August 4, 2026

Amending THA's 2026 MTW Plan

July 29, 2026

Public Hearing

HOUSING AUTHORITY OF THE CITY OF TACOMA

Established 1940

Our Work

Vision:

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

Mission:

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

Housing is a human right.

What is Moving to Work?

In 2010, Tacoma Housing Authority was selected to be a Moving to Work (MTW) agency. THA's MTW designation allows us to have exemptions from many existing HUD public housing and voucher rules and provides funding flexibility (what we refer to as single fund flexibility). This flexibility allows us to design locally- driven programs and policies that best serve Tacoma's low-income communities.

Three MTW objectives:

1. **Increase housing choice**
2. **Increase economic independence**
3. **Reduce cost and achieve greater cost-effectiveness**

Proposed Changes

THA is proposing three different changes:

1. Payment Standards Implementation
2. Property-Based Subsidy Model
3. Tenant Rent Portions

Changes to Payment Standards Implementation

What changes are being proposed?

- THA is seeking approval from the U.S. Department of Housing and Urban Development (HUD) to waive the regulation in the Housing Opportunity Through Modernization Act (HOTMA) that requires housing authorities to implement increases in the payment standard as soon as “one year following the effective date of the increase in the payment standard amount.”

Why is THA proposing changes?

- Currently, THA processes payment standard increases at a household’s next full recertification. Because THA households are on bi- and triennial certification schedules, some households would not fall within that one-year requirement unless THA manually processes this change outside of the regular certification cycle. The HOTMA timeline would require an increase in staff time and costs to accommodate the change. THA is seeking to avoid these costs.

Changes to Property-Based Subsidy Model

What changes are being proposed?

- THA is confirming the ability to expand the use of the property-based subsidy rent calculation by applying it to project-based voucher and Rental Assistance Demonstration project-based voucher developments. These properties may be owned by THA or its partners.

Why is THA proposing changes?

- Expanding the activity in this way would provide THA another, more cost-effective way to subsidize new housing developments. THA is hopeful that this will enable more affordable housing development in Tacoma.

Changes to Tenant Rent Portions

THA is seeking approval from HUD that would allow us to:

- **Increase tenant rent by *up to* 3.5 percentage points (from 28.5% to 32%).**
- **Subsidize rent, not utilities.**

Changes to Tenant Rent Portions

Why is THA proposing changes?

- The agency is facing growing financial challenges because of a variety of reasons:
  - It costs more than ever to operate our housing programs.
  - Federal funding levels have decreased.
  - Funding for Emergency Housing Vouchers (EHVs) ended earlier than originally anticipated, and we may need to move those customers into our other programs so they remain housed.
  - Increasing tenant rent portions could help us ensure no family loses access to their housing due to lack of funding

Changes to Tenant Rent Portions

Increase Tenant Rent

- We are seeking approval for a modest increase in tenants’ share of the rent. This means tenants would pay a little bit more each month.
- The amount tenants pay toward rent is based on income bands. Currently, tenants pay 28.5% of the lowest income in their band.

Example:

- If someone makes $23,000 per year, they fall into the $20,000–$24,999 band. Their monthly rent portion is currently **28.5%** of ($20,000/12) = **$475 per month**
- With a 3.5 percentage point increase, their portion would be **32%** of ($20,000/12) = **$533 per month**

Changes to Tenant Rent Portions

Increase Tenant Rent - *Impacts*

- To understand how this change would impact families, THA looks at how much the rent burden would change.
  - **30% or less** is considered *not rent burdened*.
  - **31–40%** is considered *moderately rent burdened*.
  - **41–50%** is considered a *high rent burden*.
  - **More than 50%** is *severely rent burdened*.
- Average tenant rent burden would increase from **27%** to **30%** for tenants renting below the payment standards .
- A 3.5 percentage point increase would cost families an average of $63 per month.
- THA would save about $1 million per year.

Changes to Tenant Rent Portions

Increase Tenant Rent - *Considerations*

- Due to funding regulations, residents at THA’s properties can only have their rent increased by 1.5 percentage points.
  - Any increase of more than 1.5 percentage points would apply only to THA voucher holders.
- Though THA is seeking approval for an increase of <u>*up to*</u> 3.5 percentage points, the final decision may be lower.
- Implementation would likely take place over the course of 2027.

Changes to Tenant Rent Portions

Remove Utilities from the Rent Calculation for Tenant-Based Voucher Holders

- Currently, a tenant's utility allowance is subtracted from the tenant share of rent. That is, if the family pays some or all utilities, they pay a reduced share of the rent.

  Example:
  - A family making $23,000 annually would be responsible for **$475** of their total housing cost per month.
  - If the family rents a 1-bedroom apartment and pays for utilities, their rent payment would be reduced by **$174** to account for the utility allowance, and the family would pay **$301** per month towards rent.
  - $301 (rent) + $174 (utilities) = **$475**
  - If the landlord pays for utilities, the family would pay the full **$475 per month.**

Changes to Tenant Rent Portions

Remove Utilities from the Rent Calculation for Tenant-Based Voucher Holders

- If THA removes the utility allowance, the tenant's share would not be reduced. The tenant's full share would go towards rent, and they would also be responsible for paying utilities.

  Example:
  - A family making $23,000 annually would pay $475 per month.
  - The family would pay $475 towards rent *and* roughly $174 towards utilities per month.
  - $475 (rent) + $174 (utilities) = **$649**

Changes to Tenant Rent Portions

Remove Utilities from the Rent Calculation for Tenant-Based Voucher Holders - *Impacts*

- Average tenant rent burden would increase by 7 percentage points, from **27%** to **34%** for tenants renting below the payment standards . On average, households would be moderately rent burdened by this change.
- The average cost to tenants would be $130/mo.
- THA would save about $1.3 million per year.

Changes to Tenant Rent Portions

Remove Utilities from the Rent Calculation for Tenant-Based Voucher Holders – ***Considerations***

- THA recognizes this change would significantly impact families paying utilities.
- Utility assistance is available through Tacoma Public Utilities (TPU) and MDC (Metropolitan Development Council) to assist low-income households.
- THA will be exploring if there are ways to support enrolling voucher families in TPU's Bill Credit Assistance Program.
- Apply online or download an application by going to **MyTPU.org/Assistance**

Share Your Feedback

- If you have thoughts on these changes, you are invited to send your feedback to publiccomment@tacomahousing.org.
- All public comments will be compiled and the themes shared with the Board of Commissioners when they meet to vote on this proposal.

Related Definitions

Payment Standard:

The maximum monthly assistance payment THA can provide for a unit. It covers gross rent and determines the maximum housing assistance payment (HAP) for voucher holders.

Gross Rent:

The full contract rental amount for a unit plus the assigned utility allowance.

Total Tenant Payment (TTP):

The amount a family is expected to pay toward rent and utilities based on their income.