

# Tacoma Housing Authority **2024** MOVING TO WORK REPORT

Submitted by: March 31, 2025



## **Tacoma Housing Authority Board of Commissioners**

Derek Young, Chair

Stanley Rumbaugh, Vice Chair

Athena Dunn

Pastor Michael Purter

Dr. Minh-Anh Hodge

## **Tacoma Housing Authority**

902 S. L Street

Tacoma, WA 98405

April Black

**Executive Director**

Aley Thompson

**Deputy Executive Director**

Amber Prentice

**Director of Rental Assistance**

Caroline Cabellon

**Director of Client Support and Empowerment**

Priya Saxena

**Director of Strategic Initiatives**

Ken Short

**Director of Asset Management and Real Estate Development**

Marquis Jenkins

**Director of Property Management**

Rich Deitz

**Director of Finance**

Lynette Scott

**Director of Human Resources**

William Morse

**Director of IT / CIO**

Prepared by: Christine Nguyen

Planning and Policy Analyst





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# About Moving to Work (MTW)

Moving to Work (MTW) is a federal program authorized by Congress in 1996. It gives public housing authorities regulatory and funding flexibility to respond to local needs and opportunities by connecting people with low incomes to vital housing and services. Tacoma Housing Authority has participated in the Moving to Work program since 2010.

Among the advantages of MTW are that it:

- Allows more flexibility in how we spend federal funds;
- Provides ways for THA to increase housing choices for low-income families; and
- Helps us to reduce costs and achieve greater cost-effectiveness in federal expenditures.

You can view more information, including THA's MTW plans and reports, on THA's MTW webpage at:

<https://www.tacomahousing.org/resources/moving-to-work/>.

The Tacoma Housing Authority (THA) submits two documents to the Department of Housing and Urban Development (HUD) as part of its obligations for federal planning and reporting. THA submits its annual MTW plan, a prospective planning document that covers the upcoming fiscal year's activities, which could include any new proposed activities for which THA is seeking HUD approval. THA also submits its annual MTW report, which is a retrospective report of THA's activities and accomplishments in the previous fiscal year and includes the number of households served with HUD MTW funds. The MTW plan is submitted to HUD each October, and the MTW report is submitted in March. Both documents follow the HUD Form-50900 to guide what components should be included in each section.

# Section I: Introduction and Overview

*This report covers January 1, 2024, through December 31, 2024.*

Throughout 2024, Tacoma Housing Authority (THA) staff worked hard to support our mission of providing high quality, stable, and sustainable housing and supportive services to people in need. Together, our shared efforts culminated in the completion of multiple years-long projects and reaffirmed our continued commitment toward our strategic goals and objectives. THA's main achievements in 2024 included:

**Housing Hilltop:** THA completed construction on both buildings of Housing Hilltop in 2024, adding 231 units of affordable housing and 13,000 square feet of commercial retail space in this rapidly changing and developing neighborhood. Housing Hilltop was THA's largest affordable housing project since the New Salishan development and both buildings were completed ahead of schedule. By year's end, THA leased all 94 units in the South building and selected two locally-owned businesses to fill commercial spaces in Housing Hilltop.

**New Data Systems:** In 2024, THA fully transitioned to a new administrative data system. The changeover touched on every aspect of THA's work with a new centralized accounting system, a web-based portfolio management platform, integration with SharePoint for smoother document management, centralized case management system for improved reporting, and a new connected service portal for compliance, accounting, and property management. The new system also allows for a more streamlined service portal to interface with landlords and THA voucher holders. Many of THA's prior administrative systems can now be retired, resulting in more efficient processes, cost-savings over time, and better customer service with our residents, voucher holders, and service and contracting partners.

**Continuously Open Waitlist:** Using the tools provided by the new administrative data system, THA conceived, planned, and deployed a new "always open" waitlist which could be more responsive to the needs of applicants. With a successful waitlist opening in November 2024, THA's new waitlist allows any applicant to join at any time, with a new "Save My Spot" feature ensuring that when someone is pulled for a voucher or unit, they are ready to be housed. More than 5,000 households applied to the waitlist within the first 24 hours, with more than 9,000 households joining the waitlist by December. THA completed the first "Save My Spot" check in December.

In addition to the achievements highlighted above, THA improved our occupancy rate and made substantial progress in our goal to increase the amount of affordable housing in Tacoma. In 2024, THA increased occupancy from 92% to 95% within an eight-month period and moved in 205 applicants into portfolio units, a 64% increase from 2023. Furthermore, THA established a goal to add 500 new units of housing through development or partnership by 2028. By year's end, THA added 349 units for low-income families, including Project-Based Voucher (PBV), Housing Assistance Payments (HAP), and VASH housing subsidy contracts executed with partners, in addition to the 231 units at Housing Hilltop.

Our successes were made possible due to THA's hardworking and creative staff and partners. Finally, THA's ability to adapt and pivot quickly due to our MTW funding flexibility was invaluable in our efforts to enhance affordable housing quality and maintain housing stability for the thousands of households we serve.

# LONG TERM GOALS & OBJECTIVES

In 2022, THA's Board of Commissioners adopted an ambitious five-year strategic plan to guide the agency's efforts. In addition to our mission to provide high-quality housing and supportive services to people with low incomes, the plan included a series of overall goals with targets to meet in each of the following years.

## FINANCIAL SUSTAINABILITY

- Increase the number of households that are current on rent across the portfolio to 80%.
- Complete 90% of unit turns within 30 days.
- Implement a comprehensive resource development strategy to secure sustainable funding, with specific dollar amounts to be raised each quarter, in 2025.
- Refine contracting and procurement processes and policies to ensure efficient use of funds and support financial sustainability.
- Implement reporting and monitoring tools for compliance, contracts, and grants.
- Implement a new and improved asset management function and compliance plan.
- Adopt a new, cost-effective virtual board meeting platform, thereby reducing software license expenses by \$30,000 per year.
- Decrease communications contractor annual spend by 15%, while increasing the number of video and other projects by the same amount.
- Reduce external legal costs through the hiring and training of a new Senior General Counsel, achieving a \$50,000 per year cost reduction in 2025.
- Provide support to Salishan Association Board members and management to reduce expenses while sustaining a thriving community and develop a plan to address areas that were identified but not tackled during the prior year's budgeting process by May 2025.
- Survey THA's residents about their needs and deploy a participatory budgeting process for residents to participate in.

## INCREASE THE AMOUNT OF AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES

- Achieve a 98% occupancy rate for THA-owned units by December 2025, and stabilize occupancy rates, and provide strategic direction on optimizing the leasing function by Q4 2025.
- Increase access to affordable housing units within the Tacoma city limits through Project-Based Vouchers (PBV), Property-Based Subsidy (PBS), and HCV MOU's, including 20 Patsy Sur Place PBV, 15 Shiloh PBV, and 34 Housing Hilltop PBS.
- Secure at least \$600,000 in funding for pre-development work to explore two potential development sites in high opportunity neighborhoods in Tacoma.

- Generate at least four property proformas to evaluate future property acquisitions.
- Amidst rising rents, serve at least the same number of households we served in 2010.
- Evaluate at least two new partnerships with Medicaid and housing service providers within the next year.
- Reduce the Agency's borrowing costs by receiving an S&P rating.
- Advocate for the removal of regulatory barriers to develop and acquire more affordable housing with public funds.

## **MAKE TACOMA A GREAT PLACE TO LIVE**

- Secure \$2M in public funds for the rehabilitation of Hillside 2300 and Salishan 1–3.
- Attain 100% funding for services at Arlington Drive, \$2.125M per year or \$4.25M bi-annually.
- Develop a new housing navigation model that ensures customers receive assistance looking for housing when they receive a voucher.
- Deploy new leases to each resident to ensure compliance with changes in law.
- Inspect every unit annually and every property exterior and common areas on a weekly basis.
- Conduct direct engagement with customers impacted by THA re-syndication efforts.
- Cure lease violations to prevent at least 65% of evictions that could have resulted from not curing the violation.
- Achieve a 75% response rate with monthly “Save My Spot” check-in requirements on the continuously open waitlist.
- Provide on-site response to 100% of all crises in the THA community, including natural disasters, caused disasters, acts of violence, and traumatic events that impact the community.
- Refer clients to available relevant community resources as a way of mitigating duplication of services offered by THA.
- Regularly and systematically gauge customer satisfaction among THA clients.
- Support the Resident Advisory Board to improve their organization and operations and increase their membership to include additional properties.
- Conduct fire drills and disaster planning workshops at each mid-rise property at least once per year.
- Coordinate and host partners to provide a minimum of 2 FAFSA workshops, 6 homeownership classes, 4 financial coaching workshops or cohorts, 2 job fairs and employment workshops, and 2 post-secondary support/exploration events, plus VITA tax prep from February to April.
- Partner with a minimum of four local organizations to provide in-kind services at THA properties.
- Invite relevant community members and partners to participate in RFP review panels.
- Hire at least 5 MWBE businesses or organizations led by/for people who have lived experience in subsidized/low-income housing or homelessness.
- Identify and secure alternative funding sources for services to residents.

## MAKE THA A GREAT EMPLOYER, CONTRACTOR, AND PARTNER

### *Employer*

- Maintain or exceed an 85% employee retention rate.
- Create an online HR HUB that is informative of all things HR and provides employees with a positive work experience.
- Host an All-Day Retreat for THA staff from different departments to foster collaboration and learning.
- Achieve a 25% increase in cross-departmental projects and a 15% improvement in staff satisfaction related to interdepartmental understanding and cooperation.
- Implement a more efficient and relevant performance management system to improve employee performance and productivity achieved through individual goals.
- Conduct a comprehensive analysis of current office space utilization across all departments, identifying underutilized areas and proposing a phased plan for optimization by the end of Q2 2025.
- Refine onboarding practices with new staff training and a resource library for employees.
- Implement accessibility improvements at THA's three primary offices so THA can be more accessible to its employees and customers.

### *Contractor*

- Begin tracking satisfaction rates among micro, small, and locally owned businesses through surveys and establish a feedback loop to continuously improve processes.
- Simplify the proposal submission process and increase the number of competitive proposals received through the RFP process.

### *Partner*

- Reduce response times to investor inquiries by 50% within the next 12 months.
- Create a Community Use Policy so THA's community spaces are more accessible to be used by partners and residents.
- Work with local groups and community partners to collaborate on partner events, maintain consistent two-way communication on opportunities for THA clients, and cross-promote THA and partner priorities across various platforms and audiences.

# SHORT TERM GOALS & OBJECTIVES

## **Increase the Amount of Available Housing for Low-income Families**

In 2024, THA made substantial progress towards its 5-year goal to add 500 new units of housing through development or partnership, adding 349 units to Tacoma's affordable housing stock. We achieved this by executing new PBV, HAP, and VASH contracts and completing construction of Housing Hilltop. Furthermore, THA completed over 102 projects at THA properties to improve the quality of life of tenants and enhance the long-term viability of its properties. These projects included adding new floors in Bay Terrace stairways, camera upgrades, AES radio upgrades and firestop installs at several properties, a new elevator, jack work at Fawcett, and roof/gutter cleaning at Salishan. Staff also completed 12,000 work orders in THA properties and inspected 100% of THA portfolio units in 2024.

## **Increase Housing Access and Stability**

THA continued to focus on ensuring its housing resources are fully utilized and leveraged by those in need of housing assistance. THA continued to dedicate resources to help voucher holders successfully lease-up on the private market, including the use of housing navigators who directly assist searching households and expanding its landlord partnerships. THA's housing navigation team received approximately 145 direct referrals for clients looking for housing, of which 42 households successfully leased up. In total, more than 400 new households were housed with vouchers and another 350 voucher households moved between units.

In terms of the properties that THA directly owns and manages, the occupancy rate increased from 92% to 95% within eight months. THA moved in 205 applicants, a 64% increase from 2023, and THA's maintenance team turned 150 vacant units to get them move-in ready for new tenants. To mitigate rent arrears in THA's portfolio, THA's Property Management and Client Support teams implemented a new innovative warm outreach program. Households who were behind on rent and had not yet received a 30-day notice received a violation letter and at least two outreach attempts by THA staff. Between August and October 2024, 61% of households with whom THA outreached for late rent did not appear again on the 30-day list the following month.

Finally, THA's Client Support & Empowerment team continued to work with households to provide housing stabilization and case management services. Staff addressed referrals for 1,345 customers including: supportive services and rental assistance (1,109 referred), education services (753), employment & financial education (106), behavioral health (41), and VAWA supports (26). Twenty referrals turned into program enrollments for FSS or 2Gen. This was in addition to the over 200 existing participants in these programs.

### **Make THA a Great Employer, Contractor, and Partner**

By year-end 2024, THA made significant strides in its goal to be a great employer, contractor, and partner. THA conducted a Physical Accessibility Audit that provided the agency with information on how to update THA offices, so they are more accessible for residents, visitors, and employees. THA also centralized its contracting processes with an aim to prioritize MWBE contractors in construction projects. In the plan year, 91.7% of all vendor payments were made within 30 days of receiving a valid invoice. Finally, THA exceeded its 85% staff retention goal, seeing results with over 90% retention in 2024.

## Section II: General Operating Information

# Housing Stock Information

## Actual New Project Based Vouchers

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

Property Name	Number of Vouchers Newly Project-Based		Status at End of Plan Year**	RAD?	Description of Project
	Planned*	Actual			
KWA Project on 15th and Tacoma Ave.	15	15	Leased/Issued	No	KWA PBV-VASH
Shiloh Project on S 13th and I St	20	20	Leased/Issued	No	Shiloh PBV-VASH

35	35	Planned/Actual Total Vouchers Newly-Project Based
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\*Figures in the “Planned” column should match the corresponding Annual MTW Plan.

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

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

N/A

## Actual Existing Project Based Vouchers

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

	Number of Project-Based Vouchers				
PROPERTY NAME	Planned*	Actual	STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Arlington Youth Drive	58	58	Leased/Issued	No	Youth and Young Adult Housing
Bay Terrace 1	20	20	Leased/Issued	No	THA Family Housing
Bay Terrace 2	52	52	Leased/Issued	No	THA Family Housing
Bay Terrace – RAD	26	26	Leased/Issued	Yes	THA Family Housing
Eliza McCabe Townhomes	10	10	Leased/Issued	No	Mercy Housing Family Housing
Flett Meadows	13	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	154	154	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	8	Leased/Issued	No	Mercy Housing Family Housing

	Number of Project-Based Vouchers				
PROPERTY NAME	Planned*	Actual	STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Hillside Terrace 1500	12	12	Leased/Issued	No	THA Family Housing
Hillside RAD	33	33	Leased/Issued	Yes	THA Family Housing
Hillside 2	13	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	57	Leased/Issued	No	Permanent Supportive Housing
Home at Last	30	30	Leased/Issued	No	YWCA Family Housing
Lincoln District Senior Housing	0	20	Leased/Issued	No	PBV VASH
Nativity House	50	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	8	Leased/Issued	No	Senior housing
Olympus Apts.	36	36	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	23	Leased/Issued	No	MDC transitional family housing

	Number of Project-Based Vouchers				
PROPERTY NAME	Planned*	Actual	STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Rialto Apts.	50	51	Leased/Issued	No	PSH affordable housing units at 50% AMI or below
Salishan 1-7 <sup>1</sup>	340	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	290	Leased/Issued	Yes	THA Family Housing
The Rise at 19 <sup>th</sup>	64	64	Leased/Issued	No	THA Family housing
Tyler Square	15	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	456	Leased/Issued	Yes	THA Senior/Disabled Housing
PBV VASH	20	21	Leased/Issued	No	3rd party PBV VASH
	<b>1,876</b>	<b>1,898</b>	<b>Planned/Actual Total Existing Project-Based Vouchers</b>		

\* Figures and text in the “Planned” column should match the corresponding Annual MTW Plan.

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

<sup>1</sup> Please note: Salishan 7 never had public housing units and will not be found in PIC

**Please describe differences between the Planned and**

There is a difference of 22 PBV units from the planned PBV estimate to the actual number of PBVs in 2024. This includes 1 additional PBV accounted for under PBV VASH, 1 additional PBV under Rialto Apartments, and 20 units for Lincoln District Senior Housing. The AHAP was signed for Lincoln District Senior Housing in November 2023, and it was not accounted for in the 2023 MTW Report and 2024 MTW Plan.

**Actual Other Changes to MTW Housing Stock in the Plan Year**

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

Actual Other Changes to MTW Housing Stock in the Plan Year
THA sought to acquire existing units to preserve affordable housing for 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 is working to get the site developed with prospective partners.
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 Actual Capital Expenditures During the Plan Year

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

### General Description of All Actual Capital Expenditures During the Plan Year

In 2019, THA converted all but 5 Public Housing (PH) units to RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA received minimal Capital funds in 2024, yet had funds carried over from 2022 - 2024 that were reflected in the budget and transferred to Operations.

In 2024, THA used Section 32 proceeds towards capital projects eligible under 24 CFR 906.31(a), which included development projects referenced under Activity # 16: *Creation and Preservation of Affordable Housing*.

# Leasing Information

## Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.<sup>2</sup>

Number of Households Served Through	Number of Units Months Occupied/Leased*		Number of Households Served **	
	Planned^^	Actual	Planned^^	Actual
Public Housing Units Leased	60	52	5	4
Housing Choice Vouchers (HCV) Utilized***	47,600	49,872	3,967	4,156
Local, Non-Traditional: Tenant-Based ^	1,108	1,277	92	106
Local, Non-Traditional: Property-Based ^	5,076	4,676	423	390
Local, Non-Traditional: Homeownership^	0	0	0	0

### Planned/Actual Totals

<b>53,844</b>	<b>55,877</b>	<b>4,487</b>	<b>4,656</b>
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<sup>2</sup> Please note the planned number of households served derives from projections based on information and trends available at the time of analysis. These projections are completed several months before the plan year takes effect and do not consider external factors that unexpectedly impact leasing during the plan year for which THA cannot anticipate.

\* “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.  
\*\*\* “Housing Choice Vouchers (HCV) Utilized” includes all SPVs within the MTW PHA’s portfolio.  
^^ Figures and text in the “Planned” column should match the corresponding Annual MTW Plan.

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

**Public Housing** – The actual number of households served is less than the anticipated figure from 2024 MTW Plan estimates. This is due to challenges particularly impacting one of the five PH units that experienced a higher-than-usual vacancy rate in the latter half of 2024.

**Housing Choice Vouchers (HCV)** – In this 2024 MTW report, THA is reporting higher-than-anticipated utilization compared to figures in the 2024 MTW Plan primarily because of the new guidance in the new HUD Form 50900 (OMB Approval No. 2577-0216 (exp. 08/31/2027)), which instructs PHAs to report on utilization for all Housing Choice Vouchers, including utilization for its Special Purpose Vouchers, which fall outside of the MTW block grant.<sup>3</sup> The 2024 MTW Plan included estimates for the planned utilization of its MTW HCVs only, based on guidance from the old HUD Form 50900.

**Local, Non-Traditional (LNT): Tenant-Based** – THA ended the plan year with higher-than-anticipated utilization rates for its LNT Rapid Re-Housing (RRH) Program. In 2024, THA deployed several strategies to ensure lease-up rates remained on target between Pierce County and local RRH providers. This included regular communication with program staff reporting the number of households served per month and ensuring subrecipients prioritized the spenddown of THA RRH funds for homeless families being served in the program.

**Local, Non-Traditional (LNT): Property-Based** – The actual number of households served is less than the anticipated figure from 2024 MTW Plan estimates; however, THA still served more households in its Property-Based LNT Programs in FY2024 (390 households) compared to FY2023 (358 households). This is due to the successful expansion of THA's Property-Based Subsidy (PBS) Program. In 2024, THA expanded its PBS partnerships with 2 additional properties, a 29% increase in units from 2023. Staff monitor utilization rates per quarter to ensure PBS units are leased consistently and per the terms of THA's contracts with properties.

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<sup>3</sup> THA's Special Purpose Vouchers include vouchers from the following: Veterans Affairs Supportive Housing (VASH), VASH PBV, Family Unification Program (FUP), Foster Youth to Independence (FYI), Emergency Housing Vouchers (EHV), Non-Elderly Disabled (NED), Mainstream Vouchers (MSV), Tenant Protection Vouchers (TPV)

Local Non-Traditional Category <sup>7</sup>	MTW Activity Name/Number	Number of Units Occupied/Leased		Number of Households to be Served	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based	Regional Approach To Special Purpose Housing/15	1,108	1,277	92	106
Property-Based	Creation & Preservation of Affordable Housing/16	5,076	4,676	423	390
Homeownership	N/A	0	0	0	0

**Planned/Actual Totals**

<b>6,184</b>	<b>5,953</b>	<b>515</b>	<b>496</b>
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\* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous table. Multiple entries may be made for each category if applicable.

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

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

## Discussion of Any Actual Issues/Solutions Related to Leasing

Discussion of any actual issues and solutions utilized in the MTW housing programs listed.

Housing Program	Description of Actual Leasing Issues and Solutions
Public Housing	One of THA's public housing units experienced a higher-than-usual vacancy rate in the latter half of 2024. This was resolved by closer monitoring of unit turn timelines and repairs.
Housing Choice Voucher	Leasing up in Tacoma's housing market remained difficult due to rising rental costs and led to lower utilization rates than desired. To maximize lease-up rates, THA continued to conduct an annual payment standards analysis to ensure its payment standards reflected current housing market trends, which they did. Additionally, in 2024, THA continued to utilize housing navigators and expand its landlord partnerships to assist voucher households who face greater barriers on the private housing market.
Local, Non-Traditional	As explained under the table above regarding differences between the planned and actual households served, THA enacted strategies to ensure lease-up rates remained on target between Pierce County and local RRH providers for its Local, Non-Traditional Tenant-Based RRH. This included regular communication with subrecipients and ensuring they were prioritizing the spenddown of THA RRH funds for homeless families being served in the program.

### Unique Households Served

Number of unique households served annually through local, non-traditional rental services program such as short-term rental assistance, rapid rehousing, emergency housing, etc.

Unique Households Served
In FY 2024, there were 210 unique households served in THA's Local, Non-traditional RRH Program ( <i>Activity #15: Regional Approach to Special Purpose Housing</i> ).

# Waiting List Information

## Actual Waiting List Information

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

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Was the Waiting List Opened During the Plan Year
Housing Choice Voucher (HCV) Waitlist	Waitlist for a voucher to find housing on the private rental market	5,885	Open	Yes
THA Family Property Waitlist	Waitlist for subsidized units at THA-owned properties throughout Tacoma	5,440	Open	Yes
THA Senior/Disabled Property Waitlist	Waitlist for subsidized 1-bedroom units at THA-owned properties for households that are 62 years or older and/or have a disability	1,285	Open	Yes

**Please describe any duplication of applicants across waiting lists:** Households are allowed to apply for any waitlist in which they are interested, so the same household could appear across multiple waitlists if they signed up. THA recently switched to a new data system and will have access to more data in the future regarding trends and the frequency at which households sign up for multiple waitlists.

## Actual Changes to Waiting List in the Plan Year

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

Waiting List Name	Description of Actual Changes to Waiting List
Consolidated Waitlist (Low Income Housing and Housing Opportunity Program)	THA adopted and operationalized several major changes to its waitlist in November 2024. Characteristics of the waitlist redesign included implementation of separate waitlists for THA's Voucher Program, THA's Family properties, and THA's Senior/Disabled properties to allow families greater choice in where they live; enacting a continuously open waitlist in which applications are accepted at any time, but households would be required to check in regularly so the waitlist stays up-to-date based on those who are still interested; and randomly pulling from the waitlist vs. ranking people and pulling from the top of the list. Additionally, THA updated its waitlist preferences to account for foster youth nearing the end of their time-limited assistance who are offered a voucher, households exiting permanent supportive housing (PSH) with a single room occupancy (SRO) voucher and establishing caps on referrals from the homelessness system and Medicaid-funded providers. These caps could increase or decrease depending on voucher utilization and vacancy rates.

# Information on Statutory Objectives and Requirements

## 75% of Families Assisted Are Very Low Income

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

Income Level	Number of Local, Non-Traditional Households Admitted in the Plan Year
80%-50% Area Median Income	3
49%-30% Area Median Income	83
Below 30% Area Median Income	292
<b>Total Local, Non-Traditional Households Admitted</b>	<b>378</b>

## Maintain Comparable Mix

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

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

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

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

None

FAMILY SIZE	BASLINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	42.58%	2,042	48.00%	5.42%
2 Person	19.77%	766	18.00%	-1.77%
3 Person	15.62%	596	14.00%	-1.62%
4 Person	10.58%	340	8.00%	-2.58%
5 Person	6.60%	255	6.00%	-0.60%
6+ Person	4.85%	255	6.00%	1.15%
TOTAL	100%	4,254 <sup>4</sup>	100.00%	0.00%

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

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

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

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<sup>4</sup> THA is unable to report “Mix of Family Size” to match “Actual Households Served.” The former is based on actual households served versus the prescribed calculation in the HUD Form 50900 used to derive “Actual Households Served.”

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

THA actively responds to current needs of low-income households in Tacoma seeking access to our housing assistance programs. Single-person households continue to have a huge demand for affordable housing in Tacoma, as was the trend in the previous three MTW report plan years. It should be noted the difference between the baseline and current plan year in FY2024 for 1-person households is at its lowest rate since FY2020, despite falling above the 5% variance threshold.

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

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

MTW Activity Name/Number	Number of Households Transitioned to Self-Sufficiency*	MTW PHA Local Definition of Self-Sufficiency
Local Policy for Work-Able Households/5	25	Exited or graduated with market rent burden <=50%
Regional Approach to Special Purpose Housing/15	17	Exited or graduated with market rent burden <=50%
Modify the FSS Program/19	5	Exited or graduated with market rent burden <=50%
	1	<i>(Households Duplicated Across MTW Activities)</i>
	<b>46</b>	<b>Total Households Transitioned to Self Sufficiency</b>

## Section III. Proposed MTW Activities

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

## Section IV. Approved MTW Activities

# 1. Extend Allowable Tenant Absence from Unit for Active Duty Soldiers

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

**Description:** THA modified its policy for terminating households who were absent from their unit for more than 180 days. THA's programs have a number of reserve or guard military families because of close proximity to Joint Base Lewis-McChord, 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.

THA does not apply the flexibilities in this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

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

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

### 3. Local Project-Based Voucher Program (HCV)

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

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

- **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, and PHAs are limited to project-basing up to 25 percent (25%) of units in a single development. HUD approved the exclusion of THA's portfolio units from being counted towards the 20% cap and, in 2024, THA expanded this flexibility across all PBVs to remove complex tracking whether we are falling above or below the 20% threshold. In addition, in 2018, THA waived the per-project cap for projects. Removing both PBV cap 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 inspection standards (e.g., HQS, transitioning to NSPIRE), any standard developed by THA, and approved by HUD pursuant to the requirements of this Restated Agreement. Properties owned (whole and partial ownership interest) by THA will not need to go through a competitive process. This may include but is not limited to, properties owned in fee by THA and leased to other entities and properties in which THA has a direct or indirect ownership interest (e.g., through ownership and/or control of an interest in the owner entity).
- **In-house inspections**  
THA conducts inspections congruent with national inspection standards (previously Housing Quality Standards, now NSPIRE) on units it owns or has interest in. In order to operate one, streamlined property management approach, THA also conducts inspections on the small number of Public Housing Units it owns.

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

THA used this flexibility to waive the Choice Mobility option for PBV households in previous years. THA's board approved policy changes that would allow all PBV holders to exercise CM given that households meet the following conditions: 1) in good status/no debts owed; 2) one-time use policy 3) required pre-issuance counseling; 3) unpaid tenant charges could result in termination of voucher assistance.

- **Streamline PBV program**

In 2018, THA modified the activity by waiving the per project cap on a case-by-case basis for projects, including those not owned by THA; and allowing individual project owners to manage their own waiting lists. 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 targeting special populations, such as those exiting the criminal justice system, homelessness, or the foster care system.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH PBV

**Impact/Update:** It's been several years since this activity's initial implementation and THA has been conducting its own inspections on all owned project-based units. The largest benefit that THA realizes from in-house inspections is the ability to monitor and control the quality of housing inspections. THA takes pride in its portfolio and this allows THA to ensure its clients reside in safe and decent housing. Another significant benefit is the opportunity to build relationships with property owners. THA inspectors take on the role of liaisons between THA housing specialists and property owners which helps THA maintain these important relationships. This flexibility has also enabled THA to partner with local providers more easefully to serve households that have experienced homelessness and/or need supportive services provided by community partners.

While HUD implemented the HOTMA PBV and Voucher Final Rule, THA opted to maintain the following previously approved MTW regulatory flexibilities.

THA:

- Continued to remove caps on all project-based voucher allocations;
- Continued to conduct in-house inspections, ensuring units comply with new NSPIRE standards (Also see Activity 25 for reference); and
- Continued to allow individual project owners to manage their own waiting lists and tenant selection criteria.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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.
- Eliminate the elderly/disabled deduction.
- Eliminate 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 households who income-qualified for a hardship to receive one. Beginning in 2021, THA has revised its hardship policy to remove the third-party documentation requirements.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** This activity has allowed THA to reduce some of the administrative workload for THA Housing Specialists. The program is overall easier to administer for both staff and THA clients. In light of the release of the HOTMA Income and Asset Final Rule, in 2024 THA continued to utilize its approved MTW flexibility to eliminate the elderly/disabled deduction and the dependent deduction and continue eliminating medical deductions below \$2500. Furthermore, as a result of the elimination of these deductions, THA continued to implement 28.5% TTP.

**Hardships:** No hardships were requested in 2024 because of this activity.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 6. Local Policy for Non-Fixed Income Households (Formerly Local Policies for Work-Able Households) (HCV/PH)

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

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

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

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 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.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH PBV, FUP, FYI, EHV, NED, MSV; For VASH, a \$25 minimum rent applies to all work-able households.

**Impact/Update:** The biennial recertification schedule reduces the annual workload of Housing Specialists by decreasing the number of recertifications completed each year. Minimum rent is \$75 for this population and THA has seen an increase in tenant share as a result. In light of the release of the HOTMA Income and Asset Final Rule, in 2024 THA continued to eliminate the elderly/disabled deduction and the dependent deduction and continued to eliminate medical deductions below \$2500; as a result of the elimination of these deductions, THA continued to implement 28.5% TTP.

**Hardships:** 9 work-able households in this program were granted hardships in 2024.

**Actual Non-Significant Changes:** In 2024, THA changed the Activity title to “Local Policies for Non-Fixed Income Households” so there is greater consistency for the terms THA staff are using for minimum rent determinations and determining recertification schedules (that is, whether households fall under fixed-income—defined as 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— or non-fixed-income).

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 7. Local Income and Asset Policies (HCV/PH)

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

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

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

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** These changes have allowed THA to further streamline inefficient processes and save staff time while reducing the burden on clients to provide information that made little difference in rent calculation. Staff time interviews have shown that on average it takes 20 minutes to verify assets greater than \$25,000, but historically since this MTW flexibility was approved and implemented, there are such few instances annually in which households reported assets greater than \$25,000. While HUD released the HOTMA Income and Asset Final Rule in 2024, THA opted to continue to disregard income from assets valued at less than \$25,000 for the determination of rental assistance for households.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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.

With MTW flexibility, THA revised its interim processing and verification policies in the following ways:

- No longer require an interim increase for every income increase reported
- Only process interim decreases when the income loss is 20% or more and is expected to last more than 90 days
- Accept all interims online.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** THA spends significantly less time processing rent change interims due to income changes. Additionally, households with income-based rental assistance get to keep gains from income increases until their next annual recertification. While HUD implemented the HOTMA Income and Asset Final Rule in 2024, THA opted to continue to process interim decreases only when a household's income loss is 20% or more of annual adjusted income. Additionally, THA continued its practice of no longer requiring an interim increase for every income increase reported, regardless of whether the income increase is from earned or unearned income.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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 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 select an allowance based only on unit size instead of determining individual allowances for every unit leased.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** This activity has had a positive impact on both staff and residents. It has simplified explanation of the UA and reduced the amount of time staff uses to process the UAs. THA staff still check the accuracy of UAs although rent calculations and utility allowances are now automated in THA's administrative system. In 2024, THA staff continued to identify strategies to better communicate THA's utility allowance schedule to residents and voucher holders.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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 circumstance through an approved Reasonable Accommodation requires so; situations covered under the Violence Against Women Act (VAWA) and educational/employment circumstances. Households may also port-out when the receiving housing authority will absorb the voucher.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: FUP, FYI, NED, MSV; for VASH PBV, this activity applies with approval from the Department of Veterans Affairs.

**Impact/Update:** The activity has been successful in reducing the total number of port outs each year. Prior to implementation in 2011, THA saw 325 households port-out of its jurisdiction. Since then, THA sees around half the number of households porting-out. In 2024, there was a total of 42 new MTW households under Administered (Billing) Status effective January 1 – December 31, 2024.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 15. Regional Approach to Special Purpose Housing

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

**Description:** THA is using this activity to add funds to 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 mostly used to assist households receiving services through Rapid Rehousing. THA-funded service providers may offer case management to households up to six months post-rental assistance, as it provides a safety net for households who may still need support after their rental assistance has ended and allows families to receive the services without requiring them to re-enter the Coordinated Entry system.<sup>5</sup>

Previously, under this activity, THA had provided a specific Rapid Rehousing and diversion program for McKinney-Vento families enrolled in Tacoma Public Schools, known as the Tacoma Schools Housing Assistance Program (TSHAP). THA decided to sunset this program at the end of 2022. To learn more about the program and how it historically operated, consult THA's 2022 MTW Report.

THA does not apply the flexibilities in this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

**Impact/Update:** Traditional waitlists are unable to address immediate housing needs and barriers, but through this investment THA can serve families when they need housing the most. Each year since its implementation THA has been able to serve hundreds of families and young adults

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<sup>5</sup> This practice of offering case management to households up to six months post-rental assistance aligns with other HUD Homelessness Assistance programs to maintain housing stability. Note these households are still considered enrolled in the Homeless Management Information System (HMIS).

who needed an immediate housing intervention to transition them from unstable to stable housing. This activity also leverages County resources, including case management services, that strengthen a family's ability to remain stably housed.

By the end of the plan year, THA's Rapid Rehousing (RRH) investment reached 210 unique households who were experiencing homelessness in Tacoma/Pierce County in 2024. Of these households, 17 households had market rent burdens at rates less than or equal to 50%. By the end of 2024, 22% of Rapid Rehousing households experienced increases in their overall income, with the median change

for households being \$1,000. Further, 13% of households increased their earned incomes, with the median change in earned income being \$2,366. Of households who exited the RRH program to permanent housing over the past two years, 84% did not return to homelessness within 24 months. This figure increased when looking at a more recent exit from the program — 89% of households did not return to homelessness within 12 months, and 91% of households did not return to homelessness within 6 months.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 16. Creation and Preservation of Affordable Housing

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

**Description:** This MTW activity allows THA to activate its broader uses of fund flexibility so the agency can dedicate MTW dollars to the construction and acquisition of affordable housing units. These affordable housing units (rented at or below 80% of AMI) can be any bedroom size and are located *within* THA's jurisdiction. All units would require inspections per PIH Notice 2011-45. THA also recognizes that this entire activity is under the parameters of PIH Notice 2011-45 under the category of Rental Subsidy Programs. THA will abide with PIH Notice 2011-45 when implementing this activity.

THA seeks to increase housing choices for low-income families using as many avenues as possible. THA uses this flexibility in various ways. The following details how THA has used MTW flexibility on the construction and acquisition of affordable housing units:

- ***Property-Based Subsidies:***

This activity will include the use of MTW funds for Property-Based Rental Subsidies to make contributions to properties that agree to make units available at a rental price affordable to very low-income households. Under this activity, THA would contract with properties owned in whole or in part by THA or with other private owners. Under these contracts, owners would agree to set rents at prices affordable to households making up to 50% of area median income (AMI). Rents would not be based on tenant income but rather would be fixed rents with fixed subsidies based on the AMI restrictions set by unit or by property. Owners agreeing to make units affordable to households earning 30% of AMI may receive subsidies that are higher than properties set aside for households earning 50% of AMI. The rents and subsidies would be set 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. HUD Fair Market Rents will not be used to set rents.

During the application and negotiation process the property owner commits to serve households below 30%, 40% and/or 50% of the area median income (AMI). Based on the income levels chosen, the property owner advertises its vacancies at rents equal to the maximum rents for the low-income housing tax credit program for each income level. Households living in these properties would not use other THA subsidies to assist with rent.

- **Acquisition & Development:**

THA seeks to acquire existing rental housing throughout Tacoma and in particular, neighborhoods where THA does not have a strong presence. 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. These properties are acquired with a combination of bond, HOME, CDBG local impact investors and THA resources. For future new construction or re-developments THA intends to use GCCM or design build as a form of design and/or construction procurement for construction projects.

THA is leveraging its capacity as an MTW agency to pursue the following projects that are in THA's Real Estate Development pipeline, some of which may utilize MTW dollars:

- **Housing Hilltop:** Housing Hilltop provides 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 consists of 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, was completed with a local non-profit partner, Horizon Housing, who owns the project and developed on THA land. Construction completed and the lease up process began at the end 2022. Phase II (Housing Hilltop) is oriented toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units. There will be 13,000 square feet of commercial retail space, including a 10,000 square foot performing arts and community gathering space.

This historically Black neighborhood is rapidly changing and signs of gentrification and displacement are evident. The goal is to provide housing for those who are in danger of or who have been displaced. With its close proximity to downtown and the hospitals, its many current and future mass transit options, and the neighborhood's history as an artist community, THA's new units will provide affordable housing to low wage earners close to transit and employment and serve as a catalyst for inclusive growth and development of Hilltop. It will also help this gentrifying area remain affordable to lower income households. To date, Housing Hilltop is not leveraging MTW funds for development.

- **1800 Hillside Terrace (The Rise on 19<sup>th</sup>):** MTW funds were used to develop what is now referred to as the Rise on 19<sup>th</sup>, formerly Hillside Terrace. Phases 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.
- **Aviva Crossing (James Center North):** 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 by 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.
- **Hillside 1500:** THA proposes to redevelop a property referred to as Hillside 1500. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC. THA intends to improve the use of the site to provide additional units, expanding the now 16-unit property to at least double the number of units.
- **Hillsdale Heights:** THA is partnering with Bridge Meadows to develop the entire Hillsdale Heights site using tax credits and other public funding. This would bring 144 units of affordable housing to households with incomes between 30-60% AMI. Additionally, a portion of the property will be prioritized for affordable homeownership.
- **Re-syndication:**  
THA is using this activity and may use MTW funding to explore options for re-syndication for eligible properties. THA is considering bringing in a new lender and investor to finance the rehabilitation of THA's Hillside 2300 and Salishan 1-3 Properties. The four properties already met their 15-year tax credit compliance period, which began in 2002 (Hillside 2300) and 2005 (Salishans 1-3). Completing the re-syndication would introduce new opportunities for rehabbing the properties and potentially obtaining new credits based on how much is spent on acquisition and rehabilitation.

THA does not apply the flexibilities in this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

**Impact/Update:** Through its Property-Based Subsidies (PBS) program, THA has contracted with market-rate properties to preserve and/or create affordable housing options for very low-income households in Tacoma. This allows THA to serve low-income households in other non-traditional ways outside of tenant-based or project-based subsidies. In 2020, two assisted living facilities serving Medicaid Seniors in Pierce County closed and 140 low-income seniors were displaced. By offering property-based subsidies, THA assisted in preserving the only two remaining facilities in Pierce County that provide memory care for Medicaid patients. Neither facility could have continued to do that without THA's rental subsidy.

By leveraging MTW dollars in our development and acquisition activities, we have been able to redevelop entire communities, bringing opportunity and resources to areas that are historically underinvested in. It has also led to the success of many private-public partnerships in the building and design of many affordable housing units, which have served as models for other communities.

*2024 was an impactful year for the creation and preservation of affordable housing that yielded the following results:*

**Property-Based Rental Subsidies:** THA leveraged property-based subsidies in nine different properties – preserving more than 410 affordable housing units. Two of the properties provide housing and services to Medicaid eligible seniors in need of dementia care. The remaining five provide housing to low-income Tacomans and local college students who were experiencing homelessness. Across the 9 PBS properties, approximately 191 households were newly admitted in 2024. THA staff work with the PBS properties to regularly monitor utilization rates; across 2024, the average lease up rate per month was 93% for all properties.

**Development and Acquisition:** Since THA initially set its 5-year goal in 2023 to add 500 new units of housing through development or partnership, the agency had already added 349 units for low-income families by year-end 2024. This figure will exceed 600 units, surpassing THA's initial goal, once the new units at Aviva Crossing are completed. In FY2024 specifically, this included:

- Executing Project-Based Voucher HAP Contracts and VASH PBV Contracts, adding over 60 additional units of affordable housing.
- Breaking ground on Mercy Housing for 129 units at Aviva Crossing. THA collaborated with Mercy to design, permit and plan funding for infrastructure improvements supporting the development of more than 500 new housing units.
- Completing construction on both buildings of Housing Hilltop, adding 231 units of affordable housing and 13,000 square feet of commercial retail space. This was THA's largest affordable housing project since the New Salishan development.

Additionally, by year-end 2024, THA initiated the process of resyndication at Salishan 1-3 and Hillside 2300 to allow for the refinancing, recapitalizing, and rehabilitation of these properties.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 18. Eliminate the 40% Rule

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

**Description:** THA uses 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.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** This activity has allowed more households in THA's voucher programs to access units that they would have not had the opportunity to lease in the past, leading to more household choice. In addition, staff have saved time explaining the 40% rule to clients. There were no additional updates to report in 2024.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 19. Modify the FSS Program

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

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

THA does not apply the flexibilities in this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

**Impact/Update:** 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. Graduates of FSS reported that escrow funds have been used to fund critical expenses to support their long-term housing stability, such as utilizing escrow funds for down payments, relocation costs, or furnishing their new homes.

THA served 134 FSS participants in 2024. There were 25 FSS participants that completed the program and received their escrow in the plan year. Those participants' households received a combined total of \$158,498 in earned escrow. This amounts to an average of \$6,340 per FSS participant. Finally, 6 FSS participants purchased a home in 2024 and are completely off subsidy. The following FSS outcomes were achieved by participants in 2024:

Participant Achievement	Number of Participants
Received 0-6 Months Training Certificate	7
Personal Pay points Achieved (Individualized)	28
Received 7-12 Month Training Certificate	2
Completed Either an Associate's or Bachelor's Degree	3
Complete an Employment Assessment	11

<b>Obtained a GED</b>	2
<b>Have a minimum \$2,000 in Savings Account</b>	12
<b>Purchased a Home</b>	2
<b>Increased Income by 10%</b>	13
<b>Maintained Liability Insurance - Auto</b>	15
<b>Maintained Reliable Transportation</b>	22
<b>Maintained Employment for 6 consecutive Months</b>	19
<b>No Cash Welfare at Graduation (for participants on TANF when entering the program)</b>	4
<b>Completed a Homeownership Class</b>	4
<b>Obtained or Renewed a Driver's License</b>	6
<b>Complete a Financial Literacy Class</b>	7
<b>Received Employer Health Benefits</b>	5
<b>Complete a Parenting Class</b>	8

THA staff continued to assess its FSS program to maximize its value to participants. By year-end 2024, various options were being explored to ensure the program remained client centered. These changes, such as potentially making minor adjustments to the current pay point model, would be designed and assessed in the following plan year.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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 their capacity to serve THA households. The grants would be specific to helping non-fixed-income (work-able) households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for households in 2013.

THA does not apply the flexibilities in this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

**Impact/Update:** In 2024, THA kept 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 for residents. THA will put this activity on hold in 2025 due to inactivity for the time being as THA identifies more opportunities to administer the MTW Seed Grants.

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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 re-certifications and interims.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** This activity has streamlined the way financial aid is considered for the purpose of calculating income for any student member of a household, which has led to time savings for staff. While HUD released the HOTMA Income and Asset Final Rule in 2024, THA opted to continue to exclude 100 percent of a student's financial aid from the income calculation used to determine initial income eligibility into THA programs and for a household's calculated income for re-certifications and interims. This included all student financial aid for any student members of the household enrolled, regardless of the source of the loan (on which the HOTMA final rule has put additional restrictions).

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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 ensures 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 in THA's rental assistance programs.

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 has created a new position, Landlord Engagement Specialist, to lead this work.

THA's Landlord Engagement Specialist was able to successfully partner with participating landlords to develop a "Renter Readiness" course and Certification with a partnering service provider. Landlords will reduce screening criteria for THA households that have successfully completed the course. This course moved entirely online initially due to COVID-19 purposes and has since moved to a hybrid online and in-person model starting in 2023. The course has been met with overwhelmingly positive reviews from participants.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV.

**Impact/Update:** THA's robust landlord engagement efforts serve as a model across the industry, as landlord engagement staff have been recognized by HUD for their efforts, as well as being solicited to advise other PHAs' landlord engagement efforts. THA became a member with Washington Multifamily Housing Association (WMFHA), Pierce County Chapter of National Association of Residential Property Managers

(NARPM), Rental Housing Association of Washington (RHAWA), and the Washington Landlord Association (WLA). The benefit has been tremendous. THA has a strong relationship with the lobbyists from each organization, and they serve on THA's Landlord Advisory Group.

Beginning in 2022, THA's Landlord Advisory Group officially transitioned to a Landlord Advisory Board. It consists of lobbyists for NARPM, RHAWA, WMFHA, WLA, corporate landlords, and a handful of private landlords. The group is continuing to develop resident retention and landlord education resources and advises THA on pressing issues and policy changes. Example of issues on which they collaborate to develop solutions include payment issues and improved payment statements, landlord process improvements, IT issues and technological solutions to be more user friendly, improving the efficiency of inspections, and discussing barriers to participation in the program.

*THA accomplished the following outcomes in 2024:*

**Security Deposit Assistance:** In 2024, THA offered security deposit assistance (SDAP) for voucher holders and households in THA's portfolio units. \$150,000 of the SDAP funds were utilized to help stabilize around 117 households and provide monetary assistance toward the security deposit of the unit they intended to rent.

**Grant Funding:** Approximately \$13,850 of philanthropic grant funds were used to help pay for screening, holding fees, and security deposits for at least 50 extremely high-barrier households working with the Housing Navigators.

**Housing Navigation:** In 2024, THA continued its investments in critical housing navigation supports for voucher holders. During the program year, THA's housing navigation team received 145 direct referrals for clients looking for housing, of which 42 households successfully leased up. Staff worked with a high volume of households with extremely high rental arrears and with either negative or non-existent rental history. Additionally, staff have observed that landlords have been less likely to offer housing to households with high barriers, an unintended impact of local ordinances and initiatives passed in the last couple years, resulting in fewer households being able to secure housing in the city limits. Finally, THA's housing navigation team continued to manage the list of vacant units through THA's landlord partner network. In 2024, THA had approximately 1,200 vacant units listed for THA's clients.

**Landlord Engagement:** THA's Landlord Engagement Specialist helped to organize the 2024 Virtual Annual Regional Landlord Symposium, held in collaboration with King, Pierce, and Seattle Housing Authorities. Additionally, THA's Landlord Engagement Specialist achieved the following in 2024: assisted 163 new landlord partners in submitting their Request for Tenancy Approval (RFTA) forms; informed landlords about THA's upcoming waitlist opening and how to register landlords with THA's new online software platform for managing payments and administrative documentation; connected landlords with community service partners and resources from Tacoma Public Utilities and Tacoma-Pierce County Health Department's Healthy Housing Registry; served on a committee with Pierce County Human Services to help

determine funding levels for its Landlord Liaison Project; and hosted topic-based training for Fair Housing, Landlord-Tenant Training, the Department of Commerce's Landlord Mitigation Program, and best practices for landlord engagement with HUD stakeholders. The Landlord Advisory Board continued to advise on numerous policy changes and industry issues throughout 2024, including updating THA staff about trends in the private rental market. Three new members were added to the Landlord Advisory Board during the plan year, which included representation from an owner-operator, an owner of multifamily properties, and a THA Property-Based Subsidy multifamily partner.

All of these efforts to engage landlords and provide navigation supports to households searching for vacant units play a vital role helping to identify and retain high quality and affordable units, while also helping to ensure that households can have robust housing options.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 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.

THA applies the flexibilities in this MTW Activity to the following SPV Programs: VASH, VASH PBV, FUP, FYI, EHV, NED, MSV

**Impact/Update:** This activity has allowed THA to streamline its inspection process which allows THA to closely monitor and uphold a high standard for HQS inspections. This enables THA to maintain a well-preserved and attractive portfolio and allows for less delay in the leasing process for developments that are new or have been significantly rehabbed. THA implemented HUD's new NSPIRE inspection standards in October 2024 and continued to use the existing MTW flexibilities under this activity for conducting its NSPIRE inspections (formerly HQS).

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024

## 26. Local Homeownership Flexibilities

**Plan Year Approved, Implemented, Amended:** THA proposed and received approval for this activity in 2024.

**Description:** THA received approval to implement flexibilities to its Homeownership Program that waives the 10- to 15-year time limit requirement for households that do not qualify as elderly or disabled to align with the term of the household's mortgage loan. Under this activity, households will be able to receive assistance for the term of the original mortgage, not to exceed 30 years.

Though THA stopped issuing homeownership vouchers in 2011, THA is looking to reinstate homeownership as a special housing option in the future; as part of this, THA wants to ensure components of its Homeownership Program are based on evidence-based practices to increase homeownership access and keep participating households stable in their homes.

THA does not apply this MTW Activity to any of its Special Purpose Voucher (SPV) Programs.

**Impact/Update:** THA will implement the expanded terms of the homeownership assistance, not to exceed 30 years, starting with existing Homeownership Program households in 2025. This would allow existing Homeownership Program facing nearing time limits households to stay on the program longer and continue to receive assistance instead of timing out of the program. In the 2024 MTW Plan, THA stated its interest in increasing the upfront amount that HUD permits PHAs to offer to households in lieu of monthly mortgage assistance. While that flexibility is something THA once considered, THA had no plans in 2024 to implement the policy until further impact analyses could be completed in the future. THA will re-propose the activity if that were to occur.

**Actual Non-Significant Changes:** No changes were made to this MTW activity in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

## 27. Local Payment Standards Policy

**Plan Year Approved, Implemented, Amended:** THA proposed and received approval for this activity in 2024.

**Description:** This activity enables THA to operate a more localized payment standards policy that is responsive to the Tacoma housing market and brings THA's operational policies more in alignment with other MTW flexibilities.

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

THA will set the payment standard for shared housing at 80% of the payment standard for a unit of the same bedroom size. This formula, based on a percentage of the payment standard for a unit of the same bedroom size, is an alternative as opposed to following the HUD-prescribed shared housing calculation at §982.617(c). THA will regularly assess the percentage this figure is based on 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. For shared housing, utility allowances (UAs) will be calculated in a manner consistent with the HCV Program, but at a prorated rate of 80% of the amount identified in THA's tiered rent schedule for the appropriate bedroom size and income level of the household.

Finally, as part of this flexibility, THA will update the rent reasonableness policy for shared housing. For shared housing situations, THA will conduct rent reasonableness determinations in this order of priority:

A) Identifying comparables for available rooms found on 3rd party websites, including but not limited to the following:

- craigslist.org
- facebook.com
- Apartments.com
- forrent.com
- padmapper.com
- Zillow.com; or
- Another website with rental housing listing services for shared housing.

When option A is not available, due to not being able to identify enough units with a comparable proximity, unit type, or due to the legitimacy of listings (Note: THA staff have noted websites like Craigslist often have scams that have deterred identifying comparable rents), staff may opt for option B, which is:

B) Identifying comparable units that fall within 80% of the reasonable rent for a unit of the household's bedroom size. THA will utilize rent reasonableness methods as described in section 8-III.D of THA's Administrative Plan to determine the reasonable rent for the household's bedroom size and will check that the combined rent for all rooms rented by the household in the shared housing situation does not exceed 80% of reasonable rent for the bedroom size.

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

THA will adjust the timeline when the household's updated Housing Assistance Payment (HAP) is adjusted as a result of decreasing the payment standard during a HAP contract term. THA decreases the payment standard amount when THA provides at least 12 months' notice to households. By waiving HUD's regulations at § 982.505(c)(3)(i) and providing at least 12 months' notification for households of this payment standard change after it has taken effect, provides a reasonable timeline for the new HAP amounts to be implemented while considering the cost-effectiveness of HAP funds.

*Expanding Range of Approved Payment Standards:*

THA will expand its range of approved payment standards so that they may fall between 80-120% of the HUD Fair Market Rents (FMRs) without seeking additional HUD approval, as would typically be the case under 24 CFR 982.503 (c) and (d).

THA's Data Analyst regularly conducts a rigorous analysis to determine payment standards. The analysis and subsequent recommendations are based on three main indicators:

- 1) **Rent Burden:** This indicator measures the percentage of households, for each unit size, that are paying more than 30% of their monthly adjusted income towards rent. When 40% or more of households are paying more than 30% of adjusted monthly income as the household share, THA will consider increasing the payment standard.
- 2) **Voucher Success:** This indicator compares voucher success rates for households issued vouchers in Q1 of the most recent year to last year's overall success rate. It also looks at success at 210 days and 90 days after voucher issuance.

- 3) **Comparison of Current Payment Standards, Fair Market Rents, THA Contract Rents, and Average Market Rents:** This indicator compares FMRs, Payment Standards, CoStar Market Rent, THA Contract Rent, and New THA Contract Rent by Unit Size. There are several comparisons examined: a given year's payment standard to the forthcoming FMR; new contract rents to current contract rents; and a year-over-year percentage change to the new THA contract rents compared to the FMR and CoStar market rent data to see relative changes as a gauge for prediction over time.

THA applies all flexibilities in this MTW Activity to the following SPV Programs: FUP, FYI, NED, MSV.

For EHV and VASH, THA only applies flexibility for the amended calculation for the shared housing payment standard and rent reasonableness.

**Impact/Update:** THA implemented most components of the activity in 2024, including the expanded range of approved payment standards. The expanded payment standards, ranging between 80-120% FMR, allowed THA to be flexible in evaluating and setting its payment standards to reflect the current housing market in Tacoma and anticipated needs from voucher holders leasing up in this market. THA will fully implement the shared housing payment standard in 2025.

**Actual Non-Significant Changes:** No changes were made to this MTW activity in 2024.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2024.

# Not Yet Implemented Activities

N/A

# On Hold Activities

N/A

# 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. THA closed this activity in 2022.

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

**10. Special Purpose Vouchers:** THA proposed this activity in 2011 and has yet to implement it. 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, in which case service partners would be responsible for designing the program and THA would oversee the administration of these vouchers through an annual reporting and/or audit process. Because this activity was proposed before HUD issued guidance on local non-traditional (LNT) programs and THA has since implemented LNT activities (Activities 15 and 16), THA closed this activity which is reflected starting in the 2024 MTW Report and 2025 MTW Plan.

**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, 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 was approved for a RAD conversion in 2014/2015 which caused this activity to be closed out in 2015. The activity is meant to increase the number of households served and to bring public housing units online.

**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.

**17. Housing Opportunity Program (HOP):** This activity was proposed and initially implemented in 2013, with additional program requirements added in a 2014 re-proposal. From 2013 – 2022, all new admissions to THA’s tenant-based voucher program received a fixed subsidy (HOP) as opposed to a subsidy based on income. The fixed subsidy was determined by the household size at admission and 50% of the current payment standard. Non-fixed-income (work-able) households were subject to five-year term limits, whereas elderly/disabled households may receive assistance indefinitely. Through the use of targeted funding, THA also provided a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CHAP), in which THA partnered with the Tacoma Community College (TCC) to provide rental assistance to TCC’s population of homeless and near homeless students; and the Children’s Housing Opportunity Program (CHOP), in which THA partnered with the Department of Children, Youth and Families (DCYF) to provide rental assistance to families who needed 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.

THA initially made the decision to feature fixed and time-limited subsidies for non-fixed-income (work-able) households with the intention of reaching more households. However, THA completed an assessment in 2021 of HOP participants and found that HOP participants had less positive outcomes than traditional HCV participants whose vouchers were income-based and not time-limited. Because of these results, the THA

Board of Commissioners approved of the sunseting of the Housing Opportunity Program effective May 2022. As of year-end 2023, all households who were originally issued HOP, CHAP, or CHOP subsidies successfully transferred to the HCV Program so THA closed this activity in the 2023 MTW Report.

**21. Children’s Matched Savings Accounts:** THA proposed this activity in its 2014 MTW Plan and implemented the program in Fall 2015. The program was aimed at developing a savings habit among students and their families and improving academic achievement, graduation rates, college preparation and enrollment. Since its launch, the program enrolled more than 205 students and has partnered with the state’s 529 program to expand college-savings capabilities to low-income families. Since 2021, THA began focusing its efforts increasing community partnerships to form new programs and wraparound services. 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 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 closed out the activity in 2022 but will continue reporting on CSA and its larger 2Gen initiative in *Section V: Sources and Uses of MTW Funds*.

# Section V: Planned Application of MTW Funds

## Application of MTW Funds in the Plan Year

In accordance with the requirements of this report, THA has submitted our unaudited information in the prescribed FDS file format through the Financial Assessment System – PHA. The audited FDS will be submitted by September 30, 2025.

## Application of MTW Single Fund Flexibility

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

- THA made 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 focused 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. For example, THA entered into community partnerships to form new programs and provide wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships with the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, and social emotional learning. This also encompasses THA's Children's Matched Savings Account Program (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 made system-wide technological enhancements intended to benefit the organization and the residents. THA completed its vendor transition in 2024. Led by THA's Data Governance Committee and THA's IT department, THA continues to focus on the development of a data warehouse that enables longitudinal analysis, the development of key performance metrics dashboards, and reporting and visualization capabilities that provide meaningful insights into THA's quality of housing and services.

- THA analyzed its administrative overhead and charges 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 used 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. This included shifting the maintenance staff home cost center to THA-MTW funds.
- THA made improvements to the community facilities of its properties, including the Bay Terrace Community Facility.
- 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 has partnered with local agencies in the community to create local non-traditional housing programs and services. The programs are funded by THA but run by partnering agencies.
- THA has developed a property-based subsidy program. Under this model, THA makes an annual contribution of MTW funds. The owner then rents these units to low-income households at a rent affordable to these households. THA inspects the units annually and reviews a percent of tenant files annually to ensure the owner is renting to low-income households.
- THA focused on eviction prevention efforts to help keep residents who are at risk of eviction housed. This includes the hiring of an eviction prevention specialist and working with the Client, Support, and Empowerment Department staff to engage with residents on late rent and entering them into affordable repayment agreements while connecting households with eviction prevention resources available at the County.
- THA has been reassessing its contracting procedures and investing in staff support to ensure equitable contracting and procurement standards are being followed. THA is focused on increasing contracts with minority and women-owned business enterprises (MWBE). THA is also focused on equitable hiring and increasing the number of THA residents and low-income Tacomans hired into THA jobs and THA-funded work.

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

# Section VI: Administrative

## Reviews, Audits, and Inspections

The annual reviews/audits/inspections conducted in 2024 are summarized below:

On September 30, 2024, the Washington State auditors completed a Federal Single Audit, financial statement audit, and REAC attestation. There were no findings for these audits. The accountability audit will be completed in 2025.

In 2024, THA participated in several external and internal audits. The largest audit of all THA managed properties is conducted by the Washington State Housing Finance Commission (WSHFC), which included file audits of all properties, data exports of all units and select on-site inspections. Additionally, investors and the City of Tacoma, representing the HOME program, conducted their own audits and inspections. Internally, THA's compliance team audited all new admission files, transfers, first-year files, and files with household composition changes. This approach has helped minimize findings from these external audits.

## Evaluation Results

THA regularly conducts a rigorous analysis to determine its payment standards to ensure they are meeting the needs of participants and adjusted to local market conditions. The latest payment standard analysis was completed in December 2024. It is attached to the MTW report (Appendix D).

Based on the analysis, THA's Board of Commissioners approved a slight increase to THA's payment standards to account for an increased utility allowance. Specifically, the analysis concluded the following:

- The percent of families experiencing rent burden fell with the 2022-2023 payment standards and remained below THA's threshold.
- Success rates were steady or improving. But, median days to success were rising for some bedroom sizes, which meant it was taking longer for some families to find housing.
- A voucher's value matched new contract rents. In some cases, it was slightly higher than the current market rents in Tacoma.
- Recent utility rate increases required THA to increase its utility allowances (UA).

## MTW Energy Performance Contract (EPC) Flexibility Data

This section does not apply.

# **Additional Appendix Items**

Appendix A: Local Asset Management Plan

Appendix B: Rent Burden Calculation

Appendix C: THA's Emergency Operations

Appendix D: 2025 Payment Standards Analysis

# Appendix A: 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.

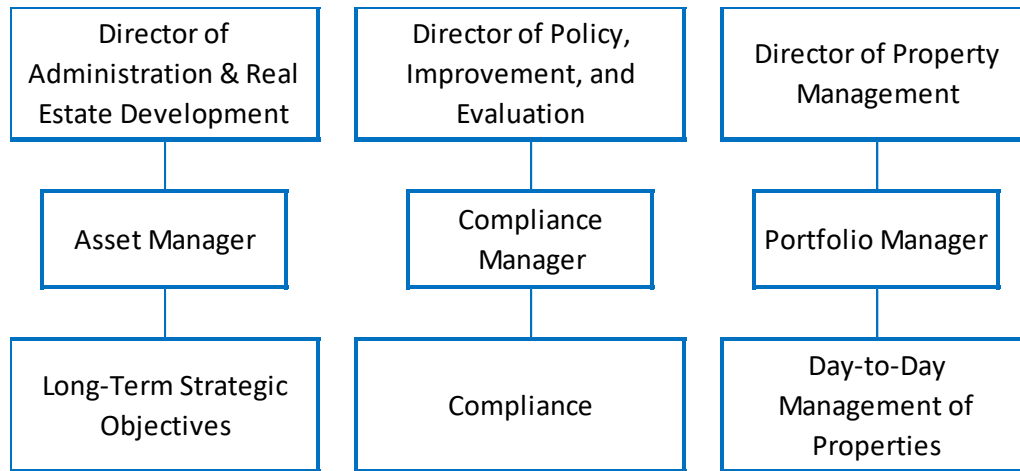
## B. Guiding Principles

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. The chart below shows this relationship and the positions responsible for these management functions.



**Figure 1: Organizational Structure**

### *Description of 2025 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 these properties are spread out, we have management teams overseeing property groupings as best determined by the Director.

The other management group, Portfolio East, is responsible for managing our Salishan properties (seven), consisting of 631 units. As Salishan is in one geographical area, a centralized management team manages those properties. Our Arlington Youth Housing property (58 units) is also included in Portfolio East. Beginning in 2023, an additional Portfolio Manager position was added so that each portfolio has a Portfolio Manager.

### ***Asset and Compliance Management***

While the Property Management Department oversees the day-to-day operations of the properties, THA's Asset Management & Real Estate Development (AMRED) and Policy, Improvement & Evaluation (PIE) departments oversee the long-term strategic objectives of the properties. Having the Asset Management and Compliance functions within these departments 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 these departments 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 work and update our approach when needed. We have a Facilities Manager whose responsibility it is to oversee the overall maintenance of our properties. We currently have two Maintenance Managers and five Maintenance Specialist-Leads with more technical abilities who assist other Maintenance Specialists and oversee repairs and work orders. In 2024, THA's portfolio was regrouped into three zones, each having at least one Maintenance Specialist-Lead and several Maintenance Specialists. In 2018, we also instituted a unit turn team concept, which currently consists of 5 Maintenance Specialists and a lead, whose specific responsibility is to turn vacant units. The goal is to reduce 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 Real Estate Development, Property Management, Client Support & Empowerment, Compliance and Policy, Improvement, & Evaluation. 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 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 the majority of our properties in our Tax Credit entities, and follow 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	

Program Area	Cost Type	Comments
	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 costs. 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
- Human Resources Department

- Client Support and Empowerment
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Policy, Improvement and Evaluation
- Compliance
- Elderly services coordinator

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc.) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD 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**

<b>Administrative Support Fee Components</b>		
<b>Fee</b>	<b>Rental Assistance</b>	<b>Property Mgt / Tax Credit</b>
Executive	\$2.25	\$2.25
Human Resources	\$2.00	\$2.50
PM Overhead (including rent)	\$3.00	Remaining
Bookkeeping Fee	\$6.50	\$23.00
Asset Management Fee	\$0.00	\$8.00
Compliance/Pie	\$2.25	\$5.50
IT Fee	\$8.75	\$13.00
Community Services	\$4.75	\$2.75
Leasing Support	\$0.00	\$1.75
<b>Total Fee:</b>	<b>\$29.50</b>	<b>\$58.75</b>

## ***Cost Centers***

### **Property Management**

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The 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, FYI, EHV, VASH, NHT, Mainstream and HUD FSS. The sources for Rental Assistance primarily include HAP Revenue and the Administrative Fees paid to the agency by HUD.

In addition to the fees Rental Assistance pays to the Program Support Center, there are other fees paid and earned in this area. All direct costs for all of the Rental Assistance programs will be recorded in our main Section 8 HCV fund in the MTW program. A fee will then be charged to our SRO and non-MTW Section 8 programs based on unit equivalencies. This fee will be income earned by the MTW Section 8 HCV program for reimbursement of the expenses incurred by them. 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. 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 have 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 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 Asset Management & 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 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 2025.

**Program Support Center Allocation Detail**

**Table 3: Total units & Program Support unit equivalencies**

Program Support Center Unit Equivalencies - 2025 Projected					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,552			3,552
	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			121	121
	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			Prop Mgt
	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 (Includes AMP 9)		16		16

	Bay Terrace	70		70
	Bay Terrace 2	74		74
	Renew Tacoma Housing	456		<b>456</b>
	Arlington Youth Housing	58		58
	Court F (Rise at 19th)	64		64
	Salishan 1	90		<b>90</b>
	Salishan 2	90		<b>90</b>
	Salishan 3	90		<b>90</b>
	Salishan 4	90		<b>90</b>
	Salishan 5	90		<b>90</b>
	Salishan 6	90		<b>90</b>
3rd Party Managed - 75 % equivalency	Highland Crest - Should be online 1/1/18		54.75	73
	Housing Hilltop		173.25	231
	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
	<b>Totals</b>	<b>4,685</b>	<b>1,360</b>	<b>1,253</b>
Real Estate Development	THA MTW Support	99		99
	THA as Developer		562	562
	<i>Development Unit Equivalents - 10% of Total Units</i>	99	0	562
	<b>Total Units/Unit Equivalents - Agency</b>	<b>4,784</b>	<b>1,360</b>	<b>1,815</b>
<b>Program Support Center Equivalencies (% of All Unit Equivalencies)</b>		<b>60.11%</b>	<b>17.09%</b>	<b>22.80%</b>

# Appendix B: Rent Burden Calculation

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

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

## Methodology

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

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

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

# 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.

- **Deferred 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 would 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*
- **Extended 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. In rare instances when needed, THA pushed back recertifications by one year that were due during a time of crisis.
  - *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 must 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. We utilized this flexibility 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)*
- **Removed 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)*
- **Deferred HQS Inspections:** Inspections require in-home visits and can require more than one trip to a single residence. During a time of crisis when needed, we would 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 would increase its QA inspections and run targeted inspections on units with past of frequent HQS deficiencies.
  - *Related Activity: 25. Modify HQS*

# Appendix D: 2025 Payment Standards Analysis

(Begins on next page)

December 3, 2024

# 2025 Payment Standards Analysis

December 2024



# Contents

- Analysis & Terms
- Background Information
- Key Questions
- Key Indicators
  - [Comparison to Market & Contract Rents](#)
  - [Rent Burden](#)
  - [Voucher Success Rate](#)
- Utility Allowances
- Future Considerations
- Summary & Recommendation
- Appendices

December 3, 2024



# Analysis & Terms

- **We looked at three indicators to help us form a recommendation:**
  1. The percent of families experiencing rent burden compared with the 2022-2023 payment standards and THA's threshold.
  2. Success rates and median days to success for families attempting to find housing.
  3. Our current payment standards compared to local market rents, families' current rents, and HUD Fair Market Rents.
- We also considered the effect of utility rate changes on our utility allowances.
- **Rent Burden** refers to how much of their income families spend on rent ([Slide 7](#)).
- **Success rates** are the percent of families that successfully rented an apartment with their voucher. ([Slide 9](#))
- **Utility allowances** estimate the cost of utilities and help set rent for tenants in housing assistance programs. ([Slide 10](#))

# Background

## Payment Standards set the value of a voucher.

- Once a year, HUD releases local rental data that set Fair Market Rents (FMR) for our service area.
- The 2025 FMRs increased by 2–4%.
- Last year, FMRs increased by 18–22%.
- We can set our payment standards at 80–120% of HUD FMRs.

## Comparison of Fair Market Rents to Current and Exception Payment Standards

Unit Size	Fair Market Rents				Payment Standards (Standard)			Payment Standards (Exception: EHV & VASH)		
	FY2025	FY2024	\$ Change	% Change 2024 - 2025	Current Payment Standards	Current PS & 2025 FMR Difference	% of FMRs	Current Exception Payment Standards	Current Exception PS & 2025 FMR Difference	% of FMRs
<b>Studio</b>	\$1,479	\$1,430	\$49	3.4%	\$1,233	(\$246)	83.4%	\$1,409	(\$70)	95.3%
<b>1 bedroom</b>	\$1,673	\$1,603	\$70	4.4%	\$1,373	(\$300)	82.1%	\$1,570	(\$103)	93.8%
<b>2 bedroom</b>	\$2,057	\$1,987	\$70	3.5%	\$1,725	(\$332)	83.9%	\$1,972	(\$85)	95.9%
<b>3 bedroom</b>	\$2,882	\$2,800	\$82	2.9%	\$2,452	(\$430)	85.1%	\$2,802	(\$80)	97.2%
<b>4 bedroom</b>	\$3,292	\$3,236	\$56	1.7%	\$2,740	(\$552)	83.2%	\$3,288	(\$4)	99.9%
<b>5 bedroom</b>	\$3,786	\$3,721	\$65	1.7%	\$3,151	(\$635)	83.2%	\$3,781	(\$5)	99.9%
<b>6 bedroom</b>	\$4,280	\$4,207	\$73	1.7%	\$3,562	(\$718)	83.2%	\$4,274	(\$6)	99.9%
<b>7 bedroom</b>	\$4,773	\$4,692	\$81	1.7%	\$3,973	(\$800)	83.2%	\$4,768	(\$5)	99.9%
<b>8 bedroom</b>	\$5,267	\$5,178	\$89	1.7%	\$4,384	(\$883)	83.2%	\$5,261	(\$6)	99.9%

In January 2024, we maintained our payment standards at 2023 levels.

# Key Questions

We asked these questions to guide our decision-making.  
If most responses were “Yes,” we may need to raise the payment standards.

		Bedroom size 1	Bedroom size 2	Bedroom size 3
Are the payment standard below market rents?	Are THA's vouchers below market rents?	Yes	No (same)	No
Are new contract rents increasing?	Are the market conditions tightening?	No	Yes	Yes
Are 40% or more of households rent burdened?	Are families at risk of housing instability?	No	No	No
Are rent burdens trending up year over year?		Yes	Yes	Yes
Is overall voucher success decreasing year over year?	Are families struggling to find housing?	No*	No*	No*

\* see Voucher Success Rates ([slide 9](#))

# Payment Standards, Market & Contract Rents

We use a third-party source for market rent data. It helps us compare our payment standards to the market and families' current rents. We also use it to check the FMRs against the market.

**Question:** *Are our payment standards outside of our approved FMR range (80-120%)?*

- **No.** Our payment standards are within the approved range but near the bottom.

**Question:** *Are THA's vouchers below-market rents?*

- **No.** However, for 1-bedroom families, market rents are rising above the payment standards. Yet, new contract rents are well below the payment standards.

**Question:** *Are market conditions tightening?*

- **Yes.** Market rents are rising steadily. Average contract rents for some bedroom sizes are starting to catch up to the payment standards.

*See data & visualizations in the Appendix ([slide 24](#))*

# Rent Burden

**Rent burden refers to how much of their income families spend on rent.**

- For each family size, we calculate rent as a percent of their monthly income.
  - If families pay over 30% of their income on rent, THA calls that "rent burdened."
  - If 40% or more of a unit's families are rent-burdened, THA may adjust the payment standards to reduce their burden.
- We want families to afford their rent without it being a burden. But we also want to help as many families as possible.

# Rent Burden Findings

**Question:** Are families at risk of housing instability?

- **No.** Families across all bedroom sizes remain below the 40% threshold.
- However, the percentages are rising, which indicates the potential for an increase in the future.

## Exception Payment Standards Group:

VASH voucher holders are generally not rent burdened; EHV voucher holders face higher rent burdens despite improved success rates ([see slide 14](#)).

*See data & visualizations in the Appendix ([slide 18](#))*

# Voucher Success Rates

**Voucher Success is the percent of families that successfully rented an apartment with their voucher.**

**Question:** Are families struggling to find housing?

- **It depends.**
  - Success rates are steady and, in some cases, improving.
  - Yet, median days to success are rising or leveling off in some bedroom sizes.
    - This means it is taking a longer time for some families to find housing.

*See data & visualizations in the Appendix ([slide 21](#))*

# Payment Standards & Utility Allowances

- **Utility allowances estimate the cost of utilities.**  
We use payment standards and utility allowances in two key ways:
  1. To set the maximum rate of rental assistance we pay landlords.
  2. To calculate THA tenant and participant rent payments.
- **Recent utility rate increases require us to increase our utility allowances.**  
This year, we propose to raise the Utility Allowances to these amounts:

## Current Rate Schedule

Who Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$58	\$62	\$78	\$102	\$127	\$140
Tenant	\$149	\$155	\$194	\$246	\$300	\$339

## Proposed Rate Schedule

Who Pays Sewer/Water	0-BD	1-BD	2-BD	3-BD	4-BD	5+BD
Landlord	\$64	\$66	\$81	\$105	\$127	\$140
Tenant	\$168	\$174	\$212	\$268	\$321	\$360

# Finance Department Comments

**Small changes in the payment standard have a significant impact on the cost of THA's voucher programs.**

- Increasing the payment standard to account for the change in the utility allowance is expected to cost:
  - \$400,000 in 2025
  - \$650,000 in 2026

**The 2024 funding increase will allow THA to fund the change in the payment standard and increase utilization.**

- While THA is not anticipating a funding increase for 2025, we anticipate having the financial flexibility necessary to make future changes to the voucher program.

# Future Consideration for SAFMRs

THA plans to examine Tacoma, Pierce County submarkets and consider implementing Small Area FMRs (SAFMRs) or payment standard areas by the end of 2025.

- This may help us serve families better. Tacoma and Pierce County have diverse markets. It may also increase access to High Opportunity Areas.
- This work is in preliminary stages.

*\* See data & visualizations in the Appendix ([slide 32](#))*

# Summary & Recommendation

**Staff recommend increasing our current payment standards slightly to account for an increased utility allowance for the following reasons:**

1. The percent of families experiencing rent burden fell with the 2022-2023 payment standards and remain below THA's threshold.
2. Success rates are steady or improving. But, median days to success are rising for some bedroom sizes, which means it is taking longer for some families to find housing.
3. A voucher's value matches new contract rents. In some cases, it is slightly higher than the current market rents in Tacoma.
4. Recent utility rate increases require us to increase our utility allowances (UA).

The facts above support no change to the Payment Standards. However, to account for the UA change, staff recommend increasing the payment standards by the UA.

# Proposed Payment Standards

## Payment Standards

Bedroom Size	Current	Proposed
0	\$1233	\$1252
1	\$1373	\$1392
2	\$1725	\$1743
3	\$2452	\$2474
4	\$2740	\$2761
5	\$3151	\$3172

## Exception Payment Standards

Bedroom Size	Current	Proposed
0	\$1409	\$1428
1	\$1570	\$1589
2	\$1972	\$1990
3	\$2802	\$2824
4	\$3288	\$3309
5	\$3781	\$3802

# Appendices

1. Rent Burden
2. Voucher Success
3. Comparison of Payment Standards to FMRs, and Market and Contract Rents
4. Future Considerations: Small Area FMRs



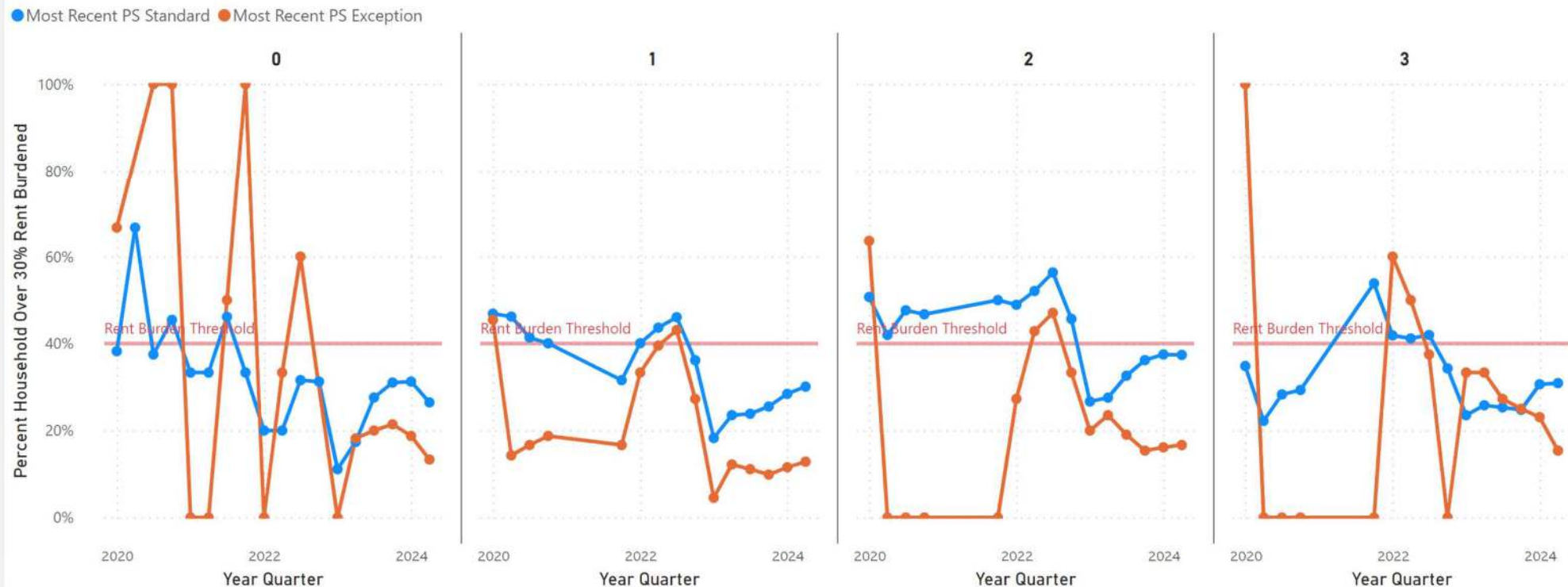


# Appendix #1

## Rent Burden

# Rent Burdens

Percent Households Over 30% Rent Burden by Most Recent Payment Standard Type, Year and Quarter



Rent Burden analytics exclude households on minimum rent as well as those renting units with more bedrooms than their assigned voucher size. The gap in 2021 for 2 and 3 bedrooms is due to a coding issue. It likely does not indicate zero rent burden.

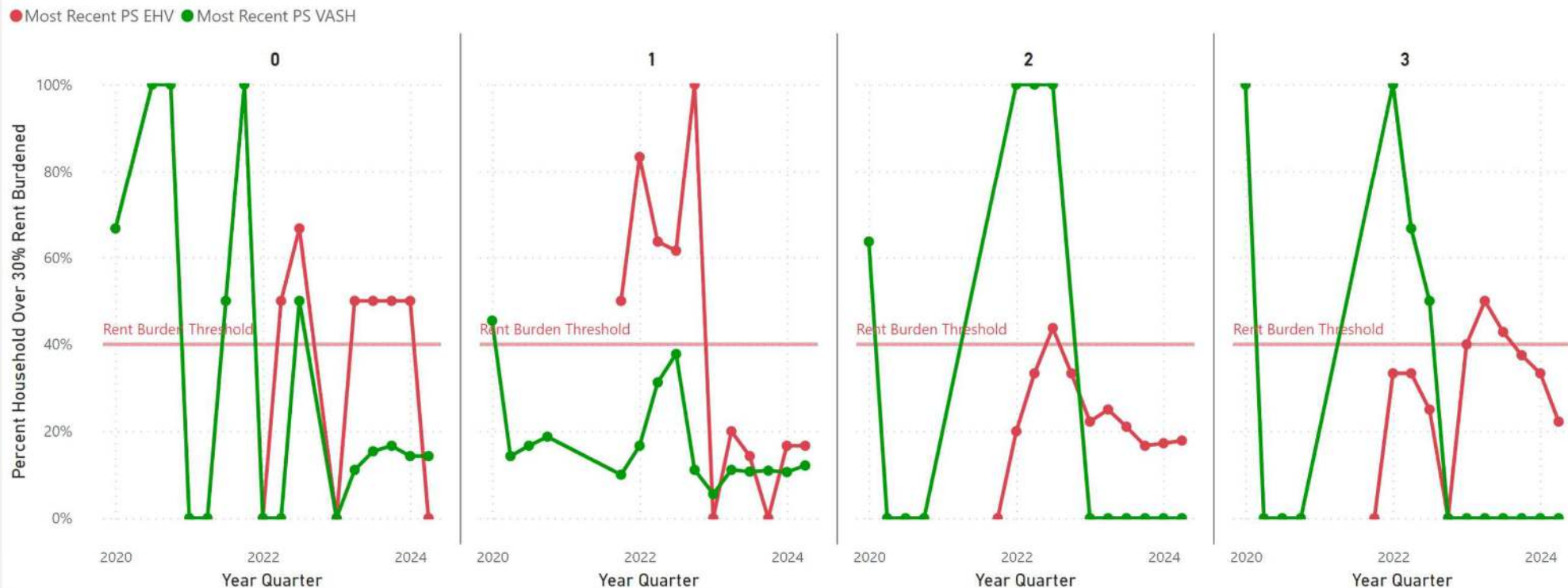
December 3, 2024

Tacoma Housing Authority

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# Special Programs on Exception Payment Standards

Percent Households Over 30% Rent Burden by Most Recent Payment Standard Type, Year and Quarter



Rent Burden analytics exclude households on minimum rent as well as those renting units with more bedrooms than their assigned voucher size. The gap in 2021 for 2 and 3 bedrooms is due to a coding issue. It likely does not indicate zero rent burden.

December 3, 2024

Tacoma Housing Authority

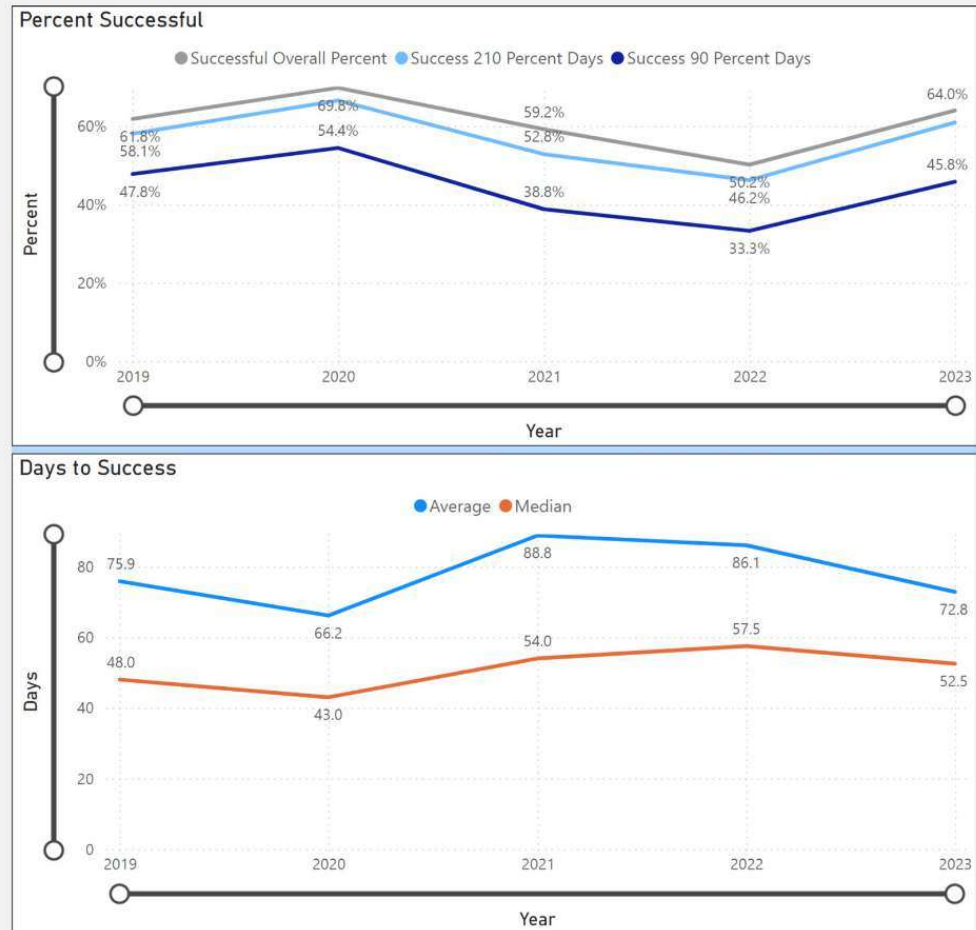
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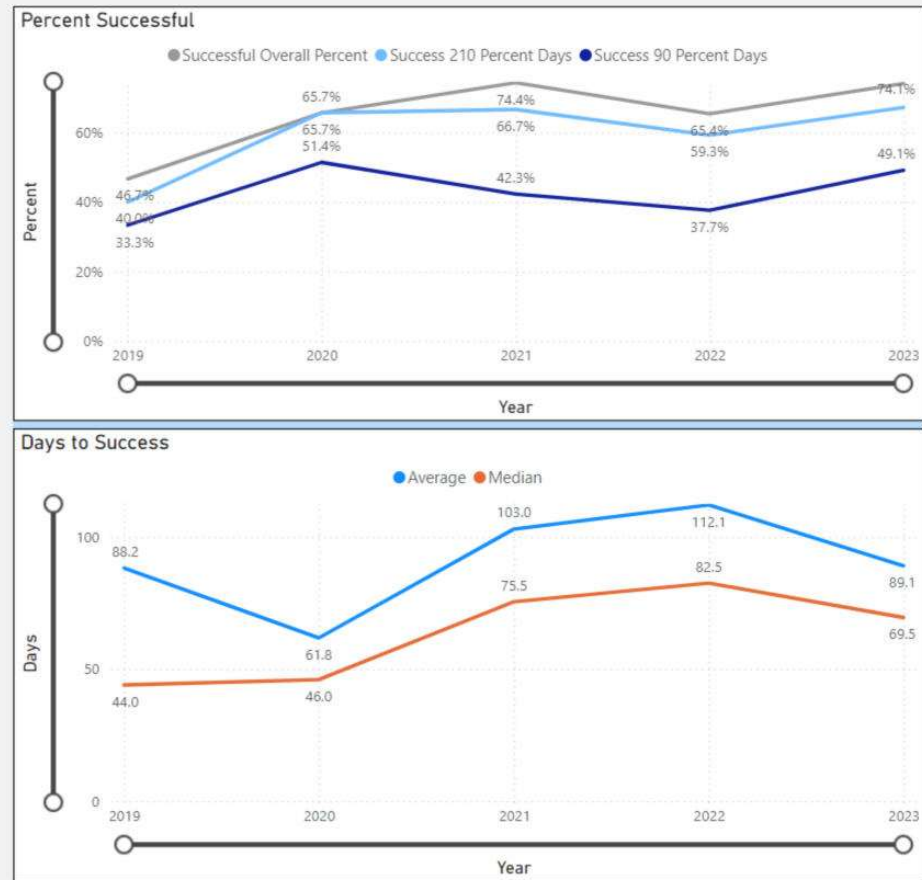
# Appendix #2

## Voucher Success

# Voucher Success Rates for Studio, 1, 2, 3-bedroom units



# Voucher Success Rate for Special Programs (all bedroom sizes)





# Appendix #3

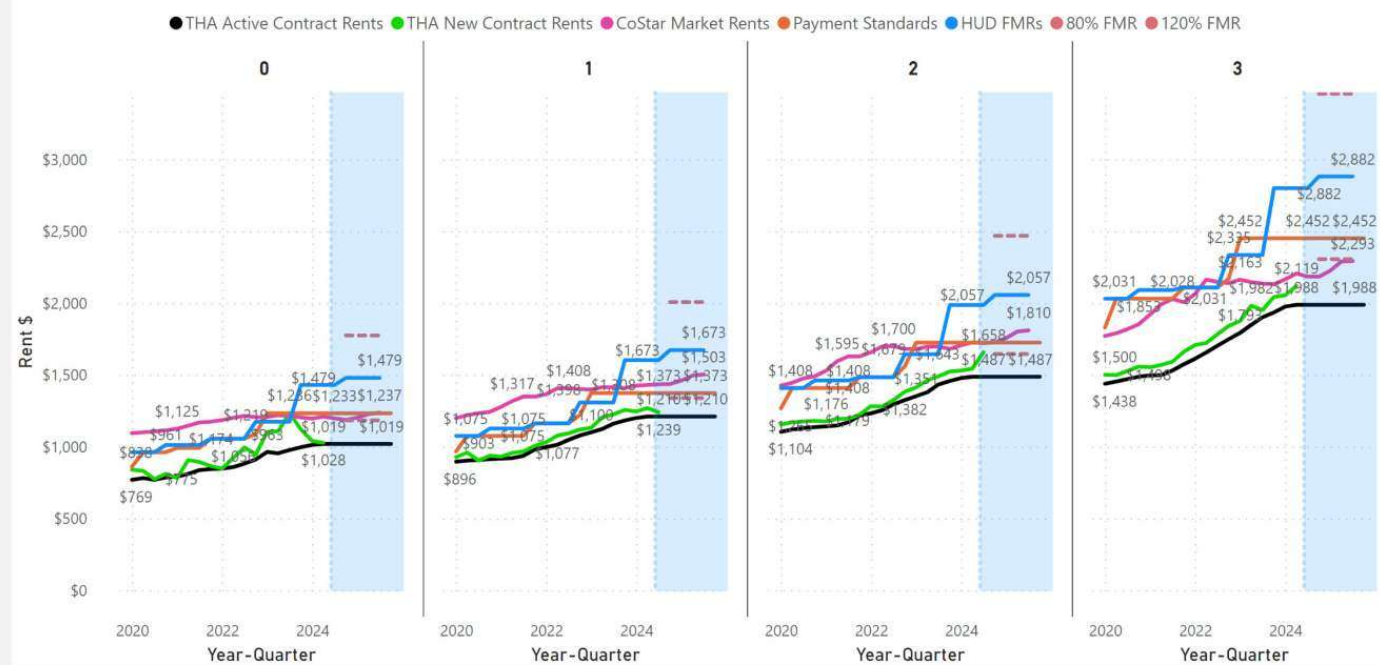
## Comparison of Payment Standards to FMRs, and Market and Contract Rents

# Market and Contract Rent Comparison Findings

## Contract Rents

- HUD FMRs continue to sit higher than what market rents are showing
  - **HUD FMRs = Pierce County**
  - **Market Rents = THA region**
- **Payment Standards** overlap or exceed market rents around 2023+
- **New Contract Rents** are increasing more quickly than market rents
  - Possibly due to large increases in 2023+ FMRs (method changes)
  - Possibly also due to FMRs being higher than SAFMRs within key THA region zip codes
- **Convergent Risks**
  - Leading the Market
  - Less access and housing choice to High Opportunity Areas, housing equity

THA Contract Rents, CoStar Market, Payment Standards and HUD FMRs by Year, Quarter, and Number of Bedrooms



Unit Size	1						
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Payment Standards	HUD FMRs	80% FMR	120% FMR
2025							
Qtr 4	\$1,210			\$1,373			
Qtr 3	\$1,210		\$1,503	\$1,373	\$1,673	\$1,338	\$2,008
Qtr 2	\$1,210		\$1,495	\$1,373	\$1,673	\$1,338	\$2,008
Qtr 1	\$1,210		\$1,460	\$1,373	\$1,673	\$1,338	\$2,008
2024							
Qtr 4	\$1,210		\$1,436	\$1,373	\$1,673	\$1,338	\$2,008
Qtr 3	\$1,210	\$1,239	\$1,434	\$1,373	\$1,603		
Qtr 2	\$1,210	\$1,269	\$1,430	\$1,373	\$1,603		
Qtr 1	\$1,200	\$1,245	\$1,425	\$1,373	\$1,603		
2023							
Qtr 4	\$1,183	\$1,256	\$1,408	\$1,373	\$1,603		
Qtr 3	\$1,160	\$1,226	\$1,414	\$1,373	\$1,308		
Qtr 2	\$1,123	\$1,205	\$1,414	\$1,373	\$1,308		
Qtr 1	\$1,100	\$1,132	\$1,398	\$1,373	\$1,308		
2022							
Qtr 4	\$1,078	\$1,119	\$1,401	\$1,220	\$1,308		
Qtr 3	\$1,048	\$1,093	\$1,408	\$1,162	\$1,162		
Qtr 2	\$1,013	\$1,077	\$1,407	\$1,162	\$1,162		
Qtr 1	\$997	\$1,032	\$1,365	\$1,162	\$1,162		
2021							
Qtr 4	\$980	\$1,006	\$1,348	\$1,162	\$1,126		
Qtr 3	\$937	\$966	\$1,349	\$1,075	\$1,126		
Qtr 2	\$920	\$957	\$1,317	\$1,075	\$1,126		
Qtr 1	\$917	\$931	\$1,278	\$1,075	\$1,126		
2020							
Qtr 4	\$913	\$938	\$1,242	\$1,075	\$1,126		
Qtr 3	\$907	\$903	\$1,233	\$1,075	\$1,075		
Qtr 2	\$904	\$959	\$1,219	\$1,075	\$1,075		
Qtr 1	\$896	\$927	\$1,199	\$966	\$1,075		

BEDROOMS

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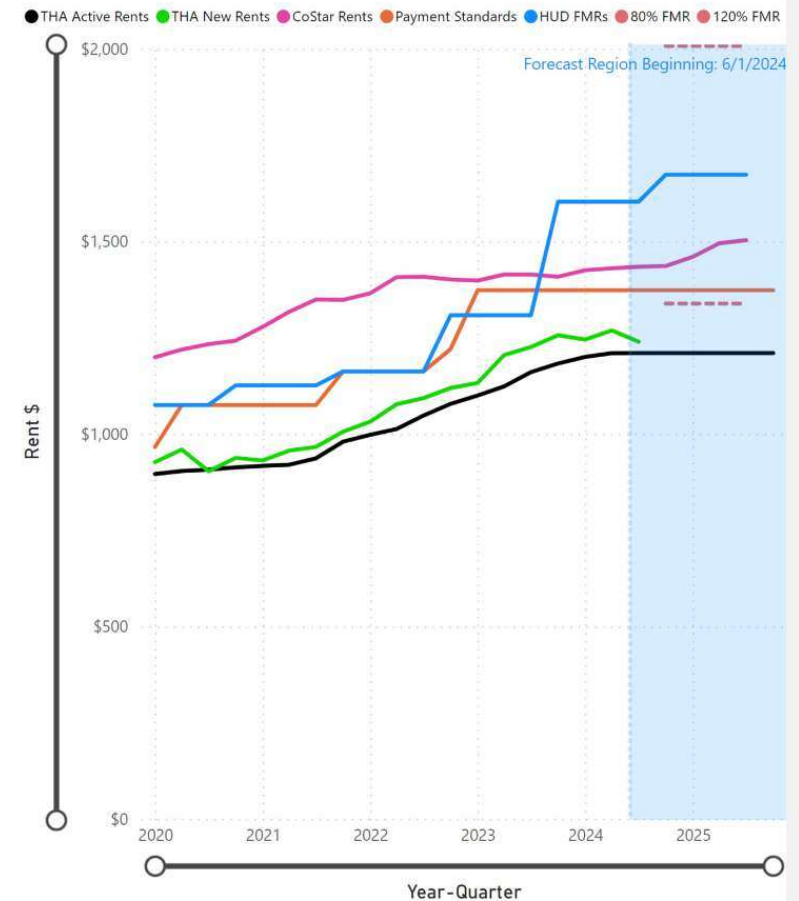
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THA Contract Rents, CoStar Market, Payment Standards and HUD FMRs by Year, Quarter, and Number of Bedrooms



Payment Standards (Standard), Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 1-Bedroom Units.

CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

Unit Size	2						
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Payment Standards	HUD FMRs	80% FMR	120% FMR
2025							
Qtr 4	\$1,487			\$1,725			
Qtr 3	\$1,487		\$1,810	\$1,725	\$2,057	\$1,646	\$2,468
Qtr 2	\$1,487		\$1,802	\$1,725	\$2,057	\$1,646	\$2,468
Qtr 1	\$1,487		\$1,757	\$1,725	\$2,057	\$1,646	\$2,468
2024							
Qtr 4	\$1,487		\$1,727	\$1,725	\$2,057	\$1,646	\$2,468
Qtr 3	\$1,487	\$1,658	\$1,721	\$1,725	\$1,987		
Qtr 2	\$1,487	\$1,544	\$1,726	\$1,725	\$1,987		
Qtr 1	\$1,478	\$1,530	\$1,706	\$1,725	\$1,987		
2023							
Qtr 4	\$1,457	\$1,524	\$1,681	\$1,725	\$1,987		
Qtr 3	\$1,433	\$1,490	\$1,698	\$1,725	\$1,643		
Qtr 2	\$1,378	\$1,462	\$1,696	\$1,725	\$1,643		
Qtr 1	\$1,351	\$1,413	\$1,679	\$1,725	\$1,643		
2022							
Qtr 4	\$1,324	\$1,382	\$1,681	\$1,558	\$1,643		
Qtr 3	\$1,294	\$1,325	\$1,700	\$1,484	\$1,484		
Qtr 2	\$1,253	\$1,280	\$1,698	\$1,484	\$1,484		
Qtr 1	\$1,233	\$1,282	\$1,658	\$1,484	\$1,484		
2021							
Qtr 4	\$1,216	\$1,224	\$1,629	\$1,484	\$1,484		
Qtr 3	\$1,170	\$1,194	\$1,629	\$1,408	\$1,461		
Qtr 2	\$1,147	\$1,193	\$1,595	\$1,408	\$1,461		
Qtr 1	\$1,142	\$1,176	\$1,529	\$1,408	\$1,461		
2020							
Qtr 4	\$1,136	\$1,179	\$1,490	\$1,408	\$1,461		
Qtr 3	\$1,129	\$1,176	\$1,475	\$1,408	\$1,408		
Qtr 2	\$1,119	\$1,169	\$1,445	\$1,408	\$1,408		
Qtr 1	\$1,104	\$1,155	\$1,425	\$1,265	\$1,408		

BEDROOMS

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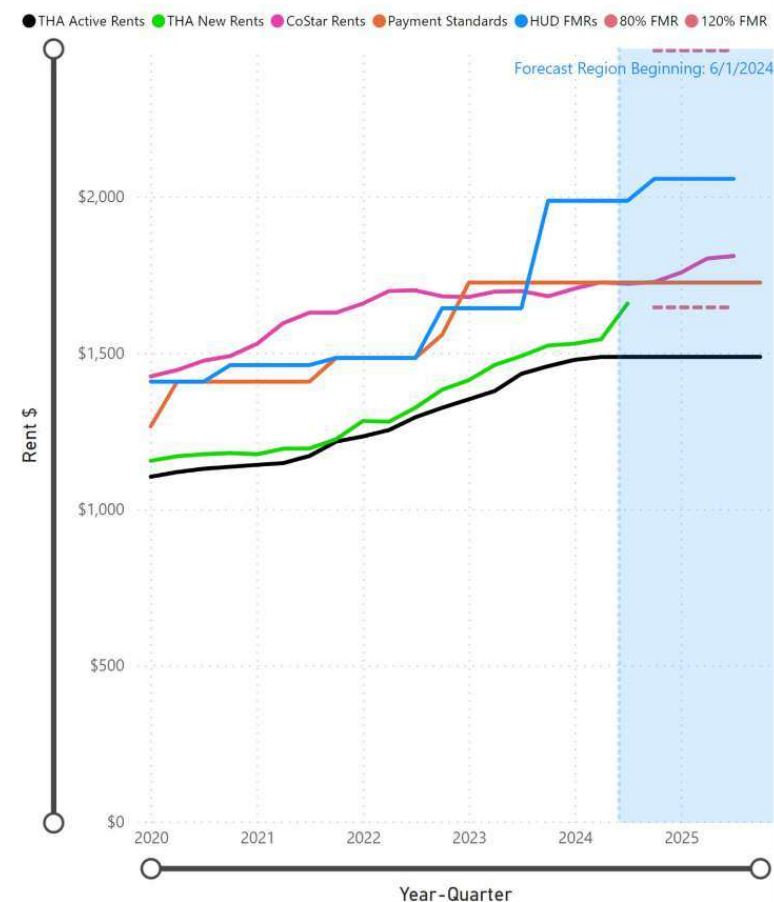
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THA Contract Rents, CoStar Market, Payment Standards and HUD FMRs by Year, Quarter, and Number of Bedrooms



Payment Standards (Standard), Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 2-Bedroom Units.

CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

Unit Size	3						
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Payment Standards	HUD FMRs	80% FMR	120% FMR
2025							
Qtr 4	\$1,988			\$2,452			
Qtr 3	\$1,988		\$2,293	\$2,452	\$2,882	\$2,306	\$3,458
Qtr 2	\$1,988		\$2,290	\$2,452	\$2,882	\$2,306	\$3,458
Qtr 1	\$1,988		\$2,226	\$2,452	\$2,882	\$2,306	\$3,458
2024							
Qtr 4	\$1,988		\$2,184	\$2,452	\$2,882	\$2,306	\$3,458
Qtr 3	\$1,988		\$2,185	\$2,452	\$2,800		
Qtr 2	\$1,988	\$2,119	\$2,206	\$2,452	\$2,800		
Qtr 1	\$1,976	\$2,055	\$2,165	\$2,452	\$2,800		
2023							
Qtr 4	\$1,935	\$2,042	\$2,132	\$2,452	\$2,800		
Qtr 3	\$1,901	\$1,951	\$2,136	\$2,452	\$2,335		
Qtr 2	\$1,849	\$1,982	\$2,146	\$2,452	\$2,335		
Qtr 1	\$1,793	\$1,875	\$2,163	\$2,452	\$2,335		
2022							
Qtr 4	\$1,749	\$1,841	\$2,139	\$2,171	\$2,335		
Qtr 3	\$1,703	\$1,783	\$2,148	\$2,108	\$2,108		
Qtr 2	\$1,656	\$1,722	\$2,163	\$2,108	\$2,108		
Qtr 1	\$1,613	\$1,709	\$2,063	\$2,108	\$2,108		
2021							
Qtr 4	\$1,574	\$1,661	\$2,007	\$2,108	\$2,108		
Qtr 3	\$1,530	\$1,591	\$2,028	\$2,031	\$2,091		
Qtr 2	\$1,499	\$1,569	\$1,991	\$2,031	\$2,091		
Qtr 1	\$1,497	\$1,553	\$1,920	\$2,031	\$2,091		
2020							
Qtr 4	\$1,487	\$1,557	\$1,853	\$2,031	\$2,091		
Qtr 3	\$1,470	\$1,527	\$1,818	\$2,031	\$2,031		
Qtr 2	\$1,453	\$1,498	\$1,790	\$2,031	\$2,031		
Qtr 1	\$1,438	\$1,500	\$1,771	\$1,829	\$2,031		

BEDROOMS

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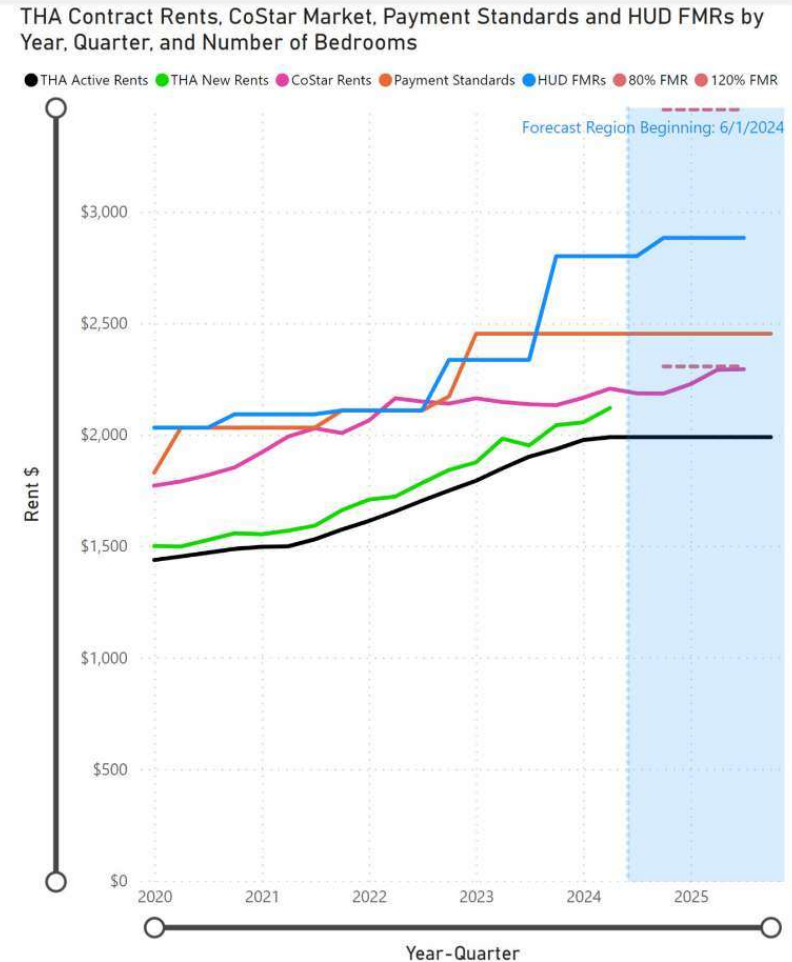
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Payment Standards (Standard), Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 3-Bedroom Units. CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

Unit Size	1							
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Exception Payment Standards	HUD FMRs	80% FMR	120% FMR	
2025								
Qtr 4	\$1,236			\$1,570				
Qtr 3	\$1,236		\$1,503	\$1,570	\$1,673	\$1,338	\$2,008	
Qtr 2	\$1,236		\$1,495	\$1,570	\$1,673	\$1,338	\$2,008	
Qtr 1	\$1,236		\$1,460	\$1,570	\$1,673	\$1,338	\$2,008	
2024								
Qtr 4	\$1,236		\$1,436	\$1,570	\$1,673	\$1,338	\$2,008	
Qtr 3	\$1,236		\$1,434	\$1,570	\$1,603			
Qtr 2	\$1,236	\$1,252	\$1,430	\$1,570	\$1,603			
Qtr 1	\$1,225	\$1,266	\$1,425	\$1,570	\$1,603			
2023								
Qtr 4	\$1,209	\$1,281	\$1,408	\$1,570	\$1,603			
Qtr 3	\$1,197	\$1,204	\$1,414	\$1,570	\$1,308			
Qtr 2	\$1,164	\$1,287	\$1,414	\$1,570	\$1,308			
Qtr 1	\$1,129	\$1,211	\$1,398	\$1,570	\$1,308			
2022								
Qtr 4	\$1,109	\$1,197	\$1,401	\$1,394	\$1,308			
Qtr 3	\$1,074	\$1,134	\$1,408	\$1,162	\$1,162			
Qtr 2	\$1,039	\$1,094	\$1,407	\$1,162	\$1,162			
Qtr 1	\$1,016	\$1,058	\$1,365	\$1,162	\$1,162			
2021								
Qtr 4	\$994	\$1,033	\$1,348	\$1,162	\$1,126			
Qtr 3	\$948	\$962	\$1,349	\$1,075	\$1,126			
Qtr 2	\$912	\$938	\$1,317	\$1,075	\$1,126			
Qtr 1	\$901	\$963	\$1,278	\$1,075	\$1,126			
2020								
Qtr 4	\$900	\$954	\$1,242	\$1,075	\$1,126			
Qtr 3	\$901	\$898	\$1,233	\$1,075	\$1,075			
Qtr 2	\$903	\$919	\$1,219	\$1,075	\$1,075			
Qtr 1	\$889	\$902	\$1,199	\$966	\$1,075			

BEDROOMS

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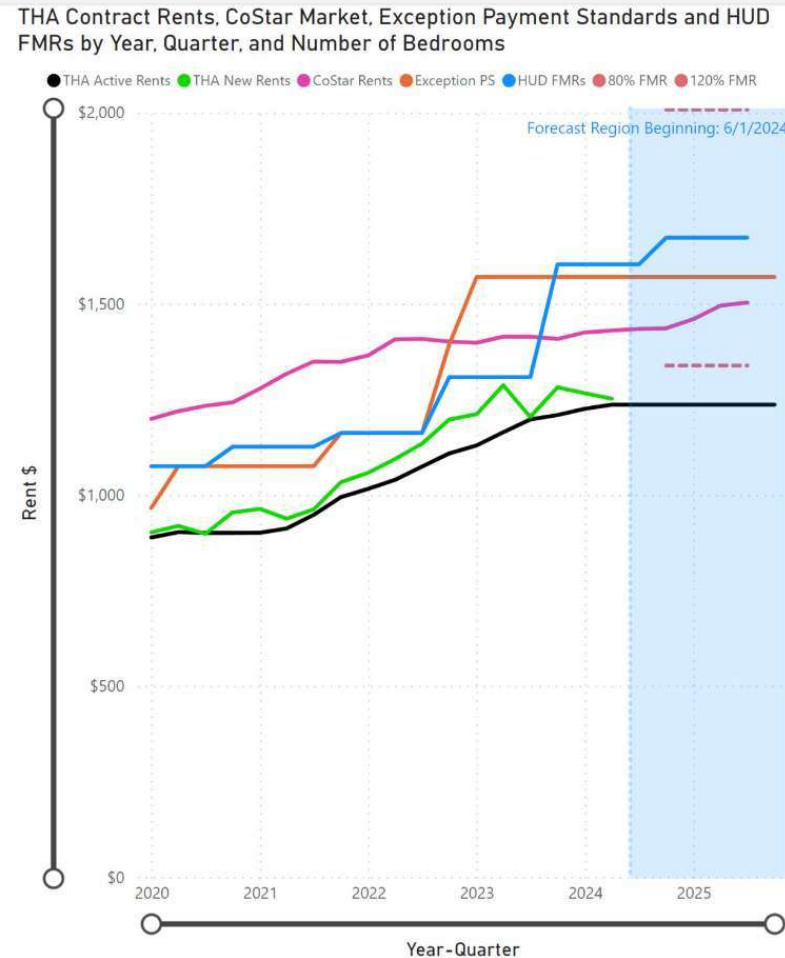
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Exception Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 1-Bedroom Units. *CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.*

Unit Size	2						
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Exception Payment Standards	HUD FMRs	80% FMR	120% FMR
2025							
Qtr 4	\$1,556			\$1,972			
Qtr 3	\$1,556		\$1,810	\$1,972	\$2,057	\$1,646	\$2,468
Qtr 2	\$1,556		\$1,802	\$1,972	\$2,057	\$1,646	\$2,468
Qtr 1	\$1,556		\$1,757	\$1,972	\$2,057	\$1,646	\$2,468
2024							
Qtr 4	\$1,556		\$1,727	\$1,972	\$2,057	\$1,646	\$2,468
Qtr 3	\$1,556		\$1,721	\$1,972	\$1,987		
Qtr 2	\$1,556	\$1,626	\$1,726	\$1,972	\$1,987		
Qtr 1	\$1,551	\$1,583	\$1,706	\$1,972	\$1,987		
2023							
Qtr 4	\$1,539	\$1,550	\$1,681	\$1,972	\$1,987		
Qtr 3	\$1,527	\$1,542	\$1,698	\$1,972	\$1,643		
Qtr 2	\$1,483	\$1,535	\$1,696	\$1,972	\$1,643		
Qtr 1	\$1,437	\$1,480	\$1,679	\$1,972	\$1,643		
2022							
Qtr 4	\$1,386	\$1,450	\$1,681	\$1,781	\$1,643		
Qtr 3	\$1,360	\$1,394	\$1,700	\$1,484	\$1,484		
Qtr 2	\$1,317	\$1,397	\$1,698	\$1,484	\$1,484		
Qtr 1	\$1,280	\$1,357	\$1,658	\$1,484	\$1,484		
2021							
Qtr 4	\$1,190	\$1,245	\$1,629	\$1,484	\$1,484		
Qtr 3	\$1,143	\$1,250	\$1,629	\$1,408	\$1,461		
Qtr 2	\$1,109	\$1,128	\$1,595	\$1,408	\$1,461		
Qtr 1	\$1,125	\$1,093	\$1,529	\$1,408	\$1,461		
2020							
Qtr 4	\$1,113	\$1,120	\$1,490	\$1,408	\$1,461		
Qtr 3	\$1,114	\$1,186	\$1,475	\$1,408	\$1,408		
Qtr 2	\$1,112	\$1,044	\$1,445	\$1,408	\$1,408		
Qtr 1	\$1,118	\$1,095	\$1,425	\$1,265	\$1,408		

BEDROOMS

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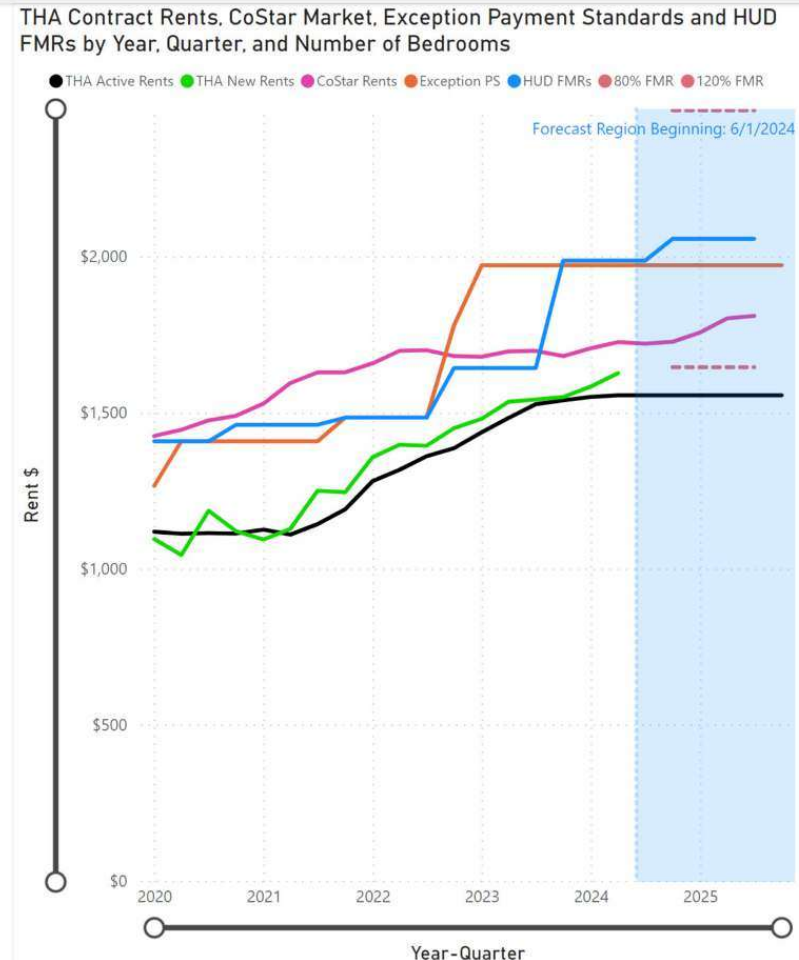
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Exception Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 2-Bedroom Units. CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

Unit Size	3						
Year	THA Active Contract Rents	THA New Contract Rents	CoStar Market Rents	Exception Payment Standards	HUD FMRs	80% FMR	120% FMR
2025							
Qtr 4	\$2,070			\$2,802			
Qtr 3	\$2,070		\$2,293	\$2,802	\$2,882	\$2,306	\$3,458
Qtr 2	\$2,070		\$2,290	\$2,802	\$2,882	\$2,306	\$3,458
Qtr 1	\$2,070		\$2,226	\$2,802	\$2,882	\$2,306	\$3,458
2024							
Qtr 4	\$2,070		\$2,184	\$2,802	\$2,882	\$2,306	\$3,458
Qtr 3	\$2,070		\$2,185	\$2,802	\$2,800		
Qtr 2	\$2,070	\$2,300	\$2,206	\$2,802	\$2,800		
Qtr 1	\$2,079	\$2,036	\$2,165	\$2,802	\$2,800		
2023							
Qtr 4	\$2,083	\$2,229	\$2,132	\$2,802	\$2,800		
Qtr 3	\$2,053	\$2,030	\$2,136	\$2,802	\$2,335		
Qtr 2	\$2,051	\$2,167	\$2,146	\$2,802	\$2,335		
Qtr 1	\$2,028	\$2,266	\$2,163	\$2,802	\$2,335		
2022							
Qtr 4	\$1,916	\$1,896	\$2,139	\$2,530	\$2,335		
Qtr 3	\$1,894	\$1,958	\$2,148	\$2,108	\$2,108		
Qtr 2	\$1,854	\$1,878	\$2,163	\$2,108	\$2,108		
Qtr 1	\$1,788	\$1,904	\$2,063	\$2,108	\$2,108		
2021							
Qtr 4	\$1,611	\$1,859	\$2,007	\$2,108	\$2,108		
Qtr 3	\$1,560		\$2,028	\$2,031	\$2,091		
Qtr 2	\$1,533		\$1,991	\$2,031	\$2,091		
Qtr 1	\$1,533	\$1,585	\$1,920	\$2,031	\$2,091		
2020							
Qtr 4	\$1,560		\$1,853	\$2,031	\$2,091		
Qtr 3	\$1,560	\$1,095	\$1,818	\$2,031	\$2,031		
Qtr 2	\$1,467	\$1,745	\$1,790	\$2,031	\$2,031		
Qtr 1	\$1,309	\$1,461	\$1,771	\$1,829	\$2,031		

BEDROOMS

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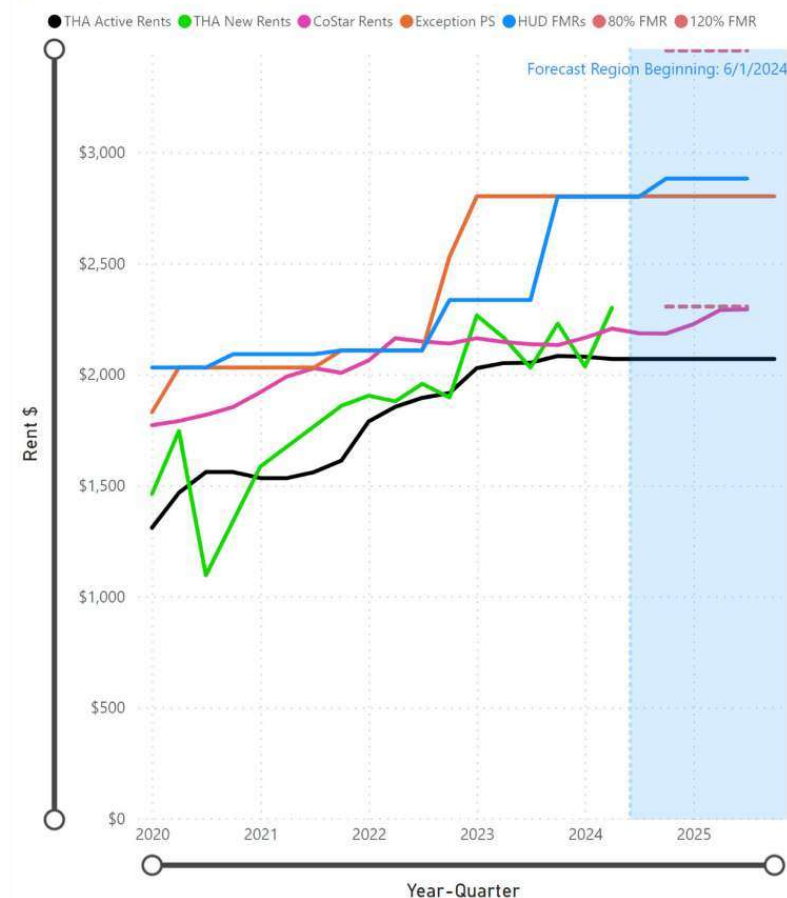
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THA Contract Rents, CoStar Market, Exception Payment Standards and HUD FMRs by Year, Quarter, and Number of Bedrooms

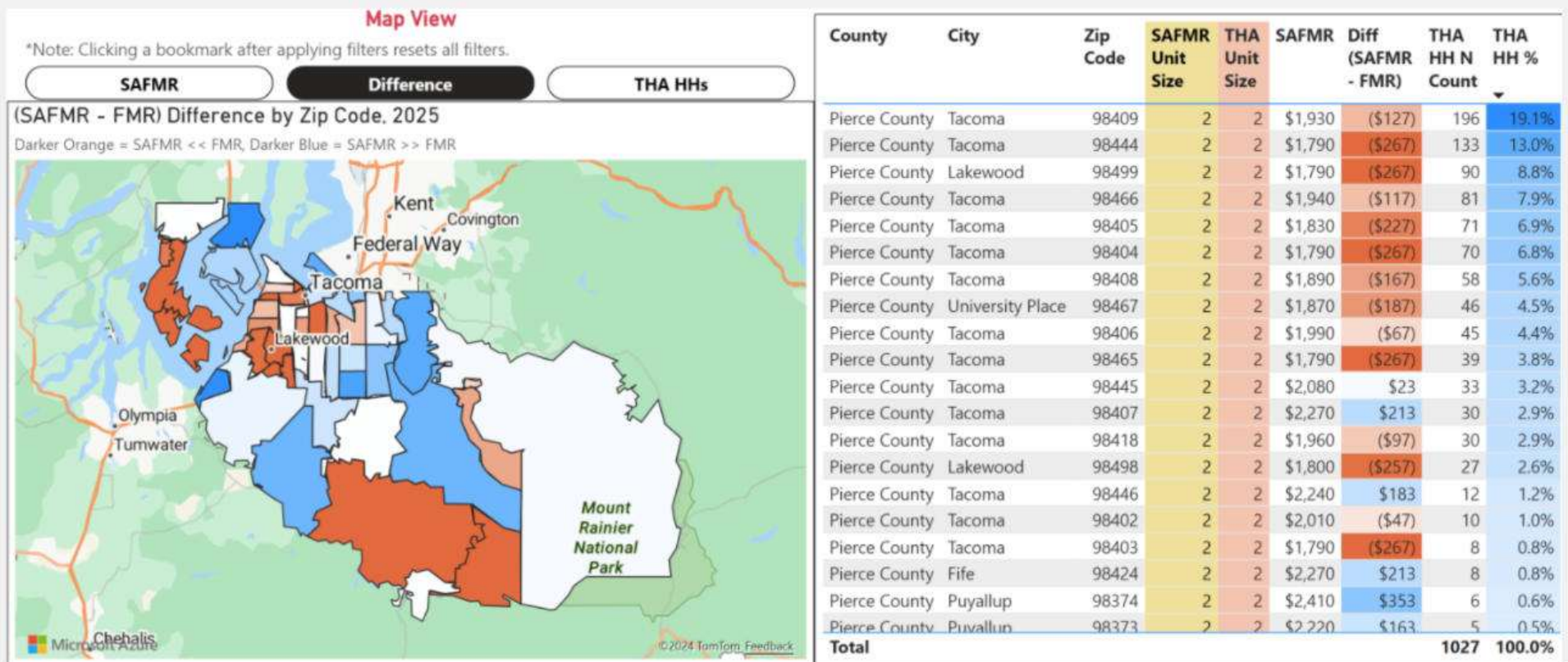


Exception Payment Standards, Fair Market Rents, THA Contract Rents, compared with Average Market Rents, 2020-2025. 3-Bedroom Units. CoStar current limitation is Multi-Family properties, so data does not capture the current market reality for larger numbers of bedrooms four and above mainly residing in single-family dwellings.

A blue circular graphic with a gradient, centered on the left side of the slide.

# Appendix #4

## Future Considerations: Small Area FMRs



### Comparison of 2-bedroom FMRs to HUD's Small Area FMRs w/ Percentage of THA families in that area.

We see a wide difference in many zip code areas in Tacoma/Pierce County indicating the potential need to explore using SAFMRs to better serve the diverse markets in our area.

December 3, 2024

Tacoma Housing Authority

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