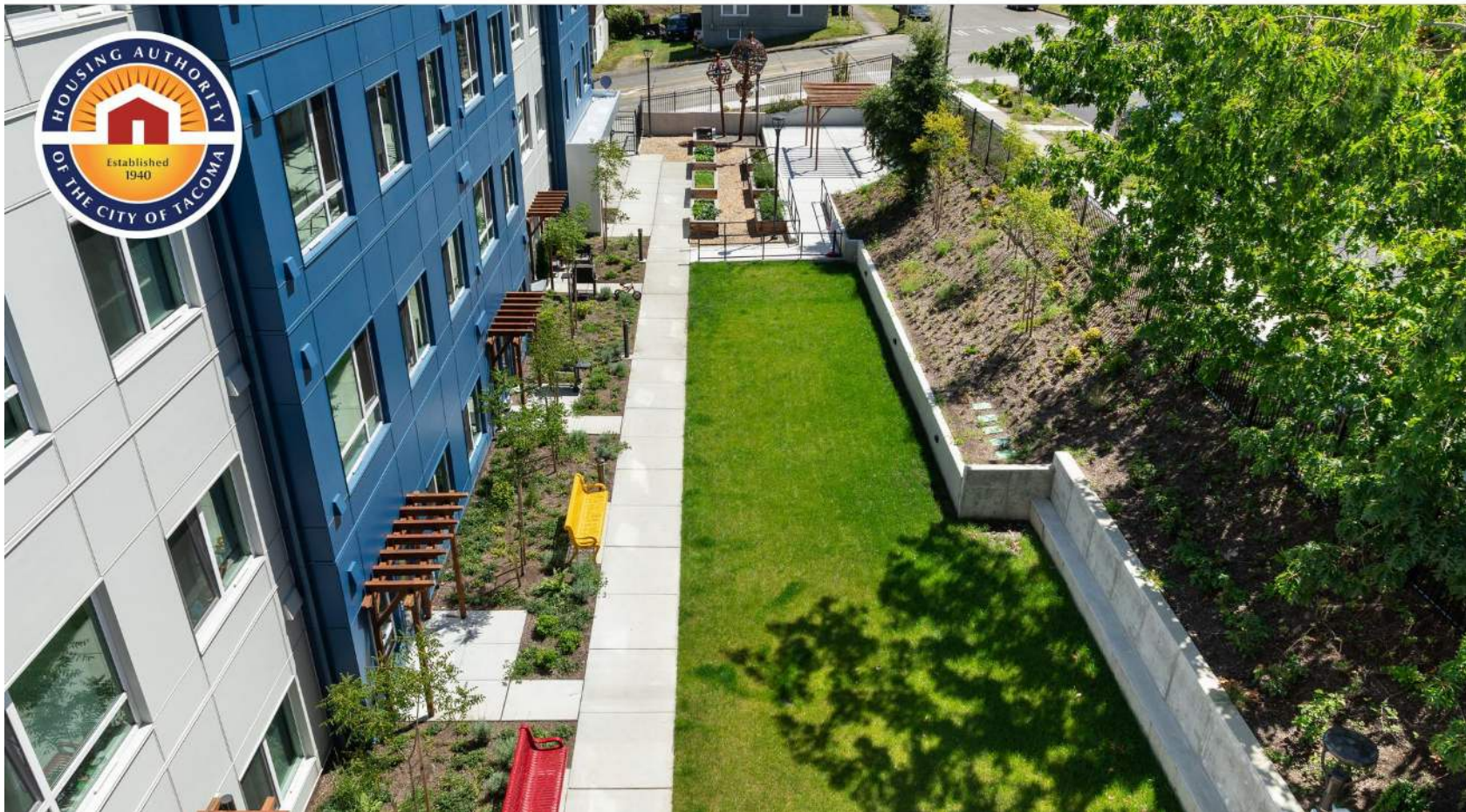


# Tacoma Housing Authority MOVING TO WORK REPORT 2023

Submitted by: March 31, 2024



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# Section I: Introduction and Overview

*This report covers January 1, 2023, through December 31, 2023.*

In 2023, the Tacoma Housing Authority (THA) leveraged our MTW flexibility to respond locally to emerging challenges in the housing market and external environment. At the time the 2023 MTW Plan was submitted, inflation was at an all-time high and wages for low-income households could barely keep pace with rising rents. Fortunately, in 2022, the agency made the decision to increase its payment standards to reflect the soaring cost of rent and extremely competitive housing market for low-income renters. In 2023, across two payment standard analyses and amid a changing housing market landscape, we finally saw rent burdens for THA households start to decrease. This was not due to one sole solution, however; it was a combination of consistent evaluation of our programs and subsidies, creativity in our community and landlord partnerships, increased housing navigation support, and staff commitment to the households we serve. Our data showed improvements in lease-up rates, as 67% of issued vouchers were being utilized by year-end and the average time to find a unit dropped from 90 days in 2022 to 68 days in 2023. We also saw reductions in households spending more than 40% of their incomes on rent, due in part to the lasting impact of THA's decision to eliminate Housing Opportunity Program (HOP) subsidies in 2022 to focus on stabilizing households in their current housing situations.

MTW also positioned THA to respond to multiple unforeseen, critical events during the year. We quickly responded to a devastating act of vandalism at the Rise, a 64-unit complex that provides housing for homeless individuals and small families, people with disabilities, and other low-income households. The water damage affected and displaced dozens of residents and THA staff spent countless hours responding to the incident and working closely with households and community partners to provide relocation assistance. Community groups, elected officials, local businesses, and individuals came together to lend their support alongside THA and \$60,000 in grant funds were received to support displaced residents. In 2023, THA also saw much higher attrition rates in its HCV Program, and in THA's portfolio, staff needed to respond to households that defaulted in COVID-repayment agreements.

Through it all, THA was still able to find some wins and affect positive impact towards its mission, such as opening our waitlist to all household sizes for the first time since 2015. The waitlist opening led to the use of many technological advancements to reach more vulnerable households and brought some key opportunities to improve waitlist management in the future. THA also saw the construction commence for Housing Hilltop, one of THA's largest developments in decades, which will bring 231 new affordable housing units and 13,000 square feet of commercial space to the Hilltop neighborhood in 2024. Finally, THA's Client Support and Empowerment department continued to be a reliable source of support for THA's voucher holders and residents. Staff worked tirelessly to connect households with eviction prevention resources, administer weekly programming, and refine THA's Two Generational (2Gen) Program, THA's successful cross-sector multi-generational mentorship program.

THA's resiliency and success are not defined by the outputs achieved in a year; rather, it's a years-in-the-making formula due to a multitude of factors with compassionate THA staff and leadership, creative programming, and the ability to adapt and pivot quickly thanks to THA's MTW flexibility. Our MTW flexibility kept us focused on our core mission of housing low-income Tacomans and increasing the number of affordable housing units while expanding partnerships to ensure housing stability for the most vulnerable households across the region.



# LONG TERM GOALS & OBJECTIVES

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

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

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

- Between 2023 and 2028, add at least 500 new units of affordable housing through development or partnerships.
- Between 2023 and 2028, add at least 200 housing units that can be prioritized for voucher holders through THA acquisition and partnerships.
- Rehabilitate and or refinance at least 100 units of existing housing to improve quality of life for tenants and long-term viability of the property.
- Improve financial performance of properties.
- Reduce the number of insurance claims and lower THA's exposure.
- By the end of 2024, develop a process or program for THA customers to purchase homes.

## INCREASE AND MAINTAIN HOUSING ACCESS & STABILITY

- By the end of 2025, achieve a 98% occupancy rate or higher in THA's managed portfolio.
- Maintain THA's MTW requirement to serve substantially the same number of customers.
- By 2028, decrease the number of households on THA programs paying more than 40% of their income for housing to no more than 25%.
- By 2025, increase the percentage of households able to secure housing with a voucher from 55% to 60%.
- By 2025, create comprehensive data systems that connects the organization and better manages data, enabling us to make data-driven decisions and continually improve operations and programs.
- By the end of 2024, identify resident/service provider needs and options with capacity to support residents at Housing Hilltop.

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

- By 2025, increase the percentage (by number and dollars) of minority and women-owned businesses receiving contracts or direct purchase requisitions with THA and/or on projects paid for with THA funds.
- By 2026, review THA policies and practices related to housing, procurement, and employment and revise them to make them more inclusive and equitable.
- In the next year, develop goals related to the use of Universal Design.
- THA will conduct an organizational and Board DEI audit using an audit mechanism agreed upon by the DEIB Steering Committee, THA Leadership Team, and THA Board.

## **MAKE THA A GREAT PLACE TO WORK**

- By 2025, develop and implement formal and informal strategies for measuring staff satisfaction and publish baseline data.
- By 2026, fully develop onboarding process for staff at all levels of the agency.
- Increase THA retention from 79% to 85%.
- Increase the number of THA residents and low-income hired into THA jobs.
- All full-time THA staff will earn a housing wage. (Housing wage is defined on the amount someone would need to earn to afford to rent a 2-bedroom unit. Data on this wage is published annually by the Washington Low Income Housing Alliance.)
- The racial, ethnic, and gender diversity of THA's customers will be reflected in its staff.

# SHORT TERM GOALS & OBJECTIVES

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

In 2023, THA focused on projects that were financially feasible and/or can be accomplished with partners: placing project-based vouchers in existing housing deemed unaffordable to low-income households; driving towards on-time and on budget completion of Housing Hilltop; identifying partners to build housing at Aviva Crossing; and identifying partners to build housing at Hillsdale Heights. By year-end 2023, 385 units were fully funded and expected to be online before 2028 and 28 project-based voucher units were added. THA ended the year with Housing Hilltop, one of THA's largest affordable housing developments in 20 years, scheduled to be completed on time, bringing 231 units online in 2024. THA also ended the program year with plans to add 75 affordable housing units through a new Property Based Subsidy agreement with People's Senior Living to make housing accessible and affordable to low-income households in assisted living.

## **Increase Housing Access & Stability**

THA's robust landlord engagement partnerships, housing navigation, supportive services, and community building activities offer successful examples of how THA worked to increase housing access and stability over the last year. In 2023, the agency sought to further this goal by seeking to increase the percent of households able to secure housing with a voucher from 55% to 60%. THA added a housing navigation specialist, continued its landlord engagement activities, and continued to offer security deposit assistance. By year-end 2023, 67% of total voucher households were successful in securing housing and the average time to lease a unit was 63 days, an improvement from 90 days in 2022. Additionally, 69% of THA households were paying 30% or less of their income towards rent.

## **Embed Principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's Programs, Culture & Priorities**

THA seeks to increase the number of disadvantaged business enterprises, including minority and women-owned businesses (MWBE) receiving contracts with THA and/or on projects paid for with THA funds. THA also seeks to hire more residents and low-income Tacomans in its current positions and contract opportunities. In 2023, THA sought to prioritize MWBE contractors in construction projects. To date, THA centralized contracting to streamline the ease of contracting with THA and staff are currently building out data collection tools to assist reporting on this metric. In 2023, THA also hired its first DEIB Strategic Advisor to work alongside THA's staff and leadership to help strengthen THA's culture into one of diversity, equity, inclusion, and belonging. By year-end 2023, THA completed an audit of THA's website for accessibility with plans established in 2024 to complete additional audits related to Universal Design.

## **Make THA a Great Place to Work**

In 2023, THA's HR department analyzed staff compensation and pay equity and completed two staff satisfaction surveys. Staff and leadership continued to examine THA's data on staff retention and assessing demographics within those outcomes. By year-end, THA achieved its goal of increasing agency staff retention from 79% to 85% and ensured all staff were paid a housing wage or greater. Finally, THA made substantial progress developing its comprehensive data system that better connects the organization and manages administrative data, enabling the agency to make data-driven decisions and continually improve operations and programs. THA anticipates the new data system will be live 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. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

Property Name	Number of Vouchers Newly Project-Based		RAD?	Description of Project
	Planned*	Actual		
N/A	N/A	N/A	N/A	N/A

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

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

N/A
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## Actual Existing Project Based Vouchers

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

	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	147	154	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	8	Leased/Issued	No	THA Family Housing
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

	Number of Project-Based Vouchers				
PROPERTY NAME	Planned*	Actual	STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
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.	18	36	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	23	Leased/Issued	No	MDC transitional family housing
Rialto Apts.	52	50	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	30	30	Leased/Issued	No	3rd party PBV VASH

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

	Number of Project-Based Vouchers				
PROPERTY NAME	Planned*	Actual	STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
	1,876 <sup>2</sup>	1,886	Planned/Actual Total Existing Project-Based Vouchers		

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

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

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

N/A

### 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. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.
THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This left THA with 719 public housing units available for use under Faircloth. THA continued to explore ways to place Public Housing Faircloth units in new acquisitions and new developments.

<sup>2</sup> Note: there was a calculation error in the 2023 MTW Plan and this projected number should have totaled to 1,876, not 1,818 as what was published in the 2023 MTW Plan under the “Planned Total Existing Project-Based Vouchers” row. Additionally, THA originally included in its 2023 MTW Plan the commitment of 13 PBVs to Exley / St. Helens for people exiting the criminal justice system (formerly known as DOC CHAP). The project did not move any further in 2023 so THA removed those units from the table, as the units do not fall under the “Committed” or “Leased/Issued” response categories.

## 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 units under the RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA received minimal Capital funds in 2023, yet had funds carried over from 2023 that were reflected in the budget and transferred to Operations.



# 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>3</sup>

Number of Households Served Through	Number of Units Months Occupied/Leased*		Number of Households Served **	
	Planned^^	Actual	Planned^^	Actual
MTW Public Housing Units Leased	60	60	5	5
MTW Housing Choice Vouchers (HCV) Utilized	48,890	47,595	4,074	3,966
Local, Non-Traditional: Tenant-Based ^	1,699	901	142	75
Local, Non-Traditional: Property-Based ^	4,224	4,291	352	358
Local, Non-Traditional: Homeownership^	0	0	0	0
<b>Planned/Actual Totals</b>	<b>54,873</b>	<b>52,847</b>	<b>4,573</b>	<b>4,404</b>

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<sup>3</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.

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

**LNT: Tenant-Based** – LNT: Tenant-Based – The planned number of tenant-based LNT households served prediction was based on information available at the time of analysis. RRH funds were being used to serve households at much higher volumes at the time of the 2023 MTW Plan analysis, summer 2022, as opposed to actual utilization in the program year. Because THA's LNT funding for RRH is braided with several other federal, state, and local funding sources administered by the county, lower levels of funding due to time-limited programs such as ESG-CV had inadvertent impacts on the total number of households served across Pierce County's RRH programs. Additionally, unexpected challenges due to the difficult leasing environment for low-income households and lower budget utilization for newer housing agencies played factors to lower-than-anticipated utilization in 2023. The subrecipient has developed multiple strategies to work with housing and service providers to monitor utilization and mitigate these barriers.

**LNT: Property-Based** – THA exceeded its planned estimate. THA staff monitor utilization rates per quarter to ensure PBS units are leased consistently and per the terms of THA's contracts with properties. THA included the utilization of its 21 Market Rate Bay Terrace II units, which originated with Local-Non-Traditional MTW development funds.

**MTW HCV** – The resulting economic impacts from the tightening rental market and increasing program attrition in THA's HCV Program have made leasing up in this current climate extremely difficult; however, THA completed its payment standards analysis in Fall 2023 to ensure its payment standards continue to reflect current housing market trends, which they do. Additionally, in 2023, THA continued to utilize housing navigators and expand its landlord partnerships to assist voucher households who face greater barriers on the private housing market. By year-end 2023, 67% of issued vouchers were being utilized which exceeded THA's agency goal to increase percent of households able to secure housing with a voucher from 55% to 60%. Additionally, the average time to find a unit has dropped from 90 days in 2022 to 68 days in 2023. Since 2018, THA received approval by HUD to adopt a utilization target of 95% (95% Substantially the Same baseline) to account for THA's funding and market challenges.<sup>4</sup>

For THA's managed portfolio, THA has an agency-wide goal to achieve a 98% occupancy rate or higher. THA ended 2023 with a 92% occupancy rate in its portfolio. Staff are closely monitoring occupancy rates and working on revising policies related to unit turns, transfers, and how to resolve over-housing to increase occupancy rates.

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<sup>4</sup> For more details, please reference THA's 2018 MTW Plan and BOC Resolution 2018-02-28.

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	1,699 <sup>5</sup>	901	142	75
Property-Based	Creation & Preservation of Affordable Housing/16	4,224	4,291	352	358
Homeownership	N/A	0	0	0	0

**Planned/Actual Totals**

<b>5,923</b>	<b>5,192</b>	<b>494</b>	<b>433</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
-	0	0

<sup>5</sup> Under HUD approval, THA includes LNT: Tenant-Based households six months post-participation. See Activity 15 for further details.

# 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
THA Consolidated Waitlist	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	1,592	Closed	Yes

**Please describe any duplication of applicants across waiting lists:** No duplication across 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 opened its waitlist to serve all household sizes in 2023, the first time since 2015. The waitlist opened on April 3, 2023, and closed April 17, 2023. From the 2023 waitlist opening process, THA identified lessons learned to make improvements to the waitlist opening and outreach process to be more responsive to the households we serve. These improvements include providing public notice of the waitlist opening by utilizing digital advertising, social media, and search engine optimization (SEO) strategies. By late 2023, THA staff started exploring ways to redesign its centralized waitlist altogether to be more reflective of the community’s housing needs. THA anticipates these changes will be finalized in 2024.

# Information on Statutory Objectives and Requirements

## 75% of Families Assisted Are Very Low Income

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

Income Level	Number of Local, Non-Traditional Households Admitted in the Plan Year
Above 80% Area Median Income	0
80%-50% Area Median Income	6
49%-30% Area Median Income	21
Below 30% Area Median Income	173
<b>Total Local, Non-Traditional Households Admitted</b>	<b>200</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	BASELINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	42.58%	2,279	50.49%	7.91%
2 Person	19.77%	834	18.48%	-1.29%
3 Person	15.62%	585	12.96%	-2.66%
4 Person	10.58%	342	7.58%	-3.00%
5 Person	6.60%	241	5.34%	-1.26%
6+ Person	4.85%	233	5.16%	0.31%
TOTAL	100%	4,514 <sup>6</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>6</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. When THA opened its waitlist in 2023, the first time THA opened its waitlist for all household sizes since 2015, we found 41.8% of all applicants (6,482 out of 15,494 applicants) were part of 1-person households. The next highest household type by size consisted of 2-person households (22.6%, or 3,496 out of 15,494 applicants). The demand is so high that, by year-end 2023, THA sought to focus adding non-set-aside 1-BR units as part of its agency goals to increase the amount of available housing for low-income households.

## 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	21	Exited or graduated with market rent burden <=50%
Regional Approach to Special Purpose Housing/15	2	Exited or graduated with market rent burden <=50%
Housing Opportunity Program/17	8	Exited or graduated with market rent burden <=50%
Modify the FSS Program/19	2	Exited or graduated with market rent burden <=50%
	2	<i>(Households Duplicated Across MTW Activities)</i>
	<b>31</b>	<b>Total Households Transitioned to Self Sufficiency</b>

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

## Section III. Proposed MTW Activities

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

## Section IV. Approved MTW Activities

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

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

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

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

**Update:** This activity was not used in 2023.

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

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

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

### 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 20% cap on project-based voucher for THA developments**  
Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project-based Vouchers. HUD approved the exclusion of THA's portfolio units from being counted towards the 20% cap and THA expanded this flexibility across all PBVs to remove complex tracking whether we are falling above or below the 20% threshold. In addition, PHAs are limited to project-basing up to 25 percent (25%) of units in a single development. In 2018, THA modified the activity by waiving the per project cap for projects, including those not owned by THA. Removing both limitations would enable THA to be more flexible with our funding for development projects & provide more deeply affordable units to low-income households.
- **Established a reasonable competitive process and contract terms for PBV assistance**  
THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
- **In-house Housing Quality Standards (HQS) inspections**  
THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.
- **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 targeted for special populations, such as those exiting the criminal justice system, homelessness, or the foster care system.

**Impact:** 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 HQS inspections. THA takes pride in its in 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 the community partners.

**Update:** There were no updates to this activity in 2023. It should be noted that the number of inspections completed in 2023, 1,724 inspections, is significantly higher than the inspections completed over the last three years. Beginning in 2022, staff conducted inspections again at pre-pandemic levels, since inspections during the COVID-19 pandemic were limited to occurring at initial and turnover inspections. THA staff continued this upward trend with inspections during the program year.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease). Cost of in-house PBV inspections compared to third party.	\$49,560	\$39,648 (20% decrease)	\$59,702	Not Met

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

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:**

CE #2: Staff Time Savings – This metric has been removed. THA uses its MTW flexibility to conduct in-house inspections for PBV units for cost savings and quality control. There are no time savings by conducting in-house inspections.

CE#1: Agency Cost Savings – Starting in 2021, THA updated the baseline based on a third-party invoice for annual inspection reviews. THA applied the costs to conduct each annual HQS inspection to the number of PBV inspections completed by THA in 2021. The invoice does not include charges for administrative or other miscellaneous tasks to come to an “apples-to-apples” comparison. Previously the baseline was the cost of PBV inspections from the initial implementation of this activity in 2012. The number of PBV units in THA’s portfolio has increased significantly since implementation. THA compares the costs to conduct the same inspections in the given year by a third party to costs of conducting inspections in-house. THA hopes to achieve a 20% savings by conducting in-house inspections which determines the benchmark.

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

**Challenges in Achieving Benchmarks and Possible Strategies:** THA did not achieve its targeted benchmark in the reporting year, likely due to the significant number of inspections completed in 2023, continuing the upward trend of inspections completed beginning 2022 as a result of THA’s alternate inspections policies during COVID-19, which limited inspections from 2020-2021.

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

THA's hardship policy for MTW-HCV households states that households may submit a written request for a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW elderly/disabled households they must meet one of the following requirements: (1) income changes will require household to pay more than 40% of their income as rent; or (2) household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for households who income-qualified for a hardship to receive one. Beginning 2021, THA has revised its hardship policy to remove the third-party documentation requirements.

**Impact:** This activity has allowed THA to reduce some of the administrative workload for THA Housing Specialists. The program is overall easier to administer for both staff and THA clients.

**Update:** At the end of 2023, **959** fixed income households were subject to the MTW tiered rents (and minimum rent) and triennial recertification cycle outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and triennial recertifications.

2023 staff costs include salaries and benefits. One reason for the variance from the benchmark is increased staffing costs since 2012. Although we are including an estimate of staff costs used to process this task, it does not equate to real cost savings as THA has not reduced staffing as a result of the changes.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total cost of task in dollars (decrease).</b>	\$23,730 cost to complete all elderly/disabled certifications FY 2021 impacted by this activity	\$15,899 (33% decrease from baseline)	\$7,482 in staff costs related to processing fixed income reviews.	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total time to complete the task in staff hours (decrease).</b>	856 hours to complete all elderly/disabled certifications impacted by this activity	573 hours (33% decrease)	220 hours spent completing fixed income reviews	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total Household contribution towards housing assistance (increase). Average monthly tenant share.</b>	\$0	\$286	\$294 average monthly tenant share	Met

**Hardships:** No hardships were requested in 2023 because of this activity.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** THA made changes to its baseline and benchmarks for both CE#1 and CE#2. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 33% since Housing Specialists are now conducting a third of recertifications each year due to this activity.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

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

## 6. Local Policy for Work-Able Households (HCV/PH)

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

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

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

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.

**Impact:** 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.

**Update:** At the end of 2023, **1,193** work-able households were subject to the MTW tiered rents (and minimum rent) and biennial recertification schedule outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and biennial recertifications.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total cost of task in dollars (decrease).</b>	\$36,284 cost to complete all work-able certifications impacted by this activity	\$18,142 (50% decrease)	\$17,297 staff costs	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total time to complete the task in staff hours (decrease).</b>	1,309 hours to complete all work-able certifications impacted by this activity	654 hours (50% decrease)	509 staff hours	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total household contribution towards housing assistance (increase). Average monthly tenant share.</b>	\$0	\$863 (50% of 2-BD payment standard)	\$576 average monthly tenant share	Not met

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Average earned income of households affected by this policy in dollars (increase).</b>	\$12,372	\$21,060	\$26,925 *only includes HCV households with earned income	Met



### SS #3: Increase in Positive Outcomes in Employment Status

Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed full-time	323 households	693 households	434	Not Met
	21%	45%	36%	Not Met
2) Employed part-time	446 households	693 households	198	Not Met
	29%	45%	17%	Not Met
3) Enrolled in Educational Program	0	TBD	N/A	TBD
	0%	TBD	N/A	TBD
4) Enrolled in Job Training	0	TBD	N/A	TBD
	0%	TBD	N/A	TBD
5) Unemployed	Cannot establish baseline	154	561	Not Met
		10%	47%	Not Met

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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	1,174 work-able households affected by this activity	Not to exceed 20% of work-able households	240 work-able households (12% of work-able households receiving TANF)	Met

### SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Work-able households on traditional MTW rent calculation exiting the program with rent burden <50%	Exited with market rent burden <=50%: NA Average market rent burden (all traditional work-able): NA	50% of exiting or graduating households will have market rent burden <=50%	Exited or graduated with market rent burden <=50%: 21 households (66% of all W/A exits) Average market rent burden (work-able households with earned income above \$0): 22%	Met

**Hardships:** 7 work-able households in this program were granted hardships in 2023.

**Actual Non-Significant Changes:** No significant changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** THA made changes to its baseline and benchmarks for both CE#1 and CE#2. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 50% since Housing Specialists are now conducting approximately half of the number of recertifications each year due to this activity.

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

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

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

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** For SS#3, THA initiated a process that sought to track the number of households enrolled in an educational and/or job training program for this population; however, THA has experienced limitations with its administrative data system. THA will transition to a new vendor in 2024 that will better serve our data needs. As we begin the data system transition, THA will review its capabilities to determine the relevance and viability of reporting on these measures continuously. Regarding outcomes for the household contribution towards housing assistance and employment, household incomes are stagnant and not rising as rapidly as increasing rental costs in the private market. Additionally, data from THA’s fall 2023 payment standards analysis shows that Housing Assistance Payments are rising due to rising rents. Since THA’s rental subsidies are income-based, THA absorbs more of the rent payment. It should also be noted that THA has

intentionally sought to align its programs more with the local homeless response system. As such, THA has been receiving an increasing number of referrals from the Tacoma/Pierce County Coordinated Entry System and related homeless service providers and serving a greater number of people experiencing or at-risk of homelessness. This population faces more barriers to income progression, as participants have higher service needs and vulnerability when entering THA's programs. THA and service partners focus on housing stabilization first with goals of financial self-sufficiency as they continue to reside in THA's assisted units.

## 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.

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

**Update:** Staff time interviews have shown that on average it takes twenty minutes to verify assets greater than \$25,000, but in 2023 there were only **five households** with reported assets over \$25,000. THA has seen nearly a 100% savings from only verifying assets over \$25,000.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease) as shown by hourly staff cost applied to hours required to perform task.	\$19,726	\$10,400	\$34	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	967 hours	500 hours	1 hour	Met

**Hardships:** No hardships were requested for this activity in 2023.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** No changes to metrics or data collection for this activity in 2023.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

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

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

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

**Description:** 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:

- THA will no longer require an interim increase for every income increase reported;
- THA will only process interim decreases when the income loss is 20% or more and is expected to last more than 90 days;
- THA will accept all interims online.

**Impact:** 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.

**Update:** In 2023, THA processed **5 interims** that were due to a notable decrease in the family's income. Of the total reported changes of income THA received, 79% (919 interims) resulted in income increases. THA also relaxed its hardship requirements for households impacted by the COVID-19 pandemic.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$11,409 (2016)	\$9,864	\$136 in staffing costs to process rent decreases	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease) to complete interims that result in rent changes.	347 hours (2016)	300 hours	4 hours to process rent decreases	Met

**Hardships:** No hardships were requested in 2023 because of this activity.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** In 2017, THA made a minor change to its methodology to determine metric outcomes. Previously, THA included all interim processing-related activities while calculating these metrics, including FSS interims and inspections. To better report on the intended outcomes of this activity, THA now limits interims included in its calculations to interims that resulted in an actual change in rent.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

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

## 11. Simplified Utility Allowance

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

**Description:** This activity streamlined the utility allowance (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 selects an allowance based only on unit size instead of determining individual allowances for every unit leased.

**Impact:** 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 "Open Door" software system.

**Update:** No update to this activity in 2023.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$6,793	\$3,397	\$1,042 in staff cost to process UAs	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	333 hours	167 hours	31 hours	Met

**Hardships:** No households requested hardships due to this activity in 2023.



**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** No changes in 2023.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

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

## 12. Local Port Out Policy

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

**Description:** This activity intends to 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.

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

**Update:** In 2023 there was a total of **149 households** in billing status. This is a decrease from the baseline of 325 households prior to implementation of this activity in 2011.

CE # 1 (a): Agency Cost Savings – Staff Costs				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,556	\$2,222 (60% decrease)	\$8,123	Not met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	200 hours	80 hours (60% decrease)	238 hours	Not met

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** THA removed the metric for CE #1 (b): Agency Cost Savings – Port Out Administrative Billing, as this metric was duplicative of CE#1 (a).

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** THA did not meet its benchmark as the majority of port-out requests were due to emergency transfers and reasonable accommodations, all reasons which are allowed under this policy and for which THA continues to support when households submit requests.

## 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>7</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 had 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.

**Impact:** 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 who needed an immediate housing intervention to transition them from unstable to stable housing. THA has been able to leverage County resources including case management services that strengthen a family's ability to remain stably housed.

**Update:** At the end of the year, THA's Rapid Rehousing (RRH) investment reached 123 households who were experiencing homelessness in Tacoma/Pierce County in 2023. Of these households, 16 households had market rent burdens at rates less than or equal to 50%. Based on the Tacoma/Pierce County systemwide reporting for the homeless response system,<sup>8</sup> the typical length of time between accessing coordinated entry

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<sup>7</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).

<sup>8</sup> THA's RRH investment consists of approximately 11% of Pierce County's RRH expenditures for the homeless crisis response system. It is important to share data of THA's investment as part of the region's broader strategy to address homelessness, as Pierce County typically reports performance data to reflect households across multiple funding sources in the homeless response system. Pierce County data dashboard can be accessed: <https://open.piercecountywa.gov/stories/s/7wee-rgqc>

and a housed outcome into RRH was 209 days. For households served in RRH, the average 2-year return to homelessness rate from 2021 to 2023 was 16% for households served in RRH across Tacoma/Pierce County. This is consistent with 2-year return to homelessness rates across 2015-2023 for people served in RRH, which is also 16% across Tacoma/Pierce County.

SS #5: Households Assisted by Services that Increase Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0 households	120 households	123 unique RRH households housed in 2023.	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	20 households	Exited or graduated with <=50% market rent burden: 2 households	Not Met

HC #1: Additional units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 households	120 households	123 unique RRH households housed in 2023.	Met

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	120 households	123 unique RRH households housed in 2023.	Met

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** THA removed the metric for reporting *CE # 4: Increase in Resources Leveraged* since the nature of THA's RRH investment has moved away from THA's initial intent reporting this metric.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

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

## 16. Creation and Preservation of Affordable Housing

**Plan Year Approved, Implemented, Amended:** THA proposed this activity in a 2012 plan amendment 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 HQS 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:

### 1. Property-Based Rental 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) (see table below for these income levels). 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.

2023 maximum rents (MTSP rent limits) in Pierce County (effective 5/15/23) are shown on the table below.

Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
30%	376	403	484	559	623	688
35%	564	604	726	838	935	1,032
40%	658	705	847	978	1,091	1,204
45%	753	806	968	1,118	1,247	1,376
50%	847	907	1,089	1,257	1,402	1,548
60%	941	1,008	1,210	1,397	1,558	1,720

## 2. 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 will provide 4-8 story buildings with a mix of retail and/or commercial space on the ground floor and a mix of very low income and workforce housing units (up to 60% of AMI) in a mix of bedroom configurations. Most of the units will be 1 and 2-bedrooms although some larger sized units will also be included for large families. The four buildings will have some shared amenities and parking. The four parcels share an alley which THA plans to include as active space by doing creative alley activation projects to enhance the living experience for residents and to build community in the neighborhood. Financing would likely be a combination of THA unrestricted funds, private debt, and tax credits.

Phase I 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 in which THA will prioritize BIPOC-owned businesses



to lease the spaces.

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.

**Impact:** 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.

Acquiring existing rental housing that is affordable to households earning 80% or less of AMI remains one of THA's rental housing preservation strategies. 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.

**Update:** 2023 was an impactful year for the creation and preservation of affordable housing that yielded the following results:

**Property-Based Rental Subsidies:** THA continued to place property-based subsidies in seven (7) different properties – preserving more than 352 affordable housing units. Two of the properties provide housing and services to Medicaid eligible seniors in need of dementia care. The remaining five provided housing to local college students who are experiencing homelessness and low-income Tacomans. Across the 7 PBS properties, 142 households were newly admitted in 2023, which is an increase from 122 households being newly admitted in 2022. THA staff work with the PBS properties to regularly monitor utilization rates; across 2023, the average lease up rate per month was 97% for all properties. In late 2023, THA formulated plans to add 75 affordable housing units through a new Property Based Subsidy agreement to further expand THA's PBS footprint into 2024.

**Development and Acquisition:** The table below summarizes THA's progress in 2023 related to THA's anticipated development and acquisition activities.

Adding New Units of Affordable Housing Through Partnerships, including Non-MTW development — Running Total of Units 2022-2028:

Project	Location	Owner	THA's Role	No. units	Status
Hilltop Lofts	Earnest S Brazill and MLK Way	Horizon Housing	- Land lease - Project Based Vouchers	57	Occupied
Housing Hilltop	S L St and S 11 <sup>th</sup>	THA	- Owner/Developer	231	Under construction
New Life Housing	S I St between S 12 <sup>th</sup> and S 13 <sup>th</sup> St	Shiloh Baptist Church	- Helped secure financing - Project Based Vouchers	60	Fully funded
South 15 <sup>th</sup> and Tacoma	S 15 <sup>th</sup> and Tacoma Ave	Korean Women's Association	- Project Based Vouchers - Helped secure financing	88	Under construction
Hotel Olympus	815 Pacific Ave	Korean Women's Association	- Project Based Vouchers	6	Occupied
Harborview Manor	919 Fawcett Ave	A Human Good	- Project Based Vouchers	12	Occupied
Crosspointe Apartments	1001 S Mildred	CWD Investment	- Project Based Vouchers	19	Occupied
Koz at Aviva Crossing	S 18th and Mildred	Koz Development	- Sale of THA land with affordability restrictions	40	Lot sale under negotiation
Mercy at Aviva Crossing	S 18th and Mildred	Mercy Housing Northwest	- Land - Rental Subsidies	150	Financing in 2024
Hillsdale Heights	S 60th and McKinley	Bridge Meadows	- Land lease	140	Financing 2023-2025

#### Adding units through Acquisition & Rehabilitation

THA continues to seek opportunities for acquisitions where it is financially feasible and opportunistic to meet THA's core mission.

In addition to creating and preserving affordable units through acquisition and development, THA seeks to rehabilitate or refinance existing housing to improve the quality of life for tenants and the long-term viability of the property. Staff have started to assess options for rehabilitating Hillside 2300 and Salishans 1-5.

HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 units	200 units	385 units fully funded and expected to be online before 2028.	In progress

HC #2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase)	0 units	62 units	Highland Flats – 62 units Crosspointe – 20 units Cascade Park Vista – 86 units Cascade Park Gardens – 59 units Koz on Market – 52 units Koz on Puyallup – 64 units MDC Campbell Court – 10 units Bay Terrace II Market Rate – 21 Units	Met

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	62 households	Highland Flats – 15 households Crosspointe – 7 households Cascade Park Vista – 41 households Cascade Park Gardens – 43 households Koz on Market – 19 households Koz on Puyallup – 17 households	Met

**Actual Non-Significant Changes:** No non-significant changes or modifications to the MTW activity were made in 2023.

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

**Actual Significant Changes:** No significant changes in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** There are no challenges related to this activity. Note that HC#1 reflects a multi-year strategy for developing or acquiring the targeted number of units, as new affordable housing development and acquisition takes time. THA has set a goal of adding at least 500 new units of affordable housing through development or partnerships over the next 5 years, which THA is on track to meet. THA continuously seeks every possible avenue to pursue this activity where it is financially feasible and opportunistic to meet THA's core mission.

## 18. Eliminate the 40% Rule

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

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

**Impact:** This activity has allowed more households in THA's voucher programs to lease units that they would have not had the opportunity to lease in the past. In addition, staff have saved time explaining the 40% rule to clients.

**Update:** In 2023, 329 MTW households used this flexibility to stay in a unit that exceeded the 40% rule or move into a unit that exceeded the 40% rule. As THA had anticipated, there was a decrease in households utilizing this flexibility in 2023 (329 households in 2023 vs. 475 in 2022) after the sunset of HOP in 2022. It was expected that households would likely decrease their use of this flexibility after moving to an income-based subsidy from a fixed subsidy. Yet, this activity gives additional flexibility and housing choice when a household selects a unit where the contract rent exceeds the payment standard and they are subject to larger out-of-pocket expenses.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	100 households	329 households leased a unit when rent exceeded 40% of their income	Met

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

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

## 19. Modify the FSS Program

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

**Description:** Through its MTW flexibility THA modified the way we calculate escrow payments to be simpler and provide clear motivation and guidelines for participating families. We designed a method under which families may qualify for one or more pay points based on pre-determined goals and accomplishments. These pay points 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.

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

**Update:** In 2023, FSS served more than **104** families.<sup>9</sup> 41 families graduated from the FSS program with an average escrow amount of \$6,064 upon graduation. In 2023, 50 FSS participants continued their work with the embedded financial coach, which is an increase of 39% compared to 2022. Two participants went to a positive income after coming from a negative or zero net income. In 2023, there were 5 participants whose net worth increased with the average net worth increase being \$5,593. There were 5 participants that received an improved FICO credit score. Additionally, FSS participants reduced their liabilities at an average amount of \$9,923 over the last year.

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$9,231	\$21,060	Full-time workers: \$38,279  For full-time and part-time workers (averaged): \$24,685	Met

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<sup>9</sup> Note, the 104 families served is a point in time figure. Due to limitations in THA's data system, SS#5 can only be produced as a point in time estimate so this figure underestimates the actual number of households served in 2023, since it does not consider FSS participants who received FSS services in 2023 but were no longer enrolled by year-end. THA anticipated these data challenges will be resolved once the agency successfully transitions to its new vendor in 2024.

**SS #2: Increase in Household Savings**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$500	\$1,555	Met

**SS #3: Increase in Positive Outcomes in Employment Status**

Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed Full Time	83 households	54 households	56 households	Met
	54%	35%	54%	Met
2) Employed Part Time	28 households	61 households	25 households	Not met
	18%	40%	24%	Not met
3) Enrolled in an Educational Program	20 households	38 households	9 households	Not met
	13%	25%	9%	Not met
4) Enrolled in a Job Training Program	35 households	31 households	4 households	Not met
	23%	20%	4%	Not met
5) Unemployed	40 households	8 households	23 households	Not met
	26%	5%	22%	Not met

**SS #5: Households Assisted by Services that Increase Self Sufficiency**

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	140 FSS participants	100% of FSS participants	104 FSS participants	Met



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

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).</b>	\$589 (2014)	\$863 (50% of 2-BD payment standard)	\$930	Not Met

#### SS #7: Increase in Agency Rental Revenue

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total Household contribution towards housing assistance (increase). Average monthly tenant share.</b>	THA cannot establish a baseline for this metric.	\$863 (50% of 2-BD payment standard)	\$563 average monthly tenant share for FSS families	Not Met

#### SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Number of households transitioned to self-sufficiency (increase). Percentage of FSS graduates with market rent burden less than 50%.</b>	<p>Exited or graduated FSS with market rent burden &lt;=50%: NA</p> <p>Average market rent burden (all FSS): NA</p>	50% of exiting or graduating work-able households will have market rent burden <=50%	<p>Exited or graduated FSS with market rent burden &lt;=50%: 67% (2 out of 3 families) of FSS EOPs in 2023</p> <p>Average market rent burden (FSS participants with earned income above \$0): 11%</p>	Met

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

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

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

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

Beginning in the 2022 MTW Report, THA determined it would no longer report on the following measures due to the lack of relevance in THA’s program operations and indications of program performance: CE # 1: Agency Cost Savings; CE # 2: Staff Time Savings; SS #4: Households Removed from Temporary Assistance for Needy Families (TANF).

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** There have been challenges achieving the prescribed benchmarks, as the tightening housing market, increase in living expenses, and fluctuations in stable employment offerings have only exacerbated locally. In response, THA is currently exploring a possible FSS redesign to better meet the needs of clients and overcome programmatic barriers to graduation. We expect these changes to be determined in 2024. Additionally, THA’s data system poses barriers for pulling data from FSS to reflect the actual number of households who received FSS services in 2023 but were no longer enrolled by year-end, so the data points of households served and their economic and financial outcomes are likely an underestimate. THA anticipated these data challenges will be resolved once the agency successfully transitions to its new vendor 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.

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

SS#3 Number of households enrolled in an educational program				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmarks Achieved?
Number of households enrolled in an educational program (receiving financial aid)	192 households (2014)	202 households	TBD	In Progress

**Update:** THA has updated its processes and began implementing this policy in 2020. THA has biennial and triennial recertification cycles and would likely see the full impact of this activity after one full recertification cycle. As explained in the *Actual Changes to Metrics/Data Collection* section, THA cannot report on interim outcomes for 2023 due to limitations within our administrative data system that we are in the process of resolving with a data system transition beginning spring 2024. Additionally, staff are still examining potential data system changes that would occur due to the implementation of Sections 102 and 104 of the HOTMA final rule.

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

**Actual Changes to Metrics/Data Collection:** THA initiated a process that sought to track the number of households enrolled in an educational program and received financial aid; however, THA has experienced limitations with its administrative data system. THA will complete its transition

to a new vendor in 2024 that will better serve our data needs. As we begin the data system transition, THA will review its capabilities to determine the relevance and viability of reporting on these measures continuously.

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023 through an Annual MTW Plan amendment.

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

## 24. Rental Assistance Success Initiative (formerly Local Security and Utility Deposit Program)

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

**Description:** Initially this activity was solely a security deposit assistance program that was open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA's affordable housing applicants/residents who needed assistance in order to move into a unit. THA realized that many households did not have the resources to pay the security deposit once they reached the top of the waitlist and were offered a unit. This program 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.

**Impact:** 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.

**Update:**

**Security Deposit Assistance:** In 2023, THA offered security deposit assistance (SDAP) for voucher holders and households in THA's portfolio units. \$100,000 of the SDAP funds were utilized to help stabilize 55 households and provide monetary assistance toward the security deposit of the unit they intended to rent.

**Housing Navigation:** In 2023, THA continued its investments in critical housing navigation supports for voucher holders. THA hired its second dedicated housing navigator position. During the program year, THA's housing navigation team received 259 direct referrals for clients looking for housing, of which 156 households successfully leased up. The housing navigators held three lease-up events at apartment complexes with landlord partners for clients looking for homes which helped 15 households get housed with THA's landlord partners. Landlords were flexible with screening and screening fees to folks who attended the events.

Additionally in the reporting year, THA's housing navigation team managed the list of vacant units through THA's landlord partner network. In 2023, THA had approximately 1,400 vacant units listed for THA's clients. While the Renter Readiness course and certification continued to be offered through summer 2023, THA's housing navigators transitioned the certification to an in-person class for THA clients looking for housing for the remainder of the year. They held eight classes and had at least 40 attendees learn how to use their housing vouchers, use housing search tools, understand screening criteria, increase the likelihood of successfully leasing up, and more. THA's Client Support and Empowerment Department and the City of Tacoma Fair Housing Team attended classes for cross-training.

**Landlord Engagement:** THA's Landlord Engagement Specialist helped to organize the 2023 Virtual Annual Regional Landlord Symposium, held in collaboration with King, Pierce, and Seattle Housing Authorities. Over 420 landlords across the Puget Sound registered this year to learn about legislative updates, department of Commerce landlord mitigation programs, Housing Quality Standards Inspections, and NSPIRE Inspections. Finally, the Landlord Advisory Board continued to advise on numerous policy changes and industry issues throughout 2023, including updating THA staff about trends in the private rental market. 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.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	20 households	156 households	Met

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$50,000	<p>\$15,000 – Grant funds from ECMC Foundation used towards housing navigation supports</p> <p>\$10,000 – Grant funds from Key Bank used towards housing navigation supports</p> <p>\$9,463 – In-kind Staff Support for Symposium Planning and Implementation</p>	In Progress

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** THA's landlord and housing navigation activities often have multi-year partnerships with numerous partners; therefore, this is likely a significant underestimate of the funds leveraged in 2023.

## 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.

**Impact:** 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.

**Update:** Following 2020, a year in which inspection operations were severely impacted by the pandemic, THA began to resume inspections in 2021 and make progress on the backlog. Beginning in 2022 and continuing in 2023, THA's inspections team accomplished their inspections target to satisfy its backlog, completing over 1,413 inspections in 2022 and 1,176 in 2023.

CE # 1 (a): Agency Cost Savings – Staff Costs				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease total cost of task measured by staff time (decrease).	Total time of initial re-inspections (589) (in hours)	20% decrease from baseline (471 hours)	811 hours	Not Met



CE # 1 (b): Agency Cost Savings – Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Decrease total cost of task measured by staff time (decrease).</b>	Average time to conduct initial inspections x number of initial re-inspections (\$20,308)	20% decrease from baseline (\$16,246)	\$28,103	Not Met

**Actual Non-Significant Changes:** No changes or modifications to the MTW activity were made in 2023.

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

**Actual Significant Changes:** No significant changes were made to this MTW activity in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** THA's staff time and costs exceed the targeted benchmarks, largely due to the significant efforts staff dedicated towards catching up on the backlog of inspections from the previous years.

# Not Yet Implemented Activities

## 10. Special Program Vouchers

**Update:** THA proposed this activity in 2011. The initial idea was to establish a program similar to the project-based voucher program. Vouchers were to be awarded to service provider partners for a special purpose or population. The service partners would be responsible for designing the program, including household selection, program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process. THA has several special programs it is running but they have all been proposed separately as rent reform activities or local non-traditional programs

# On Hold Activities

## 20. MTW Seed Grants

**Update:** THA implemented this program in 2013 after receiving MTW approval. THA proposed this activity so, if needed, the agency could provide seed grants to service provider partners to increase their capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for work-able households in 2013. THA did not have specific goals for this activity in 2023 but would like to keep it in the report in case an opportunity arises to leverage a partnership through the use of a seed grant.

# Closed Out Activities

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

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

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

**13. Local Blended Subsidy:** THA proposed this activity in 2012 but has not implemented it. The activity was created so that THA could create a local blended subsidy (LBS) at existing and, if available, 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):

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

**Description:** From 2013 – 2022 utilized this MTW activity to administer HOP subsidies, in which 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. 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) and the Children’s Housing Opportunity Program (CHOP).

*CHAP:* THA partnered with the Tacoma Community College (TCC) to provide rental assistance to TCC’s population of homeless and near homeless students. TCC provided services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offered the same fixed subsidy as the HOP program and had a five (5) year limit on assistance. The community college handled all eligibility but participants must have been an active student at the community college and/or transferring to University of Washington, Tacoma. Students must have been enrolled in college and making satisfactory academic progress towards a degree or certificate.

*CHOP:* THA partnered with the Department of Children, Youth and Families (DCYF) to provide rental assistance to families who 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.

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

*Sunsetting of HOP Subsidies:* THA no longer issued new HOP subsidies beginning May 1, 2022. THA completed an assessment in 2021 found that the program delivered fewer positive outcomes than traditional income-based and non-time limited vouchers. Since the program’s initial design and implementation in 2012, Tacoma’s rental market has become increasingly constrained and expensive. A flat, time-limited subsidy like HOP

could not keep pace. For households that had a HOP subsidy at the time this decision was made (May 2022), THA transitioned their subsidy when a household experienced a change in household composition, a landlord requested rent change, or when they completed their annual recertification. If and when a household would move, they would transfer to the HCV program. Additionally, effective November 2022, THA has transitioned out CHAP so that current CHAP households would transfer to HCV Program through program attrition, similar to the transition of HOP participants.

**Impact:** *HOP and CHAP:* Historically, THA had observed that upon a household's last year receiving assistance, early HOP cohorts had experienced increases in their earned income. Yet, Tacoma rents have been rising quickly, vacancy rates are falling, and wages are not keeping up. Wages have not kept pace with Tacoma's rental market – meaning many households exiting HOP will struggle paying their rent without a subsidy. We observed similar challenges with CHAP, as the shallow subsidy did not bolster CHAP households' income enough to afford housing in the private market. A 2021 evaluation found that only one-quarter of CHAP participants leased-up and those that did lease up had tendencies for stronger pre-existing navigational and academic skills.

THA initially made the decision to feature fixed and time-limited subsidies for work-able households with the intention of reaching more households. In some ways THA achieved this, since the fixed subsidy has made it possible for THA to serve 20% more households than it could serve if the agency maintained an income-based subsidy. 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. THA found that HOP participants had lower income increases, lower likelihood to exit under positive circumstances, and lower success rates for leasing up units than their HCV counterparts. The results were even more evident when examining data by race, as households that were headed by Black, Indigenous, or other People of Color (BIPOC) experienced positive outcomes related to income increases and leasing up when receiving an income-based subsidy like HCV, as opposed to a fixed subsidy like HOP. Because of these results, the THA Board of Commissioners approved of the sunset of the Housing Opportunity Program effective May 2022. Additionally, due to evaluations showing disproportionate impacts on subgroups of CHAP students, in November 2022, THA decided to sunset CHAP through transfer to HCV Program and through program attrition. CHOP continued to serve families involved in the family courts system in partnership with the Department of Children, Youth and Families; however, similar to HOP and CHAP, all assistance has moved to an income-based subsidy, also with the removal of time limits.

**Update:** As of year-end 2023, all households who were originally issued HOP, CHAP, or CHOP subsidies successfully transferred to the HCV Program.

**Hardships:** THA does not have any hardship data to report for HOP since the HOP subsidies began to sunset in 2022 and households would be transitioned to the HCV program once they met one of the qualifying events (described above under the activity update). Once transitioned under the HCV Program, THA's hardship policy for MTW-HCV households applies.

**Actual Non-Significant Changes:** As of year-end 2023, all households who were originally issued HOP, CHAP, or CHOP subsidies successfully transferred to the HCV Program.

**Actual Changes to Metrics/Data Collection:** Since all remaining HOP households successfully transitioned to the HCV program in 2023, there were no outcomes to report specifically for the HOP, CHOP, and CHAP subsidies by year-end. Households that transitioned to the HCV Program would have their outcomes reflected under Activity 5 (Local Policy for Fixed-Income Households) and Activity 6 (Local Policy for Work-Able Households) in 2023.

**Actual Significant Changes:** THA closed out this activity at 2023 year-end. THA decided in May 2022 to sunset HOP and close this activity when the last HOP subsidy converted to HCV or the household exited the program, which already occurred in 2023.

**Challenges in Achieving Benchmarks and Possible Strategies:** There are no challenges related to this activity as it is being closed out and THA has ceased to issue HOP subsidies.

**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: Sources and Uses of MTW Funds

## Actual Sources and Uses 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, 2024.

## Actual Use of MTW Single Fund Flexibility

THA used single fund flexibility to fund the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be 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 continued its work to assess the state of diversity, equity, inclusion, and belonging (DEIB) in its policies, practices, and programs. This work, a collaboration by THA leadership, staff, external consultants, and THA’s newly hired DEIB Strategic Advisor, aims to articulate a clear set of goals and draft an action plan with specific activities to advance DEIB at THA.
- 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 wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, social emotional learning. This also encompasses THA’s Children’s Matched Savings Account Program (reported as Activity 21), which is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment.
- THA is making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA’s administrative data system as THA seeks to transition to a new vendor in 2024. THA is also making investments to ensure data is aligned in our reporting and visualization capabilities to provide meaningful insight into THA’s quality of housing and services.



- THA 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 achieved one of its goals to ‘make THA a great place to work’ and ensure staff were paid a housing wage.
- 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.
- In response to the tremendous impacts of the COVID-19 pandemic and the economic strain for many households, THA focused on eviction prevention efforts to help keep residents who are at-risk of eviction housed. This included the hiring of an eviction prevention specialist to engage with residents on late rent and entering into affordable repayment agreements and partnering with Pierce County to connect households to local Emergency Rental Assistance funds.
- THA 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 2023 are summarized below:

Washington State auditors completed an accountability audit of THA in November 2023 for which there were no findings. Washington State auditors completed a Federal Single Audit, financial statement audit, and REAC attestation which were completed September 29, 2023. There were no findings for these audits.

In 2023, THA properties were audited by the Washington State Housing Finance Commission (WSHFC), as well as audited and inspected by individual investors. WSHFC, HOME, and THA investor RBC performed file audits with minimal findings. Bay Terrace I & II properties had HOME inspections that had a positive response. Investor RBC visited properties including Salishan 5 and 6, Bay Terrace II, and Renew Tacoma, which were met with positive response as well. WSHFC visited Salishan 7 and THA received a finding due to erosion issues that THA was unable to address in the winter months.

THA anticipates several WSHFC inspections in 2024 with the regular annual file audits of 2023 data.

# Evaluation Results

No evaluations were conducted in 2023.

# MTW Statutory Requirement

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On behalf of the Tacoma Housing Authority, I certify that the agency has met the three statutory requirements of the MTW program in Fiscal Year 2023. This is certification that the agency has met the three requirements of:

- 1) Assuring that at least 75 percent of the families assisted by the Agency are very low-income 50% AMI and below families. In 2023, 88% of all households were at or below 50% AMI.

Certification of Statutory Compliance 2011			Certification of Statutory Compliance 2023		
Family Size	50% AMI and Below	Above 50% AMI	Family Size	50% AMI and Below	Above 50% AMI
1	98%	2%	1	95%	5%
2	95%	5%	2	83%	17%
3	92%	8%	3	76%	24%
4	93%	7%	4	80%	20%
5	93%	7%	5	81%	19%
6	96%	4%	6	83%	17%
7	97%	3%	7	67%	33%
8+	93%	7%	8+	72%	28%

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

Program	Public Housing	Section 8	Local Non-Traditional	Totals
Moving to Work Baseline (Updated '13)	817 <sup>ii</sup>	3,696 <sup>iii</sup>	0	4,513
2011 Households Served	904	3,448	0	4,335
2012 Households Served	870	3,552	0	4,422
2013 Households Served	762	3,634	47	4,443
2014 Households Served	792	3,673	128	4,593
2015 Households Served	801	3,685	86	4,572
2016 Households Served	801	3,677	61	4,539
2017 Households Served	332	4,049	77	4,458
2018 Households Served	325	3,956	143	4,424
2019 Households Served	243 <sup>iv</sup>	4,054	467 <sup>v</sup>	4,764
2020 Households Served	4	4,134	509	4,647
2021 Households Served	5	4,126	545	4,676
2022 Households Served	5	4,005	492	4,502
2023 Households Served	5	3,966	433	4,404

<sup>i</sup> Since 2018, THA received approval by HUD to adopt a utilization target of 95% (95% Substantially the Same baseline) to account for THA's funding and market challenges (THA BOC Resolution 2018-02-28).

<sup>ii</sup> 104 units public housing were torn down at Bay Terrace in 2013.

<sup>iii</sup> THA received 103 TPV vouchers between July and October 2012.

<sup>iv</sup> In November 2019 THA converted 324 public housing units to RAD-PBVs.

<sup>v</sup> In addition to adding 270 local, non-traditional units in 2019, with HUD approval THA includes households receiving services from Pierce County for an additional six months after their assistance has ended.

- 3) Maintaining a comparable mix of families (by family size) served, as would have been provided had the amounts not been used under the demonstration.

Persons in Household	1	2	3	4	5	6	7+	Total
Pre-MTW	36%	21%	18%	12%	7%	3%	2%	100%
2011	42%	20%	16%	10%	7%	3%	3%	100%
2012	41%	20%	16%	10%	8%	3%	2%	100%
2013	42%	20%	16%	10%	7%	3%	2%	100%
2014	43%	19%	15%	10%	7%	3%	2%	100%
2015	43%	20%	16%	10%	7%	3%	2%	100%
2016	43%	20%	15%	10%	7%	3%	2%	100%
2017	46%	19%	15%	9%	6%	3%	2%	100%
2018	45%	21%	14%	9%	6%	2%	2%	100%
2019	46%	21%	14%	8%	6%	3%	2%	100%
2020	48%	20%	14%	8%	6%	2%	2%	100%
2021	50%	19%	13%	7%	6%	2%	2%	100% <sup>vi</sup>
2022	50%	19%	13%	7%	6%	3%	2%	100%
2023	50%	18%	13%	8%	5%	3%	2%	100%

DocuSigned by:  


April Black

Executive Director

<sup>vi</sup> Percentage values are rounded to the nearest whole number. For example, in 2021 the percentage of 6-person households served was 2.4% and this was rounded down to 2% for purposes of report formatting. This rounding explains why the total for 2021 appears to be 99% when adding 2021 percentages based on values reported in the table.

# 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 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 Asset Management and Real Estate Development Department is responsible for Asset Management. The chart below shows this relationship and the positions responsible for these management functions.

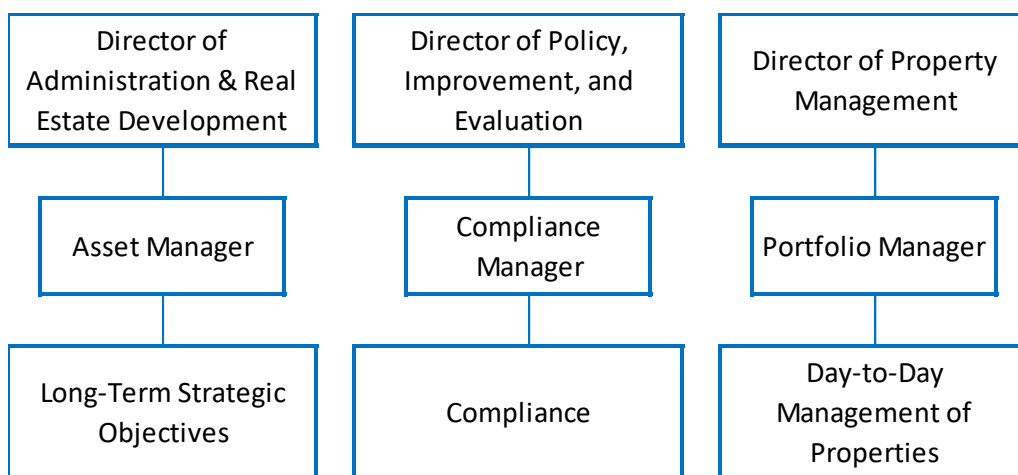


Figure 1: Organizational Structure

### *Description of 2024 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 supervisors and five Maintenance Specialist-Leads with more technical abilities who assist other Maintenance Specialists and oversee repairs and work orders. In 2023, THA's portfolio was broken into four zones, each having a Maintenance Specialist-Lead and several Maintenance Specialists. In 2018, we also instituted a unit turn team concept, which consists of 5 staff, including a lead, whose specific responsibility is to turn vacant units within all of our properties. The goal is to 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, 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 and Empowerment expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages, and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. By the end of 2019, all but five Public Housing units had transitioned to RAD units. The five units consists of a single-family home owned by THA (AMP6), and four units in our Hillside 1500 tax credit entity. It is important to note we currently manage 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	
	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**

Administrative Support Fee Components		
Fee	Rental Assistance	Tax Credit
Management Fee		
Executive	\$2.00	\$2.00
Human Resources	\$1.75	\$2.25
PM Overhead (including rent)	\$2.75	Remaining
Bookkeeping Fee	\$6.00	\$21.50
Asset Management Fee	\$0.00	\$7.50
Compliance/PIE	\$2.00	\$5.00
IT Fee	\$8.00	\$12.00
Community Services	\$4.50	\$2.50
Leasing Support	\$0.00	\$1.50
<b>Total Fee:</b>	<b>\$27.00</b>	<b>\$54.25</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 2024.

## Program Support Center Allocation Detail

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2024 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	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers	103			103
	Wedgewood - 50 Units managed UMS*	48			48
	New Fair Choice HCV - 2022	20			20
	Tahoma House	6			6
	EHV			135	135
	FUP Vouchers			125	125
	FYI Vouchers			75	75
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			267	267
RAD Vouchers	RTH RAD Vouchers	456			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		16		16
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		456
	Arlington Youth Housing		58		58
	Court F (Rise at 19th)		64		64
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
3rd Party Managed - 75 % equivalency	Highland Crest			54.75	73
	James Center North			22.5	30
	Alberta J Canada		36		48
	North Highland			26.25	35
	Outrigger Apts.			36.75	49
	Prairie Oaks			11.25	15
<b>Totals</b>		<b>4,676</b>	<b>1,360</b>	<b>1,094</b>	<b>6,387</b>
THA MTW Support		64			64

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