non-Significant Changes: No non-significant changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes in 2019.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

17. HOUSING OPPORTUNITY PROGRAM (HOP)

Plan Year Approved, Implemented, Amended: THA proposed and implemented this program in 2013 after receiving MTW approval. The activity was re-proposed in 2014 with updated program requirements.

Description: All new admissions to THA’s tenant-based voucher program receive a HOP subsidy. A HOP subsidy is a fixed subsidy as opposed to a subsidy based on income. The fixed subsidy is determined by the household size at admission and 50% of the current payment standard. This is applicable for both elderly/disabled households and work-able households. However, work-able households are subject to five-year term limits; whereas, elderly/disabled households may receive assistance indefinitely. The goal of the program is to help our participants achieve self-sufficiency by assisting them with their housing needs for a specific term and to give other waiting households a turn to receive assistance.

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

CHAP: THA partnered with the Tacoma Community College (TCC) where THA provides rental assistance to homeless and near homeless students at the community college. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidy as the HOP program and has a five (5) year limit on assistance. Graduates are considered a success and are transitioned off of the program with up to twelve (12) months of additional assistance to serve as an income-building year, not to exceed the five (5) year limit. The community college handles all eligibility but participants must be an active student at the community college and/or transferring to University of Washington, Tacoma. Students must stay in college and make satisfactory academic progress towards a degree or certificate.

Since 2014, 140 households have received housing assistance to support them as they sought a certification or diploma through TCC. Of those, 33 CHAP participants have graduated and earned a degree and/or certificate during their time at TCC.

CHOP: THA partnered with the Department of Social and Health Services (DSHS) to provide rental assistance to families who need housing to prevent or shorten their child’s foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood as a homeless person. To date, CHOP has helped 33 families stay together or re-unite sooner.

Impact: HOP has produced some promising outcomes. Upon their last year receiving assistance, the first and second cohorts of HOP work-able households increased their average earned income by 45% and significantly reduced their reliance on income from public assistance. Similar trends can be observed for current work-able HOP households still receiving HOP rental assistance. Yet, Tacoma rents are rising quickly, vacancy rates are falling and wages are not keeping up. More and more people need help paying the rent. Tacoma’s rental market requires a full-time hourly wage of \$26.68 to afford a modest two-bedroom apartment. In contrast, Tacoma’s minimum hourly wage is \$12.35 and the state of Washington’s minimum wage is \$12.00 (FY 2019 hourly rates). Wages have not kept up with Tacoma’s rental market – meaning many households exiting HOP will struggle paying their rent without a subsidy. However, the fixed subsidy has made it possible for THA to serve 20% more households than it could serve if the agency maintained an income-based subsidy. THA has been able to provide HOP assistance to nearly 800 low-income households in Tacoma since 2013. HOP has also made our voucher programs easier to understand, administer and serve more households quicker.

Update:

ALL HOP: Throughout 2019 THA served an average of 599 HOP households. End of year demographics show, 236 (45%) were work-able and 288 (55%) were elderly and/or disabled. 87 of them were CHAP college students and 15 were CHOP families. Across all cohorts and HOP programs, 72 households exited in 2019. Of those, 23 (32%) exited with a shelter burden at/or less than 50%.

Fifth-year HOP work-able cohort: This year, the 2014 work-able cohort reached their five-year end mark and exited HOP. The 2014 cohort exited with an average earned income of \$24,214 which was double their average earned income at admission.

CHOP: At the end of 2019, 15 families were receiving housing and supportive services through CHOP. For CHOP-eligible families that are also participating in Family Recovery Court, they will receive priority when referring to THA for CHOP assistance.

CHAP: 9 students graduated and exited the program in 2019. While the addition of new PBS units is reported under Activity 16, those new units are a positive gain for the CHAP program as CHAP students have first priority for the PBS-units. This allows us to serve CHAP students with either a HOP voucher or subsidized units affordable for low-income students.

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). Work-able HOP households.	\$12,164 (2013)	All HOP Work-able: \$18,720 CHOP: \$18,720 CHAP: \$18,720 (Part-time wages based on WA state minimum wage of Plan Year)	HOP All Work-able: \$19,690 5 th -year Work-able: \$24,213 (2014 co-hort) CHOP-Work-Able: \$14,436 CHAP- Work-Able: \$10,407	HOP All Work-able: Met 2014 HOP work-able cohort: Met CHOP: Not met CHAP: Not met

SS #3: Increase in Positive Outcomes in Employment Status (work-able HOP households only)				
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	143	149	Met
	0	50%	48%	Not met
2) Employed Part Time	0	129	64	Not Met
	0	45%	21%	Not Met
3) Enrolled in an Educational Program	0	TBD	67 CHAP households	THA will establish benchmark in 2020
	0	TBD	NA	NA
4) Enrolled in a Job Training Program	0	TBD	NA	THA will establish benchmark in 2020
	0	TBD	NA	NA

5) Unemployed	0	14	96	Not met
	0	5%	31%	Not met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF (decrease).	9 work-able HOP households from 2013 cohort (15%)	10% of year 5 work-able HOP households	Year 5 work-able HOP households: 0 receiving TANF (0% of work-able HOP households from 2014 cohort)	Met. Note 26 work-able HOP households overall received TANF in 2019 (14%).

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% participation in FSS by HOP work-able households	32 HOP households participated in FSS (13.6% of work-able HOP households)	Not met

CE#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	\$571 average monthly HAP for HOP households (50% of 2-BD payment standard)	\$551 average monthly HAP for HOP-Elderly/Disabled households; \$595 for HOP work-able at end of 2019	Not Met. Work-able households may reflect higher HAP due to larger household sizes with their fixed subsidy paying higher contract rents.

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Work-able households who exit HOP with a market rent burden less than or equal to 50%.	<p>Exited with market rent burden <=50%: NA</p> <p>Average market rent burden (all HOP): 72%</p> <p>Average market rent burden (HOP 2013 cohort): 71%</p>	<p>50% of exiting work-able households will have market rent burden <=50%</p>	<p>Exited with market rent burden <=50%: 25 families (32%)</p> <p>Average market rent burden (all HOP): 91%</p> <p>Average market rent burden (HOP 2014 cohort): 64%</p>	Not met.

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	Wait list has been exhausted for 2019 and was not re-opened and the waiting list has been consolidated.	N/A

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of calculating rent in dollars (decrease). Estimated staff cost to conduct annual reviews.	\$59,127 (cost to complete the same # of traditional annual recertification)	\$29,563 (decrease by 50% of baseline)	\$26,154 estimated staff cost to conduct HOP reviews in 2019.	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to calculate rent in staff hours (decrease). Staff time to conduct annual reviews.	1,572 hours (time to complete the same # of traditional annual recertification)	786 hours (50% of baseline)	761 staff hours spent conducting HOP reviews in 2019	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	<p>Tacoma Community College: \$75,000 for security deposit assistance; \$80,000 for CHAP-dedicated staff.</p> <p>Kresge Foundation: \$500,000 to support CHAP – subsidies, data, evaluation, landlord mitigation funds and operating funds.</p> <p>ECMC Foundation: \$10,000 landlord mitigation/operating funds</p> <p>Rapoport Foundation \$65,000 for CHAP-DOC</p>	Met

			Foundation for Tacoma Students \$50,000 support for CHAP project manager	
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Hardships: Seven (7) households received a hardship extension. Three (3) households received an extension of 90 days for an unforeseen loss of income and four (4) household received a longer extension (no longer than one year) in order to complete a self-sufficiency activity or program.

HOP’s extension/hardship policy may grant up to one year of additional rental assistance to households actively enrolled in a self-sufficiency activity that will likely increase the household’s earned income (activities may include a degree program, FSS, or vocational certificate). To be eligible, a household must also be extremely rent-burdened (>50%) without rental assistance (according to the payment standard). THA also provides a 90-day unexpected loss of income hardship extension for households who experience an unforeseen loss of income within 90 days prior to exit.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – The benchmark is based on Washington’s minimum wage and an assumption of a 30/hour workweek. The benchmark will be revised in subsequent MTW reports as minimum wage changes.

SS#3: Increase In Positive Outcomes in Employment Status - THA has established new benchmarks for full, part, and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied to the number of households each year in order to establish numerical benchmarks.

CE#1 & CE#2: Agency Time and Cost Savings - THA used the results of a time study of administrative tasks (completed in early 2018) to update the time and estimated staff costs to conduct HOP annual reviews. In previous MTW reports,

THA has indicated these metrics reflect staff time and costs related to the rent calculation. To clarify the task being measured, THA will define this calculation more broadly to include the entire annual review process. The estimated staff cost to conduct reviews was based on the annual staff hours required and the average hourly salary (plus benefits) of the staff engaged in the review process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: Whereas CHOP households are at 93% of earned income benchmark, CHAP households significantly lag the benchmark at 56%, which may be a function of their previously homeless status and student workload. THA may revisit the income benchmarks for CHAP in 2020.

18. ELIMINATE THE 40% RULE

Plan Year Approved, Implemented, Amended: THA proposed and implemented this program in 2013 after receiving MTW approval.

Description: THA used this activity to waive the 40% cap on the percentage of income spent on rent. The goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant’s ability to understand the program and lease up more quickly.

Impact: This activity has 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 have saved time explaining the 40% rule to clients.

Update: In 2019, 539 (23%) MTW households used this flexibility to stay in a unit that exceeded the 40% rule; or move into a unit that exceeded the 40% rule. Eliminating the 40% rule removed the additional burden of finding housing in a tightening market. Families are not additionally burdened by the 40% rule when looking for housing in an already competitive market. However, when a household selects a unit where the contract rent exceeds the payment standard they are subject to larger out-of-pocket expenses. With this in mind, THA is likely to propose increasing the payment standards to help THA voucher holders lease-up successfully and stay in their units.

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	539 families leased a unit when rent exceeded 40% of their income	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

19. MODIFY THE FSS PROGRAM

Plan Year Approved, Implemented, Amended: THA proposed and implemented this program in 2013 after receiving MTW approval.

Description: Through its MTW flexibility THA modified the way we calculate escrow payments to be simpler and provide clear motivation and guidelines for participating families. We designed a method under which families may qualify for one or more pay points based on pre-determined goals and accomplishments. These pay points will be calculated and credited at the end of the FSS contract term. Pay points are based on self-sufficiency activities such as earning a degree or maintaining full-time employment for more than 6 consecutive months.

Impact: Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service.

Update: In 2019, 18 households graduated from the FSS program with an average income of \$38,672. This group represents the third cohort of graduates from the modified FSS program. While the overall escrow balance decreased in the last year, clients graduated the program with an average escrow balance of \$6,405. Graduates purchased homes, paid for tuition for themselves and their children, and purchased reliable transportation to maintain employment. In 2019, twenty-two (22) participants worked with embedded credit counselors and increased their credit scores by an average of 51 points and ten (10) individuals saw an increase in their net worth. Nine households graduated from FSS and attained an average earned income of \$40,516 and no longer require a housing subsidy.

THA’s Client Services department is working diligently to increase the number of households that participate in FSS.

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.	\$22,586	\$1,583	\$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) by not having escrow errors.	936	78	0	Met

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	\$18,720	\$22,858 (\$12,938 in 2018)	Met

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	\$1,081	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	68	69	92	Met
	54%	35%	55%	Met

2) Employed Part Time	23	79	30	Not met
	18%	40%	18%	Not met
3) Enrolled in an Educational Program	16	48	34	Not met.
	13%	25%	21%	Not met.
4) Enrolled in a Job Training Program	29	40	13	Not met.
	23%	20%	8%	Not met.
5) Unemployed	33	8	44	Not met
	26%	5%	27%	Not met

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	19	5% of FSS participants on TANF	15 or 9% of FSS participants on TANF (17 or 12% in 2018)	Not 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	100% of FSS participants	166 FSS participants	Met

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household	\$589 2014	\$633 (50% of 2-BD payment standard)	\$621 (\$613 in 2019)	Met

affected by this policy in dollars (decrease).				
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SS #7: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contribution towards housing assistance (increase). Average monthly tenant share.	THA cannot establish a baseline for this metric.	\$633 (50% of 2-BD payment standard)	\$506 average monthly tenant share for FSS families	Not Met

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Percentage of FSS graduates with market rent burden less than 50%.	<p>Exited or graduated FSS with market rent burden <=50%: NA</p> <p>Average market rent burden (all FSS): NA%</p>	<p>50% of exiting or graduating work-able households will have market rent burden <=50%</p>	<p>Exited or graduated FSS with market rent burden <=50%: 6 families (67%)</p> <p>Average market rent burden (all FSS): 64.54%</p>	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – the benchmark is based on Washington’s minimum wage and an assumption of a 30/hour workweek. The benchmark will be revised in subsequent MTW reports as minimum wage changes.

SS#3: Increase In Positive Outcomes in Employment Status - THA has established new benchmarks for full, part, and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied to the number of households each year in order to establish numerical benchmarks.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There have been challenges achieving the prescribed benchmarks, but FSS participants have been showing growth in their household income, educational and employment participation from the previous year. In 2019, the metrics show a decrease in part-time employment for FSS participants but a notable increase in full-time employment.

21. CHILDREN’S MATCHED SAVINGS ACCOUNTS

Plan Year Approved, Implemented, Amended: THA proposed this activity in its 2014 MTW Plan and implemented the program in Fall 2015.

Description THA offers children’s savings accounts (CSAs) to the children of New Salishan from kindergarten through high school. The program helps the children of Salishan and their families aspire to college, prepare for it and pay for it. It also seeks to help participants and their families develop a savings habit and improve academic achievement, graduation rates, college preparation and enrollment. New Salishan is THA’s largest community.

Impact: Since its launch, CSA participants have yet to reach 12th grade, therefore high school graduation data is not yet available. However, since its launch, the program has brought financial education to 1,346 students. In the 2019 school year, 73% of CSA participants in middle and high school earned at least one academic milestone incentive and participation in extracurricular is comparable among CSA participants and mainstream school district students.

Update: In 2019, THA continued to recruit children attending Lister Elementary or First Creek Middle School in the Salishan neighborhood to help them save for college. From 2018 to 2019, the number of children enrolled in the program increased from 181 to 200 (95 in the elementary school cohort and 105 in the middle school cohort).

The program has \$94,945 total in savings across seed, match and incentive earnings, an increase from \$55,000 in 2018. The average account balance in the elementary seed and match portion is \$195, and \$712 for the scholarly incentive portion for middle and high school participants. THA continued its fundraising efforts for this activity through 2018 and now has sufficient funding to support all four cohorts.

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by	\$0	\$100 average annual savings per account	\$475 average account balance (\$305 in 2018)	Met

this policy in dollars (increase).				
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Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity

22. EXCLUDE EXCESS INCOME FROM FINANCIAL AID FOR STUDENTS

Plan Year Approved, Implemented, Amended: This activity was proposed in the 2014 MTW Plan. This activity will be implemented in 2020.

Description: The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes; THA will modify the administration of the full-time student deduction by excluding 100 percent of a student's financial aid. THA will do this for its tenant-based voucher programs and for THA residents living within THA's portfolio. THA will exclude excess income from student financial aid from a household's calculated income for determining initial eligibility into THA programs; and for a household's calculated income for re-certifications and interims.

Impact: THA has not seen impact of this activity, yet. However, THA anticipates that this activity will help increase a household's disposable income and encourage the head of household to finish their degrees.

Update: THA has updated its processes and internal data collection and will begin collecting this information throughout 2020. THA has biennial and triennial recertification cycles and will see the full impact of this activity after one full recertification cycle. THA cannot report on outcomes for 2019.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

24. RENTAL ASSISTANCE SUCCESS INITIATIVE (FORMERLY LOCAL SECURITY AND UTILITY DEPOSIT PROGRAM)

Plan Year Approved, Implemented, Amended: THA proposed this activity in its 2014 MTW Plan and implemented the program in January 2016. Minor amendment in 2019.

Description: Initially this activity was solely a security deposit assistance program that was open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA's affordable housing applicants/residents who needed assistance in order to move into a unit. THA realized that many households did not have the resources to pay the security deposit once they reached the top of the waitlist and were offered a unit. This program ensured that families in need could afford to move into the unit when their name is called. It would also reduce the number of unit turndowns THA receives. For those moving into THA properties, in order to receive assistance through SDAP, the household must be at/or below 30% AMI.

THA modified the program in its 2019 Plan to expand offering security deposits to include incentive programs to encourage property owners to add units to THA's rental assistance programs. THA plans to use its MTW authority to implement additional programs and activities that will lead to increased participation in the MTW program and the utilization of this highly valued housing assistance. THA has focused on developing strategic relationships with THA landlords to strengthen relationships. THA has created a new position, Landlord Engagement Specialist, to lead this work.

Currently, THA's primary focus for landlord incentives is to help tenants become more attractive applicants by providing Renter Readiness classes. THA's Landlord Engagement Specialist developed partnerships with local service providers to offer Renter Readiness classes to voucher holders who are shopping for a home. Through this initiative THA has established a Landlord Advisory Group which meets monthly. These meetings maintain a healthy attendance of landlords.

Impact: Through this activity THA has been able to address immediate financial needs for families helping us serve significantly more households in the general rental market. This activity also assisted in shortening the length of time it took households to lease up. Since 2016, THA has assisted 313 families with security deposit assistance for both voucher holders seeking housing in the private market and those moving into THA properties.

Update: In 2019, THA served 35 households who needed security deposit assistance to move into one of THA’s housing properties. The average size of the families was 2.5 with an average need of \$447. For households seeking SDAP assistance to secure housing in the private market, voucher holders received an average of \$679 and assistance was provided to 79 families. In 2019, SDAP was provided to 5 families exiting homelessness – 3 were from CHAP (see Activity 17) and 2 were moving into one of THA’s partnering PBV properties which serve families exiting homelessness. 24 were HOP families with the remaining 51 families receiving traditional HCV assistance.

THA’s landlord liaison efforts are also growing and expanding. THA will have community partners joining this effort to create more opportunities for THA and its landlords to collaborate and connect. There is growing interest from the group in expanding the Renter Readiness program to include current tenants who are having difficulties with their landlord or are currently not expected to be offered a renewal of their lease. In 2019, one landlord used the program for this purpose and resulted in a successful transfer to an upgraded unit. There is also interest from THA’s Landlord Advisory Group to establish a training for landlords to be well-versed in the current laws and ordinances, as well as Fair Housing.

THA may use this activity to consider other incentives in the future.

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	114	Met

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$50,000	-	Not Met. In 2018, THA leveraged funds from the City of Tacoma. Outside funding was unavailable for 2019.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2019.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2019 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

25. MODIFY HQS

Plan Year Approved, Implemented, Amended: THA proposed this activity as an amendment in its 2019 Plan and received HUD approval in 2019.

Description: THA must inspect all units for Housing Quality Standards (HQS) to ensure that all federally-assisted units are safe, clean and decent. THA made some modifications to its HQS processes to achieve staff time savings and reduce the time a THA client must wait until they are permitted to move-in. These modifications aim to reduce the administrative burden upon both THA and landlords and to encourage Tacoma housing providers to rent to THA voucher holders. To achieve these goals THA made the following changes:

1. In lieu of re-inspections for a failed HQS initial inspection – landlords may provide evidence that fail items that are outside of THA’s prescribed ‘life-threatening’ have been cured. THA clients may move into the unit quicker since they no longer must wait for an additional inspection to be completed. Landlords are still required to cure fail items within 30 days and THA will still conduct annual HQS inspections and audit inspections for quality control.
2. To achieve staff time savings THA will accept a “Certificate of Occupancy” issued by the City of Tacoma in lieu of an initial inspection being completed by THA. Future annual HQS and audit inspections will still be completed to ensure quality control.
3. To further streamline THA’s HQS processes – THA will negotiate its own contract rents and determine rent reasonableness. This is broadly applied to all THA owned, managed or subsidized units.

Impact/Update: THA has not fully implemented its policy to allow landlords to self-certify for fail minors based on a THA prescribed list of life-threatening items. THA did not use a CO in lieu of initial inspections in 2019.

Not Yet Implemented Activities

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.

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 2019.

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 closed this activity in 2015.

Section V: Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funds in the Plan Year

The MTW PHA shall submit unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.

Actual Use of MTW Single Fund Flexibility

THA used single fund flexibility to fund the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act. Below are listed some of the specific ways in which THA exercises the Single-Fund Flexibility:

- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Community Services area also assists tenants that are facing challenges in successful tenancy.
- THA is going into the eighth year of its Education program. It has various elements and initiatives. THA provides rental assistance to homeless college students enrolled at a local community college. While currently being revamped, THA will continue to serve homeless households with children within the Tacoma Public School’s jurisdiction THA uses single-fund flexibility to provide some administrative support for this program. THA believes this approach will help to improve educational out-comes, add stability to the household, and create a better learning environment for the community as a whole.
- THA is utilizing single-fund flexibility to support Information Technology staff and contracts to support the development of a new customer relationship management (CRM) software system. This development will make necessary technological enhancements to benefit the organization and the residents.
- THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.
- THA wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.

- THA is partnering Pierce County to invest up to \$1.288 million each year to support housing assistance for homeless families. The programs are funded by THA but run by partnering agencies in the community.

Local Asset Management Plan	
Did the MTW PHA allocate costs within the statute in the Plan Year?	Yes
Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?	No, ongoing
Did the MTW PHA provide a LAMP in the appendix?	Yes, appendix item A
If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year.	No actual changes in the Plan Year.

Section VI: Administrative

Reviews, Audits and Inspections

The annual reviews/audits/inspections are in progress for 2019 but summarized results below for 2018:

- 2019's HUD OIG audit of THA's RAD conversions (Renew Tacoma & Bay Terrace Phase I)
 - 100% tenant file reviews = Closed/Resolved
 - NOTE: This was special OIG audit, THA was randomly selected

- WSHFC annually audits all THA properties for tax credit compliance:
 - THA Properties tenant file audits = Closed/Resolved for 2018
 - Onsite Inspections for Salishan 2, 3, 5, & 6 = Closed/Resolved for 2018

- Commerce & City of Tacoma annually reviews/audits
 - Commerce and City of Tacoma reviews Bay Terrace Phase I, Hillside Terrace Phase II, Salishan 2, 3, & 7
 - 2018's Commerce and/or City of Tacoma audits = Closed/Resolved

- RBC annually audits Renew Tacoma, Salishan 4, 5, & 6
 - 2018's audit = Closed/Resolved

Evaluation Results

No evaluations in 2019.

MTW Statutory Requirement

A. On behalf of the Tacoma Housing Authority, I certify that the agency has met the 3 statutory requirements of the MTW program in fiscal year 2019.

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 2019, 93% of all households were at or below 50% AMI.

Certification of Statutory Compliance 2011			Certification of Statutory Compliance 2019		
Family Size	50% AMI and Below	Above 50% AMI	Family Size	50% AMI and Below	Above 50% AMI
1	98%	2%	1	98%	2%
2	95%	5%	2	92%	8%
3	92%	8%	3	89%	11%
4	93%	7%	4	92%	8%
5	93%	7%	5	89%	11%
6	96%	4%	6	93%	7%
7	97%	3%	7	81%	19%
8+	93%	7%	8+	90%	10%

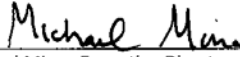
- 2) Continuing to assist substantially the same total number of eligible low-income families would have been served had the amounts not been combined; and

Program	Moving to Work Baseline (Updated '13)	2011 Households Served	2012 Households Served	2013 Households Served	2014 Households Served
Public Housing	817 ⁱ	904	870	762	792
Section 8	3,696 ⁱⁱ	3,448	3,552	3,634	3,673
Local Non-Traditional	0	0	0	47	128
Totals	4,513	4,335	4,422	4,443	4,593
	2015 Households Served	2016 Households Served	2017 Households Served	2018 Households Served	2019 Households Served
Public Housing	801	801	332	325	243 ⁱⁱⁱ
Section 8	3,685	3,677	4,049	3,956	4,054
Local Non-Traditional	86	61	77	143	467 ^{iv}
Total	4,572	4,539	4,458	4,424	4,764

- 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	1	2	3	4	5	6	7+	Total
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%
2016	43%	20%	15%	10%	7%	3%	2%	100%
2017	46%	19%	15%	9%	6%	3%	2%	100%
2018	45%	21%	14%	9%	6%	2%	2%	100%
2019	46%	21%	14%	8%	6%	3%	2%	100%

MTW Statutory Requirement – contd. from last page



Michael Mirra, Executive Director

Date: March ¹⁷~~24~~, 2020

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

ⁱⁱ THA received 103 TPV vouchers between July and October 2012

ⁱⁱⁱ November 2019 THA converted 324 public housing units to RAD-PBV

^{iv} In addition to adding 270 local, non-traditional units in 2019, with HUD approval THA includes households receiving services from Pierce County for an additional six months after their assistance has ended.

MTW Energy Performance Contract (EPC) Flexibility Data

This section does not apply.

Additional Appendix Items

Appendix A: Local Asset Management Plan

Appendix B: Rent Burden Methodology

Appendix A: Local Asset Management Plan

A. Background and Introduction

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

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



Figure 1: Organizational Structure

Description of 2018 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 its management groupings into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized management group rather than managing seven Salishan properties as separate entities. THA has made the same conversion for its Hillside Terrace properties. We have a Portfolio Manager that oversees our Salishan properties, and a separate one overseeing the remainder of our properties.

Asset and Compliance Management

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

- Risk Management
- Compliance (file audits, PIC, finding resolution)
- Budget Oversight
- Financial Reporting and Modeling
- Capital Needs Assessment
- 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. We have continually updated our approach over time, and have a slotted facilities manager whose responsibility it is to oversee overall asset maintenance. We currently have four maintenance leads with more technical abilities who oversee assigned staff in each of our management clusters. Staff can be detailed to properties outside of their cluster, if there is a specified need.

Acquisition of Goods

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

Acquisition of Services

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

D. Strategic Asset Planning

THA's Asset Management Committee

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 property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. 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, properties refer to ones that THA owns or manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. In 2016, THA no longer owns any Public Housing units outright. We converted our existing ACC Public Housing portfolio to RAD, setting up a new Tax Credit entity. The remaining Public Housing units are owned by our existing Tax Credit entities. We currently manage our portfolio.

THA developed this approach for the following reasons:

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

Activity Areas

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

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

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

Program Support Center

Each of the three activity areas (Business Activities, CAH Activities and Tax Credit Activities) will have a Program Support Center (PSC). This is the equivalent of the Central Office Cost Center (COCC) under the HUD Asset Management model and it contains all of the programmatic support costs related to each of the three activity areas. The expenses will be split out to one of the three support centers based on unit equivalency and where the project or program resides to more clearly identify where administrative expenses fall and measure either the profitability or cost to each of the identified areas.

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

Direct Costs

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

Table 1: 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

Indirect Costs (Program Support Fees)

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

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

Project Support Fee

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

- Executive Department
- Purchasing
- Asset Management, including compliance
- Human Resources Department
- Client and Community Services
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing and 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.); our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD our special program (FHP, NHT, VASH) will all be charged based on occupancy. The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-16) to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

**Table 2:
Administrative
Support Fee
Components**

Administrative Support Fee Components			
Fee	Rental Assistance	Property Mgt.- 806	Tax Credit
Management Fee			
Executive	\$ 2.00	\$ 2.00	\$ 2.00
Human Resources	\$ 1.50	\$ 2.00	\$ 2.00
PM Overhead (including rent)	2.50	Remaining	Remaining
Bookkeeping Fee	5.00	20.00	20.00
Asset Management Fee	-	10.00	10.00
IT Fee (IT portion of Operating Subsidy)	5.00	6.00	6.00
Community Services	2.50		2.50
Leasing Support			2.50
Total Fee:	\$ 18.50	\$ 40.00	\$ 45.00

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.

Table 3: Rental Assistance Unit Equivalencies

Rental Assistance Unit Equivalencies		
CAH (MTW)	Units Supported	Percentage
Section 8	3543	83.52%
TPV Vouchers	301	7.10%
Non-MTW	Units Supported	Percentage
SRO	71	1.67%
FUP	50	1.18%
VASH	177	4.17%
NHT	100	2.36%
	4242	100.00%

Client Support and Empowerment

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

In the agency's approach to CSE 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 CSE staff assisting the agency's Property Management portfolio and MTW Voucher holders, along with the administrative costs associated with it, are charged to a CSE fund supported by the agency's MTW flexibility.
- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

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

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 Public Development Authority (PDA), all revenues and expenses will be considered Business Activities (Non-MTW).

Based on historic and projected activities, the agency estimates that Development activities make up approximately 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.

Other Considerations

Personnel

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

Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. We used to break out rent separately as a line item in the budget, and charge the different areas. This is now included in our Management Fee calculations.

Differences – HUD Asset Management vs. THA Local Asset Management

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

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

- F. **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 2017.

Unit Equivalencies

Table 6: Unit Equivalency Charts

Property Management Units		
CAH (MTW)	Units Supported	Percentage
AMP 6	Under Demo/dispo	0.00%
Tax Credit (MTW)	Units Supported	Percentage
Tax Credit Properties	1,584	94.62%
Non-MTW	Units Supported	Percentage
Salishan 7	90	5.38%
	1,674	100.00%

Program Support Center Allocation Detail

Program Support Center Unit Equivalencies					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV	150			150
	Hillside Terrace Relocation TPV	103			103
	Wedgewood TPV	48			48
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			177	177
	Salishan 7			90	90
Property Management: Public Housing AMPs	AMP 6 - Scattered Sites (Under Demo/Dispo)	26			26
Property Management: Tax Credit Partnerships			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
	Renew Tacoma Housing		456		456
Total Units		3,870	1,128	488	5,486
Development	THA MTW Support including CFP	280			280
	THA as Developer			543	543
	Unit Equivalentents	280	0	543	823
Total Units/Unit Equivalentents - 15% of Units		4,150	1,128	1,031	6,309
Program Support Center Equivalencies (% of All Units)		65.78%	17.88%	16.34%	100%

Appendix B: Rent Burden Calculation

THA has defined ‘successful’ self-sufficiency outcomes for work-able families in its ESHAP, Traditional MTW, HOP, and FSS programs to be those that exit (or graduate) the program with a market rent burden not exceeding fifty percent. In exiting THA-subsidized housing with a market shelter burden of less than fifty percent, THA believes the family would have reached an adequate level of self-sufficiency to move off subsidized housing, thus giving another family from the waiting list a chance at benefiting from the program.

THA has determined that rent burden will be the primary metric used to assess self-sufficiency across its MTW initiatives. Whereas shelter burden is the percentage of household gross income paid towards rent and utilities, rent burden excludes the utility component. In federally subsidized housing, households have typically paid thirty percent of their income towards rent and utilities.

Methodology

Current (or actual) rent burden is based on what the household is paying today in terms of their subsidized rent. Current rent being paid by a household is the numerator in the rent burden formula. For voucher programs, current rent will be the remaining after ‘HAP’ is subtracted from ‘Contract Rent.’ For non-voucher programs, rent in the numerator will be based solely on ‘Tenant Rent’. The denominator for all rent burden programs will be household monthly gross income (‘Annual Gross Income’ as shown in Open Door divided by twelve to get a monthly figure). To calculate the current rent burden, current rent will be divided by the household gross income.

Market rent burden assumes the household is paying an unsubsidized market rent. THA’s latest payment standards for the HCV program will be applied to each household based on the voucher size (for voucher households) or actual unit size (‘Bedrooms Unit’ as shown in Open Door) for non-voucher households in order to estimate a market rent. These payment standards will be used to estimate market rent for all THA households including those in non-voucher program programs such as Public Housing, RAD and tax credit situations. To calculate the market rent burden, the market rent (‘Payment Standard’ in Open Door) will be divided by monthly household gross income (‘Annual Gross Income’ as shown in Open Door divided by twelve to get a monthly figure).

To calculate rent burden, each variable in the formula as outlined above will be summed across all households in specific populations and used to calculate rent burden, rather than averaging the individual rent burdens. In other words, the sum of all household rents (or payment standards in the case of generating a market rent burden) will be the numerator; and the sum of all household monthly gross incomes will be the denominator. The rationale for this aggregated approach is that households with very low incomes can drive extraordinarily high rent burdens, which could skew average rent burdens disproportionately higher. Use of a median rent burden was also considered but it was determined the aggregated approach would generate similar numbers and be less prone to calculation errors.