



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-05-25 (1)

Date: May 25, 2022
To: THA Board of Commissioners
From: April Black
Interim Executive Director
Re: Approval to Amend THA's 2022 Moving to Work Plan

This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit an amendment to THA's 2022 Moving to Work (MTW) Plan.

Background

In accordance with its MTW agreement, THA must submit an annual MTW Plan to the Department of Housing and Urban Development (HUD). The Plan describes how THA will apply MTW in the next fiscal year, including its existing activities, any changes to existing activities, and new applications of this federal regulatory flexibility. HUD requires a Plan Amendment when an activity is changed such that there is the potential for a different impact on residents. For reasons summarized below, THA is making changes to *Activity 5: Local Policies for Fixed-Income Households* and *Activity 6: Local Policies for Work-Able Households* in the 2022 MTW Plan which requires submitting the 2022 MTW Plan Amendment to HUD.

In THA Resolution 2022-04-27 (7), the Board of Commissioners approved to sunset the Housing Opportunity Program (HOP). THA seeks to maintain a flexibility enabled through HOP that could benefit voucher holders who face significant barriers to renting in the private market due to their rental history or other screening barriers. As part of this Plan Amendment, THA seeks authorization to expand our authorization from the 2014 MTW plan under *Activity 19. Housing Opportunity Program* to allow all voucher households to rent from relatives when a household: cannot lease up because of poor credit; would rely on the relative to help with childcare; has poor rental history and has remediated the root causes of the bad rental history; or cannot lease because of poor criminal history that has shown proper rehabilitation.

THA projects that adopt this change will increase housing choice for voucher holders and provide continuity between flexibilities allowed through HOP from which voucher holders could benefit as THA initiates the transition to HCVs.

The amended 2022 MTW Plan can be found on THA's webpage on the Notice for Public Comment and Public Hearing: <https://www.tacomahousing.org/news/2022-moving-to-work-mtw-plan/>

Recommendation

Approve Resolution 2020-05-25 (1) authorizing THA's Executive Director to submit an amendment to the Housing Authority of the City of Tacoma's Fiscal Year 2022 Moving to Work Plan.



TACOMA HOUSING AUTHORITY

RESOLUTION 2022-05-25 (1) (Approval to Amend THA's 2022 MTW Plan)

A **RESOLUTION** of the Board of Commissioners of the Housing Authority of the City of Tacoma

WHEREAS, The MTW Plan is required by HUD; and

WHEREAS, The purpose of the MTW Plan is to establish local goals and objectives for the fiscal year; and

WHEREAS, THA seeks to expand housing choice for voucher holders who face significant barriers to renting in the private market due to their rental history or other screening barriers; and

WHEREAS, Amendments to the MTW Plan must be approved by the THA Board of Commissioners; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

THA's Executive Director is authorized to submit this amendment to THA's 2022 MTW Plan.

Approved: May 25, 2022



Stanley Rumbaugh, Chair



TACOMA HOUSING AUTHORITY

**RESOLUTION 2022-05-25 (1)
(Approval to Amend THA's 2022 MTW Plan)**

Copy of Re-proposed Activities in THA's Amended 2022 MTW Plan

Begins on next page.

Section III. Proposed MTW Activities

5. Local Policies for Fixed-Income Households

THA is re-proposing Activity 5: Local Policies for Fixed-Income Households.

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:

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

Households are able to rent from relatives when a household: cannot lease up because of poor credit; would rely on the relative to help with childcare; has poor rental history and has remediated the root causes for their rental history; or cannot lease because of poor criminal history that has shown proper rehabilitation. In these circumstances, all units would still undergo an HQS inspection and households must meet any additional requirements to be housed per HUD requirements and as authorized for THA under its associated activities.

THA's hardship policy for MTW-HCV households states that households may submit a written request for a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW elderly/disabled households they must meet one of the following requirements: (1) income changes will require household to pay more than 40% of their income as rent; or (2) household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for those who income-qualified for

a hardship to receive one. In 2020, THA revised its hardship policy to remove the third-party documentation requirements to make it easier and less burdensome for households to apply for hardship.

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix D: THA's Emergency Operations.

Relation to Statutory Objective: This activity and the new flexibility proposed as part of THA's amended 2022 MTW Plan serves the MTW statutory objective to increase housing choices for low-income families. This activity continues to serve the MTW statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures.

Anticipated Impacts: THA projects that this activity and the new flexibility proposed as part of THA's amended 2022 MTW Plan will expand housing choice for households who face significant barriers to renting in the private market due to their rental history or other screening barriers. Overall, THA streamlining its recertification process and deductions will significantly reduce staff time and other operating costs such as postage, copying, office equipment use, etc. It will reduce unnecessary intrusions into tenant privacy and pride because THA will not have to inquire with their employers and asset sources to verify private information and reveal to third parties that the tenant is receiving THA assistance.

Anticipated Schedule: THA anticipates enacting the new policy to allow voucher holders to rent from relatives as soon as it receives the necessary approvals from HUD. THA has already implemented measures to streamline the recertification process and deductions as THA received approval in a previous version of the plan, though it should be noted the plan will be updated upon this re-proposal of the activity.

Baselines, Benchmarks and Metrics: THA will continue to report on cost effectiveness metrics for CE #1, CE#2, and CE#5. THA will utilize *HC #5: Increase in Resident Mobility* to report on the Housing Success Rate; that is, the total percentage of households that leased up a housing unit, when compared with households who were unsuccessful leasing up, or households currently shopping for a unit.

CE # 1: Agency Cost Savings			
Unit of Measurement	Baseline	Benchmark	Outcome
Total cost of task in dollars (decrease).	\$23,730 cost to complete all elderly/disabled certifications FY 2021 impacted by this activity	\$15,899 (33% decrease from baseline)	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

CE # 2: Staff Time Savings			
Unit of Measurement	Baseline	Benchmark	Outcome
Total time to complete the task in staff hours (decrease).	856 hours to complete all elderly/disabled certifications impacted by this activity	573 hours (33% decrease)	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

CE # 5: Increase in Agency Rental Revenue			
Unit of Measurement	Baseline	Benchmark	Outcome
Total Household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$286	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

HC #5: Increase in Resident Mobility			
Unit of Measurement	Baseline	Benchmark	Outcome
Total percentage of households leased up in housing out of total vouchers issued (increase).	54% of households (out of total vouchers issued)	TBD for FY2022	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: For the new flexibility THA would report on the total percentage of households that were able to lease up a housing unit, compared to households that were unsuccessful leasing up, or households currently shopping for a unit. This would be tracked with our data system. THA's baseline reflects the total housing success rate for households issued a voucher over the past 12 months prior to this flexibility being instituted. THA will monitor this activity once the flexibility is fully implemented and establish a benchmark. For the remaining metrics THA would continue to use its data system and time study formulas to identify cost and time savings.

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Sections C.4 and D.1.c.; MTW Agreement Attachment C, Section D(1)(f)

6. Local Policies for Work-Able Households

THA is re-proposing Activity 6: Local Policies for Work-Able Households.

Description: THA used this activity to implement rent reform for work-able households in its federally subsidized programs. 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).

This above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully and continues to see staff time and cost savings because of the biennial review schedule.

Households are able to rent from relatives when a household: cannot lease up because of poor credit; would rely on the relative to help with childcare; has poor rental history and has remediated the root causes for their rental history; or cannot lease because of poor criminal history that has shown proper rehabilitation. In these circumstances, all units would still undergo an HQS inspection and households must meet any additional requirements to be housed per HUD requirements and as authorized for THA under its associated activities.

THA’s hardship policy for MTW-HCV households states that households may request a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW work-able households they must meet one of the following requirements: (1) income changes will require household to pay more than 50% of their income as rent; or (2) household has zero income. THA also requires that MTW work-able households show that they have applied for unemployment. THA’s hardship policy previously required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an

unnecessary burden for households and made it extremely difficult for households who income-qualified for a hardship to receive one. THA removed this verification requirement.

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix D: THA's Emergency Operations.

Relation to Statutory Objective: This activity and the new flexibility proposed as part of THA's amended 2022 MTW Plan serves the MTW statutory objective to increase housing choices for low-income families. This activity continues to serve the MTW statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures.

Anticipated Impacts: THA projects that this activity and the new flexibility proposed as part of THA's amended 2022 MTW Plan will expand housing choice for households who face significant barriers to renting in the private market due to their rental history or other screening barriers. Overall, THA streamlining its recertification process and deductions will significantly reduce staff time and other operating costs such as postage, copying, office equipment use, etc. It will reduce unnecessary intrusions into tenant privacy and pride because THA will not have to inquire with their employers and asset sources to verify private information and reveal to third parties that the tenant is receiving THA assistance.

Anticipated Schedule: THA anticipates enacting the new policy to allow voucher holders to rent from relatives as soon as it receives the necessary approvals from HUD. THA has already implemented measures to streamline the recertification process and deductions as THA received approval in a previous version of the plan, though it should be noted the plan will be updated upon this re-proposal of the activity.

Baselines, Benchmarks and Metrics: THA will continue to report on cost effectiveness metrics for CE #1, CE#2, CE#5, SS#1, SS#3, and SS#8. THA will utilize HC #5: *Increase in Resident Mobility* to report on the Housing Success Rate; that is, the total percentage of households that leased up a housing unit, when compared with households who were unsuccessful leasing up, or households currently shopping for a unit.

CE # 1: Agency Cost Savings			
Unit of Measurement	Baseline	Benchmark	Outcome
Total cost of task in dollars (decrease).	\$36,284 cost to complete all work-able certifications impacted by this activity	\$18,142 (50% decrease)	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

CE # 2: Staff Time Savings			
Unit of Measurement	Baseline	Benchmark	Outcome
Total time to complete the task in staff hours (decrease).	1,309 hours to complete all work-able certifications impacted by this activity	654 hours (50% decrease)	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

CE # 5: Increase in Agency Rental Revenue			
Unit of Measurement	Baseline	Benchmark	Outcome
Total household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$731 (50% of 2-BD payment standard)	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

SS #1: Increase in Household Income			
Unit of Measurement	Baseline	Benchmark	Outcome
Average earned income of households affected by this policy in dollars (increase).	\$12,372	\$21,060	TBD for FY2022
			Benchmark Achieved? TBD for FY2022

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	323 households	693 households	TBD for FY2022	TBD for FY2022
	21%	45%		
2) Employed part-time	446 households	693 households	TBD for FY2022	TBD for FY2022
	29%	45%		
3) Enrolled in Educational Program	0	TBD	TBD for FY2022	TBD for FY2022
	0%	TBD		
4) Enrolled in Job Training	0	TBD	TBD for FY2022	TBD for FY2022
	0%	TBD		
5) Unemployed	Cannot establish baseline	154	TBD for FY2022	TBD for FY2022
		10%		

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	TBD for FY2022	TBD for FY2022

SS #8: Households Transitioned to Self Sufficiency			
Unit of Measurement	Baseline	Benchmark	Outcome
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%	TBD for FY2022

HC #5: Increase in Resident Mobility			
Unit of Measurement	Baseline	Benchmark	Outcome
Total percentage of households leased up in housing out of total vouchers issued (increase).	54% of households (out of total vouchers issued)	TBD for FY2022	TBD for FY2022

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: For the new flexibility THA would report on the total percentage of households that were able to lease up a housing unit, compared to households that were unsuccessful leasing up, or households currently shopping for a unit. This would be tracked with our data system. THA's baseline reflects the total housing success rate for households issued a voucher over the past 12 months prior to this flexibility being instituted. THA will monitor this activity once the flexibility is fully implemented and establish a benchmark. For the remaining metrics THA would continue to use its data system to obtain income and employment outcomes and utilize its time study formulas to identify cost and time savings.

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