TACOMA HOUSING AUTHORITY

2027
MOVING TO WORK PLAN

Draft Plan for Public Comment

Table of Contents

Tacoma Housing Authority Board of Commissioners
Stanley Rumbaugh, Chair
Dr. Minh-Anh Hodge, Vice Chair
Athena Dunn
Derek Young
Reverend Ronelle Jones

Tacoma Housing Authority
902 S. L Street
Tacoma, WA 98405

April Black
Executive Director

Aley Thompson
Deputy Executive Director

Amber Prentice
Director of Rental Assistance

Marquis Jenkins
Director of Property Management

Caroline Cabellon
Director of Client Support and Empowerment

Ken Short
Director of Asset Management and Real Estate Development

Nando Ruiz
Interim Director of Asset Management and Real Estate Development

Priya Saxena
Director of Strategic Initiatives

Lauren Kirigin
Senior General Counsel

Lynette Scott
Director of Human Resources

Rich Deitz
Director of Finance

William Morse
Director of IT / CIO

Plan Prepared by:
Christine Nguyen
Policy and Moving to Work Associate

About Moving to Work (MTW)

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

Among the advantages of MTW are that it:

- Allows more flexibility in how THA spends federal funds;
- Provides opportunities for THA to expand housing choices for low-income families; and
- Supports cost reductions and improved cost-effectiveness in the use of federal resources.

You can view more information, including THA's MTW plans and reports, on THA's MTW webpage at: https://www.tacomahousing.org/resources/moving-to-work/.

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

Section I: Introduction

Making the most of available funding has long been a priority and practice for Tacoma Housing Authority (THA). We are not alone in this effort. Public housing agencies across the country are working to stretch limited resources while continuing to provide stable housing. At the same time, rising costs, including housing assistance payments, vendor contracts, and program operations, are increasing financial pressures. The cost of living also continues to rise for the households we serve. THA's MTW authority and single fund flexibility provides the opportunity for the agency to respond proactively and think ahead so we can achieve our mission of providing high quality, stable and sustainable housing and supportive services to people in need, even when funding ranges have the prospect of stagnating or decreasing. In 2027, THA is proud to showcase and highlight the following work.

Promoting Self-Sufficiency and Housing Stability for Residents and Voucher Holders:
THA's Warm Outreach program continues to be an effective initiative that connects residents who are behind on rent with eviction prevention and financial assistance resources. The program helps residents address outstanding balances while building stronger relationships between residents and staff who can provide supportive services. THA is also updating its Family Self-Sufficiency (FSS) program and will revise its pay points model to increase engagement, better support households in reaching their financial and asset-building goals, and improve program cost-effectiveness.

Being Proactive to Reduce Costs Amid Unclear Funding Environment
In response to rising costs, funding uncertainty, and reduced resources, THA is proactively evaluating opportunities to reduce program and operational expenses. This includes assessing changes to the rent calculation (Activities 5 and 6) and adjusting the timeline for processing payment standard updates (Activity 27). THA anticipates beginning implementation of these changes in 2027.

Making Big Strides to Bring More Affordable Housing to Tacoma
Aviva Crossing's 129-unit Project Based property officially opened their doors in May 2026 and has been fully leased. When THA learned the Emergency Housing Voucher (EHV) program would end sooner than originally planned, we established a Memorandum of Understanding (MOU) with Mercy Housing and were able to move 55 EHV families in the property's project-based voucher units. Bridge Meadows is another significant milestone. By leveraging a portion of our Hillsdale Heights property, THA helped expand affordable housing opportunities in the community. The 60-unit development is expected to be completed in fall 2027 and will serve low-income older adults and families.

Our success depends on the shared commitment of THA staff, partners, stakeholders, and community members. Anchored by the flexibility of MTW, we are better positioned to meet today's challenges and have a bigger impact for the future.

SHORT- AND LONG-TERM GOALS & OBJECTIVES

The strategic priorities identified below advance THA's mission to provide high-quality, stable, and sustainable housing as well as supportive services to people in need. The priorities, objectives, and goals will guide the agency's day-to-day activities and policy changes.

Enhance our Financial Resilience and Sustainability

Related MTW Statutory Objective: Reduce Costs and Increase Efficiency

- Ensure THA's financial health by increasing property income, reducing operational expenses, and closely monitoring both property-level and organizational financial metrics to maintain and enhance unrestricted cash flow.
    - THA's recurring income will exceed recurring expenses.
    - Unrestricted cash flow from the THA-owned and managed properties will remain stable or increase year-over-year.
- Build staff capacity and improve internal collaboration to work more efficiently and to reduce reliance on third party contractors, when cost effective.
    - Decrease communications contractor spending by 15% while increasing the number of projects by the same amount.
    - Reduce external legal costs through hiring and training a Senior General Counsel

Add More Affordable Housing Throughout Tacoma and Pierce County

Related MTW Statutory Objective: Increase Housing Choice

- Add more affordable housing through THA-led efforts and partnerships.
    - By 2028, THA will add 500 new units of housing through development or partnership.
- Optimize THA voucher utilization and unit occupancy to promote property financial health and housing stability.
    - Through 2028, maintain a 96% occupancy rate throughout the resyndication of Salishan 1-3 and Hillside 2300.

Invest in Housing Stability and Community Vitality

Related MTW Statutory Objective: Increase Self-Sufficiency

- Refine, maintain, and implement effective housing program management practices.
    - Increase internal audits to ensure 90% accuracy for all actions
    - 70% of THA's customers will be registered in Yardi, our customer relations management system.
    - 98% of annual recertifications will be processed at least 30 days prior to the effective date.

- THA's IT department will collaborate to develop uniform reporting processes for short and long-term data driven decision-making and analysis
- Offer services and agreements that keep people stably housed.
  - In THA's portfolio, aim to cure lease violations and prevent at least 65% of evictions that could have resulted from not curing the violation.
  - Collaborate with community partners to provide referrals for voucher holders who are in lease violations.
  - Educate community partners and landlords about changing housing regulations and local laws
- Offer programs or services to improve economic mobility
  - Increase positive outcomes of FSS graduates such that:
    - 80% of CoPs expected to expire in a year are due to successful contract completion (or voluntary withdrawal)
    - 80% of FSS graduates with an Increase Income Goal will increase income by 10%
    - 80% of FSS graduates with a Minimum of $2000 savings account goal will have successfully met that goal
  - Increase the number of FSS Participants receiving financial coaching, such as increasing income, net worth, and credit score.
- Distribute rental assistance and other supports to increase the percent of households able to secure affordable housing.
  - THA will serve at least 98% of the same number of households served in 2010.
  - In 2025, house at least 5 high barrier voucher households per month.
- Invest in keeping our housing at a standard of high quality.
  - Rehabilitate and/or refinance at least 100 units of existing housing to improve quality of life for tenants & long-term viability of the property.
- Foster vibrant and connected communities.
  - Increase the formalized partnerships with health and well-being focused community-based organizations
  - Implement a system for soliciting customer feedback about community needs by the end of 2026.

Serve as a great employer, contractor and community partner

- Foster a culture of connection and improve employee retention and satisfaction.
  - Maintain retention rate of 85% or higher.
  - By the end of 2026, fully develop and implement Essential Conversations, a more efficient and relevant performance management tool.
  - By the end of 2026, develop and implement written training plans for each position in the agency.
- Increase accessibility to make it easier for contractors to do business with us.

- Hire at least five businesses or organizations that are minority or women-owned business (MWBE) and/or meet HUD's Section 3 requirements
- Process vendor and partner payments on time and implement systems that support those efforts (maintain a 90% on-time payment rate).

- Maintain consistent and mutually beneficial relationships with community partners across all sectors so we contribute to making Tacoma an even more desirable place to live, work, and recreate.

Section II: General THA Operating Information

A. HOUSING STOCK INFORMATION

Planned New Public Housing Units

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

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

Total Public Housing Units to be Added in the Plan Year	**N/A**

Planned Public Housing Units to be Removed

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

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

Planned New Project Based Vouchers

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

PROPERTY NAME	# of PBV	RAD?	DESCRIPTION OF PROJECT
N/A	N/A	N/A	N/A
	N/A	**Planned Total Vouchers to be Newly Project-Based**	

Planned Existing Project-Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Arlington Youth Drive	58	Leased/Issued	No	Youth and Young Adult Housing
Aviva Crossing	129	Leased/Issued	No	Mercy Housing Family Housing
Bay Terrace 1	20	Leased/Issued	No	THA Family Housing
Bay Terrace 2	52	Leased/Issued	No	THA Family Housing
Bay Terrace – RAD	26	Leased/Issued	Yes	THA Family Housing
Eliza McCabe Townhomes	10	Leased/Issued	No	Mercy Housing Family Housing
Exley Apartments	12	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
Flett Meadows	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	154	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	Leased/Issued	No	THA Family Housing
Hillside Terrace 1500	12	Leased/Issued	No	THA Family Housing

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Hillside RAD	33	Leased/Issued	Yes	THA Family Housing
Hillside 2	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	Leased/Issued	No	Permanent Supportive Housing
Home at Last	30	Leased/Issued	No	YWCA Family Housing
KWA Project on 15th and Tacoma Ave.	15	Leased/Issued	No	KWA PBV-VASH
LIHI Lincoln Family Housing	5	Leased/Issued	No	PBV-VASH
Nativity House	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	Leased/Issued	No	Senior housing
Olympus Apts.	36	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	Leased/Issued	No	MDC transitional family housing
Patsy Surh Place	20	Leased/Issued	No	PBV VASH
Rialto Apts.	51	Leased/Issued	No	Pioneer Human Services (PHS) affordable housing units at 50% AMI or below

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Salishan 1-7[1]	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	Leased/Issued	Yes	THA Family Housing
Shiloh Project on S 13th and I St.	20	Leased/Issued	No	Shiloh PBV-VASH
St. Helens Apartments	14	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
The Rise at 19th	64	Leased/Issued	No	THA Family housing
Tyler Square	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	Leased/Issued	Yes	THA Senior/Disabled Housing
PBV VASH	27	Leased/Issued	No	Other 3rd party PBV VASH
	2,099	**Planned Total Existing Project-Based Vouchers**		

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

Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

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

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
THA will seek to acquire existing housing to preserve affordable housing for households earning up to 80% of the area median income (AMI).
Salishan phases 1, 2, 3, and Hillside 2300 are undergoing resyndication. The cash infusion will allow THA to complete substantial renovations to 316 homes. The scope of work will include new kitchen cabinets, flooring, appliances, roofs, windows, siding, etc. Due to the size and scope of the project, the renovations will take approximately two years to complete.
Predevelopment is currently underway for Hillside 1500. This project will increase the number of affordable housing units at the site from sixteen to approximately eighty. The construction phase of this project is anticipated to start in three years.

General Description of All Planned Capital Expenditures During the Plan Year

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

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
In 2019, THA converted all but 5 units under the RAD. THA does not intend to close its Public Housing (PH) Annual Contributions Contract (ACC) and will keep it open to develop new PH units. THA will receive minimal Capital funds in 2027, which will be transferred to Operations. THA anticipates drawing down all currently available funds in 2026. THA may use Section 32 proceeds towards capital projects, including possible rehabilitation towards THA's portfolio and resyndication of Hillside 2300 and Salishan 1-3, or other development projects referenced under *Activity # 16: Creation and Preservation of Affordable Housing.* The funds would be used for activities eligible under HUD's requirements for Section 32 (24 CFR 906.31(a)) which requires that a PHA "use any net proceeds of any sales under a homeownership program remaining after payment of all costs of the sale for purposes relating to low-income housing and in accordance with its PHA plan."

B. LEASING INFORMATION

Planned Number of Households Served

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

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	60	5
Housing Choice Vouchers (HCV) Utilized***	53,521	4,460
Local, Non-Traditional: Tenant-Based^	0	0
Local, Non-Traditional: Property-Based^	5,401	450
Local, Non-Traditional: Homeownership^	0	0
Planned Total Households Served	**58,982**	**4,915**

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

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

*** "Housing Choice Vouchers (HCV) Utilized" includes all SPVs within the MTW PHA's portfolio

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

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
Tenant-Based	Regional Approach for Special Purpose Housing/15	0	0
Property-Based	Creation & Preservation of Affordable Housing/16	5,401	450
Homeownership	N/A	0	0

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

Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

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

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Housing Choice Voucher/Portfolio	THA does not anticipate leasing issues, as the agency will likely not be issuing vouchers in 2027, except for issuing Special Purpose Vouchers and vouchers to accommodate reasonable accommodation requests, VAWA, and other required purposes. THA staff in THA's Rental Assistance and Client, Support, and Empowerment Departments offer housing navigation assistance to voucher holders interested in moving units to help facilitate a smooth process from unit search to move-in. It should be noted that in 2018, THA's Board of Commissioners adopted a utilization target of 95% to account for THA's funding and market challenges, of which a 95% Substantially the Same baseline is considered substantially compliant by HUD (HUD Notice PIH 2013-02).[2] THA's managed portfolio in 2027, THA's occupancy goal within its portfolio will be 96% to account for units the agency needs to hold to relocate families impacted by the resyndication of several properties. THA leadership and staff regularly monitor program data to identify solutions to reduce unit key-to-key leasing time and improving the quality of our housing operations based on feedback from our diverse customer base.
Local, Non-Traditional	N/A[3]

[2] For more details, please reference THA's 2018 MTW Plan and BOC Resolution 2018-02-28(1).

[3] In 2025, THA redirected funding which had been used for its Local, Non-Traditional Tenant-Based Rapid Rehousing (RRH) program, as explained in the 2026 MTW Plan and 2025 MTW Report.

Unique Households Served

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

Unique Households Served
N/A

C. WAITING LIST INFORMATION

Waiting List Information Anticipated

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list (indicating whether the waiting list is site-based or agencywide for public housing) and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Housing Choice Voucher (HCV) Waitlist	Agencywide waitlist for households to find housing on the private rental market through the HCV Program.	9,845	Open	Yes
THA Family Property Waitlist	Agencywide waitlist for THA’s project-based and public housing units at THA-owned properties throughout Tacoma.	7,968	Open	Yes
THA Senior/Disabled Property Waitlist	Agencywide waitlist for THA’s project-based 1-bedroom units at THA-owned properties for households that are 62 years or older and/or have a disability.	3,232	Open	Yes

Please describe any duplication of applicants across waiting lists:

Duplication across THA’s waiting lists is likely to occur because the agency manages multiple waiting lists and households are allowed to apply for any of them. . THA switched to a new data system and will have access to more data in the future regarding trends and the frequency at which households sign up for multiple waitlists.

Planned Changes to Waiting List in the Plan Year

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

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST[4]
Housing Choice Voucher (HCV) Waitlist	No changes planned.
THA Family Property Waitlist	No changes planned.
THA Senior/Disabled Property Waitlist	No changes planned.

[4] Starting in 2024, THA began expanding its outreach and marketing efforts to provide public notice of THA's waitlist openings by utilizing digital advertising, social media, and search engine optimization (SEO) strategies as opposed to requiring public notice via a newspaper ad.

Section III. Proposed MTW Activities

5. Local Policies for Fixed-Income Households

Note: THA re-proposed Activity 5. Local Policies for Fixed-Income Households in the FY 2026 MTW Plan Amendment. This activity will remain under the Proposed MTW Activities Section because it will be pending review and approval from HUD at the time the 2027 MTW Plan is submitted.

Activity Description: Through re-proposing Activity #5. Local Policies for Fixed-Income Households, THA seeks to amend this activity to provide THA the option to increase the total tenant portion (TTP) up to 32%, depending on federal funding levels. Additionally, THA would like the option to remove the utility allowance to help realize HAP savings, as needed to maintain StS, and simplify the rent calculation formula.

Related MTW Statutory Objective: Increase cost-effectiveness.

Anticipated Implementation Timeline:
If approved, THA would not implement any changes prior to January 1, 2027. THA proposes to implement the new rent calculation after HUD approval and with appropriate notice to residents. It's our goal that the full impact of this activity will be realized within a year of implementation.

Cost Implications:
THA expects that the activity will be successful in meeting the MTW objective of reducing federal expenditures by providing Housing Assistance Payment (HAP) cost savings.

Our analysis projects the following savings (projections reflect changes applied to both work-able and fixed-income households):

Action	**Monthly Savings**	**Annual Savings**
a. Increase **PBV** TTP to 30%	$31,066	**$372,797**
b. Increase **TBV** TTP to 30%	$38,580	**$462,961**
c. Increase **TBV** TTP to 31%	$64,300	**$771,601**
d. Increase **TBV** TTP to 32%	$90,020	**$1,080,242**
e. Remove UA from **TBV** rent calculation	$111,387	**$1,336,644**

Need/Justification for MTW Flexibility:

THA is exploring strategies to sustain service levels amid ongoing federal budget uncertainty. One option under consideration is a modest increase to the TTP. This would require households to contribute slightly more toward rent. In turn, this would generate meaningful cost savings for THA while keeping rents affordable for THA customers.

Currently, THA sets TTP at 28.5% of the lowest income level within an income tier. That is, if someone makes $26,000 annually, they are in the $25,000 - $29,999 tier. Their monthly portion of rent would be 28.5% of $25,000/12, or $594. THA pays the remaining amount.

THA is seeking approval to increase TTP up to 32% for tenant-based vouchers and 3rd party PBV participants. Due to funding regulations, THA can only increase its portfolio (PBV) rents up to 30%.

Additionally, THA has waived most deductions and allowances and is seeking approval to also waive the utility allowance for tenant-based vouchers. This would greatly simplify the rent calculation formula and help THA save HAP funds to maintain our StS and potentially serve more families.

If THA was to remove the UA and only focus on subsidizing rent, this would allow staff to give HCV shoppers a static subsidy amount that would be applied to their rent. This would help shoppers know how THA's rental assistance will impact their housing costs rather than waiting to have the HAP amount calculated once the unit's utilities are accounted for.

Authorizations: MTW Agreement, Attachment C, Section (D)(2)(a)— Authorizes THA to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. Authorization is needed because THA will continue to waive HUD regulations at 24 CFR 5.628 and alter the percentage used for determining the tenant portion of rent under the voucher program.

Rent Reform Information:

Impact Analysis:

The following table outlines the impact of these changes on all households. Data for fixed-income households in particular is highlighted:

PBV Households	n	Average Rent Burden 28.5% TTP	Average Rent Burden 30% TTP	Average Rent Burden 28.5% TTP, No UA	Average Rent Burden 30% TTP, No UA
Sample Households*	**1,627**	**27%**	**29%**	**31%**	**32%**

Extremely Low Income	1337	27%	29%	31%	33%
Very Low Income	190	27%	28%	29%	30%
Low Income	72	28%	29%	29%	31%
Not Low Income	28	27%	29%	28%	30%
Fixed Income	947	27%	28%	30%	31%
Work-Able	680	27%	29%	33%	34%
Tenant Pays Utilities	1002	27%	29%	33%	35%
Landlord Pays Utilities	625	27%	28%	27%	28%

Voucher Households (excluding families renting above voucher size)	**n**	**Average Rent Burden 28.5% TTP**	**Average Rent Burden 30% TTP**	**Average Rent Burden 32% TTP**	**Average Rent Burden 28.5% TTP, No UA**	**Average Rent Burden 30% TTP, No UA**	**Average Rent Burden 32% TTP, No UA**
Sample Households*	**1,252**	**34%**	**35%**	**37%**	**39%**	**40%**	**42%**
Extremely Low Income	1040	34%	36%	38%	40%	41%	43%
Very Low Income	166	31%	33%	34%	34%	35%	35%
Low Income	46	31%	32%	34%	32%	33%	37%
Fixed Income	886	34%	36%	38%	39%	41%	43%
Work-Able	366	33%	34%	36%	37%	39%	41%

Tenant Pays Util	1178	34%	36%	37%	39%	41%	43%
Landlord Pays Util	74	29%	30%	32%	29%	30%	32%
Renting over the Payment Standard (at voucher size)	654	40%	42%	44%	43%	44%	46%
Renting at or below the PS	598	27%	28%	30%	34%	36%	38%

Hardship Case Criteria:
THA will continue to use our existing MTW hardship criteria.

Description of Annual Reevaluation:
At least annually, during the payment standards analysis, we will review data on family rent burden and determine if the TTP increase and/or UA removal is resulting in higher rent burdens than anticipated. We will measure this by comparing our projected rent burden changes against actual figures.

Transition Period:
As stated under the implementation timeline, THA proposes to implement the new rent calculation after HUD approval and with appropriate notice to residents. It's our goal that the full impact of this activity will be realized within a year of implementation.

Application to Special Purpose Vouchers:
THA seeks to apply the amended portion of this activity to the following SPV types: FUP, FYI, NED, and MSV.

THA's Continuation of Flexibilities under Activity 5:

Please note the following elements of this activity were approved in 2011 and were implemented prior to this activity's re-proposal. THA intends to continue implementing the following flexibilities.

This activity is for households in which all adult members are either elderly and/or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, or a pension. For these households, this activity includes the following:

- Annual recertifications are completed on a triennial schedule. THA may institute policies that could require recertifications on an annual schedule for households with less than $5,000 in income.
- Eliminated the elderly/disabled deduction.
- Eliminated the dependent deduction.
- Eliminate medical deductions below $2500.
- Implement 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 the household to pay more than 40% of their income as rent; or (2) the household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for those who income-qualified for a hardship to receive one. In 2020, THA revised its hardship policy to remove the third-party documentation requirements to make it easier and less burdensome for households to apply for hardship.

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix C: THA's Emergency Operations.
Even after HUD's implementation deadline for the HOTMA (Section 102) Final Rule, THA will continue to eliminate the elderly/disabled deduction, dependent deduction, and any medical deductions below $2500.

Application to Special Purpose Vouchers: THA is applying elements of this activity that have already been approved (prior to the 2026 MTW Plan Amendment), to the following SPV types: VASH PBV, FUP, FYI, EHV, NED, and MSV.

6. Local Policies for Non-Fixed-Income Households[5]

Note: THA re-proposed Activity 6. Local Policies for Non-Fixed-Income Households in the FY 2026 MTW Plan Amendment. This activity will remain under the Proposed MTW Activities Section because it will be pending review and approval from HUD at the time the 2027 MTW Plan is submitted.

Activity Description: Through re-proposing Activity #6. Local Policies for Non-Fixed-Income Households, THA seeks to amend this activity to provide THA the option to increase the total tenant portion (TTP) up to 32%, depending on federal funding levels. Additionally, THA would like the option to remove the utility allowance to help realize HAP savings, as needed to maintain StS, and simplify the rent calculation formula.

Related MTW Statutory Objective: Increase cost-effectiveness.

Anticipated Implementation Timeline: If approved, THA would not implement any changes prior to January 1, 2027. THA proposes to implement the new rent calculation after HUD approval and with appropriate notice to residents. It's our goal that the full impact of this activity will be realized within a year of implementation.

Cost Implications: THA expects that the activity will be successful in meeting the MTW objective of reducing federal expenditures by providing Housing Assistance Payment (HAP) cost savings.

Our analysis projects the following savings (projections reflect changes applied to both work-able and fixed-income households):

Action	Monthly Savings	Annual Savings
a. Increase **PBV** TTP to 30%	$31,066	**$372,797**

[5] In the FY2025 Plan, THA changed the Activity title from "Local Policies for Work-Able Households" to "Local Policies for Non-Fixed Income Households" to increase consistency among program terms for minimum rent determinations and determining recertification schedules. In THA's programs, fixed-income is defined as households in which all adult members are either elderly and/or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI or a pension. Households that do not meet this definition are considered non-fixed income households.

b. Increase **TBV** TTP to 30%	$38,580	**$462,961**
c. Increase **TBV** TTP to 31%	$64,300	**$771,601**
d. Increase **TBV** TTP to 32%	$90,020	**$1,080,242**
e. Remove UA from **TBV** rent calculation	$111,387	**$1,336,644**

Need/Justification for MTW Flexibility: THA is exploring strategies to sustain service levels amid ongoing federal budget uncertainty. One option under consideration is a modest increase to the TTP. This would require households to contribute slightly more toward rent. In turn, this would generate meaningful cost savings for THA while keeping rents affordable for THA customers.

Currently, THA sets TTP at 28.5% of the lowest income level within an income tier. That is, if someone makes $26,000 annually, they are in the $25,000 - $29,999 tier. Their portion of rent would be 28.5% of $25,000/12, or $594. THA pays the remaining amount.

THA is seeking approval to increase TTP up to 32% for tenant-based vouchers and 3rd party PBV participants. Due to funding regulations, THA can only increase its portfolio (PBV) rents up to 30%.

Additionally, THA has waived most deductions and allowances and is seeking approval to also waive the utility allowance for tenant-based vouchers. This would greatly simplify the rent calculation formula and help THA save HAP funds to maintain our StS and potentially serve more families.

If THA was to remove the UA and only focus on subsidizing rent, this would allow staff to give HCV shoppers a static subsidy amount that would be applied to their rent. This would help shoppers know how THA's rental assistance will impact their housing costs rather than waiting to have the HAP amount calculated once the unit's utilities are accounted for.

Authorizations: MTW Agreement, Attachment C, Section (D)(2)(a)— Authorizes THA to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. Authorization is needed because THA will continue to waive HUD regulations at 24 CFR 5.628 and alter the percentage used for determining the tenant portion of rent under the voucher program.

Rent Reform Information:

Impact Analysis

The following table outlines the impact of these changes on all households. Data for non-fixed-income households in particular is highlighted:

PBV Households	n	Average Rent Burden 28.5% TTP	Average Rent Burden 30% TTP	Average Rent Burden 28.5% TTP, No UA	Average Rent Burden 30% TTP, No UA
Sample Households*	**1,627**	**27%**	**29%**	**31%**	**32%**
Extremely Low Income	1337	27%	29%	31%	33%
Very Low Income	190	27%	28%	29%	30%
Low Income	72	28%	29%	29%	31%
Not Low Income	28	27%	29%	28%	30%
Fixed Income	947	27%	28%	30%	31%
Work-Able	680	27%	29%	33%	34%
Tenant Pays Utilities	1002	27%	29%	33%	35%
Landlord Pays Utilities	625	27%	28%	27%	28%

Voucher Households (excluding families renting above voucher size)	n	Average Rent Burden 28.5% TTP	Average Rent Burden 30% TTP	Average Rent Burden 32% TTP	Average Rent Burden 28.5% TTP, No UA	Average Rent Burden 30% TTP, No UA	Average Rent Burden 32% TTP, No UA
Sample Households*	**1,252**	**34%**	**35%**	**37%**	**39%**	**40%**	**42%**

Extremely Low Income	1040	34%	36%	38%	40%	41%	43%
Very Low Income	166	31%	33%	34%	34%	35%	35%
Low Income	46	31%	32%	34%	32%	33%	37%
Fixed Income	886	34%	36%	38%	39%	41%	43%
Work-Able	366	33%	34%	36%	37%	39%	41%
Tenant Pays Util	1178	34%	36%	37%	39%	41%	43%
Landlord Pays Util	74	29%	30%	32%	29%	30%	32%
Renting over the Payment Standard (at voucher size)	654	40%	42%	44%	43%	44%	46%
Renting at or below the PS	598	27%	28%	30%	34%	36%	38%

Hardship Case Criteria:
THA will continue to use our existing MTW hardship criteria.

Description of Annual Reevaluation:
At least annually, during the payment standards analysis, we will review data on family rent burden and determine if the TTP increase and/or UA removal is resulting in higher rent burdens than anticipated. We will measure this by comparing our projected rent burden changes against actual figures.

Transition Period:
As stated under the implementation timeline, THA proposes to implement the new rent calculation after HUD approval and with appropriate notice to residents. It's our goal that the full impact of this activity will be realized within a year of implementation.

Application to Special Purpose Vouchers:

THA seeks to apply the amended portion of this activity to the following SPV types: FUP, FYI, NED, and MSV.

THA's Continuation of Flexibilities under Activity 6:

Please note the following elements of this activity were approved in 2011 and were implemented prior to this activity's re-proposal. THA intends to continue implementing the following flexibilities.

THA used this activity to implement rent reform for non-fixed income (formerly called work-able) households in its federally subsidized programs. Under this plan, households that are not on fixed income [see footnote 7] are subject to the following rent policy:

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no "off-year" COLA-related rent adjustments unless interim is triggered;[6]
- Eliminate dependent deduction;
- Eliminate medical deductions below $2500 and implement bands;
- Implement a tiered rent model based on adjusted income bands;
- Implement local verification policies as outlined in Activity 7;
- Implement minimum rent of $75 (and therefore eliminate utility allowance reimbursements).

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

THA's hardship policy for MTW-HCV households states that households may request in writing a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW non-fixed-income (formerly called 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 non-fixed-income 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.

---

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

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

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants.

Even after HUD's implementation deadline for the HOTMA (Section 102) Final Rule, THA will continue to eliminate the dependent deduction and any medical deductions below $2500.

Application to Special Purpose Vouchers: THA is applying elements of this activity that have already been approved (prior to the 2026 MTW Plan Amendment), to the following SPV types: VASH PBV, FUP, FYI, EHV, NED, and MSV; For VASH, a $25 minimum rent applies to all non-fixed income (work-able) households.

27. Local Payment Standards Policy

Note: THA re-proposed Activity 27. Local Payment Standards Policy in the FY 2026 MTW Plan Amendment. This activity will remain under the Proposed MTW Activities Section because it will be pending review and approval from HUD at the time the 2027 MTW Plan is submitted.

Activity Description: This activity enables THA to operate a more localized payment standards policy that is responsive to the Tacoma housing market and brings THA's operational policies more in alignment based on other MTW flexibilities. By re-proposing this activity, THA seeks to waive the HOTMA requirement that PHAs must process increases in the payment standard as early as "one year following the effective date of the increase in the payment standard amount" (24 CFR 982.505(c)(4)(iii)). Because THA households are on bi- and triennial certification schedules, some households would need changes processed outside of that timeline, adding to the administrative burden of implementing payment standards. Instead, THA proposes to implement payment standard changes for increases and decreases on a schedule the agency determines each year and based on funding availability, administrative ease, and housing stability.

Related MTW Statutory Objective: Increase cost-effectiveness.

Anticipated Implementation Timeline: THA anticipates implementing this policy upon HUD approval.

Cost Implications:

THA avoids an increase in costs by keeping its certification cycle consistent with current practice. A previous time study revealed that it takes, on average, two and a half hours to process a recertification. With over 4,000 households served in its voucher program, the impact on staff time and capacity would be tremendous. By staying with the current schedule, THA is able to process these changes as planned, averting additional costs to the agency.

Need/Justification for MTW Flexibility:

For the reasons described in the cost implications section, THA is seeking MTW flexibility to implement payment standard changes for increases and decreases on a schedule the agency determines each year and based on funding availability, administrative ease, and housing stability. Without this MTW flexibility, THA would have to conform to the HOTMA rule and process payment standard increases outside of its practices and the regular certification cycle.

Authorizations: MTW Agreement, Attachment C, Section (D)(2)(a) authorizes THA to adopt and implement any reasonable policy to establish payment standards that differ from the currently mandated program requirements.

Application to Special Purpose Vouchers:

THA seeks to apply the amended portion of this activity to the following SPV types: FUP, FYI, NED, and MSV.

THA's Continuation of Flexibilities Under Activity 27:

Please note the following elements of THA's local payment standards policy were approved under this activity in 2024 and were implemented prior to this activity's re-proposal. THA intends to continue implementing these flexibilities:

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

THA will set the payment standard for shared housing at 80% of the payment standard for a unit of the same bedroom size. This formula, based on a percentage of the payment standard for a unit of the same bedroom size, is an alternative as opposed to following the HUD-prescribed shared housing calculation at §982.617(c). THA will regularly assess at which percentage this figure is based to ensure we are meeting the anticipated outcome of providing voucher holders interested in shared housing with affordable living options and doing so at rates commensurate to the general voucher population. For shared housing, utility allowances (UAs) will be calculated in a manner consistent with the HCV Program, but at a prorated rate of 80% of the amount identified in THA's tiered rent schedule for the appropriate bedroom size and income level of the household.

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

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

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

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

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

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

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

Expanding Range of Approved Payment Standards:

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

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

1) **Rent Burden:** This indicator measures the percentage of households, for each unit size, that are paying more than 30% of their monthly adjusted income towards rent. When 40% or more of households are paying more than 30% of adjusted monthly income as the household share, THA will consider increasing the payment standard.

2) **Voucher Success:** This indicator compares voucher success rates for households issued vouchers in Q1 of the most recent year to last year's overall success rate. It also looks at success at 210 days and 90 days of voucher issuance.

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

Application to Special Purpose Vouchers:
THA is applying all the elements of the approved activity (prior to the 2026 MTW Plan Amendment) to the following SPV types: FUP, FYI, NED, and MSV. For EHV and VASH, THA is only applying flexibility for the amended calculation for the shared housing payment standard and rent reasonableness.

Section IV. Approved MTW Activities

A. IMPLEMENTED ACTIVITIES

1. Extend Allowable Tenant Absences from Unit for Active Duty Soldiers

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

Description: THA modified its policy for terminating households who were absent from their unit for more than 180 days. THA's programs have a number of reserve or guard military families because of close proximity to Fort Lewis, one of the nation's largest military bases. Active duty may force a household to be absent from their assisted unit for more than 180 days, the amount of time the normal rules allow, leaving them without housing assistance when the service member returns home. Although the question of having to terminate such a household of service men and women arose only a few times during the Iraq war, the prospect of terminating them was too unsettling even to risk. This activity enabled THA to allow a previously assisted households returning from deployment to request reinstatement within 90 days from the date they return from deployment.

Application to Special Purpose Vouchers: THA does not apply the flexibilities in this MTW activity to any of its Special Purpose Voucher (SPV) Programs.[7]

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

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

---

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

3. Local Project-Based Voucher Program

Plan Year Approved, Implemented, Amended: THA proposed this activity in 2011 and it was implemented. THA reproposed this activity in the FY 2026 MTW Plan and implementation for those changes are planned in late 2026.

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

- **Removing caps on all project-based voucher allocations**: Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project-Based Vouchers, and PHAs are limited to project-basing up to 25 percent (25%) of units in a single development. HUD approved the exclusion of THA's portfolio units from being counted towards the 20% cap and, in 2024, THA expanded this flexibility across all PBVs to remove complex tracking whether we are falling above or below the 20% threshold. In addition, in 2018, THA waived the per-project cap for projects. Removing both PBV cap limitations enables THA to be more flexible with our funding for development projects and provide more deeply affordable units to low-income households.

- **Establishing a reasonable competitive process and contract terms for PBV assistance:** THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing inspection standards (e.g., HQS, transitioning to NSPIRE), any standard developed by THA, and approved by HUD pursuant to the requirements of this Restated Agreement. Properties owned (whole and partial ownership interest) by THA will not need to go through a competitive process. This may include but is not limited to, properties owned in fee by THA and leased to other entities and properties in which THA has a direct or indirect ownership interest (e.g., through ownership and/or control of an interest in the owner entity).

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

- **Implementing Modified Choice Mobility options for non-RAD, PBV households:** THA initially used this activity to waive the mobility option that allowed PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. Once THA converted a majority of its PBV units to RAD-PBV, THA revised its Choice Mobility policies. The RAD rules require THA to offer Choice Mobility vouchers to RAD-PBV tenants. In 2017, THA's board approved a revised version of this policy that made Choice Mobility available to all PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following requirements: 1) in good status/no debts owed; 2) one-time use policy 3) receive pre-issuance counseling; 4) unpaid tenant charges that could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.

- **Streamlining the PBV program for units not managed by THA**: THA allows individual project owners to manage their own waiting lists and tenant selection criteria. The changes have allowed THA to streamline many parts of the project-based program that were inefficient or unfair to those on the waitlist. In terms of additional changes that streamline the PBV program for units not managed by THA, THA is continuing to explore the possibility of setting payment standards for 3rd party managed PBVs at Low-Income Housing Tax Credit (LIHTC) rent levels, as opposed to using THA's payment standards, when appropriate.

- **Expanding 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.

- **Unique Payment Standards:** For THA-managed PBVs, THA allows for the establishment of unique payment standards which may exceed tax-credit rents. Since 2011, THA has been authorized to establish unique payment standards for project-based programs, which may allow project-based rents to exceed tax credit rents.

- **Adjusting operations and policies, as needed, during times of declared emergencies**: In 2021, HUD approved a proposal that allows THA to adjust operations and policies, as needed, during times of declared emergencies. See Appendix C: THA's Emergency Operations. During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff and residents, clients, and applicants. *(See Appendix C: THA's Emergency Operations).*

- **Removing Limit on Cumulative PBV Contract Extensions:** In 2026, THA received approval to waive the 24 CFR 983.205(b)(2) requirement that limits cumulative PBV contract extension terms to 40 years. Instead, THA may continue extending PBV contract terms for a project without any time limitations, so long as the recipient remains in good standing per the contract terms, and THA determines there is adequate funding and still a need for the PBVs at that location.

Additionally, based on HUD's approval in THA's 2011 MTW Plan, program policies may include the following authorizations:

- THA may award project-based assistance to agencies and have them, in turn, identify an owner with whom THA will contract.
- THA may revise the manner in which advertising and solicitation is performed and how awards are publicized.
- THA may allow for project-specific wait lists and/or take agency referrals rather than establishing wait lists for special needs and homeless housing.
- THA is not required to take applicants directly off the HCV waitlist or advertise the availability of project-based waitlists on the HCV waitlist.
- THA may allow for unique preference and occupancy standards to be established for each of its project-based programs.
- THA is not required to offer continuing subsidy to participants leaving project-based units.
- THA may provide project-based assistance in another jurisdiction under an agreement with another agency.
- THA may allow project-based rules to mimic those of other government operating/rental subsidy sources in the case of development with mixed financing and when project-based subsidy is assigned to a former public housing development.

Application to Special Purpose Vouchers: THA submitted a request to HUD's Office of Housing Voucher Program's Management and Operations Division (HVMOD) in July 2026 to apply the flexibilities in this MTW activity to HUD VASH PBV. As of August 2026, this request is still pending HUD's review and approval.

7. Local Income and Asset Verification Policy

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

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

- Allow tenants to self-certify assets valued at less than $50,000.[8]
- 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 the number of days verifications are valid up to 180 days.
- Extend the authorization of the HUD 9886 form.
- Accept hand-carried verifications.

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

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

[8] THA increased the self-certification of assets from $25,000 to $50,000 in 2025 after receiving approval from HUD in the FY2025 MTW Plan. THA also clarified in the 2025 MTW Plan that after this initial self-certification of assets, no further verification of assets would be necessary. Beginning in 2026, this figure will be adjusted for inflation.

Even after HUD's implementation deadline for the HOTMA (Section 102) Final Rule, THA will continue to disregard income from assets valued at less than $25,000.[9]

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: VASH, VASH PBV, FUP, FYI, EHV, NED, and MSV.

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

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

[9] Note that THA disregarding actual/imputed income from assets valued at less than $25,000 is applicable for the determination of rental assistance, not for eligibility determinations, as all PHAs must comply with 24 CFR 5.618 *Restrictions on Assistance to Families Based on Assets* (net assets and property ownership) for eligibility determinations.

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

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

Description: The purpose of this activity is to streamline the interim review process. THA found that parts of its interim policy were causing more work than necessary. Because of that, THA will no longer require an interim increase for every income increase reported and will process interim decreases when the income loss is 20% or more of annual adjusted income. Additionally, THA received authorization to limit interims for income decreases to two per recertification cycle.[10] In 2013, a process improvement project led to THA accepting all interims online. The activity has worked well with THA providing support to clients who cannot use a computer and need assistance.

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

Even after HUD's implementation deadline for the HOTMA (Section 102) Final Rule, THA will continue to process interim decreases only when a household's income loss is 20% or more of annual adjusted income. Additionally, THA will continue its practice of no longer requiring an interim increase for every income increase reported, regardless of whether the income increase is from earned or unearned income.[11]

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: FUP, FYI, EHV, NED, MSV, VASH, and VASH PBV.

---

[10] While THA has received this authorization to limit interims for income decreases, this limitation has not been in practice since 2014.

[11] THA acknowledges that HOTMA Section 102 and PIH Notice 2023-27, Section I.2 distinguishes a difference when PHAs may process interims for increases in adjusted income for earned income vs. unearned income. THA also acknowledges that HOTMA Section 103 requirements will apply. When THA makes an initial determination that a Public Housing household is over-income during an interim reexamination, THA will conduct a second interim reexamination 12 months after the over-income determination, and then again 12 months after the second over-income determination, unless the household's income falls below the over-income limit during the 24-month period.

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

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

11. Simplified Utility Allowance

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

Description: This activity streamlined the utility allowance (UA) given to THA's clients and residents. Historically, THA's utility allowances varied by building type, bedroom size, and type of fuel/energy used. These variables resulted in numerous possible utility allowance combinations that were difficult to explain to property owners and clients and often resulted in methodological misunderstandings. The new UA schedule was streamlined by eliminating the structure and energy type differentiators.

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

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: VASH, VASH PBV, FUP, FYI, EHV, NED, and MSV.

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

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

12. Local Port-Out Policy

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

Description: This activity intends to reduce the number of invaluable housing dollars leaving Tacoma and the burden of administering port out vouchers while preserving portability in enumerate cases where it would advance important program goals. For these reasons, THA has limited the reasons a household may port-out. THA voucher holders are eligible to port-out when their circumstances through an approved Reasonable Accommodation requires so, or for situations covered under the Violence Against Women Act (VAWA) and educational/employment circumstances. Households may also port-out when the receiving housing authority will absorb the voucher.

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: FUP, FYI, NED, and MSV; for VASH PBV, THA utilizes this activity upon additional approval from the Department of Veterans Affairs.

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

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

16. Creation and Preservation of Affordable Housing

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

Description: The flexibility granted through this activity allows THA to acquire or develop affordable housing for households at or below 80% of AMI within the City of Tacoma. THA intends to allow eligible low-income families to reside in these units, including those who may be receiving HCV rental assistance. This activity allows THA to preserve affordable housing stock within Tacoma, especially in areas where rents are quickly becoming unaffordable. THA recognizes that this entire activity is under the parameters of PIH Notice 2011-45 and will abide by the notice when implementing this activity.

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

Property-Based Subsidies: In 2018, THA re-proposed the activity to utilize its flexibility to place property-based subsidies. Property-Based Rental Subsidies are contributions to properties that agree to make its units available at a rental price affordable to very low-income households. THA contracts with property owners who agree to these terms and in return THA would make contributions to the property based on a negotiated contract where the tenant contribution plus the subsidy would not exceed the market value of the unit based on a rent comparability study. Eligible unit and housing types include but are not limited to: shared housing, cooperative housing, transitional housing, high-rise buildings, hotels/motels, and tiny homes. THA has a goal of using property-based subsidies in up to 750 units.

Development and Acquisition: THA seeks to acquire existing rental housing in neighborhoods where THA does not have a strong presence to preserve housing affordability. Acquiring existing rental housing that is affordable to households earning 80% or less of the AMI is one of THA's rental housing preservation strategies. Under this activity, THA is able to activate its broader use of funds ability so the agency could spend MTW dollars on construction and acquisition of affordable housing units. THA is 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:

(1) Housing Hilltop – Housing Hilltop provides 4-8 story buildings with a mix of retail and/or commercial space on the ground floor and a mix of very low-income and workforce housing units (up to 60% of AMI) in a mix of bedroom

configurations. Most of the units are 1 and 2-bedrooms, although some larger-sized units are included for large families. The four buildings 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 has been a combination of THA unrestricted funds, private debt, and tax credits.

Phase I consisted of the development of 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, was done with a local non-profit partner. Construction was completed and the lease-up process began at the end of 2022. Phase II was orientated toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units. THA developed 231 affordable housing units with 13,000 square feet of commercial retail space. The North and South buildings were completed in 2024.

(*2) 1800 Hillside Terrace* (The Rise on 19th) – MTW funds were used to develop what is now referred to as the Rise on 19th, formerly Hillside Terrace. Phase I and II are completed and fully online. The Rise provides 64 units of deeply affordable housing for homeless individuals and small families, as well as people with disabilities and other low-income households.

(3) *James Center North / Aviva Crossing* – THA acquired a 7-acre retail and commercial area that poses a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College and close to transit, shopping, and entertainment. THA has been working with local housing partners on the sale and development of affordable units in West Tacoma. The first 129 units will be coming online spring 2026. These multifamily properties will offer a mix of commercial and retail space, along with market-rate rental housing. It is anticipated that this development will add households sufficient to support the retail and commercial spaces while offering a high-quality, mixed-income project that will add vitality to the neighborhood.

(4) *1500 Block* - THA proposes to redevelop a property referred to as the 1500 Block. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC.

(5) *Intergenerational Housing (Hillsdale Heights)* – THA is exploring an intergenerational housing project that will serve a multigenerational community where children who have experienced trauma can receive love and care from

kinship and adoptive parents and live in a community with seniors who by living there agree to be respite caregivers, honorary grandparents, and tutors to the families.

Resyndication: THA is using this activity and may use MTW funding to explore options for resyndication for eligible properties. THA is considering bringing in a new lender and investor to finance the rehabilitation of THA's Hillside 2300 and Salishan 1-3 Properties. The four properties already met their 15-year tax credit compliance period, which began in 2002 (Hillside 2300) and 2005 (Salishans 1-3). Completing the resyndication would introduce new opportunities for rehabbing the properties and potentially obtaining new credits based on how much is spent on acquisition and rehabilitation.

Application to Special Purpose Vouchers: THA does not apply the flexibilities in this MTW activity to any of its SPV Programs.

Planned Non-Significant Changes: As stated in the 2026 MTW Plan Amendment (which will be submitted to HUD for review/approval by September 2026), THA seeks 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. By using the property-based subsidy rent calculation in PBV developments, THA anticipates enabling development of more housing units by decreasing direct costs to the agency. No additional waivers are needed as THA waived the rent calculation regulations when originally proposing property-based subsidies.

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

18. Elimination of the 40% Rule

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

Description: THA used this activity to waive the 40% cap on the percentage of income spent on rent. The goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant's ability to understand the program and lease up more quickly. This activity has allowed more households in THA's voucher programs to lease units that they would have not had the opportunity to lease in the past. In addition, staff have saved time explaining the 40% rule to clients.

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: FUP, FYI, EHV, NED, MSV, and VASH.

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

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

19. Modify the Family Self-Sufficiency (FSS) Program

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

Description: Through its MTW flexibility, THA modified the way we calculate escrow payments to be simpler and provide clearer guidelines for participating families. THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service. In addition, THA has removed the requirement that households need to be off cash assistance for 12 consecutive months prior to program graduation as a determinant to access escrow funds.

Application to Special Purpose Vouchers: THA does not apply the flexibilities in this MTW activity to any of its SPV Programs.

Planned Non-Significant Changes: THA has been redesigning its FSS program so it meets participants' needs more effectively and is more cost effective for THA. In 2027, THA will implement changes to the menu of pay points and pay point amounts. THA will continue to use its Family-Centered Coaching model, which has been well received by both service partners and participating households. No additional waivers are required to implement these changes. THA will update its FSS Action Plan as needed. Once the revised incentive types are finalized, THA will update the Activity Description in a future MTW Plan to provide additional details.

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

22. Exclude Excess Income from Financial Aid for Students

Plan Year Approved, Implemented, Amended: This activity was proposed in the 2014 MTW Plan. This activity was implemented in 2020.

Description: The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes**.** To achieve this aim, THA modifies the administration of the full-time student deduction by excluding 100 percent of a student's financial aid. THA does this for its tenant-based voucher programs and THA residents living within THA's portfolio. THA excludes excess income from student financial aid from the income calculation used to determine initial income eligibility into THA programs and for a household's calculated income for re-certifications and interims. Additionally, this policy is applicable to all student members of the household, including the head, co-head, or other adult household member enrolled full or part-time.

Even after HUD's implementation deadline for the HOTMA (Section 102) Final Rule, THA will continue to exclude 100 percent of a student's financial aid from the income calculation used to determine initial income eligibility into THA programs and for a household's calculated income for re-certifications and interims. This includes all student financial aid for any student members of the household enrolled full or part-time, regardless of the source of the loan (on which the HOTMA final rule has put additional restrictions).

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: FUP, FYI, EHV, NED, MSV, VASH, and VASH PBV.

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

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

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

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

Description: Initially this activity was solely a security deposit assistance program that was open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA's affordable housing applicants/residents who needed assistance in order to move into a unit. THA realized that many households did not have the resources to pay the security deposit once they reached the top of the waitlist and were offered a unit. This program ensured that families could afford to move into the unit when they came 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 80% AMI.[12]

In addition to SDAP, THA modified the program in its 2019 Plan to expand flexibility within this activity to include potential incentive programs that would encourage property owner participation and retention in THA's rental assistance programs. THA may use its MTW authority to operationalize a landlord incentive program, should there be a need, that includes benefits to landlords, such as potential retention bonuses and establishing a vacancy loss and payment policy to maintain strong relationships with local landlords and ensure families have access to a variety of housing options in the region.

THA is using 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. Over the years, THA has bolstered staff capacity to cultivate stronger relationships with landlord partners for THA's voucher program and facilitate the gathering of the Landlord Advisory Board— a group of local landlord stakeholders that help advise on numerous policy changes and industry issues throughout the year. Staff also partner with the City of Tacoma on the Landlord Education Program, a collaboration with Tacoma Pro Bono Community Lawyers' Housing Justice Project and Landlord Solutions. In addition, staff help organize the Annual Regional Landlord Symposium.

[12] While 80% AMI or below is the minimum requirement to be eligible for SDAP assistance, THA generally provides assistance for households at much lower levels of AMI. Approximately 80% of THA voucher holders are under 30% AMI.

Beginning in 2022, THA has made investments towards housing navigation assistance for THA voucher holders. Staff manage the agency's in-house THA's Housing Provider Vacancy List, a web-based portal that centralizes the list of vacant units through THA's landlord partner network. Housing navigation assistance is provided to program participants who face greater barriers. One-on-one support helps participants lease up faster by providing resources, tools, and access to housing events hosted by landlord partners for THA voucher holders and prospective renters.

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: VASH, VASH PBV, FUP, FYI, EHV, NED, and MSV.

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

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

25. Modify Local Inspections (HQS and NSPIRE)

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 periodic HQS and audit inspections will still be completed to ensure quality control.

3. To further streamline THA's HQS processes, THA will negotiate its own contract rents and determine rent reasonableness. This is broadly applied to all THA-owned, managed or subsidized units.

4. In lieu of an initial inspection completed by Rental Assistance HQS Inspection Staff, THA may accept "self-certified inspections" from Property Management staff for THA-Owned Units. Qualified and trained PM staff may certify that the unit has been inspected and that the property meets HUD and THA HQS inspection standards. These self-certifications would be documented through the submission of an HQS inspection checklist for each unit. Rental Assistance HQS Staff would then QA a certain percentage of these units, no less than 10%, each year. Eligible units are those owned by THA directly or in partnership with THA. Only units with construction dates after 1978 would be eligible for participation. During the QA process, should THA find any items that fail inspection, THA would require that all fail items be resolved just as we do with other standard inspection requirements. Furthermore, if less than 80% of inspections of the randomly selected QA inspections pass, THA would QA another sample and repeat the process as deemed necessary.

5. Pre-inspections could be allowed for any units that previously had an HCV tenant and/or for units owned by landlords that express interest in renting to a voucher holder. Pre-inspections could be good for 90 days. THA received HUD approval for, but not yet implemented, policies surrounding pre-inspections.

6. THA received approval for a triennial inspection schedule for its housing portfolio (units owned and managed by THA) to streamline the inspection process and reduce disruption to residents' lives. THA's Portfolio includes units layered with PBV assistance and LIHTC which both require regular inspections.
7. Additional flexibilities for which THA received approval by HUD, but has not yet been implemented, include policies around self-certified initial inspections. Once implemented, THA would allow properties in good standing -- defined as units that have passed an inspection in the last 12 months-- to self-certify initial inspections. THA will continue to track, report, and provide QA audits on units up to 10% of the time for those units. No additional waivers are needed to implement these changes.

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

THA implemented NSPIRE inspection standards in October 2024. THA will continue to use the existing MTW flexibilities under this activity for conducting its NSPIRE inspections (formerly HQS).

Application to Special Purpose Vouchers: THA is applying this activity to the following SPV types: FUP, FYI, EHV, NED, MSV, VASH, and VASH PBV.

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

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

26. Local Homeownership Flexibilities

Plan Year Approved, Implemented, Amended: THA proposed this activity in 2024 and implemented this activity in 2025.

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

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

Application to Special Purpose Vouchers: THA does not seek to apply the flexibility in this MTW activity to any of its SPV Programs.

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

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

B. NOT YET IMPLEMENTED ACTIVITIES

N/A

SECTION C. ACTIVITIES ON HOLD

20. MTW Seed Grants: 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 non-fixed-income (work-able) households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for households in 2013. In recent years, THA kept this activity in the implemented section of the MTW Plan in case there were opportunities to use seed grants to support the agency's goals of increasing the number of customers and low-income Tacoma residents hired by THA or its partners and expanding opportunities for training and certifications for residents. In 2026, THA placed this activity on hold since there were no plans to provide seed grants. THA will close out the activity in the 2026 Annual MTW Report if there have been no plans for reactivation by year-end 2026.

15. Regional Approach for Special Purpose Housing: THA received authorization for this activity in 2012 and used this activity to implement its local, non-traditional housing programs in 2013. Until 2025, THA used this activity to add funds to the existing local infrastructure that provided housing assistance and services to families and young adults experiencing homelessness within the Tacoma/Pierce County area through investments in Rapid Rehousing (RRH). Additionally, through this activity, from 2020 to 2022, the Tacoma Schools Housing Assistance Program (TSHAP) assisted McKinney-Vento-identified families with prevention supports, diversion, or RRH, depending on a family's particular needs. Starting in 2025, this activity was placed on hold due to the agency's difficult decision to stop funding. In 2025, THA was left with a critical funding gap because HUD announced that funding for the Emergency Housing Voucher (EHV) Program was ending earlier than anticipated. This funding change resulted in a potential risk for EHV households to lose their housing and THA has been working diligently to identify other housing options for these households. One of those options included establishing an MOU with our development partner for Aviva Crossing and moving 55 EHV families in the property's project-based voucher units. Should the funding landscape change in the future, THA plans to reactivate this activity.

SECTION D. CLOSED OUT ACTIVITIES

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

4. Allow Transfers Between Public Housing and Voucher Waitlists This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA's portfolio is almost completely PBV, making this activity obsolete. THA closed this activity in 2022.

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

10. Special Program Vouchers: THA proposed this activity in 2011 and has yet to implement it. The initial idea was to establish a Special Program Voucher program similar to the project-based voucher program. Vouchers were to be awarded to service partners for a special purpose or a special program, in which case service partners would be responsible for designing the program and THA would oversee the administration of these vouchers through an annual reporting and/or audit process. Because this activity was proposed before HUD issued guidance on local non-traditional (LNT) programs and THA has since implemented LNT activities (Activities 15 and 16), THA closed this activity in the 2025 MTW Plan.

13. Local Blended Subsidy: THA proposed this activity in 2012 but has not implemented it. The activity was created so that THA could create a local blended subsidy (LBS) at existing and, if available, at new or rehabilitated units. The LBS program would use a blend of MTW Section 8 and public housing funds to subsidize units reserved for families earning 80 percent or below of area median income. Because of the complicated nature of this activity, THA has not implemented it. THA has been approved for a RAD conversion in 2014/2015 which caused this activity to be closed out in 2015. The units may be new, rehabilitated, or existing housing. The activity is meant to increase the number of households served and to bring public housing units off of the shelf.

14. Special Purpose Housing: THA proposed this activity in 2012 and has not implemented it. The activity was meant to utilize public housing units to provide special-purpose housing and improve the quality of services or features for targeted populations. In partnership with agencies that provide social services, THA would make affordable housing available to households that would not be admitted to traditional public housing units. With this program, THA would sign a lease with partner agencies to use public housing units both for service-enriched transitional/short-term housing and for office space for community activities and service delivery. The ability to designate public housing units for specific purposes and populations allows units to target populations with specific service and housing needs and specific purposes, such as homeless teens and young adults. Because of the RAD conversion, THA closed this activity in 2015.

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

THA initially made the decision to feature fixed and time-limited subsidies for non-fixed-income (work-able) households with the intention of reaching more households. However, THA completed an assessment in 2021 of HOP participants and found that HOP participants had less positive outcomes than traditional HCV participants whose vouchers were income-based and not time-limited. Because of these results, the THA Board of Commissioners approved of the sunsetting of the Housing Opportunity Program effective May 2022. As of year-end 2023, all households who were originally issued HOP, CHAP, or CHOP subsidies successfully transferred to the HCV Program so THA closed this activity in the 2023 MTW Report.

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

Section V: Planned Application of MTW Funds

A. PLANNED APPLICATION OF MTW FUNDS

Estimated Sources of MTW Funds		
The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.		
FDS Line Item	**FDS Line-Item Name**	**Dollar Amount**
70500 (70300+70400)	Total Tenant Revenue	THA's Finance Team is finalizing its 2027 budget. THA will provide the dollar amounts prior to THA's submission of the 2027 MTW Plan.
70600	HUD PHA Operating Grants	
70610	Capital Grants	
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	
71100+72000	Interest Income	
71600	Gain or Loss on Sale of Capital Assets	
71200+71300+71310+71400+71500	Other Income	
70000	Total Revenue	

<table>
<tr><th colspan="3">Estimated Application of MTW Funds</th></tr>
<tr><td colspan="3">The MTW PHA shall provide the estimated application of MTW funding in the plan year by Financial Data Schedule (FDS) line item. Only amounts estimated to be spent during the plan year should be identified here; unspent funds that the MTW PHA is not planning on expending during the plan year should not be included in this section.</td></tr>
<tr><th>FDS Line Item</th><th>FDS Line-Item Name</th><th>Dollar Amount</th></tr>
<tr><td>91000 (91100+91200+91400+91500+91600+91700+ 91800+91900)</td><td>Total Operating - Administrative</td><td rowspan="16">THA's Finance Team is finalizing its 2027 budget. THA will provide the dollar amounts prior to THA's submission of the 2027 MTW Plan.</td></tr>
<tr><td>91300+91310+92000</td><td>Management Fee Expense</td></tr>
<tr><td>91810</td><td>Allocated Overhead</td></tr>
<tr><td>92500 (92100+92200+92300+92400)</td><td>Total Tenant Services</td></tr>
<tr><td>93000 (93100+93600+93200+93300+93400+93800)</td><td>Total Utilities</td></tr>
<tr><td>93500+93700</td><td>Labor</td></tr>
<tr><td>94000 (94100+94200+94300+94500)</td><td>Total Ordinary Maintenance</td></tr>
<tr><td>95000 (95100+95200+95300+95500)</td><td>Total Protective Services</td></tr>
<tr><td>96100 (96110+96120+96130+96140)</td><td>Total Insurance Premiums</td></tr>
<tr><td>96000 (96200+96210+96300+96400+96500+96600+96800)</td><td>Total Other General Expenses</td></tr>
<tr><td>96700 (96710+96720+96730)</td><td>Total Interest Expense and Amortization Cost</td></tr>
<tr><td>97100+97200</td><td>Total Extraordinary Maintenance</td></tr>
<tr><td>97300+97350</td><td>Housing Assistance Payments + HAP Portability-In</td></tr>
<tr><td>97400</td><td>Depreciation Expense</td></tr>
<tr><td>97500+97600+97700+97800</td><td>All Other Expenses</td></tr>
<tr><td>90000</td><td>Total Expenses</td></tr>
</table>

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

THA will update this section prior to THA's final submission of the 2027 MTW Plan.

Planned Application of MTW Funding Flexibility

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

- THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends to make its processes less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.

- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Client Support and Empowerment Department also assists tenants who are facing challenges in successful tenancy.

- THA is entering into community partnerships to develop and continually improve programs and wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC, and the Health Department to provide multi-generational mentorship programs, tutoring, social-emotional learning. This also encompasses THA's Children's Matched Savings Account Program (formerly reported as Activity 21), which is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation, and enrollment.

- THA is making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA's administrative data system, including changes to its financial and case management systems. THA completed the vendor transition in 2024. Led by THA's Data Governance Committee and THA's IT department, THA is focusing on the development of a data warehouse that enables longitudinal analysis, the development of key performance metrics (KPI) dashboards, and reporting and visualization capabilities that provide meaningful insights into THA's quality of housing and services.

- THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.

- THA is using its MTW funds to help the agency achieve its goal to 'make THA a great place to work' and ensure staff are paid a housing wage. This includes shifting the maintenance staff home cost center to THA-MTW funds.

- THA is using its MTW funds to support and make 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 the future development of affordable housing in Tacoma.

- THA is partnering 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 is focusing on eviction prevention efforts to help keep residents who are at-risk of eviction housed. This includes staff from THA's Client, Support, and Empowerment Department and Property Management Department working together in a warm outreach program to engage with residents on late rent and entering into repayment agreements where possible. Staff also connect households with eviction prevention resources available in the city and county.

- THA is reassessing its contracting procedures and investing in staff support to ensure the agency is in compliance with all procurement standards. THA seeks to increase contracts with businesses that align with HUD's Section 3 efforts. This includes, but is not limited to, hiring businesses with a Federal MWBE designation and THA clients.

- THA may use MTW single fund flexibility towards property operations to offset shortfalls caused by the lack of sufficient operating cost adjustment factor (OCAF) increases and the unique market conditions present in Tacoma. This flexibility will help stabilize properties to ensure that they remain financially solvent and are able to meet their financial commitments.

- THA is using its MTW funds to support relocation expenses for residents to meet reasonable accommodation obligations set forth under Section 504 of the Rehabilitation Act, including properties for which THA manages and has partnership or membership interest in.

- THA may use MTW funds to support rehabilitation projects in THA's portfolio.

Planned Application of PHA Unspent Fund and HCV Funding

THA will update this section prior to THA's final submission of the 2027 MTW Plan.

Local Asset Management Plan

Is the PHA allocating costs within statute?	**No**
Is the PHA implementing a local asset management plan (LAMP)?	**Yes**
Has the PHA provided a LAMP in the appendix?	**Yes**
If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.	*THA will update this section prior to THA's final submission of the 2027 MTW Plan.*

Rental Assistance Demonstration (RAD) Participation

Description of RAD Participation

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION
• In April 2016, THA closed on the conversion of 456 units. Rehab on those units was completed on 12/31/2017. • Between October 2019 and December 2019, THA closed on the conversion of 323 additional units. This was a transition in which no new Capital Financing was involved. • THA's original significant RAD amendment was submitted to HUD 7/27/2015 and was approved on 9/14/2015.

Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.	**No**
If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?	**N/A**

Section VI: Administrative

A. BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE

THA will update this section with the corresponding requirements prior to THA's final submission of the 2027 MTW Plan.

B. DOCUMENTATION OF PUBLIC PROCESS

Please Note: THA is undergoing the public comment and public hearing process currently with this 2027 Draft MTW Plan.

C. PLANNED AND ONGOING EVALUATIONS

THA's Department of Strategic Initiatives, Information Technology Department, and operational departments work together to continually monitor the effectiveness of the agency's housing and services programs. In 2027, staff will support the following work:

Operational Improvements: THA will continue to monitor and adjust practices for its waitlist management and policies, implementation of the FSS Program, and recent MTW activity changes that we anticipate enacting, such as THA's revised implementation schedule for processing new payment standards (Activity #27) and if THA decides to alter its rent calculation (Activities #5 and 6).[13] THA changed its repayment agreement policy in 2026 and THA anticipates conducting a process evaluation in 2027 to monitor its implementation in the first year. THA will also develop an organizational performance measurement system, using a suite of tools from Microsoft's business intelligence software, to develop key performance metrics (KPI) dashboards of its short- and long-term goals.

Payment Standards Analysis: THA completes an in-depth annual review of its payment standards to ensure they are meeting the needs of participants. THA piloted new methods to conduct its payment standards analysis beginning in 2022 in which THA was able to procure access to an extensive third-party dataset, thereby allowing THA to fine-tune its payment standards and adjust to the local market in response to changing market conditions. THA will continue to conduct its annual review in the 2027 plan year.

Exploring Solutions to Maintain THA's Quality of Housing and Services: THA continues to advocate and identify additional means by which our programs can be financially sustainable. THA is exploring options to supplement RAD rents, which have historically been underfunded since the RAD funding formula was set at a prorated amount when THA adopted RAD. At the time THA converted most of its PH stock to RAD, THA did not receive sufficient operating subsidy and capital funding, which has lasting effects to this day. In THA's case, for example, the agency's RAD units were funded at 52% of our MTW units ($649 vs $1,259 for HAP) in 2026. This adds strain to our statutory requirement to serve substantially the same (StS) number of households as THA's RAD units are still counted within the StS denominator on a 1:1 basis even though the HUD funding we receive equates to approximately half the value of one unit. THA continues to strive to identify potential solutions with HUD and industry partners, be it through using MTW funding to supplement the proration or utilizing MTW regulatory flexibilities, to rectify this long-standing issue.

[13] Note these activities are still pending HUD review and approval. Implementation and any follow-up assessments would only occur after receiving HUD approval.

D. LOBBYING DISCLOSURES

THA will update this section with the corresponding requirements prior to THA's final submission of the 2027 MTW Plan

Appendix A: Letter of Consistency

THA will update this section with the corresponding requirements prior to THA's final submission of the 2027 MTW Plan

Appendix B: LAMP

A. Background and Introduction

The First Amendment to the Amended and Restated Moving to Work Agreement authorizes 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.

The LAMP remains largely unchanged for 2026. In 2025, THA reorganized, and as a result, certain functions moved departments. Table 2 was updated to reflect this new structure, and rates were updated to reflect the current costs. The unit equivalencies in Table 3 were updated to reflect the planned 2026 activity.

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].

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

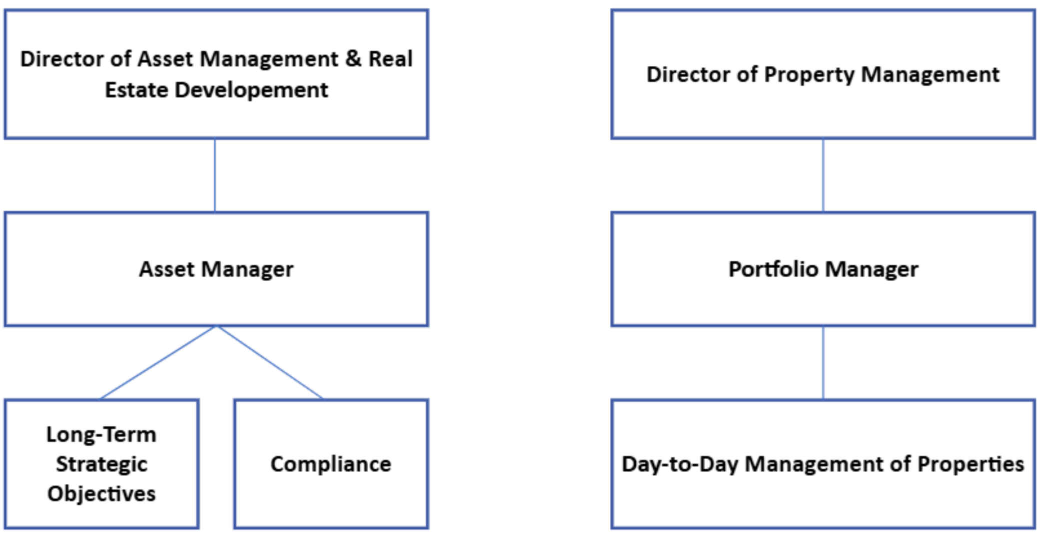

Figure 1: Organizational Structure

Description of 2026 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.

Asset and Compliance Management

The Property Management Department oversees the day-to-day operations of the properties, while THA's Asset Management & Real Estate Development (AMRED) handles the long-term strategic objectives. Having the Asset Management and Compliance functions within these departments enables THA to plan for the future effectively, 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

Project-Level Reporting

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

Maintenance Operations

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio rather than each of the individual projects. We continually review our practices and how they work and update our approach when needed. We have a Facilities Manager whose responsibility it is to oversee the overall maintenance of our properties. We currently have two Maintenance Managers and five Maintenance Specialist-Leads with more technical abilities who assist other Maintenance Specialists and oversee repairs and work orders. In 2024, THA's portfolio was regrouped into three zones, each having at least one Maintenance Specialist-Lead and several Maintenance Specialists. In 2018, we also instituted a unit turn team concept, which currently consists of 5 Maintenance Specialists and a lead, whose specific responsibility is to turn vacant units. The goal is to reduce costs by having a dedicated team and using less contract maintenance. It is important to note that when working in a unit, the maintenance personnel are charged directly to the property they are working in.

Acquisition of Goods

THA has been operating under a decentralized purchasing model for the acquisition of goods. Site staff is primarily responsible for purchasing supplies for the properties they oversee. Purchases are primarily completed through a P-Card system, while in certain circumstances Purchase Orders continue to be used.

Acquisition of Services

While the acquisition of goods is decentralized, the agency has adopted a hybrid approach to the acquisition of its services. Centralized duties include the oversight of the contract needs of the sites, management of the bid process, vendor communication, and contract compliance. The sites are responsible for scheduling work, approving invoices, working with the centralized staff to define scopes of work, and ensuring the work is done properly.

C. Strategic Asset Planning

THA's Leadership Team Operations Committee

THA has a Leadership Team Operations Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Real Estate Development, Property Management, Client Support & Empowerment, Strategic Initiatives, Human Resources, Information Technology, and Legal Services. The committee meets weekly and is facilitated by the Agency's Deputy Executive Director. At regularly scheduled intervals, the committee reviews operational costs at each site, discusses significant cost variances between the properties, analyzes property performance metrics, and compares cost and operational data to industry standards. THA also uses financial models to compare our metrics to properties managed by private firms. A smaller subset of this committee, along with additional managers, regularly meets to review this data in greater detail and provide analysis to the Leadership Team Operations Committee. 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 modifications to THA's current rent policy and occupancy standards, as well as 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.

D. Cost Approach

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Client Support expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages, and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. By the end of 2019, all but five Public Housing units had transitioned to RAD units. The five units consists of a single-family home owned by THA (AMP6), and four units in our Hillside 1500 tax credit entity. It is important to note we currently manage the majority of our properties in our Tax Credit entities, and follow the guidelines set forth by this LAMP.

THA developed this approach for the following reasons:

1. It allows the agency to easily see the costs directly related to the day-to-day operations of a property or program and determine whether the management of that cost center can support itself. Staff managing the programs and properties will be able to easily discern all related administrative and shared costs. Managers will negotiate if costs are determined unreasonable or if the AMP or program cannot support the proposed fees.
2. One of the goals of the MTW program is to increase administrative efficiency. By charging these costs out as a fee, it will be easier in the future to identify the administrative efficiencies at the program/project level and the indirect costs that support them. The tax credit entity fees paid to THA is based on a % of their Operating Income and is distributed to the various support areas within THA.

Activity Areas

THA created three separate activity areas in order to track what it costs the agency to support different types of activities in which the agency engages. The three activity areas are:

- Conventional Affordable Housing (MTW)
- Tax Credit Management (MTW)
- Business Activities (Non-MTW)

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

Program Support Center

Each of the three activity areas (Business Activities, CAH Activities and Tax Credit Activities) will have a Program Support Center (PSC). This is the equivalent of the Central Office Cost Center (COCC) under the

HUD Asset Management model, and it contains all of the programmatic support costs related to each of the three activity areas. The expenses will be split out to one of the three support centers based on unit equivalency and where the project or program resides to more clearly identify where administrative expenses fall and measure either the profitability or cost to each of the identified areas.

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

Direct Costs

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

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

Table 1: Direct 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
- In-house legal services
- 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
- 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 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**	**Property Mgt**
Executive	$2.00	$2.00
Legal Services and Procurement	$1.00	$2.25
Human Resources	$2.00	$2.50
PM Overhead (including rent)	$3.00	Remaining
Bookkeeping Fee	$6.50	$23.25
Asset Management Fee	$0.00	$8.00
Compliance	$1.25	$2.75
Policy and Communication	$1.00	$1.50
IT Fee	$9.00	$13.50
Community Services	$4.75	$2.75
Leasing Support	$0.00	$1.75
Total Fee:	***$30.50***	***$60.25***

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 15% 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 2026.

Program Support Center Allocation Detail

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2026 Projected					
Cost Center	**Funding Source**	**CAH (MTW) Unit Equiv.**	**Tax Credit (MTW) Unit Equiv.**	**Business Activities (Non-MTW) Unit Equiv.**	**Total Units**
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,552			3,552
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers	103			103
	Wedgewood - 50 Units managed UMS*	48			48
	New Fair Choice HCV - 2022	20			20
	Tahoma House	6			6
	EHV			121	121
	FUP Vouchers			125	125
	FYI Vouchers			75	75
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			317	317
RAD Vouchers	RTH RAD Vouchers	456			Prop Mgt
	Bay Terrace 1 RAD Vouchers	26			Prop Mgt
	Hillside Terrace RAD Vouchers	33			Prop Mgt
	Salishan RAD units	290			Prop Mgt
	Salishan 7			91	91
PH Units-THA	AMP 6	1			1
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		**46**
	Hillside Terrace 1500 Blk (Includes AMP 9)		16		**16**
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		**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
	Housing Hilltop - Residential (75%)		173.25		231
	Housing Hilltop (Commercial)			3.75	5
	James Center North			18.75	25
	New Look (Apartments)		36		48
	Alberta J Canada (Commercial)			3.75	5
	North Highland			26.25	35

	Outrigger Apts.			36.75	49
	Totals	***4,685***	***1,533***	***1,122***	***6,653***
Real Estate Development	THA MTW Support - 15%	150			150
	THA as Developer - 85%			848	848
	Development Unit Equivalents - 15% of Total Units	*150*	*0*	*848*	*998*
	Total Units/Unit Equivalents - Agency	***4,835***	***1,533***	***1,970***	***8,338***
Program Support Center Equivalencies (% of All Unit Equivalencies)		***57.99%***	***18.39%***	***23.63%***	

Appendix C: THA's Emergency Operations

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

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

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

MTW Authorization of Emergency Operations Matrix

Emergency Operation Type	Relevant THA MTW Activities	MTW Authorization (THA Standard MTW Agreement)	Reference to MTW Operations Notice - Appendix I, as applicable	Additional Notes
Defer end of participation dates	• *3. Local Project-Based Voucher Program;* • *17. Housing Opportunity Program (HOP)*	Standard MTW Agreement: Attachment C Section D.2.a. and D.2.d.	7. Term-Limited Assistance. Term-Limited Assistance (HCV) HUD states "the agency [THA] is authorized to implement term limits for families residing in public housing or receiving voucher assistance." (Main description, waiver 7)	THA is authorized to limit term assistance and abides by activity rules during normal operations. During emergency operations THA will amend the time limitation requirement to make it less restrictive for clients by deferring the end of participation.
Extend regular recertification due date	• *5. Local Policies for Fixed-Income Households;* • *6. Local Policies for Non-Fixed-Income (Work-Able) Households*	Standard MTW Agreement: Attachment C Sections C.4 and D.1.c.	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets. HUD states "the agency [THA] may establish an alternative reexamination schedule for households."	During emergency operations THA will alter its recertification schedule, as allowed through the MTW authorization.
Implement emergency verification policies	• *5. Local Policies for Fixed-Income Households;* • *6. Local Policies for Non-Fixed-Income (Work-Able) Households;* • *7. Local Income and Asset Verification Policy;* • *8. Local Interim Processing and*	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets HUD states "the agency [THA] is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations... MTW agencies must continue to	Per the Standard MTW Agreement, THA is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. As required by HUD in the 1996 MTW Statute, THA will continue to determine the initial eligibility of the family in accordance with HUD's PIH

	Verification Policies (HCV/PH)		determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609."	Notice 2018-18 and any subsequent guidance that supersedes.
Remove 90-day and 20% rule requirements	• *8. Local Interim Processing and Verification Policies (HCV/PH)*	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.	This refers to providing flexibility for a THA-imposed activity, not provided in Appendix I.	THA is authorized to define its own reexamination standards, payment standards and rent levels for tenant-based assistance during normal operations. During emergency operations THA will make its policy less restrictive for clients.
Defer HQS/NSPIRE Inspections	• *25. Modify HQS*	MTW Authorization: Attachment C, Section D.5	5. Housing Quality Standards (HQS).d. Alternative Inspection Schedules (HCV. HUD allows PHAs "to develop flexibilities around an HQS inspection's timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection..."	HUD provides PHAs the ability to set its own schedule for timing and frequency, which includes the flexibilities THA is seeking to establish. Furthermore, these provisions are included in the MTW Standard MTW Agreement.