



TACOMA HOUSING AUTHORITY



2024 MOVING TO WORK PLAN



Draft Plan for Public Comment

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Section I: Introduction

THA recognizes that a core element of continuous improvement means doing an environmental scan on what the agency has done well, and where we could improve. In 2024, we will do just that, and ensure our households, service partners, staff, and greater Tacoma community are benefitting from our housing programs that push the envelope towards more equitable housing outcomes for Tacoma's low-income residents. This is evident in the new activities we are proposing in 2024. In response to the difficult housing market with high mortgage rates, high inflation, and low vacancies, we are proposing new activities to establish local payment standards and explore a redesigned Homeownership Initiative or Program. These activities would give us the ability to be creative and proactive in the region's trying housing and economic climate.

In order to improve the status quo and ensure affordable housing access and stability for the vulnerable households we serve, we need to act diligently based on the best data we have available. By 2024, THA will have just completed a system-wide software conversion; THA sought this critically important transition starting in 2022 because we recognized that a robust and reliable data system would be fundamental to helping us operate and understand how we can improve our programs. This is consistent with the work HUD is doing to modernize their systems and be more user friendly and accessible as well, with the regulatory changes such as HOTMA, HIP, NSPIRE and more. We want to be accountable to these aims, which is why we've established agency goals related to universal design and accessibility and embedding diversity, equity, inclusion, and belonging (DEIB) in our culture and priorities.

A culture of continuous improvement also means looking at what we're doing well and maintaining those practices. THA's Client Support and Empowerment (CSE) and Property Management (PM) departments work in close collaboration which helps THA be responsive and support thriving and healthy neighborhoods. We also know this is a time where there is a huge need for more affordable housing units and costs are ever-increasing, so a healthy amount of reserves helps THA facilitate the creation of more affordable housing in Tacoma through development, acquisition or rehabilitation of units, as we have done with success in the past.

We know that THA's desire to continuously evaluate and push for greater outcomes stem from our MTW origins; MTW is the lifeblood to THA with our single fund flexibility and incorporating regulatory waivers in our programs. We want to spread the benefit of being an MTW agency to other housing agencies so they, too, have opportunities to pivot and use their funds and regulatory flexibilities towards programs and policies that they know will bring meaningful change.

A. LONG-TERM GOALS & OBJECTIVES

The strategic objectives identified below advance THA's mission to provide high-quality housing and supportive services to people with low incomes, with a focus on those facing the greatest marginalization. We strive to do this in ways that accomplish two other aims. **First**, we seek to help people succeed, not just as residents but also, as our vision statement and strategic objectives contemplate, as "parents, students, wage earners and builders of assets". **Second**, we seek to help the City of Tacoma develop equitable affordable housing opportunities. We aim to help build a Tacoma that is a place that households of all incomes, races, and compositions, experience as "safe, vibrant, prosperous, attractive, and just." Ultimately, Tacoma Housing Authority drives for a community commitment to housing as a human right.

As we look toward the next several years, we will set goals, metrics, and strategies to support the four goals:

INCREASE AND MAINTAIN THE AMOUNT OF AVAILABLE HOUSING FOR LOW-INCOME FAMILIES

- Between 2023 and 2028, add at least 500 new units of affordable housing through development or partnerships.
- Between 2023 and 2028, add at least 200 housing units that can be prioritized for voucher holders through THA acquisition and partnerships.
- Rehabilitate and or refinance at least 100 units of existing housing to improve quality of life for tenants and long-term viability of the property.
- By the end of 2023, develop a process or program for THA customers to purchase homes.

INCREASE AND MAINTAIN HOUSING ACCESS & STABILITY

- By the end of 2025, achieve a 98% occupancy rate or higher in THA's managed portfolio.
- Maintain THA's MTW requirement to serve substantially the same number of customers.
- By 2028, decrease the number of households on THA programs paying more than 40% of their income for housing to no more than 25%.
- By 2025, increase the percentage of households able to secure housing with a voucher from 55% to 60%.
- By 2026, develop strategies for measuring customer (housing recipients, landlords, vendors, etc.) satisfaction and publish baseline data to improve customer experience.
- By 2025, create comprehensive data systems that connects the organization and better manages data, enabling us to make data-driven decisions and continually improve operations and programs.

EMBED PRINCIPLES OF DIVERSITY, EQUITY, INCLUSION & BELONGING (DEIB) IN THA'S PROGRAMS, CULTURE & PRIORITIES

- By 2025, increase the percentage (by number and dollars) of minority and women-owned businesses receiving contracts or direct purchase requisitions with THA and/or on projects paid for with THA funds.
- By 2026, review THA policies and practices related to housing, procurement, and employment and revise them to make them more inclusive and equitable.
- In the next year, develop goals related to the use of Universal Design.

MAKE THA A GREAT PLACE TO WORK

- By 2025, develop and implement formal and informal strategies for measuring staff satisfaction and publish baseline data.
- Increase THA retention from 79% to 85%.
- Increase the number of THA residents and low-income hired into THA jobs.
- At least 25% of new hires on the Housing Hilltop construction site will be THA residents and/or low-income individuals.
- All full-time THA staff will earn a housing wage. (Housing wage is defined on the amount someone would need to earn to afford to rent a 2 bedroom. Data on this wage is published annually by the Washington Low Income Housing Alliance.)
- The racial, ethnic, and gender diversity of THA's customers will be reflected in its staff

B. SHORT-TERM GOALS & OBJECTIVES

In 2024, THA will take the following actions to help THA achieve its goals:

INCREASE AND MAINTAIN THE AMOUNT OF AVAILABLE HOUSING FOR LOW-INCOME FAMILIES

- Adding new units of affordable housing through development or partnerships.
 - We will focus efforts on projects that are financially feasible and/or can be accomplished with partners;
 - Prioritize getting the Mercy parcel of Aviva Crossing to closing; and
 - Determine if Faircloth to RAD can be used as a financing tool.
- Adding units that can be prioritized for voucher holders through THA acquisition and partnerships.
- Rehabilitating and/or refinancing units of existing housing to improve quality of life for tenants and long-term viability of the property.
 - We will complete physical needs assessments within THA's portfolio;
 - Establish a plan for maintaining THA portfolio; and
 - Establish per unit per year cost goals for each property in the portfolio;
- Developing a process or program for THA customers to purchase homes.

INCREASE AND MAINTAIN HOUSING ACCESS & STABILITY

- Striving to achieve a 98% occupancy rate or higher in THA's managed portfolio.
 - By end of 2024, unit turn time will be 30 days or lower;
 - Review and revise THA policies related to mobility vouchers;
 - Review and revise THA policies related to unit transfers and how to resolve over housing; and
 - Closely monitor voucher utilization and issue vouchers on a regular schedule.
- Maintaining THA's MTW requirement to serve substantially the same number of customers.
- Decreasing the number of households on THA programs paying more than 40% of their income for housing to no more than 25% and increasing the percentage of households able to secure housing with a voucher from 55% to 60%.
 - We will maintain a regular schedule for analysis to ensure THA's payment standards are keeping pace with the market, enabling households to secure housing; and

- Expand THA's landlord engagement activities.
- Developing strategies for measuring customer (housing recipients, landlords, vendors, etc.) satisfaction and publish baseline data to improve customer experience.
- Creating a comprehensive data systems that connects the organization and better manages data, enabling us to make data-driven decisions and continually improve operations and programs.
 - We will implement and refine new internal processes developed as part of THA's software conversion to increase THA's operational efficiency and strengthen our internal control environment;
 - Fully implement the new data system for THA's Client Support and Empowerment department; and
 - Create a Data Governance Committee to review and refine all reports used for reporting and/or decision-making.

EMBED PRINCIPLES OF DIVERSITY, EQUITY, INCLUSION & BELONGING (DEIB) IN THA'S PROGRAMS, CULTURE & PRIORITIES

- Increasing the percentage (by number and dollars) of minority and women-owned businesses receiving contracts or direct purchase requisitions with THA and/or on projects paid for with THA funds.
 - THA will begin collecting data on the number of disadvantaged business enterprise, including minority and women-owned businesses, Section 3 businesses, and veterans-owned businesses receiving contracts with THA and/or on projects paid for with THA funds. We will also try to attract more of those businesses;
 - Maintain a 90% on time payment rate (30 days from receiving an approved invoice) to make it easier to do business with THA and to reduce the barriers to disadvantaged business enterprises; and
 - THA will review and revise its procurement policy and practices to make them more equitable and accessible.
- Reviewing THA policies and practices related to housing, procurement, and employment and revise them to make them more inclusive and equitable.
 - THA will provide at least one DEIB training and/or event for all staff and Commissioners, including guidance to help THA establish a common language framework for how we define and understand DEIB key terms;
 - Develop an equity statement and equity policy for the organization to follow in its work;
 - Review and revise its HR policies to make them more equitable;
 - Conduct an organizational and Board DEI audit using an audit mechanism agreed upon by the DEIB Steering Committee, THA Leadership Team, and THA Board; and
 - Create a tool for evaluation of high-impact decisions to assess racial social equity.
- Developing goals related to the use of Universal Design.
 - THA will conduct a physical accessibility audit of all THA offices and common areas.

MAKE THA A GREAT PLACE TO WORK

- Developing and implementing formal and informal strategies for measuring staff satisfaction and publish baseline data.
 - THA will conduct two Employee Satisfaction surveys through a third-party vendor; and
 - Investigate strategies for measuring staff satisfaction through one-on-one meetings, stay interviews, short online surveys, etc.
- Increasing THA retention from 79% to 85%.
 - THA aims to enhance its workplace environment by implementing the Surgeon General's framework on Five Essentials for Workplace Mental Health & Well-being Framework over the next year. This goal involves fostering supportive policies, establishing systems of accountability, and nurturing compassionate leadership. The objective is to achieve a 15% improvement in overall employer satisfaction by June 2024, thus making THA a highly esteemed workplace that values and promotes the health, well-being, and growth of all its employees.
 - In 2024, implement a new performance evaluation system and agency wide training program that improves employee performance and retention.
- Increase the number of THA residents and low-income hired into THA jobs.
 - THA will establish systems for counting lived experience when considering whether candidates meet job qualifications.
 - THA will conduct hiring outreach events within its housing portfolio and surrounding communities.
 - Ensuring new hires on the Housing Hilltop construction site will include THA residents and/or low-income individuals.
- All full-time THA staff will earn a housing wage. (Housing wage is defined on the amount someone would need to earn to afford to rent a 2 bedroom. Data on this wage is published annually by the Washington Low Income Housing Alliance.)
 - THA will work collaboratively with the two Unions representing THA staff to negotiate equitable wages.
 - THA will prioritize paying housing wages when it is budgeting on an annual basis.
- The racial, ethnic, and gender diversity of THA's customers will be reflected in its staff.
 - In 2024, THA will focus on creating and implementing an equitable hiring plan with the aim of increasing diversity hiring by 15%. This will be achieved through effective collaboration with HR and hiring managers.

Section II: General THA Operating Information

A. HOUSING STOCK INFORMATION

Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Total Public Housing Units to be Added in the Plan Year

N/A

Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
N/A	0	N/A
	0	

Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	# of PBV	RAD?	DESCRIPTION OF PROJECT
KWA Project on 15 th and Tacoma Ave.	15	No	KWA PBV-VASH
Shiloh Project on S 13th and I St.	20	No	Shiloh PBV-VASH
	25	Planned Total Vouchers to be Newly Project-Based	

Planned 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 at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Arlington Youth Drive	58	Leased/Issued	No	Youth and Young Adult Housing
Bay Terrace 1	20	Leased/Issued	No	THA Family Housing
Bay Terrace 2	52	Leased/Issued	No	THA Family Housing
Bay Terrace – RAD	26	Leased/Issued	Yes	THA Family Housing
Eliza McCabe Townhomes	10	Leased/Issued	No	Mercy Housing Family Housing
Exley / St. Helens	13	Committed	No	Housing for people exiting the criminal justice system (formerly known as DOC CHAP)
Flett Meadows	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	147	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	Leased/Issued	No	THA Family Housing
Hillside Terrace 1500	12	Leased/Issued	No	THA Family Housing
Hillside RAD	33	Leased/Issued	Yes	THA Family Housing

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Hillside 2	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	Leased/Issued	No	Permanent Supportive Housing
Home at Last	30	Leased/Issued	No	YWCA Family Housing
Nativity House	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	Leased/Issued	No	Senior housing
Olympus Apts.	18	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	Leased/Issued	No	MDC transitional family housing
Rialto Apts.	52	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
Salishan 1-7 ¹	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	Leased/Issued	Yes	THA Family Housing
The Rise at 19 th	64	Leased/Issued	No	THA Family housing
Tyler Square	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	Leased/Issued	Yes	THA Senior/Disabled Housing

¹ Please note: Salishan 7 never had public housing units and will not be found in PIC.

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
PBV VASH	30	Leased/Issued	No	3rd party PBV VASH
	1,818	Planned Total Existing Project-Based Vouchers		

Planned Other Changes to MTW Housing Stock Anticipated During 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.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
THA will seek to acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).
THA has sold the last seven lots in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.
THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This unit is being leased to a large family. This will leave THA with 719 public housing units available for use under Faircloth. THA is considering placing Public Housing Faircloth units in new acquisitions and new developments and eventually converting these units to RAD.

General Description of All Planned Capital Expenditures During the Plan Year

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

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
In 2019, THA converted all but 5 units under the RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA will receive minimal Capital funds in 2024, yet has funds carried over from 2023 that will be reflected in the budget and will transfer to Operations.

B. LEASING INFORMATION

Planned Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	60	5
MTW Housing Choice Vouchers (HCV) Utilized	47,600	3,967
Local, Non-Traditional: Tenant-Based^	1,108 ²	92
Local, Non-Traditional: Property-Based^	5,076	423
Local, Non-Traditional: Homeownership^	0	0
Planned Total Households Served	53,844	4,487

* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

** "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

² Under HUD approval, THA includes LNT: Tenant-Based households six months post-participation. See Activity 15 for further details.

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
Tenant-Based	Regional Approach for Special Purpose Housing/15	1,108	92
Property-Based	Creation & Preservation of Affordable Housing/16	5,076	423
Homeownership	N/A	0	0

* The sum of the figures provided should match the totals provided for each local, non-traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Housing Choice Voucher/Portfolio	<p>The resulting economic impacts from the tightening rental market are making leasing up in this current climate extremely difficult. THA is utilizing housing navigators and a THA-managed centralized vacancy listing portal for THA programs serving voucher households who face greater barriers on the private housing market. THA continues to utilize its Landlord Specialist and MTW flexibilities to cultivate strong relationships with landlords and recruit new landlords in this very competitive housing market.</p> <p>Additionally, THA has an agency-wide goal to achieve a 98% occupancy rate or higher in THA's managed portfolio, which we seek to achieve by reviewing and revising THA policies related to unit transfers and how to resolve over-housing. We will also closely monitor voucher utilization and issue vouchers on a regular schedule.</p>
Local, Non-Traditional	<p>For THA's local, non-traditional housing program for RRH, the county is responsible for allocating THA's investment to local rapid rehousing providers. Depending on the capacity of Pierce County and local providers to utilize and allocate these funds, there may be issues related to fully utilizing the allocated amount. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will respond accordingly.</p>

C. WAITING LIST INFORMATION

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column 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	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
THA Consolidated Waitlist	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	1,403	Closed	No

Please describe any duplication of applicants across waiting lists:

N/A

Planned Changes to Waiting List in the Plan Year

Please describe any anticipated 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 PLANNED CHANGES TO WAITING LIST
THA Consolidated Waitlist	<p>THA opened its waitlist to serve all household sizes in 2023 and does not plan to open its waitlist again in 2024. From the 2023 waitlist opening process, THA seeks to make improvements to the waitlist opening and outreach process for years moving forward to be more responsive to the households we serve. These improvements include providing public notice of the waitlist opening by utilizing digital advertising, social media, and search engine optimization (SEO) strategies as opposed to requiring public notice via a newspaper ad (flexibilities allowed per MTW Agreement Attachment C, Section, Subsection 4).</p> <p>THA continues to explore changes to its consolidated waitlist, including ways to increasingly leverage the Tacoma/Pierce County Coordinated Entry System as part of its process to pull from the waitlist.</p>

Section III. Proposed MTW Activities

DRAFT

7. Local Income and Asset Verification Policy

THA is re-proposing Activity 7: Local Income and Asset Verification Policy.

Description: Since 2011, THA has implemented the following policies to streamline local income and asset verification processes:

- 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.

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

THA acknowledges the HOTMA final rule regulations of section 102 are in effect by HUD starting by January 1, 2024 and to be implemented no later than January 1, 2025. Until THA has had the opportunity to conduct further analysis on each of the proposed changes towards calculating income and conducting recertifications and interim reexaminations, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan. THA may amend its MTW activities accordingly in 2024 as a result of this analysis.

In addition, beginning 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 C: THA's Emergency Operations.

As it relates to section 104 of the HOTMA final rule (asset limits), THA seeks to expand asset limit flexibilities for households participating in THA's local FSS (Activity 19) and Homeownership (activity 27) programs, as they participate in activities that seek to build household wealth and financial self-sufficiency. THA understands that FSS escrow amounts and equity in property where the family receives assistance under 24 CFR 982 are exempt from the new HOTMA final rule asset calculation; however, THA would like to further expand this so that all assets from these

households (outside the permitted items that fall outside the calculation) are not beholden to the HOTMA final rule asset limit requirement. This will provide assurances to households that their savings they may be accruing to save up for a large purchase such as a home, will not adversely impact them as they are on the pathway towards homeownership or other the purchase of assets that foster financial sustainability. Other than these FSS and Homeownership participants, THA will maintain the Section 104 requirements for the general voucher population.

Relation to statutory objective: This activity serves the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures. The component of this activity that seeks to remove asset limits for FSS and Homeownership participants serves the MTW statutory objective to increase household self-sufficiency.

Anticipated impacts:

THA's streamlined income and asset calculations continue reduce unnecessary intrusions into tenant privacy and reduce administrative burdens. As stated above, THA acknowledges the HOTMA final rule regulations of section 102 and, until THA has conducted further analysis on each of the proposed changes towards calculating income, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan.

THA anticipates that expanding the asset limit flexibilities for households involved in FSS and THA's Local Homeownership program activity will increase opportunities for households to maintain assets as they seek to participate in endeavors that promote progress towards a household's education and financial goals, such as pursuing education, financial coaching, or job skills-training, and making progress towards homeownership. Tacoma is a fast-growing region which has maintained its reputation of being among the hottest housing market in the country.³ It may take some time for a household to save towards a large purchase such as a down payment or other assets, and THA does not want these households to be deterred from participating from these activities because they may feel it puts their participation eligibility as risk due to the asset limit requirement. Additionally, \$100,000 for a household does not go as far as other regions of the country with lower housing and living costs. As stated under the Local Homeownership Program proposed activity (Activity 26), the median home value in Tacoma is \$455,000 and getting close to accumulating 20% for a down payment, which would remove the added expense of private mortgage insurance, brings households nearly over the \$100,000 asset limit cap.

³ In 2019, Tacoma was named one of the nation's hottest housing markets, overtaking Seattle. (<https://www.redfin.com/news/hot-housing-market-tacoma/>). This trend has been persistent, and housing market sites such as Red Fin have categorized the Tacoma Housing market as very competitive.

THA assessed the number of general voucher households that would be impacted by the asset limit provisions of Section 104 of HOTMA, and HUD's \$100,000 asset limit cap would likely impact less than .07% of voucher households (3 out of 4,388 households). As of June 2023 when this analysis was completed, no FSS or Homeownership-program participating households would be impacted by Section 104 asset limit caps; however, as THA looks to redesign its FSS and Homeownership programs to be more equitable and support participating households' long term financial stability, removing restrictions on asset limits for these households would be critical to their continued participation in the program.

Anticipated Schedule: THA anticipates enacting the new policy regarding waiving the asset limits for FSS and Homeownership-participating households as it receives the necessary approvals from HUD. THA acknowledges the asset limit requirements of section 104 of the HOTMA final rule regulations are to be in effect by PHAs by January 1, 2024 and implemented by January 1, 2025.

Baselines, Benchmarks and Metrics:

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

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

SS #5: Households Assisted by Services that Increase Self Sufficiency		
Unit of Measurement	Baseline	Benchmark
Number of households receiving services aimed to increase self-sufficiency (increase). <i>[applying to households in the FSS and Homeownership Program who would otherwise be ineligible due to the asset limit restrictions]</i>	0	2

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will continue to track households impacted by this activity using THA’s internal program software, which is able to identify the extent to which households have imputed assets to report to HUD. Additionally, THA will use its data system to collect and measure how many households participated in its local FSS and Homeownership programs in which this activity allowed them to maintain their program eligibility due to reaching the HOTMA final rule section 104 asset limit.

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

26. Local Homeownership Program

Description: THA seeks to implement a local Homeownership Program that: (1) waives the 10- to 15-year time limit requirement for households that do not qualify as elderly or disabled, and (2) provides flexibility to increase the upfront amount that HUD permits PHAs to offer to households in lieu of monthly mortgage assistance.

Recently, THA has been moving away from the time-limited nature of its housing programs as a result of the economic impacts of COVID-19 and previous evaluations showing less-than-favorable outcomes for THA's time-limited programs in the past.⁴ Though THA stopped issuing homeownership vouchers in 2011, we are looking to reinstate homeownership as a special housing option and want to ensure components of this program are based on evidenced-based practices to increase homeownership access and keep participating households stable in their homes.

Relation to statutory objective: This activity serves the MTW statutory objective to increase housing choices for low-income families.

Anticipated impacts: This activity will expand housing choice for households who are interested in homeownership in this current housing market but are restricted by current Homeownership voucher program rules that put additional barriers for long-term affordable homeownership opportunities.

Recently, the Urban Institute published a report on the HCV homeownership program.⁵ One of their key recommendations to improve the program included extending the time-limit for non-elderly and disabled households. Specifically, they state "Extending maximum subsidy support beyond 15 years for nondisabled, nonelderly households could offer more time for households to reach a level of financial self-sufficiency to afford homeownership without assistance. ... a longer subsidy period may lead to additional lending options or better terms, as lenders may consider loans to households with extended subsidies to be less risky. This may lead more lenders to be willing to provide mortgages to people in the homeownership voucher program and offer more favorable lending options or interest rates." Given the climbing interest rates and COVID-19's reminder that external events can bring about major life disruptions, we believe removing a time limit would make homebuyers more attractive to lenders and ensure historically marginalized households are afforded extra protection against future economic

⁴ THA completed an assessment in 2021 found that its Housing Opportunity Program (HOP) subsidies, a time-limited program for work-able households, delivered less positive outcomes than traditional income-based and non-time limited vouchers.

⁵ Teles, D. et al., 2023. Using Vouchers to Support Homeownership, Urban Institute. United States of America. Retrieved from <https://www.urban.org/research/publication/using-vouchers-support-homeownership>.

downfalls. Waiving the 10–15-year time limit would positively impact current households in THA’s homeownership program (four work-able households who will reach the 15 year time-limit on their mortgage assistance between now and 2027), as well as prospective households seeking to purchase a home.

Additionally, increasing the upfront amount that HUD permits PHAs to offer to households in lieu of monthly mortgage assistance is another policy recommendation that came out of the Urban Institute report. With increasing home values and interest rates, one year of assistance upfront does little to help make homeownership attainable in today’s speculative housing market. Based on local housing data from July 2023, the median home value in Tacoma is \$455,000. A year’s worth of THA’s average HAP would cover 2.6% (or just under \$12,000) of the median sales price. In contrast, 8 years of assistance up front would allow households to put 20% down on a home and remove the added expense of private mortgage insurance.

Anticipated Schedule: Once this activity has been approved by HUD, THA will propose and finalize the program design elements through advisement of THA’s cross-departmental internal workgroup and Homeownership community partners. THA anticipates launching its new Homeownership program in late 2024, with the time-limits being waived for current Homeownership Program participants being effective once this Activity has been approved.

Baselines, Benchmarks and Metrics:

HC #6: Increase in Homeownership Opportunities		
Unit of Measurement	Baseline	Benchmark
Number of households that purchased or received assistance in preparation to purchase a home as a result of the activity (increase).	2	3

HC #4: Displacement Prevention		
Unit of Measurement	Baseline	Benchmark
Number of households at or below 80% AMI that would lose assistance or need to move (decrease).	4	TBD

Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives: THA will track households being served in this new Homeownership Program using THA’s internal program software to collect and measure how many households participated in this program and who were assisted in the purchasing of a home due to this activity. THA will establish a benchmark for HC#4 (Displacement Prevention) in 2024, after the program elements have been determined final.

Description of Authorization or Regulation Waived: MTW Agreement - Attachment C, Section D.4
Regulation waived: § 982.634(a) and § 982.635(a).

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27. Local Payment Standards Policy:

Description: THA is proposing this activity to enact a more localized payment standards policy that is responsive to the Tacoma housing market and brings THA's operational policies more in alignment based on other MTW flexibilities.

Amended Calculation for Shared Housing Payment Standard & Rent Reasonableness Determination:

THA seeks to use an alternative formula for determining the payment standard for shared housing situations, which would be based on a percentage of the payment standard for a unit of the same bedroom size, as opposed to the HUD-prescribed shared housing calculation at §982.617(c). To date, THA has completed annual and mid-year reviews of its payment standards utilizing data from a third-party dataset, which allows THA to fine tune its payment standards and adjust to the local market in response to changing market conditions. While these shifts have been helpful for all THA voucher households and have not needed to utilize additional waivers to date (payment standards have stayed below 110% of FMR and THA has not yet requested approval of setting payment standards between 110-120% FMR, per § 982.503(c)), the specific formula described in §982.617(c) is not being provided at amounts deemed affordable by voucher holders seeking to live in a shared housing situation.

Based on THA's assessment, THA is currently seeking to set the payment standard for shared housing at 80% of the payment standard for a unit of the same bedroom size. THA will regularly assess at which percentage this figure is based to ensure we are meeting the anticipated outcome of providing voucher holders interested in shared housing with affordable living options and doing so at rates commensurate to the general voucher population.

Finally, as part of this flexibility, THA seeks to update the rent reasonableness policy for shared housing. THA would like to allow units of the same bedroom size to serve as comparable units to the shared housing situations based on the number of rooms occupied by the household when making the rent reasonableness determination.

Adjusting timelines to decrease in the payment standard amount during the HAP contract term:

THA would like to adjust the timeline when household's updated Housing Assistance Payment (HAP) is adjusted as a result of a decreasing the payment standard during a HAP contract term. THA seeks to have the decreased payment standard amount be effective for the household when THA provides given at least 12 months' notice to households. HUD regulations at § 982.505(c)(3)(i) state that the payment standard change "may not be applied any earlier than the effective date of the family's second regular reexamination

following the effective date of the decrease in the payment standard amount” which is relevant for PHAs on the standard annual recertification cycle for all households. However, THA is on bi-biennial and triennial recertification for voucher holders. By waiving this requirement and providing at least 12 months’ notification for households of this payment standard change after it has taken effect, this puts a reasonable timeline for the new HAP amounts to be implemented and considering the cost effectiveness of HAP funds.

Relation to statutory objective: Utilizing a different payment standard for shared housing serves the MTW statutory objective to increase housing choice for low-income families. Staff who provide initial certifications and housing navigation supports have reported they’ve interacted with a number of voucher holders who want to live in shared housing situation but, due to the projected HAP and tenant share based on the HUD formula, it is not an affordable option for them due to the higher tenant family share they would be expected to pay. Therefore, they opt for using their voucher to seek studios or 1-BR instead which puts more pressure on the limited supply of studios and 1-BRs in the region. Increasing the shared housing payment standard would allow these shared housing situations to be an affordable housing option in which households can utilize their vouchers, while giving them access to the shared living situation they seek.

Allowing a reduction in payment standards to take effect once THA provides 12 months’ notice to households continues to serve the MTW statutory objective to reduce cost and achieve greater cost effectiveness in federal expenditures.

Impact Analysis: The following are the results of the impact analysis, which covers the proposed change to increase the shared housing payment standard which is a rent reform component of the activity).

Addressing how the proposed MTW activity will impact household rent/tenant share and the intended/possible impacts of the rent reform activity:

THA conducted an analysis, assessed the data of current THA voucher holders living in shared housing situations, comparing their outcomes with that of the general voucher population. Overall, we found: There are 6 out of 13 shared housing households (46%) paying above payment standard (based on most recent certification, some on older payment standard). Of the 6 paying above payment standard, 4 of the 6 (67%) are paying more than 40% monthly income on rent. This compares against general voucher population which shows:

- 246 out of 1,074 households in general voucher population (23%) are paying above the payment standard (based on most recent certification, some on older payment standard).

- Of those households paying above the payment standard, 99 households, or 40.2% are paying above 40% of their monthly income on rent.

THA assessed data from our housing navigation vacancy list for shared housing listings in May and June 2023. THA found that under the HUD payment standards calculation for shared housing, 40% of the units would be set at below the payment standard amount (calculating pro rata) for a household renting one bedroom in the entire unit. When taking into account the new proposed calculation of taking 80% of the payment standard for the bedroom size, 60% of the units would be below the payment standard.

When THA increased its payment standards for the general voucher population which took effect January 1, 2023, 72% of the housing vacancies fell below THA's payment standard. The 72% is the general percentage target at which we would like shared housing households to be, in terms of number of shared housing vacancies being listed below the shared housing payment standard based on the new proposed calculation.

Finally, it should be noted all the data demonstrating the need for this policy change is an underestimate, as data has not been formally tracked to identify the exact number of households interested in shared housing but declined that option due to the payment standards limitations. Housing navigation staff report that there are about 4 households a month on average who regularly ask about shared housing but who end up with non-shared housing as more attractive options, due to the higher HAP and lower tenant family share payments.

Addressing how the rent reform activity will be tracked and how the MTW PHA will weigh the consequences/benefits of the rent reform activity to determine whether it should be adjusted/terminated/reduced/continued/expanded:

At least annually, we will review data on shared housing households and determine if this increase in payment standard is still needed or if it should be adjusted. We will measure this by comparing how much the payment standards change (before and after MTW policy change) impacts the tenant's total rent they pay and the extent to which shared housing households pay above 40% of their income on rent. We are aiming for this numbers to be proportional to that of households in the general voucher population. All this data is tracked THA's internal operational software,

THA will use its regularly scheduled payment standards analysis timeline to assess whether the new flexibility is still achieving its originally anticipated goals of expanding housing choice for households interested in living in shared housing situations, while not leading to disparate outcomes based on this new calculation.

Anticipated Schedule: We anticipate implementation to occur in 2024 once we receive approval from HUD. We would follow our usual protocols for new policy change, which requires update to Admin plan guidance, training for staff, and ample time to notify households impacts, which is current voucher holders and having the housing navigation team help with outreach on this new policy for shoppers.

Baselines, Benchmarks and Metrics:

HC #5: Increase in Resident Mobility		
Unit of Measurement	Baseline	Benchmark
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	13	20

Description of Authorization or Regulation Waived: MTW Agreement Attachment C, Section D.1.a, D.2.a, D.2.b, and D.2.c.
Regulation waived: § 982.505; § 982.617.

Section IV. Approved MTW Activities

A. IMPLEMENTED ACTIVITIES

1. Extend Allowable Tenant Absences 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 amount of time 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 Iraq war, the prospect of terminating them was too unsettling even to risk. This activity enabled THA to allow a previously assisted households returning from deployment to request reinstatement within 90 days from the date they return from deployment.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity during the Plan year.

3. Local Project-Based Voucher Program

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

Description: This program introduced several changes to the way THA operates the project-based voucher program. They are as follows:

- **Remove caps on all project-based voucher allocations**

Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project Based Vouchers. HUD approved the exclusion of THA's portfolio units from being counted towards the 20% cap and THA seeks to expand this flexibility across all PBVs to remove complex tracking whether we are falling above or below the 20% threshold. In addition, PHAs are limited to project-basing up to 25 percent (25%) of units in a single development. In 2018, THA modified the activity by waiving the per project cap for projects, including those not owned by THA. Removing both limitations enables THA to be more flexible with our funding for development projects & provide more deeply affordable units to low-income households.

- **Established a reasonable competitive process and contract terms for PBV assistance**

THA established a reasonable competitive process and contract terms, including 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.

- **In-house Housing Quality Standards (HQS) inspections**

THA conducts Housing Quality Standards (HQS) inspections on units it owns or has interest in. In order to operate one, streamlined property management approach, THA also conducts HQS inspections on the small number of Public Housing Units it owns.

- **Modified Choice Mobility options for non-RAD, PBV households**

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 made Choice Mobility available to *all* PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following requirements: 1) in good status/no debts owed; 2) one-time use policy 3) receive

pre-issuance counseling; 4) unpaid tenant charges that could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.

- **Streamline PBV program for units not managed by THA**

THA allows individual project owners to manage their own waiting lists and tenant selection criteria. The changes have allowed THA to streamline many parts of the project-based program that were inefficient or unfair to those on the waitlist.

- **Expanded Allowable Housing Types**

Since 2011, THA has been authorized to expand the definition of eligible housing types to include transitional housing, cooperative housing, and shared housing. The flexibility allows THA to project-base units targeted for special populations, such as those exiting the criminal justice system, homelessness, or the foster care system.

- **Emergency Operations**

In 2021, HUD approved a proposal that allows THA to adjust operations and policies, as needed, during times of declared emergencies. See Appendix C: THA's Emergency Operations. 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 and residents, clients, and applicants.

Planned Non-Significant Changes: THA is seeking to adjust its right-sizing policy. THA may enact policies that allow households that are over-housed (i.e., those housed in a PBV unit larger than the subsidy standards allow) to remain in the unit, and if needed, THA could seek additional payment based on a locally determined fee schedule. Additionally, THA is considering allowances to enter into a HAP contract for any type of unit that does not qualify as existing housing and is under construction or has been recently constructed, regardless of whether an AHAP has been executed; modifying the HAP agreement; exploring the possibility of setting payments for 3rd party managed PBVs at tax credit rent; and modifying the definition of 'existing housing' to include housing that could meet Housing Quality Standards within 180 days. No additional waivers are needed to implement these changes.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity in the Plan year.

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:

- Annual recertifications are completed on a triennial schedule. THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.
- 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).

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 C: THA's Emergency Operations.

Planned Non-Significant Changes: THA acknowledges the HOTMA final rule regulations of section 102 are required to be in effect by PHAs by January 1, 2024. Until THA has had the opportunity to conduct further analysis on each of the proposed changes towards calculating income and conducting recertifications and interim reexaminations, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan. THA may amend its MTW activities accordingly in 2024 as a result of this analysis, all of which THA anticipates will not be considered a significant change.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity in the Plan year.

6. Local Policies for Work-Able Households

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 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;⁶
- 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.

THA’s hardship policy for MTW-HCV households states that households may request in writing 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

⁶ Beginning 2023, THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.

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.

Planned Non-Significant Changes: THA acknowledges the HOTMA final rule regulations of section 102 are in effect by HUD starting by January 1, 2024 and to be implemented no later than January 1, 2025. Until THA has had the opportunity to conduct further analysis on each of the proposed changes towards calculating income and conducting recertifications and interim reexaminations, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan. THA may amend its MTW activities accordingly in 2024 as a result of this analysis, all of which THA anticipates will not be considered a significant change.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity in the Plan year.

8. Local Interim Processing and Verification Policies (HCV/PH)

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

Description: The purpose of this activity is to streamline the interim review process. 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 with THA providing supports to clients who cannot use a computer and need assistance.

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 C: THA's Emergency Operations.

Planned Non-Significant Changes: THA acknowledges the HOTMA final rule regulations of section 102 for income reviews are in effect by HUD starting by January 1, 2024 and to be implemented no later than January 1, 2025. Until THA has had the opportunity to conduct further analysis on each of the proposed changes towards calculating income and conducting recertifications and interim reexaminations, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan. THA may amend its MTW activities accordingly in 2024 as a result of this analysis, all of which THA anticipates will not be considered a significant change.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

Planned Significant Changes: THA does not anticipate additional authorizations for this activity during the Plan year.

11. Simplified Utility Allowance

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

Description: This activity streamlined the utility allowance (UA) 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 streamlined by eliminating the structure and energy type differentiators.

The Housing Authority has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision provides each household responsible for tenant supplied utilities with the average allowance based upon unit bedroom size. Households have a more simplified explanation of utility allowance benefits and the Housing Authority staff now selects an allowance based only on unit size instead of determining individual allowances for every unit leased.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

Planned Significant Changes: THA does not anticipate additional authorizations for this activity during the Plan year.

12. Local Port-Out Policy

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

Description: This activity intends to reduce the number of invaluable housing dollars leaving Tacoma and the burden of administering port out vouchers while preserving portability in enumerate cases where it would advance important program goals. For these reasons, 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,* or for 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.

**Household members with a documented disability do not need to submit a Reasonable Accommodation request to port out.*

Planned Non-Significant Changes: THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any changes to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate additional authorizations for this activity during the Plan year.

15. Regional Approach for 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 the existing local infrastructure that provides 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 homelessness. Under this activity, THA pools resources with Pierce 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 used to assist households receiving services through Rapid Rehousing.

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 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 as shelter to homeless and unaccompanied youth in Tacoma and Pierce County.

In late 2020, THA, Tacoma Public Schools (TPS), and Pierce County launched the Tacoma Schools Housing Assistance Program (TSHAP). TPS families identified as McKinney-Vento are referred to the contracted provider who engages them in a creative conversation to identify their needs and potential solutions to their housing challenges. Potential interventions include one-time prevention supports, diversion, or Rapid Rehousing, depending on a family's particular needs. THA has sunset TSHAP at the completion of the contract term in December 2022. The partners continue to explore developing a permanent pathway for McKinney-Vento students and their families that leverages Pierce County's existing emergency housing resources.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the metrics or data collection during the Plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity for the Plan year.

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16. Creation and Preservation of Affordable Housing

Plan Year Approved, Implemented, Amended: This activity was proposed in 2012 and implemented in 2012. This activity is to preserve and create affordable housing units under MTW. These units would be affordable housing units, not public housing and there will not require an operating subsidy. This activity was re-proposed in 2019 to include the use of MTW funds for Property-Based Rental Subsidies.

Description: The flexibility granted through this activity allows THA to acquire or develop affordable housing to households at or below 80% of 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 HCV rental assistance. This activity allows THA to preserve affordable housing stock within Tacoma, especially in areas where rents are quickly becoming unaffordable. THA recognizes that this entire activity is under the parameters of PIH Notice 2011-45 and will abide with the notice 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. Eligible unit and housing types include but are not limited to: shared housing, cooperative housing, transitional housing, high-rise buildings, hotels/motels, and tiny homes.

Development and Acquisition: THA seeks to acquire existing rental housing in neighborhoods where THA does not have a strong presence to preserve housing affordability. 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) Housing Hilltop – Housing Hilltop will provide 4-8 story buildings with a mix of retail and/or commercial space on the ground floor and a mix of very low income and workforce housing units (up to 60% of AMI) in a mix of bedroom configurations. Most of the units will be 1 and 2-bedrooms although some larger sized units will also be included for large families. The four buildings will have some shared amenities and parking. The four parcels share an alley which THA plans to include as active space by doing creative alley activation projects to enhance the living

experience for residents and to build community in the neighborhood. Financing would likely be a combination of THA unrestricted funds, private debt, and tax credits.

Phase I consisted of the development of 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, was done with a local non-profit partner. Construction completed and the lease up process began at the end 2022. Phase II will be orientated toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units, as THA will develop 231 affordable housing units. There will be 13,000 square feet of commercial retail space, including a 10,000 square foot performing arts and community gathering space in which THA will prioritize BIPOC-owned businesses to lease the spaces.

- (2) *1800 Hillside Terrace* (The Rise on 19th) – MTW funds were used to develop what is now referred to as the Rise on 19th, formerly Hillside Terrace. Phase I and II are completed and fully on-line. The Rise provides 64 units of deeply affordable housing for homeless individuals and small families, as well as people with disabilities and other low-income households.
- (3) *James Center North / Aviva Crossing* – THA acquired a 7-acre retail and commercial area that poses a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College and close to transit, shopping, and entertainment. THA is working with local housing partners on the sale and development of affordable units in West Tacoma in which THA anticipates construction will begin in 2023 and 2024. These multifamily properties will offer a mix of commercial and retail space, along with market rate rental housing. It is anticipated that this development will add households sufficient to support the retail and commercial spaces, while offering a high quality, mixed income project that will add vitality to the neighborhood.
- (4) *1500 Block* - THA proposes to redevelop a property referred to as the 1500 Block. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC.
- (5) *Intergenerational Housing (Hillsdale Heights)* – THA is exploring an intergenerational housing project that will serve a multigenerational community where children who have experienced trauma can receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite caregivers, honorary grandparents, and tutors to the families.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the metrics or data collection during the Plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity for the Plan year.

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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: Effective May 1, 2022, THA is no longer issuing new HOP subsidies as THA is sunsetting HOP. THA completed an assessment in 2021 that found that the program delivered less positive outcomes than traditional income-based and non-time limited vouchers. Since the program's initial design and implementation in 2012, Tacoma's rental market has become increasingly constrained and expensive. A flat, time-limited subsidy like HOP cannot keep pace.

THA has been transitioning a household's HOP subsidy when a household meets one of the qualifying events: change in household composition; a landlord requested rent change; or when a household completes their annual recertification. If and when a household moves, they would transfer to the HCV program. This means HOP households would start conforming to the same rules and rent calculations used for the Housing Choice Voucher Program. As THA begins sunsetting the program after May 1, 2022, the following HOP program elements will no longer apply to HOP participants when they experience a qualifying event:

- Work-able households being subject to a 5-year time limit (excluding CHAP).
- A person with a HOP subsidy not being able to transfer to another THA program or port out of THA's jurisdiction.
- THA's subsidy not increasing if household size increases, or the landlord requests a change in the rent amount.
- The HOP program not having utility allowances

THA anticipates it will keep this activity open until the last HOP subsidy converts to HCV or stops receiving THA assistance.

Prior to the sunset of HOP, the subsidy was administered through the following guidelines:

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 partners with the Tacoma Community College (TCC) to provide rental assistance to TCC's population of homeless and near homeless students. 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.

CHOP: THA partnered with the Department of Children, Youth and Families (DCYF) 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 in homelessness. To date, CHOP has helped 33 families stay together or re-unite sooner.

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%) and 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.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data: THA does not anticipate any changes to the baselines or benchmarks during the plan year.

Planned Significant Changes: Because THA decided in May 2022 to sunset HOP and keep this activity open until the last HOP subsidy converts to HCV or the household exists the program, there will not be any planned significant changes needed for this plan year.

18. Elimination of 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. This activity has allowed more households in THA's voucher programs 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.

Planned Non-Significant Changes: THA does not anticipate any changes to this activity during the Plan year.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

Planned Significant Changes: THA does not anticipate any significant changes to this activity for the Plan year.

19. Modify the Family Self-Sufficiency (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 clearer guidelines for participating families. THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. 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. Below are examples of pay points:

- \$2,000 Maintain 32 hours/week employment for a minimum of 6 consecutive months
- \$1,000 Complete ESL classes; Levels 1-5, \$200 per level
- \$100 Receive certificate of successful completion of financial literacy
- \$3,000 Complete educational goal such as a GED, degree from an accredited school/college, vocational certificate, etc. Maximum escrow credit for achieving educational goals is \$3000 per family.
- \$500: 0-6 months vocational training certificate
- \$750: 7-12 months vocational training certificate
- \$1,000: 13-24 months vocational training certificate
- \$1,500-Associate degree
- \$2,000-Bachelor's degree

In addition, THA has removed the requirement that households need to be off cash assistance for 12 consecutive months prior to program graduation as a determinant to access escrow funds.

Planned Non-Significant Changes: THA has been assessing its FSS program to better meet the needs of participants. In FY 2024, THA may explore the following changes: updating policies and criteria for determining escrow calculation, pay points, and withdrawals; and implementing a local FSS Contract of Participation (COP), such that there are locally designed contract terms including length, extensions, interim goals, and graduation requirements. These changes to the COP additionally seek to allow more than one member of a household to receive escrow. THA continues its assessment of the FSS program, and THA may include additional changes to its FSS program that may impact its program eligibility or types of services rendered by FSS staff. No additional waivers are needed to implement these changes.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the metrics or data collection during the Plan year.

Planned Significant Changes: THA does not anticipate any significant changes during the Plan year.

20. MTW Seed Grants

Plan Year Approved, Implemented, Amended: This activity was proposed in 2013 and implemented in 2013.

Description: THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for work-able households in 2013. In 2024, THA would like to keep this activity in the implemented section of the plan to support future goals of increasing the number of customers and low-income Tacoma residents hired by THA and its partners and expanding opportunities for training and certifications so residents can be competitive in the current job market.

Planned Non-Significant Changes: THA will do more planning in 2024 focused on strategies to hire residents and increase access to certifications and training opportunities in collaboration with other service partners. These planning sessions may further clarify THA's strategies and goals related to this activity in 2024.

Planned Changes to Metrics/Data Collection: THA has worked with HUD to implement new standard metrics for this activity and does not anticipate any changes to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate additional authorizations for this activity during the Plan year.

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 was implemented in 2020.

Description: The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes. To achieve this aim, THA modifies the administration of the full-time student deduction by excluding 100 percent of a student's financial aid. THA does this for its tenant-based voucher programs and for THA residents living within THA's portfolio. THA excludes excess income from student financial aid from the income calculation used to determine initial eligibility into THA programs and for a household's calculated income for recertifications and interims.

Planned Non-Significant Changes: THA acknowledges the HOTMA final rule regulations of section 102 are in effect by HUD starting by January 1, 2024 and to be implemented no later than January 1, 2025. Until THA has had the opportunity to conduct further analysis on each of the proposed changes towards calculating income and conducting recertifications and interim reexaminations, THA will continue utilizing its policies authorized as part of the MTW agreement and approved by HUD via the annual MTW plan. THA may amend its MTW activities accordingly in 2024 as a result of this analysis, all of which THA anticipates will not be considered a significant change.

Planned Changes to Metrics/Data Collection: THA does not anticipate any changes to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes in the Plan year.

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 could afford to move into the unit when they come to the top of the waiting list. It would also reduce the number of unit turndowns THA receives. For those moving into THA properties, in order to receive assistance through the Security Deposit Assistance Program (SDAP), the household must be at/or below 30% AMI.

In addition to SDAP, THA modified the program in its 2019 Plan to expand the flexibility within this activity to include potential incentive programs to encourage property owner participation and retention in THA's rental assistance programs. THA intends to operationalize a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss and payment policy.

THA plans to use its MTW authority to implement additional programs and activities that will lead to increased participation and utilization of its highly valued housing assistance. THA has focused on developing strategic relationships with landlords to strengthen relationships and created a Landlord Engagement Specialist position to lead this work. In addition to cultivating stronger relationships with landlord partners for THA's voucher program, this position oversees the Landlord Advisory Board, which helps advise on numerous policy changes and industry issues throughout the year, and this position works with the City of Tacoma on Landlord Education program, a joint initiative between the City and THA which aims to educate landlords about changes to local and state laws and to connect them to resources to help with rent delinquencies.

In addition, THA has used this activity to help develop and continuously improve its "Renter Readiness" course and certification, in which partnering landlords would reduce screening criteria for THA households that have successfully completed the course. Since COVID-19, this course has been moved to a hybrid in-person and online format and has been met with great reviews. Tacoma Public Utilities (TPU) is finalizing an agreement with Sound Outreach, to offer low-income attendees that qualify a credit on their TPU bill upon completion of all 3 classes. In 2024, THA seeks to focus on creating a renters education class to focus on supporting households looking for homes, and sharing resources to for leasing up and housing stability. Beginning in 2022, THA has made investments towards housing navigation assistance for THA voucher holders.

THA hired dedicated housing navigator positions, which are critical to managing the agency's in-house THA's Housing Provider Vacancy List, a web-based portal that centralizes the list of vacant units through THA's landlord partner network. Housing navigation assistance is provided to program participants who tend to have greater barriers, and the navigation support provides the tools, resources, and advocacy needed to lease-up faster in this tight rental market.

Planned Non-Significant Changes: THA modified the program in its 2019 Plan to expand the flexibility within this activity to include potential incentive programs to encourage property owner participation and retention in THA's rental assistance programs. During the 2024 plan year, THA continues to explore implementing a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss and payment policy. No additional waivers are needed to implement these changes.

Planned Changes to Metrics/Data Collection: THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

Planned Significant Changes: THA does not anticipate any significant changes in the Plan year.

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 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' category have been cured. THA clients may move into the unit quicker since they no longer have to 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. 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.
4. In lieu of an initial inspection completed by Rental Assistance HQS Inspection Staff, THA may accept "self-certified inspections" from Property Management staff for THA-Owned Units. Qualified and trained PM staff may certify that the unit has been inspected and that the property meet HUD and THA HQS inspection standards. These self-certifications would be documented through the submission of an HQS inspection check-list for each unit. Rental Assistance HQS Staff would then QA a certain percentage of these units, no less than 10%, each year. Eligible units are those owned by THA directly or in partnership with THA. Only units with construction dates after 1978 would be eligible for participation. During the QA process, should THA find any items that fail inspection, THA would require that all fail items be resolved just as we do with other standard inspection requirements. Furthermore, if less than 80% of inspections of the randomly selected QA inspections pass, THA would QA another sample and repeat the process as deemed necessary.
5. Pre-inspections could be allowed for any units that previously had an HCV tenant and/or for units owned by landlords that express interest in renting to a voucher holder. Pre-inspections could be good for 90 days.

In addition, THA has considered implementing a triennial inspection schedule for its housing portfolio (units owned and managed by THA) to streamline the inspection process and reduce disruption to residents' lives. THA's Portfolio includes units layered with PBV assistance and LIHTC which both require regular inspections.

Finally, in 2021, HUD approved a proposal that allows THA to adjust operations and policies, as needed, during times of declared emergencies. See Appendix C: THA's Emergency Operations. 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 and residents, clients, and applicants.

Planned Non-Significant Changes: THA continues to build out its pre-inspections policies and implementation processes to explore additional changes that may be needed in 2024 to operate pre-inspections effectively. Additionally, THA seeks to allow properties in good standing -- defined as units that have passed an inspection in the last 12 months-- to self-certify initial inspections. THA will continue to track, report, and provide QA audits on units up to 10% of the time for those units. No additional waivers are needed to implement these changes.

Planned Changes to Metrics/Data Collection: THA does not anticipate any changes to metrics and data collection.

Planned Significant Changes: THA does not anticipate any significant changes in the Plan year.

B. NOT YET IMPLEMENTED ACTIVITIES

10. Special Program Vouchers:

Implementation Description: This activity was proposed in 2011 but not yet implemented. The initial idea was to establish a Special Program Voucher program similar to the project-based voucher program. Vouchers were to be awarded to service partners for a special purpose or a special program. The service partners would be responsible for designing the program. This includes selecting households for the program, establishing program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process.

Status Update: This activity was proposed before HUD issued guidance on local non-traditional programs. THA now proposes any new activity that is not directly operated by our agency as a separate local non-traditional program activity. No activities are being operated under this activity as of now. There is not a timeline in place to use this activity.

Modifications to the activity since approval: THA does not anticipate any changes to this activity during the Plan year.

SECTION C. ACTIVITIES ON HOLD

N/A

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SECTION D. CLOSED OUT ACTIVITIES

2. ESHAP: THA proposed and implemented this activity in 2011 and closed this activity in 2019. The activity began as a pilot program to assist homeless families enrolled at McCarver Elementary School. McCarver was known for its high transient rates. The initial design was intended to stabilize families enrolled at McCarver Elementary and as a result as positively impact the high rates of transiency at McCarver. Since its implementation ESHAP has seen changes to its program structure – which included lifting program participation requirements, expanding eligibility for enrolled families to other elementary schools and providing a subsidy similar to THA’s traditional HCV model. After evaluation and community consultation, ESHAP will be expanded but also redesigned to function more similarly to the Coordinated Entry model. This will be done in partnership with Pierce County and the Tacoma Public School District. This activity has been closed out and metrics and data regarding future TSHAP families will be reported under Activity 15.

4. Allow Transfers Between Public Housing and Voucher Waitlists This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA’s portfolio is almost completely PBV, making this activity obsolete.

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 biennial inspections allowing any PHA to perform them, 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.

21. Children's Savings Account: This activity was proposed in the 2014 MTW plan and implemented in the fall of 2015 as a pilot within the Salishan community. To date, THA offers children's savings accounts (CSAs) to the children living among all 12 of its managed properties. The program is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment. The program includes: A partnership with the Washington State 529 Guaranteed Education Tuition (GET) program, as well as post-secondary planning and navigation supports. THA is still operating the Children's Savings Account Program, but under a larger asset building initiative, the Two Generational Program (2Gen). 2Gen provides targeted resources, programming, and staff support to participating children and adults for families that have a child attending middle school or high school. Wrap-around services include social-emotional supports, place-based educational programming, and direct support for families to build assets to improve their economic mobility. Because THA is not utilizing any regulatory waivers to operationalize the Children's Savings Account program, THA will close out the activity but continue reporting on CSA and its larger 2Gen initiative in *Section V: Planned Application of MTW Funding Flexibility*.

Section V: Sources and Uses of MTW Funds

A. PLANNED APPLICATION OF MTW FUNDS

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amount of MTW funding for the Fiscal Year		
SOURCES		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	<i>To be determined, as THA's Finance Team is finalizing its 2024 budgets. Note THA will provide the dollar amounts prior to THA's submission of the 2024 MTW Plan.</i>
70600	HUD PHA Operating Grants	
70610	Capital Grants	
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	
71100+72000	Interest Income	
71600	Gain or Loss on Sale of Capital Assets	
71200+71300+71310+71400+71500	Other Income	
70000	Total Revenue	

Estimated Uses of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated uses and amount of MTW funding for the Fiscal Year		
USES		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	<i>To be determined, as THA's Finance Team is finalizing its 2024 budgets. Note THA will provide the dollar amounts prior to THA's submission of the 2024 MTW Plan.</i>
91300+91310+92000	Management Fee Expense	
91810	Allocated Overhead	
92500 (92100+92200+92300+92400)	Total Tenant Services	
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	
93500+93700	Labor	
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	
95000 (95100+95200+95300+95500)	Total Protective Services	
96100 (96110+96120+96130+96140)	Total Insurance Premiums	
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	
97100+97200	Total Extraordinary Maintenance	
97300+97350	Housing Assistance Payments + HAP Portability-In	
97400	Depreciation Expense	
97500+97600+97700+97800	All Other Expenses	

90000	Total Expenses	
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Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

THA will update this section with the corresponding requirements prior to THA's final submission of the 2024 MTW Plan.

Planned Application of MTW Funding Flexibility

Listed below are some of the specific ways in which THA plans to exercise its MTW flexibility:

- THA is continuing its work to assess the state of diversity, equity, inclusion, and belonging (DEIB) in its policies, practices, and programs. This work, a collaboration by THA leadership, staff, and external consultants, aims to articulate a clear set of goals and draft an action plan with specific activities to advance DEIB at THA.
- THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends to make its processes less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Client Support and Empowerment Department also assists tenants that are facing challenges in successful tenancy.
- THA is entering into community partnerships to form new programs and wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, social emotional learning. This also encompasses THA's Children's Matched Savings Account Program (formerly reported as Activity 21), which is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment.
- THA is making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA's administrative data system as THA seeks to complete the vendor transition by 2024. THA is also making investments to ensure data is aligned in our reporting and visualization capabilities to provide meaningful insight into THA's quality of housing and services.
- 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 included an activity in its 2012 amended plan that allows the agency to activate the MTW single fund flexibility to support the development and preservation of affordable housing. THA utilizes its single source MTW funds to obtain land, in addition to existing properties, which is vital for future development of affordable housing in Tacoma.

- THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies.
- THA is using its MTW funds to help the agency achieve its goal to ‘make THA a great place to work’ and ensure staff are paid a housing wage.
- In response to the tremendous impacts of the COVID-19 pandemic and the economic strain for many households amid the lifting of the eviction moratorium, THA is focusing on eviction prevention efforts to help keep residents who are at-risk of eviction housed. This includes the hiring of an eviction prevention specialist to engage with residents on late rent and entering into affordable repayment agreements and partnering with Pierce County to connect households to local Emergency Rental Assistance funds.
- THA is reassessing its contracting procedures and investing in staff support to ensure equitable contracting and procurement standards are being followed. THA seeks to increase contracts with minority and women-owned business enterprises (MWBE). THA is also focusing on equitable hiring and ensuring there is adequate staff capacity to help accomplish our goal of increasing the number of customers and low-income Tacoma residents hired by THA and its partners (aligned with Section 3 efforts).

Planned Application of PHA Unspent Fund and HCV Funding

THA will update this section with the corresponding requirements prior to THA's final submission of the 2024 MTW Plan.

Local Asset Management Plan

Is the PHA allocating costs within statute?

or

No

Is the PHA implementing a local asset management plan (LAMP)?

Yes

or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes

or

Rental Assistance Demonstration (RAD) Participation

Description of RAD Participation

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION
<ul style="list-style-type: none">• In April 2016, THA closed on the conversion of 456 units. Rehab on those units was completed on 12/31/2017.• Between October 2019 and December 2019, THA closed on the conversion of 323 additional units. This was a transition in which no new Capital Financing was involved.• THA's original significant RAD amendment was submitted to HUD 7/27/2015 and was approved on 9/14/2015.

Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.

No

If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?

N/A

Section VI: Administrative

A. BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE

THA will update this section with the corresponding requirements prior to THA's final submission of the 2024 MTW Plan.

B. DOCUMENTATION OF PUBLIC PROCESS

Please Note: THA is undergoing the public comment and public hearing process currently with this 2024 Draft MTW Plan. The public comment period is from Wednesday, August 9, 2023 – Friday, September 8, 2023.

C. PLANNED AND ONGOING EVALUATIONS

THA's Department of Policy, Improvement, and Evaluation (PIE) continually monitors its programs, conducts analyses to inform agency-wide decisions, and evaluates strategies that improve its service delivery. In 2024, THA's PIE department, in conjunction with operational departments, will support the following work:

Operational Improvements: THA will continue working closely with IT to plan for THA's technology conversion, including extensive data cleaning and transformation. Efforts will be largely focused on building the data capacity and infrastructure needed to carry out rigorous evaluation and analyses in the future. THA will also continue to monitor and adjust practices for its waitlist management, implementation of the 2Gen Program, FSS Program, and continued transition of HOP subsidies to HCVs based on analyses conducted by implementation staff. THA will also develop an organizational measurement dashboard to help the agency track progress towards its short- and long-term goals.

Payment Standards Analysis: THA's PIE department completes an in-depth annual review and mid-year check-in of its payment standards to ensure they are meeting the needs of participants. THA piloted new methods to conduct its payment standards analysis beginning in 2022 in which THA was able to procure access to an extensive third-party dataset, thereby allowing THA to fine tune its payment standards and adjust to the local market in response to changing market conditions. THA will continue to conduct its annual and mid-year reviews in the 2024 plan year.

Exploring New Programs & Initiatives: THA continues to explore new programs that are aligned with THA's mission to expand quality, affordable housing to low-income households in Tacoma. Before new programs are launched, THA undergoes a robust analysis and feedback period to identify potential impacts of a new program and relevant measurement criteria. For example, in 2024 THA will finalize the design of a new potential Homeownership initiative, or program, which seeks to promote equitable homeownership opportunities in Tacoma.

D. LOBBYING DISCLOSURES

THA will update this section with the corresponding requirements prior to THA's final submission of the 2024 MTW Plan.

Appendix A: Letter of Consistency

THA will update this section with the corresponding requirements prior to THA's final submission of the 2024 MTW Plan.

Appendix B: LAMP

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.

The existing Property Management structure has been in place for several years now. 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. Our cost approach allocates all indirect revenues and expenses to a Program Support Center (based on unit count) 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 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. In 2022, compliance was moved from the Administration Department to the Policy, Innovation and Evaluation Department. The chart below shows this relationship and the positions responsible for these management functions.

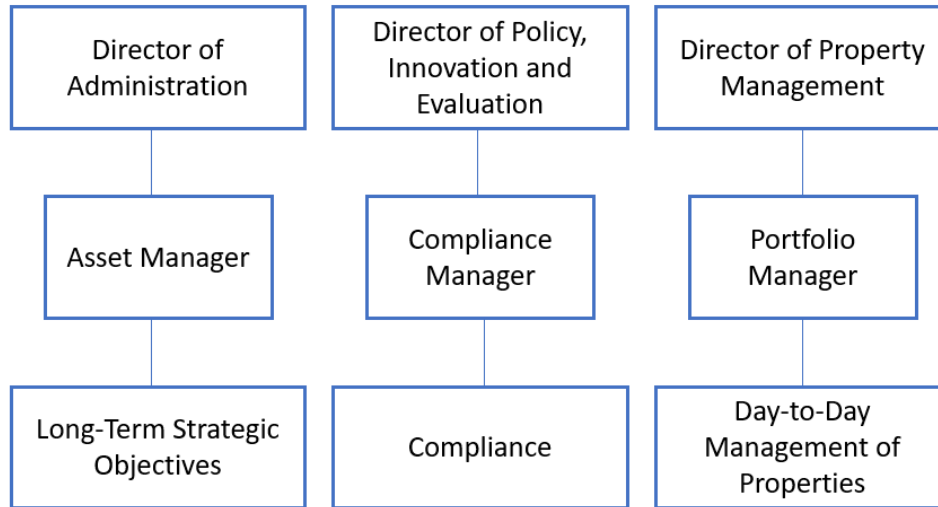


Figure 1: Organizational Structure

Description of 2023 Plan

THA manages its properties as 2 portfolios. We have Portfolio West, which consists of our 456 Renew Tacoma Housing (RTH) RAD units comprised of 9 properties of Elderly/Disabled and Family Housing. Our Hillside/Bay Terrace properties which comprises 5 properties and 270 units is also considered under our Portfolio West umbrella, as is our Arlington Youth Housing property (58 units). As these properties are spread out, we have management teams overseeing property groupings as best determined by the Director.

The other management group is called Portfolio East and is responsible for management of our Salishan properties (seven), consisting of 631 units. As Salishan is in one geographical area, there is a centralized management team to manage those properties. We transitioned to a Portfolio Manager that oversees both of our portfolios in 2020.

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
- Property Performance Review
- Strategic Planning
- Policy Development and Implementation
- Procurement Regulation

Project-Level Reporting

THA instituted project-based budgeting and accounting practices before becoming an MTW agency. Systems and reporting are in place to develop and review onsite management of budgets, expenses, rent collection and receivables, and purchasing. With our current IT system, we have robust reporting to review, analyze and compare property information.

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 continually review our practices and how they are working and update our approach when needed. We have a Facilities Manager whose responsibility it is to oversee overall maintenance in our properties. We currently have two Maintenance supervisors and five maintenance leads with more technical abilities who assist other maintenance specialists and oversee repairs and work orders in the two portfolios. Each portfolio has a team of maintenance specialists that perform work orders and repairs for the different properties in their portfolio. In 2018, we also instituted a unit turn team concept, which consists of 5 staff, including a lead, whose specific responsibility is to turn vacant units within all of our properties. The goal is to bring down costs, by having a dedicated team, and using less contract maintenance. It is important to note that when working in a unit, the maintenance personnel are charged directly to the property they are working in.

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

THA has an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, Client Support, and Real Estate Development. The committee meets on a routine basis and is facilitated by the Agency's Asset Manager. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the properties, 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 changes to THA's current rent policy and occupancy standards, whether properties should be managed by agency staff or third-party management.

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. Client Support and Empowerment 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. By the end of 2019, all but five Public Housing units had transitioned to RAD units. The five units consists of a single-family home owned by THA (AMP6), and four units in our Hillside 1500 tax credit entity. It is important to note we currently manage our properties in our Tax Credit entities, and follows the guidelines set forth by this LAMP.

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 within the THA entity and Tax Credit Management. This allows the agency to see how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs. THA considers our Special Purpose Vouchers, Real Estate Development, and grants funded by Non-Federal funds as Non-MTW activities with the revenues and expenses falling 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.

Table 3 at the end of this plan indicates the breakdown of how the administrative cost portion of the PSC will be charged out.

Direct Costs

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

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.

Administrative 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 Support and Empowerment
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing and Elderly Services Coordinator
- Policy, Innovation and Evaluation

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 and our special programs (FHP, NHT, VASH) will all be charged based on occupancy. Table 2 below shows how these fees are derived. For Rental Assistance, THA had been using the HUD prescribed Management Fee, but has started deviating based on an improved understanding of the costs required from the different departments to support the program for Rental Assistance. 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 any remaining Tax Credit AMP 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.

When we transitioned our PH units to RAD, we also built in a \$250 per unit per year fee for Client Support by our THA staff. It is separate from the administrative support fee and is recorded as revenue by our Client Support and Empowerment department to defray the cost of supporting our managed property clients. This fee indicates the level of support THA has made to help ensure the successful tenancy of our clients.

Table 2: Administrative Support Fee Components

Administrative Support Fee Components		
Fee	Rental Assistance	Tax Credit
Management Fee		
Executive	\$2.00	\$2.00
Human Resources	\$1.75	\$2.25
PM Overhead (including rent)	\$2.75	Remaining
Bookkeeping Fee	\$6.00	\$21.50
Asset Management Fee	\$0.00	\$7.50
Compliance/PIE	\$2.00	\$5.00
IT Fee	\$8.00	\$12.00
Community Services	\$4.50	\$2.50
Leasing Support	\$0.00	\$1.50
Total Fee:	\$27.00	\$54.25

Cost CentersProperty Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The primary source of funds for Property Management includes Tenant Revenue, Housing Assistance Payments, 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), SRO, Project-Based Vouchers, FUP, VASH, NHT, Mainstream and HUD FSS. In 2021, THA also received vouchers for the EHV and FYI programs. 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. Table 3 below shows the unit equivalencies for THA. These equivalencies are also the basis of THA's allocation scheme for Program Support Fees.

Client Support and Empowerment (CSE)

The Client Support and Empowerment department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. As we continue to 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 several grants that provide funding for a variety of services to its clients. Most of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but 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 CSE fund that tracks all MTW costs.
- The Elderly/Disabled Coordinator 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 Client Support and Empowerment 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.

Real Estate Development

THA defines Real Estate development activities to include modernization of the current portfolio, investigation, and design of new affordable and market-rate development opportunities, along with redevelopment of properties that have outlived their useful life. 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 to one of the two MTW activity areas, as applicable. 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 % 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.

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 Department 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 property. 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.

Program Support Allocation Detail - The following chart is 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 2023.

Program Support Center Allocation Detail

(On next page)

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2023 Projected					
		CAH (MTW) Unit	Tax Credit	Business	
Cost Center	Funding Source	Equiv.	(MTW) Unit	Activities	Total
			Equiv.	(Non-MTW)	Units
	Unit Equiv.				
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers	103			103
	Wedgewood - 50 Units managed UMS*	48			48
	New Fair Choice HCV - 2022	20			20
	Tahoma House	6			6
	EHV			135	135
	FUP Vouchers			125	125
	FYI Vouchers			75	75
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			267	267
	RAD Vouchers	RTH RAD Vouchers	456		
Bay Terrace 1 RAD Vouchers		26			Prop Mgt
Hillside Terrace RAD Vouchers		33			Prop Mgt
Salishan RAD units		290			Prop Mgt
Salishan 7				91	91
PH Units-THA	AMP 6	1			1
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		46
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		456
	Arlington Youth Housing		58		58
	Court F (Rise at 19th)		64		64
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	3rd Party Managed - 75 % equivalency	Highland Crest - Should be online 1/1/18			54.75
James Center North - Estimate- s/b online 1/1				22.5	30
New Look			36		48
North Highland				26.25	35
Outrigger Apts.				36.75	49
Prairie Oaks				11.25	15
Totals		4,676	1,360	1,094	6,387

Real Estate Development	THA MTW Support	64			64
	THA as Developer			575	575
	<i>Development Unit Equivalents - 10% of Total Units</i>	64	0	575	
	Total Units/Unit Equivalents - Agency	4,740	1,360	1,669	7,769
Program Support Center Equivalencies (% of All Unit Equivalencies)		61.01%	17.51%	21.48%	

Appendix C: THA's Emergency Operations

As learned through the COVID-19 pandemic THA may need to implement temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. Emergency Operations may be implemented as needed when an emergency has been declared under national, state, local or Executive order. During that time, THA may use any of the following strategies to respond to the needs of the agency and our clients. They will be implemented as needed and as temporary activities under times of duress. MTW authorizations are provided at the end of this appendix in the *MTW Authorization of Emergency Operations Matrix*.

- **Defer end of participation dates:** Under normal circumstances, when a family reaches the end of their program term they are no longer eligible for assistance. This will allow us to continue to provide assistance to families who would have their assistance terminated for non-violation related reasons during a time of crisis.
 - *Related Activities: 3. Local Project-Based Voucher Program; 17. Housing Opportunity Program*
- **Extend Regular Recertification Due Dates:** A recertification is due on a regular schedule. During a recertification, we need to collect and verify household and income information to make sure households are still eligible for housing. We propose to push back recertifications by one year that are due during a time of crisis so that households and our staff can focus on immediate needs and health and safety.
 - *Related Activities: 5. Local Policies for Fixed-Income Households; 6. Local Policies for Work-Able Households*
- **Emergency Verification Policies:** At the time of a recertification and initial eligibility determination, we have to verify income information. This means that people have to give us hard copies of their paychecks, benefit letters, etc. As we see with COVID, it can be difficult to get this information as well as submit this information. During times of crisis, we propose to make income verification easier for everyone by accepting self-certifications over the phone, by e-mail or other means.
 - *Related Activities: 5. Local Policies for Fixed-Income Households; 6. Local Policies for Work-Able Households; 7. Local Income and Asset Verification Policy; 8. Local Interim Processing and Verification Policies (HCV/PH)*

- **Remove 90-day and 20% rule for Interims:** For households with a Section 8 voucher, their rent is based on their income. During normal operations, we only process an interim (change in their rent) if they have lost at least 20% of their household income and that decrease is expected to last more than 90-days. We propose to remove those requirements so that families can find relief during a crisis.
 - *Related Activity: 8. Local Interim Processing and Verification Policies (HCV/PH)*
- **Defer HQS Inspections:** Inspections require in-home visits and can require more than one trip to a single residence. During a time of crisis, we propose to defer regular and quality control HQS inspections to the household's next scheduled inspection date. This means that THA may accept a landlord's self-certification that the unit meets HQS or putting off these inspections until we have recovered from the crisis or until the next regular inspection is due, whichever is sooner. For quality assurance (QA) purposes and to retain program integrity, THA will increase its QA inspections and run targeted inspections on units with past of frequent HQS deficiencies.
 - *Related Activity: 25. Modify HQS*

MTW Authorization of Emergency Operations Matrix

Emergency Operation Type	Relevant THA MTW Activities	MTW Authorization (THA Standard MTW Agreement)	Reference to MTW Operations Notice - Appendix I, as applicable	Additional Notes
Defer end of participation dates	<ul style="list-style-type: none"> 3. <i>Local Project-Based Voucher Program;</i> 17. <i>Housing Opportunity Program (HOP)</i> 	Standard MTW Agreement: Attachment C Section D.2.a. and D.2.d.	7. Term-Limited Assistance. Term-Limited Assistance (HCV) HUD states “the agency [THA] is authorized to implement term limits for families residing in public housing or receiving voucher assistance.” (Main description, waiver 7)	THA is authorized to limit term assistance and abides by activity rules during normal operations. During emergency operations THA will amend the time limitation requirement to make it less restrictive for clients by deferring the end of participation.
Extend regular recertification due date	<ul style="list-style-type: none"> 5. <i>Local Policies for Fixed-Income Households;</i> 6. <i>Local Policies for Work-Able Households</i> 	Standard MTW Agreement: Attachment C Sections C.4 and D.1.c.	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets. HUD states “the agency [THA] may establish an alternative reexamination schedule for households.”	During emergency operations THA will alter its recertification schedule, as allowed through the MTW authorization.
Implement emergency verification policies	<ul style="list-style-type: none"> 5. <i>Local Policies for Fixed-Income Households;</i> 6. <i>Local Policies for Work-Able Households;</i> 7. <i>Local Income and Asset Verification Policy;</i> 8. <i>Local Interim Processing and</i> 	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets HUD states “the agency [THA] is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act	Per the Standard MTW Agreement, THA is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. As required by HUD in the 1996 MTW Statute, THA will continue to determine the initial eligibility of the

	<i>Verification Policies (HCV/PH)</i>		and its implementing regulations... MTW agencies must continue to determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609.”	family in accordance with HUD’s PIH Notice 2018-18 and any subsequent guidance that supersedes.
Remove 90-day and 20% rule requirements	<ul style="list-style-type: none"> • <i>8. Local Interim Processing and Verification Policies (HCV/PH)</i> 	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.	This refers to providing flexibility for a THA-imposed activity, not provided in Appendix I.	THA is authorized to define its own reexamination standards, payment standards and rent levels for tenant-based assistance during normal operations. During emergency operations THA will make its policy less restrictive for clients.
Defer HQS Inspections	<ul style="list-style-type: none"> • <i>25. Modify HQS</i> 	MTW Authorization: Attachment C, Section D.5	5. Housing Quality Standards (HQS).d. Alternative Inspection Schedules (HCV. HUD allows PHAs “to develop flexibilities around an HQS inspection’s timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection...”	HUD provides PHAs the ability to set its own schedule for timing and frequency, which includes the flexibilities THA is seeking to establish. Furthermore, these provisions are included in the MTW Standard MTW Agreement.