



TACOMA HOUSING AUTHORITY 2022 MOVING TO WORK PLAN

DRAFT FOR PUBLIC COMMENT
AUGUST 2 - AUGUST 31, 2021

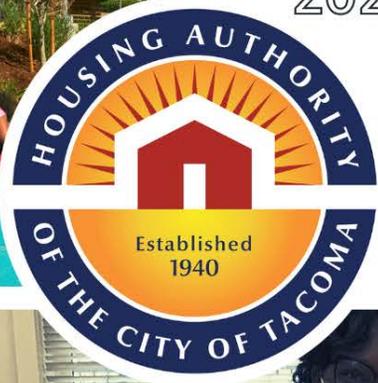


TABLE OF CONTENTS

Section I: Introduction	1
LONG-TERM GOALS & OBJECTIVES	2
SHORT-TERM GOALS & OBJECTIVES.....	4
Section II: General THA Operating Information.....	7
HOUSING STOCK INFORMATION.....	7
LEASING INFORMATION	13
WAITING LIST INFORMATION	16
Section III. Proposed MTW Activities.....	18
Section IV. Approved MTW Activities	19
IMPLEMENTED	19
1. Extend Allowable Tenant Absences From Unit For Active Duty Soldiers.....	20
3. Local Project-Based Voucher Program.....	21
5. Local Policies for Fixed-Income Households	23
6. Local Policies for Work-Able Households.....	25
7. Local Income and Asset Verification Policy.....	27
8. Local Interim Processing and Verification Policies (HCV/PH)	28
11. Simplified Utility Allowance	29
12. Local Port-Out Policy	30
15. Regional Approach for Special Purpose Housing	31
16. Creation and Preservation of Affordable Housing.....	33
17. Housing Opportunity Program (HOP).....	35
18. Elimination of the 40% Rule.....	37
19. Modify the Family Self-Sufficiency (FSS) Program.....	38

20. MTW Seed Grants	40
21. Children’s Savings Account	41
22. Exclude Excess Income from Financial Aid for Students	43
24. Rental Assistance Success Initiative (formerly) Local Security and Utility Deposit Program	44
25. Modify HQS.....	46
NOT YET IMPLEMENTED	48
ON HOLD	49
CLOSED OUT	50
Section V: Sources and Uses of MTW Funds	52
Section VI: Administrative	57
Appendix A: Letter of Consistency.....	61
Appendix B: LAMP	62
Appendix C: THA’s Strategic Objectives with Performance Measures	78
Appendix D: THA’s Emergency Operations	82

Tacoma Housing Authority Board of Commissioners

Stanley Rumbaugh, Chair
Shennetta Smith, Vice Chair
Dr. Minh-Anh Hodge
Derek Young
Pastor Michael Purter

Tacoma Housing Authority

902 S. L Street
Tacoma, WA 98405

April Black
Interim Executive Director

Julie LaRocque
Interim Deputy Executive Director

Katie Escudero
Interim Director of Policy, Innovation and Evaluation

Sandy Burgess
Director of Administration

Cacey Hanauer
Director of Client Support and Empowerment

Aley Thompson
Interim Director of Rental Assistance

Frankie Johnson
Director of Property Management

Lorraine Viers
Director of Human Resources

Roberta Schur
Interim Director of Real Estate Development

Rich Deitz
Interim Director of Finance



Section I: Introduction

As the Tacoma Housing Authority (THA) continues to respond to the COVID-19 pandemic and the resulting economic fallout, we will undoubtedly rely on our Moving to Work (MTW) flexibility to continually improvise and respond to emergent community needs. In addition to response and recovery, we are doubling down on our social justice mission to ensure our efforts are delivering equitable outcomes for the people we serve and the broader Tacoma community.

Prior to the pandemic, the housing market struggled to keep pace with the growing need and now, even more so. A housing shortage, in-migration of higher wage earners, and gentrification continue to create an untenable situation for people with low incomes. THA will continue to address this issue through its real estate development strategies, including the construction and acquisition of affordable housing units. In partnership with the Hilltop community, THA recently adopted a community framework to guide the development plan which calls for the eventual construction of over 200 units of housing. In addition to development, we also continue to seek out and disburse new voucher subsidies as they become available. A large focus this next year will be the lease-up of THA's 135 Emergency Housing Vouchers (EHVs), which serve individuals and families who are living homeless or experiencing housing instability.

Leveraging our MTW flexibility and in partnership with local providers, THA will continue to deliver unique subsidy programs that meet the needs of diverse individuals and families, including Tacoma Public School students experiencing homelessness and their families; college students who are housing insecure and homeless; individuals exiting the criminal justice system; and child welfare system-involved youth and families. We will continue to closely monitor program outcomes to ensure these strategies are responsive to and keeping pace with the rapidly changing context within which they operate.

Finally, THA, like other organizations, is considering how to simultaneously operate in a stressful and unpredictable environment while ensuring sustainability in our staff and systems. Over this next year, we will invest in strengthening and supporting our processes, systems, and staff.

While the pandemic continues to highlight systemic inequities across health, economic, educational, and housing outcomes, THA will seek ways to address these challenges over the long-term while being responsive to the imminent health, safety, and well-being of the community we serve. Moving to Work is essential in our ability to advance long-term strategies while remaining nimble and responsive in times of emergency, such as the one we continue to find ourselves in.

LONG-TERM GOALS & OBJECTIVES

THA's Board of Commissioners has chosen the agency's seven strategic objectives, each with performance measures that guide the agency over the long-term. We summarize them on the following pages and provide full detail in Appendix C: THA's Strategic Objectives with Performance Measures.

These strategic objectives advance our mission to provide high-quality housing and supportive services to people with low incomes, with a focus on those facing the greatest marginalization. We strive to do this in ways that accomplish two other aims. **First**, we seek to help people succeed, not just as residents but also, as our vision statement and strategic objectives contemplate, as "parents, students, wage earners and builders of assets". **Second**, we seek to help the City of Tacoma develop equitable affordable housing opportunities. We aim to help build a Tacoma that is a place that households of all incomes, races, and compositions, as our mission statement contemplates, experience as "safe, vibrant, prosperous, attractive, and just." The following seven strategic objectives are ambitious. THA will require all the tools within reach, including its MTW flexibility.

1. Housing and Supportive Services

THA will provide high quality housing, rental assistance and supportive services. Its supportive services will help people as residents, parents, students, wage earners, and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

2. Housing and Real Estate Development

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find affordable and supporting housing they need. Its work will serve to promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

3. Property Management

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

4. Financially Sustainable Operations

THA seeks to be more financially sustaining.

5. Environmental Responsibility

THA will develop and operate its properties in a way that preserves and protects natural resources.

6. Advocacy and Public Education

THA will advocate for the value of THA’s work and for the interests of the people it serves. It will be a resource for high quality advice, data, and information on housing, community development, and related topics. THA will do this work at the local, state and national level.

7. Administration

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

SHORT-TERM GOALS & OBJECTIVES

The pandemic is requiring us to continually relearn and adjust the ways we do our work. That work includes managing a large and varied portfolio of properties that houses marginalized households; paying rent on behalf of thousands of voucher holders to hundreds of landlords; completing large, complicated real estate projects; and providing supportive services to an increasingly stressed population of clients.

In 2022, THA will continue to adapt our work to respond to the community's needs while leveraging MTW flexibility to:

Aid in Post-Pandemic Response and Recovery

As of the writing of this Plan, COVID-19 case rates began climbing again after a brief respite from local vaccination efforts. We anticipate that we will continue to adapt, adjust, and respond to resident and community needs as they arise throughout 2022. A large focus will be on ensuring THA residents and the broader community of low-income households have access to resources recently made available through the American Rescue Plan Act. We will continue to closely partner with Pierce County and the Continuum of Care to lease-up the 135 Emergency Housing Vouchers dedicated to households who are homeless or facing housing instability.

Serve Additional Individuals and Families

THA will continue to seek out every resource and opportunity to serve more households, particularly those facing multiple barriers to housing. We will continue our partnership with Pierce County's Department of Human Services to help fund the county's rapid rehousing program for families with young children and young adults experiencing homelessness. With our Moving to Work flexibility, we have been able to design unique subsidy programs that serve households facing multiple barriers such as community college students experiencing homelessness, Tacoma Public School students who are homeless and their families, and youth and families involved in the child welfare system. This work will continue into 2022 as we consider additional strategies and partnerships that address the local homelessness crisis.

Create and Preserve Affordable Housing

Tacoma's rental market continues to grow more expensive and inaccessible to low-income households. Our voucher subsidy struggles to keep pace with the rising rents. Our clients must compete for fewer vacancies with other households that have stronger credit and rental histories. In response, THA is building, buying, and rebuilding properties that we then keep permanently affordable for people with low incomes. This next year, we will continue work on several development projects, of which a couple are highlighted below:

- **Housing Hilltop:** Hilltop, a historically Black/African-American neighborhood, is undergoing rapid transition and growth with increasing

private development interests and a forthcoming light rail line. Housing Hilltop is a development partnership with the Hilltop community to preserve and develop affordable housing, retail, and community spaces for the neighborhood. This multi-phase project will result in the redevelopment of four parcels into mixed-use affordable housing that is responsive to the needs and aspirations of the Hilltop community.

- **Hillsdale Heights:** THA will continue its partnership with Bridge Meadows to explore the feasibility of developing two independent housing developments at our Hillsdale Heights property. Specifically, we are exploring if THA could develop 60-70 affordable housing units for families on half of the parcel and sell the remaining half to Bridge Meadows for the development of an intergenerational community serving families with foster children and seniors.

In addition to development, THA will continue to actively pursue acquisition opportunities as they become available.

Provide Support and Resources to Our Residents

Amid ongoing uncertainty associated with the pandemic, THA will continue to focus on building partnerships and uncovering resources to provide THA residents with the supports and services they need to stay stably housed and pursue their aspirations and goals. While the world oscillates among degrees of “reopening”, we know that residents will continue to face uncertainty. THA will continue to balance being responsive to immediate needs while supporting residents in making progress towards their longer-term goals. To that end, THA’s Client Support and Empowerment Department will continue the redesign and implementation of its Family Self-Sufficiency (FSS) program. The goal is to develop an attractive and equitable program that centers the whole family. In line with this aim, THA will continue to support families with children in middle school and/or high school by providing targeted resources, programming, and staff support to children *and* adults in the household through the recently implemented Two Generational Program (2Gen). Finally, we will continue to offer the recently redesigned Children’s Savings Account (CSA) program that provides a \$500 contribution when a student opens a GET 529 prepaid college tuition account and ongoing services, support, and education to help the student and family meet their long-term educational and career goals.

Embed Diversity, Equity, and Inclusion in THA’s Work

While THA has always seen itself as a social justice agency with a technical mission, we know that there is always work to do to advance diversity, equity, and inclusion (DEI). In recent years, THA has taken concrete steps to advance these values: forming a dedicated project to give special attention to review and adjust ways THA can be effectively diverse, inclusive, and equitable in three areas: as a workplace for staff, its programs to clients, and its role in the civic discussion of the city, state, and nation; creating a Board-led Diversity, Equity, and Inclusion Committee to help further THA’s DEI work with an initial focus of helping to align Board and staff goals and strategies; and holding internal staff-led discussions that explored how THA should approach these objectives. In 2022, we will double down on these efforts by moving from committee work to a THA-

wide discussion that will prioritize DEI at the agency. We will enlist the support of a consultant to conduct an initial assessment that will help establish a concrete plan for THA's DEI work moving forward.

Continually Improve Operations, Programs, and Services

As we continue to respond to the pandemic and its impacts, we will streamline and adapt our operations, programs, and services to better meet resident needs, ease the administration of THA's housing programs, and improve our operational systems. In 2022, THA will continue assessing its current IT software platform and explore other options that could benefit THA operations, customer service, oversight, and reporting. THA seeks a comprehensive tool that connects the organization and better manages data, enabling us to make data-driven decisions and continually improve operations and programs. We will also continue to closely monitor and evaluate the outcomes of our time-limited, fixed rental subsidy programs. The increasingly expensive and out of reach housing market coupled with the devastating economic impacts of the pandemic, particularly on historically marginalized populations, require THA to assess the effectiveness of these programs in addressing the needs of the individuals and families we serve. Program modifications could follow this analysis.

Section II: General THA Operating Information

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
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
Flett Meadows	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	147	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	Leased/Issued	No	THA Family Housing
Hillside Terrace 1500	12	Leased/Issued	No	THA Family Housing
Hillside RAD	33	Leased/Issued	Yes	THA Family Housing
Hillside 2	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	Committed	No	Permanent Supportive Housing

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Home at Last	30	Leased/Issued	No	YWCA Family Housing
Nativity House	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	Leased/Issued	No	Senior housing
Olympus Apts.	18	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	Leased/Issued	No	MDC transitional family housing
Rialto Apts.	52	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
Salishan 1-7 ¹	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	Leased/Issued	Yes	THA Family Housing
The Rise at 19 th	64	Leased/Issued	No	THA Family housing
Tyler Square	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	Leased/Issued	Yes	THA Senior/Disabled Housing
	1,833	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
<p>THA will acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).</p>
<p>THA has sold the last seven lots in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.</p>
<p>THA is in discussion with Tacoma Public Schools for acquisition or other possible options for the Gault School site. This includes a role THA may play if the school is demolished and the park across the street is taken out of consideration for development.</p>
<p>THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This unit is being leased to a large family. This will leave THA with 719 public housing units available for use under Faircloth. THA is considering placing Public Housing Faircloth units in new acquisitions and new developments and eventually converting these units to RAD.</p>

General Description of All Planned Capital Expenditures During the Plan Year

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

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
In 2019, THA converted all but 5 units under the RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA will receive minimal Capital funds in 2022, yet has funds carried over from 2021 that will be reflected in the budget and will transfer to Operations.

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	48	4
MTW Housing Choice Vouchers (HCV) Utilized	49,574	4,131
Local, Non-Traditional: Tenant-Based^	1,750 ²	146
Local, Non-Traditional: Property-Based^	4,099	342
Local, Non-Traditional: Homeownership^	0	0

Planned Total Households Served

55,471

4,623

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

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

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

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

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
Tenant-Based	Regional Approach for Special Purpose Housing/15	1,750	146
Property-Based	Creation & Preservation of Affordable Housing/16	4,099	342
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
<p>MTW Housing Choice Voucher/Portfolio</p>	<p>Although the pandemic created uncertainty and operational challenges, THA’s Portfolio maintained a 99% lease-up rate throughout 2020 and 2021. We anticipate this trend to continue in 2022.</p> <p>At this time, THA does not plan to issue new HOP vouchers but will continue to focus on identifying households from the Consolidated Waitlist and the Over/Under Housed Transfer Waitlist to fill units at the Rise. Subsequently, THA will also focus on backfilling units as transfer households move out. THA is reviewing its transfer waitlist policies to streamline operations and ensure equity for applicants on the Consolidated Waitlist and households waiting for transfers.</p> <p>Finally, THA is piloting a Housing Navigator program for THA programs serving voucher households who face greater barriers on the private housing market.</p>
<p>Local, Non-Traditional</p>	<p>THA currently invests in two local non-traditional housing programs that are administered through Pierce County. The county is responsible for allocating THA’s investment to local rapid rehousing providers. Depending on the capacity of county and local providers to utilize and allocate these funds, there may be issues related to fully utilizing the allocated amount. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will respond accordingly.</p>

WAITING LIST INFORMATION

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
THA Consolidated Waitlist	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	1,556	Closed	No

Please describe any duplication of applicants across waiting lists:

N/A

Planned Changes to Waiting List in the Plan Year

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

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
THA Consolidated Waitlist	THA does not anticipate making any changes to the waiting list in 2022.

Section III. Proposed MTW Activities

N/A

Section IV. Approved MTW Activities

IMPLEMENTED

1. Extend Allowable Tenant Absences From Unit For Active Duty Soldiers

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

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

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

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

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

3. Local Project-Based Voucher Program

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

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

- **Remove 20% cap on project-based vouchers for THA developments**
Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project Based Vouchers. THA received permission through MTW to go above this threshold toward PBVs in projects owned and operated by the agency, allowing us to finance more developments in the future.
- **Established a reasonable competitive process and contract terms for PBV assistance**
THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
- **In-house Housing Quality Standards (HQS) inspections**
THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.
- **Modified Choice Mobility options for non-RAD, PBV households**
THA initially used this activity to waive the mobility option that allowed PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. Once THA converted a majority of its PBV units to RAD-PBV, THA revised its Choice Mobility policies. The RAD rules require THA to offer Choice Mobility vouchers to RAD-PBV tenants. In 2017, THA's board approved a revised version of this policy that made Choice Mobility available to *all* PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following requirements: 1) in good status/no debts owed; 2) one-time use policy 3) receive pre-issuance counseling; 4) unpaid tenant charges that could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.

- **Streamline PBV program**

In 2018, THA modified the activity by waiving the per project cap on a case-by-case basis for projects, including those not owned by THA; and allowing individual project owners to manage their own waiting lists. The changes have allowed THA to streamline many parts of the project-based program that were inefficient or unfair to those on the waitlist.

- **Emergency Operations**

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

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

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

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

5. Local Policies for Fixed-Income Households

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

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

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

THA's hardship policy for MTW-HCV households states that households may submit a written request for a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW elderly/disabled households they must meet one of the following requirements: (1) income changes will require household to pay more than 40% of their income as rent; or (2) household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for those who income-qualified for a hardship to receive one. In 2020, THA revised its hardship policy to remove the third-party documentation requirements to make it easier and less burdensome for households to apply for hardship.

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

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

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

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

6. Local Policies for Work-Able Households

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

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

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

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

THA’s hardship policy for MTW-HCV households states that households may request in writing a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW work-able households they must meet one of the following requirements: (1) income changes will require household to pay more than 50% of their income as rent; or (2) household has zero income. THA also requires that MTW work-able households show that they have applied for unemployment. THA’s hardship policy previously required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an 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. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix D: THA’s Emergency Operations.

Planned Non-Significant Changes: THA does not anticipate any non-significant changes to metrics or data collection during the plan year.

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

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

7. Local Income and Asset Verification Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Simplified Utility Allowance

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

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

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

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

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

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

12. Local Port-Out Policy

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

Description: This activity intends to reduce the number of invaluable housing dollars leaving Tacoma and the burden of administering port out vouchers while preserving portability in enumerate cases where it would advance important program goals. For these reasons, THA has limited the reasons a household may port-out. THA voucher holders are eligible to port-out when: their circumstances through an approved Reasonable Accommodation requires so; 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.

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

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

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

15. Regional Approach for Special Purpose Housing

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

Description: THA is using this activity to add funds to the existing local infrastructure that provides housing assistance and services to families and young adults experiencing homelessness within the Tacoma/Pierce County area. Pierce County’s Coordinated Entry system is the central intake for all individuals and families in Tacoma/Pierce county seeking assistance to exit homelessness. Households coming through central intake are assessed for the appropriate housing intervention and case management care needed to exit homelessness. Under this activity, THA pools resources with Pierce County to serve households without housing, or at serious risk of losing their housing and provide the supportive services needed to stabilize the household. THA’s investment in Pierce County’s Coordinated Entry system is used to assist households receiving services through Rapid Rehousing.

Expanding on this partnership, in late 2020, THA, Tacoma Public Schools (TPS), and Pierce County launched the Tacoma Schools Housing Assistance Program (TSHAP). TPS families identified as McKinney-Vento are referred to the contracted provider who engages them in a creative conversation to identify their needs and potential solutions to their housing challenges. Potential interventions include one-time prevention supports, diversion, or Rapid Rehousing, depending on a family’s particular needs.

For households being served through TSHAP and Rapid Rehousing, THA will continue to count households assisted under this activity as “served” six months post participation. THA’s partners report that THA funded service providers may still provide case management to households up to six months post program participation. Households are allotted a six-month period, similar to the “hold” voucher holders are permitted after being notified of a pending End of Participation (EOP). This provides a safety net for households who may still need support after their housing assistance has ended. This allows families to receive the services they need without requiring them to re-enter the Coordinated Entry system.

THA also uses the flexibility granted under this activity to designate one of its public housing scattered units as shelter to homeless and unaccompanied youth in Tacoma and Pierce County.

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

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

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

16. Creation and Preservation of Affordable Housing

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

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

Property-Based Subsidies: In 2018, THA re-proposed the activity to utilize its flexibility to place property-based subsidies in up to 500 units. Property-Based Rental Subsidies are contributions to properties that agree to make its units available at a rental price affordable to very low-income households. THA contracts with property owners who agree to these terms and in return THA would make contributions to the property based on a negotiated contract where the tenant contribution plus the subsidy would not exceed the market value of the unit based on a rent comparability study.

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

(1) *Housing Hilltop* – THA purchased 4 parcels in the surrounding Hilltop neighborhood. THA will develop a series of multi-family, mixed-use buildings which will serve as a catalyst for high quality residential and commercial development to ensure that the neighborhood amenities remain affordable. This will all be part of the Housing Hilltop plan.

(2) *1800 Hillside Terrace* – MTW funds were used to develop Bay Terrace, formerly Hillside Terrace. Phase I and II are completed and fully on-line. The development provides 74 newly constructed affordable housing units. The majority of the units are subsidized with project-based vouchers while 22 of the units are unsubsidized but remain affordable.

(3) *James Center North* – THA acquired a 7-acre retail and commercial area that poses a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College and close to transit, shopping, and entertainment. THA intends to develop an attractive, mixed-use development that will include apartments for people with a variety of incomes in amenity-rich West Tacoma.

(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.

(4) *Intergenerational Housing* – THA is exploring an intergenerational housing project that will serve a multigenerational community where children who have experienced trauma can receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite caregivers, honorary grandparents and tutors to the families.

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

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

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

17. Housing Opportunity Program (HOP)

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

Description: All new admissions to THA’s tenant-based voucher program receive a HOP subsidy. A HOP subsidy is a fixed subsidy as opposed to a subsidy based on income. The fixed subsidy is determined by the household size at admission and 50% of the current payment standard. This is applicable for both elderly/disabled households and work-able households. However, work-able households are subject to five-year term limits; whereas, elderly/disabled households may receive assistance indefinitely. The goal of the program is to help our participants achieve self-sufficiency by assisting them with their housing needs for a specific term and to give other waiting households a turn to receive assistance.

Through the use of targeted funding, THA also provides a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CHAP) and the Children’s Housing Opportunity Program (CHOP).

CHAP: THA partners with the Tacoma Community College (TCC) to provide rental assistance to TCC’s population of homeless and near homeless students. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidy as the HOP program and has a five (5) year limit on assistance. Graduates are considered a success and are transitioned off of the program with up to twelve (12) months of additional assistance to serve as an income-building year, not to exceed the five (5) year limit. The community college handles all eligibility but participants must be an active student at the community college and/or transferring to University of Washington, Tacoma. Students must stay in college and make satisfactory academic progress towards a degree or certificate.

CHOP: THA partnered with the Department of Children, Youth and Families (DCYF) to provide rental assistance to families who need housing to prevent or shorten their child’s foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood in homelessness. To date, CHOP has helped 33 families stay together or re-unite sooner.

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

In 2020 and again in 2021, in response to the pandemic, THA adopted a moratorium on time limit exits from THA's voucher programs and suspended non-housing related program requirements. This moratorium goes through 2022.

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

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

Planned Significant Changes: THA is evaluating the efficacy of these programs, before and after the pandemic. The results from this evaluation may lead to significant changes, such as placing households on an income-based rental subsidy, elimination of time limits, and no longer enforcing non-housing related program requirements. As of the writing of this plan, staff are assessing the programs and considering possible modifications but do not have more specific information on program changes.

No additional waivers or authorizations will be needed to implement the changes under consideration.

18. Elimination of the 40% Rule

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

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

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

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

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

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

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

Description: Through its MTW flexibility, THA modified the way we calculate escrow payments to be simpler and provide clearer guidelines for participating families. THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service. Below are examples of pay points:

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

Planned Non-Significant Changes: THA is considering changes to its FSS program that may impact its program eligibility, length of its Contract of Participation, pay points, and types of services rendered by FSS staff. No additional waivers are needed to implement these changes.

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

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

20. MTW Seed Grants

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

Description: THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient. THA used this activity to provide three (3) job skills and soft skills trainings for work-able households in 2013. THA does not have specific goals for this activity in 2022 but would like to keep it in the implemented section of the plan in case an opportunity to leverage a partnership through the use of a seed grant arises.

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

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

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

21. Children's Savings Account

Plan Year Approved, Implemented, Amended: This activity was proposed in the 2014 MTW plan and implemented in the fall of 2015 as a pilot within the Salishan community, which is a HOPE VI redevelopment that created a mixed-income community of 1,350 renter and homeowner households on an award-winning design. As of 2021, THA offers children's savings accounts (CSAs) to the children living among all 12 of its managed properties.

Description: 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: Beginning in 2021, when a THA student opens a GET account, THA will set aside \$500 for that student to earn into their GET account upon program completion. Previously, the CSA offered a two-phased earning model that included a seed and match for K-5th grade students and shifted to an academic-incentive earning structure for 6-12th grade students. The CSA has been redesigned to a simple flat-amount earning model of \$500, which will be applied to new CSA enrollees in 2021. Students who joined the program prior to 2021 will be grandfathered in to earn \$2,200 upon high school graduation, as well as any dollars previously earned through the K-5th grade seed and match.

Post-Secondary Planning & Navigation: THA program staff will coordinate engagement opportunities for families to receive educational and navigation supports to identify the goals they have for their future, plan for it and feel prepared to navigate it. We will do this in partnership with community partners who are experts in post-secondary and career preparedness, financial coaching and youth mentorship.

Experience and research strongly suggest that even modest balances in such accounts greatly increase the prospects that a student will attend college. For this reason, THA undertakes these efforts as part of its Education Project.

THA plans this effort in collaboration with the Washington Student Achievement Council, Tacoma Public Schools (TPS), Prosperity Now, Heritage Bank, initial funding from the Bill & Melinda Gates Foundation, Medina Foundation, College Spark, the Bamford Foundation, other funders, and the collaboration of banking and social service partners in Tacoma. Further funding will determine the scope and schedule for this initiative.

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

Planned Changes to Metrics/Data Collection: THA anticipates modifications to the baselines or benchmarks during the plan year and will update the metrics when the data becomes available. Modifications to program benchmarks will consider the impacts of the program expansion to additional THA family properties and rates of family engagement with financial and post-secondary navigation learning opportunities. Data will be collected through the GET program and shared with THA.

Planned Significant Changes: THA does not anticipate additional authorization for this activity this planning year.

22. Exclude Excess Income from Financial Aid for Students

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

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

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

Planned Changes to Metrics/Data Collection: THA has introduced the metrics it will use to report on this activity. See above.

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

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

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

Description: Initially this activity was solely a security deposit assistance program that was open to THA applicants in its Tacoma Public Schools Special Housing Project, its College Housing Assistance Program, and any of THA’s affordable housing applicants/residents who needed assistance in order to move into a unit. THA realized that many households did not have the resources to pay the security deposit once they reached the top of the waitlist and were offered a unit. This program ensured that families could afford to move into the unit when they come to the top of the waiting list. It would also reduce the number of unit turndowns THA receives. For those moving into THA properties, in order to receive assistance through the Security Deposit Assistance Program (SDAP), the household must be at/or below 30% AMI.

In addition to SDAP, THA modified the program in its 2019 Plan to expand the flexibility within this activity to include potential incentive programs to encourage property owner participation in THA’s rental assistance programs.

THA plans to use its MTW authority to implement additional programs and activities that will lead to increased participation and utilization of its highly valued housing assistance. THA has focused on developing strategic relationships with landlords to strengthen relationships and has created a new position, Landlord Engagement Specialist, to lead this work.

THA’s landlord engagement specialist was able to successfully partner with participating landlords to develop a “Renter Readiness” course and certification. Landlords will reduce screening criteria for THA households that have successfully completed the course. Due to COVID-19, this course has been moved entirely online and has been met with great reviews.

Renters Readiness Certification is going strong, more households are attending the class now that it is held online. Tacoma Public Utilities (TPU) is finalizing an agreement with Sound Outreach, to offer low-income attendees that qualify a credit on their TPU bill upon completion of all 3 classes.

In 2021, THA implemented a pilot program for housing navigation assistance for THA’s Mainstream program and the College Housing Assistance (CHAP) program. These program participants tend to have greater barriers, increasing the time it takes them to successfully lease-up.

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

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

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

25. Modify HQS

Plan Year Approved, Implemented, Amended: THA proposed this activity as an amendment in its 2019 Plan and received HUD approval in 2019.

Description: THA must inspect all units for Housing Quality Standards (HQS) to ensure that federally-assisted units are safe, clean and decent. THA made some modifications to its HQS processes to achieve staff time savings and reduce the time a THA client must wait until they are permitted to move-in. These modifications aim to reduce the administrative burden upon both THA and landlords and to encourage Tacoma housing providers to rent to THA voucher holders. To achieve these goals THA made the following changes:

1. In lieu of re-inspections for a failed HQS initial inspection, landlords may provide evidence that fail items that are outside of THA’s prescribed ‘life-threatening’ category have been cured. THA clients may move into the unit quicker since they no longer have to wait for an additional inspection to be completed. Landlords are still required to cure fail items within 30 days and THA will still conduct annual HQS inspections and audit inspections for quality control.
2. To achieve staff time savings THA will accept a “Certificate of Occupancy” issued by the City of Tacoma in lieu of an initial inspection. Future annual HQS and audit inspections will still be completed to ensure quality control.
3. To further streamline THA’s HQS processes, THA will negotiate its own contract rents and determine rent reasonableness. This is broadly applied to all THA owned, managed or subsidized units.

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

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

Planned Non-Significant Changes: THA seeks HUD approval for the following activity updates:

Initial Self-Certifications for THA-Owned Units: In lieu of an initial inspection completed by Rental Assistance HQS Inspection Staff, we are proposing that we accept “self-certified inspections” from Property Management staff. Qualified and trained PM staff will certify that the

unit has been inspected and that the property meet HUD and THA HQS inspection standards. These self-certifications would be documented through the submission of an HQS inspection check-list for each unit. Rental Assistance HQS Staff would then QA a certain percentage of these units 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.

Pre-inspections: Pre-inspections would 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 would be good for 90 days.

No additional waivers or authorizations are required to implement these proposals.

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

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

NOT YET IMPLEMENTED

Special Program Vouchers:

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

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

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

ON HOLD

N/A

CLOSED OUT

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

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

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

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

14. Special Purpose Housing: THA proposed this activity in 2012 and has not implemented it. The activity was meant to utilize public housing units to provide special purpose housing and improve quality of services or features for targeted populations. In partnership with agencies that provide social services, THA would make affordable housing available to households that would not be admitted to traditional public housing units. With this program, THA would sign a lease with partner agencies to use public housing units both for service-enriched transitional/short-term housing

and for office space for community activities and service delivery. The ability to designate public housing units for specific purposes and populations allows units to target populations with specific service and housing needs and specific purposes, such as homeless teens and young adults. Because of the RAD conversion, THA closed this activity in 2015.

Section V: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amount of MTW funding for the Fiscal Year		
SOURCES		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	-
70600	HUD PHA Operating Grants	\$ 50,885,000
70610	Capital Grants	\$500,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 2,750,000
71100+72000	Interest Income	\$ 22,000
71600	Gain or Loss on Sale of Capital Assets	\$ -
71200+71300+71310+71400+71500	Other Income	\$ 667,000
70000	Total Revenue	\$ 54,824,000

Estimated Uses of MTW Funding for the Fiscal Year

PHAs shall provide the estimated uses and amount of MTW funding for the Fiscal Year

USES

FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$12,350,000
91300+91310+92000	Management Fee Expense	\$ 150,000
91810	Allocated Overhead	\$ -
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 1,568,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 68,000
93500+93700	Labor	\$ -
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 359,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 75,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$ 131,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 112,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ -
97100+97200	Total Extraordinary Maintenance	\$ 35,000
97300+97350	Housing Assistance Payments + HAP Portability-In	\$ 44,080,000
97400	Depreciation Expense	\$ 900,000
97500+97600+97700+97800	All Other Expenses	\$ -
90000	Total Expenses	\$ 59,828,000

Planned Use of MTW Single Fund Flexibility

Listed below are some of the specific ways in which THA plans to exercise the Single-Fund 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 that are facing challenges in successful tenancy.
- THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA is in the midst of making necessary technological enhancements that will benefit the organization and residents.
- 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 wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.
- THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies.
- THA has developed a property-based subsidy program. Under this model, THA makes an annual contribution of MTW funds. The owner then rents these units to low income households at a rent affordable to these households. THA inspects the units annually and reviews a percent of tenant files annually to ensure the owner is renting to low-income households.
- In response to the catastrophic impacts associated with the COVID-19 pandemic, THA is implementing an eviction prevention fund. This fund provides emergency, one-time rental assistance to qualified residents to ensure they can maintain stable housing.

Local Asset Management Plan

Is the PHA allocating costs within statute?

or

No

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

Yes

or

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

Has the PHA provided a LAMP in the appendix?

Yes

or

There are minimal changes in the 2020 LAMP from the 201. It reflects the fact all but 4 of our remaining public housing units within our Tax Credit portfolio will be transitioned to RAD in 2019; and updates our Management Fee Schedules.

Rental Assistance Demonstration (RAD) Participation

Description of RAD Participation

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

Board Resolution and Certification of Compliance

Forthcoming.

Documentation of Public Process

Forthcoming.

Planned and Ongoing Evaluations

Housing Opportunity Program Evaluation: THA's Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three of its time-limited, flat subsidy programs, which were created using THA's MTW flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). The report summarizes the available evidence on the programs' efficacy, before and after the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
2. *Income: Does a HOP household's income change while receiving assistance?*
3. *Program Exits: When and why does a HOP household exit the program?*
4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The general Housing Choice Voucher (HCV) population was used as a comparison group when data was available.

Tacoma Schools Housing Assistance Program (TSHAP) Evaluation: In partnership with the Foundation for Tacoma Students, THA will evaluate the first couple of years of outcomes associated with the TSHAP program. The evaluation will assess economic mobility, housing stability, and academic stability and success.

Lobbying Disclosures

Forthcoming.

Appendix A: Letter of Consistency

Forthcoming

Appendix B: LAMP

A. Background and Introduction

The First Amendment to the Amended and Restated Moving to Work Agreement authorize Tacoma Housing Authority (THA) to design and implement a Local Asset Management Program (LAMP) for its Public Housing Program and describe this program in its Annual MTW Implementation Plan. The term “Public Housing Program” means the operation of properties owned or units in mixed-income communities subsidized under Section 9 of the U.S. Housing Act of 1937, as amended (“1937 Act”) by the Agency that are required by the 1937 Act to be subject to a public housing declaration of trust in favor of HUD. The Agency’s LAMP shall include a description of how it is implementing project-based property management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements. Further, the plan describes its cost accounting plan as part of its LAMP, and in doing so it covers the method for accounting for direct and indirect costs for the Section 8 Program as well.

The existing Property Management structure has been in place for several years now. THA has operated using project-based budgeting with on-site administrative and maintenance personnel responsible for the majority of the tasks associated with managing the properties. Our cost approach allocates all indirect revenues and expenses to a Program Support Center (based on unit count) and then charges fees to the programs and properties as appropriate.

B. Guiding Principles

The City of Tacoma established the Tacoma Housing Authority under State of Washington legislation in 1940 through resolution. The resolution states that the City formed the Housing Authority to address a “shortage of safe and sanitary dwelling accommodations in the City of Tacoma, Washington available to persons of low-income at rentals they can afford.” Since then, THA has strived to meet the ever-increasing demands for low-income housing in the Tacoma area. With acceptance into the Moving to Work (MTW) program in 2010, THA took on three additional statutory objectives that further define the Agency’s role on both a local and a national scale. THA is required to keep these objectives in mind through the development of each activity related to MTW, including the development of the LAMP. The three statutory objectives are: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families [Section 204(a) of the 1996 Appropriations Act].

C. Description of Asset-Based Operations

Overview of Organizational Structure

THA's Property Management Department is responsible for the day-to-day operations of THA's portfolio and the Administration Department is responsible for Asset Management and compliance. The chart below shows this relationship and the positions responsible for these management functions.



Figure 1: Organizational Structure

Description of 2021 Plan

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

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

Asset and Compliance Management

While the Property Management Department oversees the day-to-day operations of the properties, THA's Asset Management and Compliance Division oversees the long-term strategic objectives of the properties. Having an Asset Management and Compliance Division enables THA to effectively plan for the future, ensure compliance with Local and HUD regulations, and keep the agency's strategic objectives at the forefront when making both operational and strategic decisions. Included within the scope of this division are the following responsibilities:

- Risk Management
- Compliance (file audits, PIC, finding resolution)
- Budget Oversight
- Financial Reporting and Modeling
- Capital Needs Assessment
- Property Performance Review
- Strategic Planning
- Policy Development and Implementation
- Procurement Regulation

Project-Level Reporting

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

Maintenance Operations

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. We continually review our practices and how they are working and update our approach when needed. We have a Facilities Manager position whose responsibility it is to oversee overall maintenance in our properties. We currently have a Maintenance supervisor and four maintenance leads with more technical abilities who assist other maintenance specialists and oversees repairs and work orders in the two portfolios. Each portfolio has a team of maintenance specialists that perform work orders and repairs for the different properties in their portfolio. In 2018, we also instituted a unit turn team concept, which consists of 5 staff, including a lead, whose specific responsibility is to turn vacant units within all of our properties. The goal is to bring down costs, by having a dedicated team, and using less contract maintenance. It is important to note that when working in a unit, the maintenance personnel are charged directly to the property they are working in.

Acquisition of Goods

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

Acquisition of Services

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

D. Strategic Asset Planning

THA's Asset Management Committee

THA has an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, Client Support, and Real Estate Development. The committee meets on a routine basis and is facilitated by the Agency's Asset Manager. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the properties, analyzing property performance metrics, and comparing cost data and operational data to industry standards. THA also uses financial models to compare our metrics to properties managed by private firms. The committee also considers any policy changes having a potential impact on the operation of its properties and decisions regarding property acquisition and disposition. Some examples of policy changes discussed here include changes to THA's current rent policy and occupancy standards, whether properties should be managed by agency staff or third-party management.

The overall purpose of the committee is to ensure that THA makes decisions in a way that fosters appropriate communication between the major functional areas concerned with Asset Management and address related issues and concerns from a holistic perspective.

The cost approach developed by THA as described in the next section of this LAMP allows this committee and others in the agency to make informed decisions concerning the agency's portfolio. The cost approach will clearly show which areas of the agency cost the most to run and which provide the most value to the mission of the agency.

E. Cost Approach

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Client Support and Empowerment expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. By the end of 2019, THA will own only five Public Housing units outright. We converted our existing ACC Public Housing portfolio to RAD, setting up a new Tax Credit entity in 2016. The remaining Public Housing units are owned by our existing Tax Credit entities, and all except Hillside 1500, with 4 PH units were converted by the end of 2019. We currently manage our properties in our Tax Credit entities.

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 and Tax Credit Management in order to tell how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs, including any remaining Housing properties we may manage, and Section 8. THA considers any other activities as Non-MTW activities and the revenues and expenses fall 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.

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 cost. We choose not to allocate any costs out to a program or project that is not under their direct control.

Project Support Fee

The Administrative Support Fee will cover the costs of the services provided by the following:

- Executive Department
- Purchasing
- Asset Management, including compliance
- Human Resources Department
- Client Support and Empowerment
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing and Elderly Services Coordinator
- Policy, Innovation and Evaluation

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc.) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD our special program (FHP, NHT, VASH) will all be charged based on occupancy. The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. 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. 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.

Administrative Support Fee Components		
Fee	Rental Assistance	Tax Credit
Management Fee		
Executive	\$2.00	\$2.00
Human Resources	\$1.50	\$2.00
PM O'hd (including rent)	\$2.50	Remaining
Bookkeeping Fee	\$6.00	\$20.00
Asset Management Fee	\$0.00	\$10.00
IT Fee	\$6.50	\$9.00
Community Services	\$3.00	\$2.50
Leasing Support		\$1.50
Total Fee:	\$21.50	\$47.00

Table 2: Administrative Support Fee Components

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 Property Management source of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue. By the time this is submitted, THA should be finalizing the conversion of all but five of our remaining Public Housing units in existing Tax Credit entities to RAD.

Rental Assistance

Rental Assistance uses of funds include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA's Rental Assistance Division. These programs include Housing Choice Voucher (HCV), SRO, Project-Based Vouchers, FUP, VASH, NHT, 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. The chart below shows the equivalencies used.

Client Support and Empowerment (CSE)

The Client Support and Empowerment department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. As we continue to transition our new Voucher holders over to the Housing Opportunities (HOP) program that is both time limited, and a fixed subsidy program, these services have become more important. Additionally, THA has received several grants that provide funding for a variety of services to its clients. Most of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but overhead costs not reimbursed by the grants will.

THA's CSE area has traditionally assisted clients when Property Management staff has requested their assistance to help families remain viable tenants when in crisis. Moving to Work status has allowed the agency to continue that role, along with assisting families in a more pro-active way to move towards self-sufficiency.

THA's CSE department will either hire caseworkers or collaborate with other agencies to assist families at different levels. CSE works with families who face hardship and cannot meet minimum rent or lease requirements, prepares them to succeed as tenants, and assists tenants in obtaining skills that allow them to become self-sufficient. THA is proud of this focus. It is what makes us more than a real estate

developer, more than a landlord, and more than a manager of rental assistance. This is the work that makes us a social justice agency. This is the work that makes us an MTW housing authority.

In the agency's approach to CSE for the LAMP, the following applies:

- Income and Expenses directly related to a grant is not included in the MTW area.
- All administrative overhead not covered by these grants are charged to a CSE fund that tracks all MTW costs.
- The Elderly/Disabled Coordinator is charged out as a portion of the management fee to the elderly/disabled projects.
- The costs for the CSE staff assisting the agency's Property Management portfolio and MTW Voucher holders, along with the administrative costs associated with it, are charged to a CSE fund supported by the agency's MTW flexibility.
- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

In taking this approach, it allows the Client Support and Empowerment department to operate as a business activity. It is set up in such a manner that THA's Property Management area must negotiate for the level of service it desires and pays to receive, and the cost is known up front.

Real Estate Development

THA defines Real Estate development activities to include modernization of the current portfolio, investigation and design of new affordable and market-rate development opportunities, along with redevelopment of properties that have outlived their useful life. THA also acts as its own developer in building of affordable housing and is in the process of expanding its role in the Tacoma community. THA's approach to these activities is to charge any activities related to the current stock of affordable housing or activities funded to one of the two MTW activity areas, as applicable. Any time that THA earns a developer fee as a developer or performs tasks as either a Public Development Entity (PDE) or a Public Development Authority (PDA), all revenues and expenses will be considered Business Activities (Non-MTW).

Based on historic and projected activities, the agency estimates that Development activities make up approximately 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 Division and the Real Estate Development Department. We used to break out rent separately as a line item in the budget and charge the different areas. This is now included in our Management Fee calculations.

Differences – HUD Asset Management vs. THA Local Asset Management

THA is required to describe any differences between the Local Asset Management Program and HUD's asset management requirements in its Annual MTW Plan in order to facilitate the recording of actual property costs and submission of such cost information to HUD:

1. THA is using a modified fee for service as outlined above. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator) that could have been allocated out, but as these expenses are not under the control of the Property Manager, we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each property. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a 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 2021

Program Support Center Allocation Detail

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2021 Projected					
Cost Center	Funding Source	CAH (MTW) Unit Equivalent	Tax Credit (MTW) Unit Equivalent	Business Activities (Non-MTW) Unit Equivalent	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV	150			150
	Hillside Terrace TPV	103			103
	Wedgewood TPV	48			48
	Tahoma House TPV	5			5
	FUP Vouchers			125	125
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			217	217
Rental Assistance: 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
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		46
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		456
	Arlington Youth Housing		58		58
	Court F (Rise at 19th)		64		64
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
Salishan 6		90		90	
Property Management: Local Fund Units	Salishan 7			91	91
3rd Party Managed - 50% equivalency	Highland Crest -			36.5	73
	James Center North			15	30
	New Look		24		48
	Outrigger Apts.			24.5	49
	Prairie Oaks			7.5	15

Potential Purchase	Redwood Apts - 215 Units Pine Tree Apts - 60 Units Conifer Apts - 32 Units				
	Total Units/Unit Equivalents	4,654	1,348	766	6,070
Real Estate Development	THA MTW Support including CFP	227.75			228
	THA as Developer			683.25	683
	RED unit equivalents (15% of total units)	227.75	0	683.25	
	Total Unit Equivalents	4,882	1,348	1,449	7,679
	Program Support Center Equivalencies (% of All Units)	63.57%	17.56%	18.87%	100%

Appendix C: THA's Strategic Objectives with Performance Measures

1. Housing and Supportive Services

THA will provide high quality housing, rental assistance and supportive services. Its supportive services will help people as tenants, parents, students, wage earners, and builders of assets who can live without assistance. It will focus this assistance to meet the greatest need.

To meet this objective THA will:

- Strive to increase the number of households and persons receiving THA housing or rental assistance.
- Maintain an economic, racial, ethnic, language, age and differed abilities diversity that is reflective of our community.
- Provide the support and incentives necessary to help households to increase their household incomes.
- Help households get banked and build assets.
- Monitor the educational outcomes of students in our programs and provide interventions where necessary to help students succeed.
- Connect adult customers with education and employment services.
- Help households successfully exit THA's housing programs.
- Assess households on a scale of "in-crisis" to "thriving" and provide the services and referrals necessary to help households move to self-sufficiency.
- Regularly assess our service investments to ensure customers are satisfied and that the investments are offering the outcomes we hope for our customers.

2. Housing and Real Estate Development

THA will efficiently develop housing and properties that serve primarily families and individuals unable to find affordable and supporting housing they need. Its work will serve to promote the community's development. Its properties will be financially sustainable, environmentally innovative, and attractive.

To meet this objective, THA will:

- Increase the number and type of THA units.
- Improve the quality of housing that THA owns and manages.
- Increase the life-span of the units within THA's portfolio.
- Continue to develop and rehabilitate housing that is of award-winning quality.
- Improve the cost effectiveness of THA's development function.
- Assist in the development of affordable housing by other organizations.
- Reduce the amount of THA dollars in each development and increase the amount of private and public investments.
- Develop healthy and vibrant communities as measured by their incorporation of art and the walkability to community assets such as parks, schools, grocery stores, public transit and other community amenities promoting health.

3. Property Management

THA will manage its properties so they are safe, efficient to operate, good neighbors, attractive assets to their neighborhoods and places where people want to live.

To meet this objective, THA will:

- Lower its per unit per year operating costs.
- Increase its rent collection.
- Improve each property's cash flow.
- Maintain high quality properties.
- Schedule and complete capital repairs on a regular schedule.

- Maintain a high level of customer satisfaction as judged by customer surveys.
- Consult with customers in advance of any policy changes 100% of the time.

4. Financially Sustainable Operations

THA seeks to be more financially sustaining.

To meet this objective, THA will:

- Achieve an agency-wide operating surplus.
- Maintain minimum and maximum restricted and unrestricted reserves.
- Achieve a 1.15 debt-service ratio.
- Increase the value of THA's land and properties.
- Increase and diversify its income.

5. Environmental Responsibility

THA will develop and operate its properties in a way that preserves and protects natural resources.

To meet this objective, THA will:

- Develop environmentally responsible properties.
- Develop communities that incorporate creativity and healthy place making.
- Reduce energy and resource consumption.
- Reduce the use of greenhouse emitting products.

6. Advocacy and Public Education

THA will advocate for the value of THA's work and for the interests of the people it serves. It will be a resource for high quality advice, data, and information on housing, community development, and related topics. THA will do this work at the local, state and national level.

To meet this objective, THA will:

- Strive to maintain a positive public regard for THA.
- Lend staff to serve as effective members of community advisory panels.

- Be an effective advocate for the value of its work and the people it serves.

7. Administration

THA will have excellent administrative systems. Its staff will have skills that make THA highly efficient and effective in the customer service it provides to the public and among its departments. It will provide a workplace that attracts, develops and retains motivated and talented employees.

To meet this objective, THA will:

- Improve its operating efficiency.
- Lower its administrative costs per household served.
- Increase the number of households served per full time employee (FTE).
- Decrease the average amount spent on community service per client outcome.
- Increase its employee engagement scores.
- Decrease its staff turnover.
- Maintain positive audit results.

Embedded within each objective and strategy are unavoidable tradeoffs in the face of flat funding, increasing need and tightening rental markets. For example, a dollar spent on increased rental assistance or supportive services means serving fewer households, less support for leased housing and its tenants or weaker administration and customer service. THA can feel very confident about its judgment and the tradeoffs they denote. Yet some of them, like limits on rental assistance or increases, may not be occasions to celebrate. We may not have made some of those choices if Tacoma did not face an affordable housing crisis or if THA was flush with resources to meet it. Yet THA, in consultation with our community, will make these choices with the market we face and the resources we have. Within those constraints, THA feels proud and excited about these objectives and the path they set for its work and its city. MTW flexibility makes this work adaptable and innovative and helps give meaning to each of THA's seven strategic objectives.

Appendix D: 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.

- **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.
- **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.
- **Emergency Verification Policies:** At the time of a recertification, 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.
- **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.

- **Defer HQS Inspections:** Inspections require in-home visits and can require more than one trip to a single residence. During a time of crisis, we propose to defer regular and quality control HQS inspections to the household's next scheduled inspection date. This means that THA may accept a landlord's self-certification that the unit meets HQS or putting off these inspections until we have recovered from the crisis or until the next regular inspection is due, whichever is sooner. For quality assurance (QA) purposes and to retain program integrity, THA will increase its QA inspections and run targeted inspections on units with past of frequent HQS deficiencies.