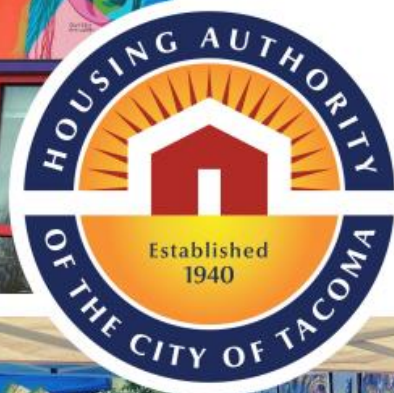




TACOMA HOUSING AUTHORITY

# 2023 MOVING TO WORK PLAN



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# Section I: Introduction

THA recognizes that the pandemic, and impacts stemming from it, are far from over. The immediate impacts of the pandemic included households being affected by the virus and residents becoming increasingly behind on rent. More recently, the emergence of supply chain issues and rising inflation have impacted the cost of living. As a result of mortgage rate increases more people have re-entered the rental market, exacerbating an already limited supply of housing. Through all this, THA's residents and stakeholders have been and continue to be the most impacted.

Thus, in 2023, what grounds THA's initiatives is its desire to serve as a stabilizing force for residents and community stakeholders. Moreover, THA will focus our energies on increasing access to housing, increasing the amount of available housing for low-income families, deepening housing affordability, and helping customers on our programs thrive.

To do this work, it requires taking a step back and aligning systems, when possible, to maximize impact for our residents and Tacomans facing housing instability. In 2023, THA will further align itself with other housing and service systems, including investing THA time and resources in Coordinated Entry so we can strive to have a single point of entry into all housing programs in Tacoma. Furthermore, we are invested in developing a systems-level strategy that connects residents with existing educational and apprenticeship pathways. This work, which includes aligning with community goals, data sharing, and building capacity to scale current promising approaches, is being done in partnership with the Foundation for Tacoma Students.

THA will also continue to build on its evaluative and improvement-focused ethos so we can continue to better serve the community. The last two years led to the redesign of major programs, including the Housing Opportunity Program (HOP). Previously in its former program design, HOP was time-limited in nature and subsidies did not adjust when households lost income. This subsidy model, in combination with an increasingly competitive rental market, delivered less successful outcomes than traditional income-based and non-time limited vouchers, especially for Black, Indigenous, and other People of Color (BIPOC) households. As a result, THA felt this pivot back towards vouchers was necessary. Staff have done a heroic job initiating the transition to the first rounds of households; in 2023, it will be our focus to ensure implementation stays on track so that we can eventually start monitoring outcomes and ensure households are indeed becoming more housing stable in light of this programmatic shift.

THA is also continuing to adapt in our Housing Hilltop development project, a project that will become one of THA's largest affordable housing developments in 20 years since Salishan. In 2023, THA will be making large development decisions that aim to keep at the forefront the intent

of the project and to meet the community's goals, while also being financially sustainable and maximizing limited resources to bring more affordable housing into the neighborhood and City.

We are springing into 2023 with a refreshed energy. THA staff are inventive problem solvers and with that comes creative solutions. That embodies the lifeforce of MTW for us and we are excited for what 2023 will bring.

## A. LONG-TERM GOALS & OBJECTIVES

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

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

### Increase the amount of available housing for low-income families

- In the next 5 years:
  - Add at least 500 new units of affordable housing through development or partnerships.
  - Purchase at least 200 housing units that can be prioritized for voucher holders.
  - Rehabilitate and or refinance at least 100 units of existing housing to improve quality of life for tenants and long-term viability of the property.
- In the next year, develop a process or program for THA customers to purchase homes.

### Increase Housing Access & Stability

- Maintain a 98% occupancy rate or higher in THA's portfolio.
- Maintain THA's MTW requirement to serve substantially the same number of customers.
- In the next year, decrease the number of households on THA programs paying more than 40% of their income for housing.
- In the next 2 years, increase the percent of households able to secure housing with a voucher from 55% to 60%.
- Within 3 years, develop a strategy for measuring customer (housing recipients, landlords, vendors, etc.) satisfaction and publish baseline data.

## **Embed Principles of Diversity, Equity, Inclusion & Belonging (DEIB) in THA's programs, culture & priorities**

- In the next year, in an effort to increase accessibility and ease of doing business with THA, increase the number and percentage of THA invoices paid within 30 days from the date of invoice and work to reduce the barriers to disadvantaged business enterprises.
- In the next year, review where and how to set goals related to the use of Universal Design.
- In the next 2 years, increase the percentage (by number and dollars) of minority and women-owned businesses receiving contracts or direct purchase requisitions with THA and/or on projects paid for with THA funds.
- In the next 3 years, review THA policies and practices related to housing, procurement, and employment and revise them to make them more equitable.

## **Make THA a great place to work**

- In the next year, increase THA retention from 79% to 85%.
- In the next year, increase the number and hours worked of THA residents and low-income Tacomans hired into THA jobs and THA-funded work.
- In the next year, increase the number and percentage of THA staff earning a housing wage.
- Within two years, develop a strategy for measuring staff satisfaction and publish baseline data.



## B. 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 2023, THA will continue to respond to the community's needs while leveraging MTW flexibility to:

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

- We will focus efforts on projects that are financially feasible and/or can be accomplished with partners.
- THA will focus on acquiring housing units to add to THA's portfolio.
- THA will explore ways it can use MTW flexibility to make homeownership options available to its customers.

### **Increase Housing Access & Stability**

- Transitioning HOP households to the traditional HCV voucher helps deepen affordability for households whose rents would have been unaffordable if their incomes decreased.
- THA has established a regular schedule for analysis to ensure THA's payment standards are keeping pace with the market, enabling households to secure housing.
- THA is aligning with existing systems of care, housing, and education partners to have a larger impact among THA residents and those most likely to face a housing crisis.
- THA will continue the redesign of the Family Self-Sufficiency (FSS) program and continue to support families with children in middle school and/or high school through the recently implemented Two Generational Program (2Gen).
- THA is creating a comprehensive data system that connects the organization and better manages data, enabling us to make data-driven decisions and continually improve operations and programs.

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

- THA will begin collecting data on the number of disadvantaged business enterprise, including minority and women-owned businesses, Section 3 businesses, and veterans-owned businesses receiving contracts with THA and/or on projects paid for with THA funds. We will also try to attract more of those businesses.

- THA will review THA policies and practices related to housing programs and services, procurement, and employment; revise them to make them more equitable; and establish a consistent review cycle thereafter.
- THA will raise awareness and increase understanding of the foundational definitions and principles of diversity, equity, inclusion, and belonging for THA staff, leadership, and Board of Commissioners realize better communication and provision of housing and support services.
- THA will develop an inclusive governance and collaboration structure to establish and move forward THA’s strategies and priorities; establish regular review cycles to ensure THA’s decision-making structures are audited through a DEIB lens.

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

- THA will focus on equitable hiring, improving retention and increasing the number of customers and low-income Tacoma residents hired by THA and its partners.
- There will be a greater percentage of THA staff being paid housing wage—the hourly wage needed to afford a two-bedroom unit in Tacoma. As of the writing of this report, a 2-bedroom apartment in Tacoma required a full-time wage of \$32 per hour.

# Section II: General THA Operating Information

## A. HOUSING STOCK INFORMATION

### Planned New Public Housing Units

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

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

Total Public Housing Units to be Added in the Plan Year

N/A

### Planned Public Housing Units to be Removed

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

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

## Planned New Project Based Vouchers

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

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

## 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
Exley / St. Helens	13	Committed	No	Housing for people exiting the criminal justice system (formerly known as DOC CHAP)
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

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Hillside 2	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	Leased/Issued	No	Permanent Supportive Housing
Home at Last	30	Leased/Issued	No	YWCA Family Housing
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 <sup>1</sup>	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	Leased/Issued	Yes	THA Family Housing
The Rise at 19 <sup>th</sup>	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

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

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
PBV VASH	30	Leased/Issued	No	3rd party PBV VASH
	<b>1,818</b>	<b>Planned Total Existing Project-Based Vouchers</b>		

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

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

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
THA will seek to acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).
THA has sold the last seven lots in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.
THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This unit is being leased to a large family. This will leave THA with 719 public housing units available for use under Faircloth. THA is considering placing Public Housing Faircloth units in new acquisitions and new developments and eventually converting these units to RAD.

## General Description of All 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 2023, yet has funds carried over from 2022 that will be reflected in the budget and will transfer to Operations.



## B. LEASING INFORMATION

### Planned Number of Households Served

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

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	60	5
MTW Housing Choice Vouchers (HCV) Utilized	48,890	4,074
Local, Non-Traditional: Tenant-Based^	1,699 <sup>2</sup>	142
Local, Non-Traditional: Property-Based^	4,224	352
Local, Non-Traditional: Homeownership^	0	0

#### Planned Total Households Served

**54,873**

**4,573**

\* "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.

<sup>2</sup> 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*
<b>Tenant-Based</b>	Regional Approach for Special Purpose Housing/15	1,699	142
<b>Property-Based</b>	Creation & Preservation of Affordable Housing/16	4,224	352
<b>Homeownership</b>	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><b>MTW Housing Choice Voucher/Portfolio</b></p>	<p>The pandemic and resulting economic impacts are making leasing up in this current climate extremely difficult. Despite the uncertainty and operational challenges, THA ended the year with a 101.62% utilization rate on average in 2021. THA’s portfolio maintained a 99% and 98% lease up rate throughout 2021 and 2022, respectively. We anticipate these trends to continue in 2023.</p> <p>THA is utilizing housing navigators and has partnerships with Housing Connector for THA programs serving voucher households who face greater barriers on the private housing market. THA continues to utilize its Landlord Specialist and MTW flexibilities to cultivate strong relationships with landlords and recruit new landlords in this very competitive housing market.</p>
<p><b>Local, Non-Traditional</b></p>	<p>For THA’s local, non-traditional housing program for RRH, the county is responsible for allocating THA’s investment to local rapid rehousing providers. Depending on the capacity of Pierce 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>

## C. 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
<b>THA Consolidated Waitlist</b>	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	948	Closed	Yes

Please describe any duplication of applicants across waiting lists:

N/A
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## 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
<b>THA Consolidated Waitlist</b>	THA plans to open its waitlist to all households in the 2023 plan year. THA is exploring changes to its consolidated waitlist, including ways to increasingly leverage the Tacoma/Pierce County Coordinated Entry System as part of its process to pull from the waitlist.

# Section III. Proposed MTW Activities

N/A

# Section IV. Approved MTW Activities

## A. IMPLEMENTED ACTIVITIES

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

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

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

**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. THA staff are continuously monitoring its funding used for PBVs and ensuring any significant investments are justified in meeting local needs with data-informed planning.
- **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 conducts Housing Quality Standards (HQS) inspections on units it owns or has interest in. In order to operate one, streamlined property management approach, THA also conducts HQS inspections on the small number of Public Housing Units it owns.
- **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.

- **Expanded Allowable Housing Types**

Since 2011, THA has been authorized to expand the definition of eligible housing types to include transitional housing, cooperative housing, and shared housing. The flexibility allows THA to project-base units targeted for special populations, such as those exiting the criminal justice system, homelessness, or the foster care system.

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

**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. THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.
- Eliminated the elderly/disabled deduction.
- Eliminated the dependent deduction.
- Eliminate medical deductions below \$2500.
- Implement 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 C: 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 in its federally subsidized programs. 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;<sup>3</sup>
- 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

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<sup>3</sup> Beginning 2023, THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.

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.

**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.

## 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 C: 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 C: 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, or for situations covered under the Violence Against Women Act (VAWA) and educational/employment circumstances. Households may also port-out when the receiving housing authority will absorb the voucher.

**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.

For households being served through 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.

*Effective December 31, 2022, TSHAP is no longer operating. Historically, TSHAP operated through the following guidelines:*

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.

**Planned Non-Significant Changes:** Since the launch of TSHAP in fall 2020, THA has been consistently monitoring the progress of the program and has identified ongoing programmatic challenges due to a lack of technical capacity and staff resources from the contracted provider. THA also found TSHAP to be additionally duplicative and burdensome for Pierce County and THA to administer. Because of these findings, THA is sunsetting TSHAP at the completion of the contract term in December 2022. The partners continue to explore developing a permanent pathway for McKinney-Vento students and their families that leverages Pierce County’s existing emergency housing resources.

**Planned Changes to Metrics/Data Collection:** THA will maintain its metrics but will only be reporting on households served in the local RRH program since TSHAP will have end by the beginning of the 2023 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. Eligible unit and housing types include but are not limited to: shared housing, cooperative housing, transitional housing, high-rise buildings, hotels/motels, and tiny homes.

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

- (1) Housing Hilltop – Housing Hilltop will provide 4-8 story buildings with a mix of retail and/or commercial space on the ground floor and a mix of very low income and workforce housing units (up to 60% of AMI) in a mix of bedroom configurations. Most of the units will be 1 and 2-bedrooms although some larger sized units will also be included for large families. The four buildings will have some shared amenities and parking. The four parcels share an alley which THA plans to include as active space by doing creative alley activation projects to enhance the living

experience for residents and to build community in the neighborhood. Financing would likely be a combination of THA unrestricted funds, private debt, and tax credits.

Phase I consisted of the development of 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, was done with a local non-profit partner. Construction completed and the lease up process began at the end 2022. Phase II will be orientated toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units, as THA will develop 231 affordable housing units. There will be 13,000 square feet of commercial retail space, including a 10,000 square foot performing arts and community gathering space in which THA will prioritize BIPOC-owned businesses to lease the spaces.

- (2) *1800 Hillside Terrace* (The Rise on 19<sup>th</sup>) – MTW funds were used to develop what is now referred to as the Rise on 19<sup>th</sup>, formerly Hillside Terrace. Phase I and II are completed and fully on-line. The Rise provides 64 units of deeply affordable housing for homeless individuals and small families, as well as people with disabilities and other low-income households.
- (3) *James Center North / Aviva Crossing* – THA acquired a 7-acre retail and commercial area that poses a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College and close to transit, shopping, and entertainment. THA is working with local housing partners on the sale and development of affordable units in West Tacoma in which THA anticipates construction will begin in 2023 and 2024. These multifamily properties will offer a mix of commercial and retail space, along with market rate rental housing. It is anticipated that this development will add households sufficient to support the retail and commercial spaces, while offering a high quality, mixed income project that will add vitality to the neighborhood.
- (4) *1500 Block* - THA proposes to redevelop a property referred to as the 1500 Block. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC.
- (5) *Intergenerational Housing (Hillsdale Heights)* – THA is exploring an intergenerational housing project that will serve a multigenerational community where children who have experienced trauma can receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite caregivers, honorary grandparents, and tutors to the families.

**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:** Effective May 1, 2022, THA is no longer issuing new HOP subsidies as THA will be sunsetting HOP. Please see the *Planned Non-Significant Changes* section below for more details about the transition process.

*Historically, HOP operated through the following guidelines:*

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.

**Planned Non-Significant Changes:** Effective May 1, 2022, THA is no longer issuing new HOP subsidies as THA is sunsetting HOP. THA completed an assessment in 2021 that found that the program delivered less positive outcomes than traditional income-based and non-time limited vouchers. Since the program's initial design and implementation in 2012, Tacoma's rental market has become increasingly constrained and expensive. A flat, time-limited subsidy like HOP cannot keep pace.

THA will transition a household's HOP subsidy when a household meets one of the qualifying events: change in household composition; a landlord requested rent change; or when a household completes their annual recertification. If and when a household moves, they will transfer to the HCV program. This means HOP households will start conforming to the same rules and rent calculations used for the Housing Choice Voucher Program.<sup>4</sup> As THA begins sunsetting the program after May 1, 2022, the following HOP program elements will no longer apply to HOP participants when they experience a qualifying event:<sup>5</sup>

- Work-able households being subject to a 5-year time limit (excluding CHAP).
- A person with a HOP subsidy not being able to transfer to another THA program or port out of THA's jurisdiction.
- THA's subsidy not increasing if household size increases, or the landlord requests a change in the rent amount.
- The HOP program not having utility allowances

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<sup>4</sup> Traditional voucher requirements in this context include voucher flexibilities granted to THA as authorized in its MTW Agreement and corresponding plans with HUD.

<sup>5</sup> The transitional plan to shift from HOP subsidies to HCVs are described further in THA's operational policies and consistent with THA's Admin Plan and MTW Plan.



THA anticipates it will keep this activity open until the last HOP subsidy converts to HCV or stops receiving THA assistance. No additional waivers or authorizations will be needed to implement the changes under consideration.

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

**Planned Significant Changes:** Because THA decided in May 2022 to sunset HOP and keep this activity open until the last HOP subsidy converts to HCV or the household exists the program, there will not be any planned significant changes needed for this plan year.

## 18. Elimination of the 40% Rule

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

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

**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

In addition, THA has removed the requirement that households need to be off cash assistance for 12 consecutive months prior to program graduation as a determinant to access escrow funds.

**Planned Non-Significant Changes:** THA has been assessing its FSS program to better meet the needs of participants. In FY 2023, THA is looking to make the following changes: updating policies and criteria for determining escrow calculation, pay points, and withdrawals; and implementing a local FSS Contract of Participation (COP), such that there are locally designed contract terms including length, extensions, interim goals, and graduation requirements. These changes to the COP additionally seek to allow more than one member of a household to receive escrow. THA continues its assessment of the FSS program, and THA may include additional changes to its FSS program that may impact its program eligibility or 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 job skills and soft skills trainings for work-able households in 2013. In 2023, THA would like to keep this activity in the implemented section of the plan to support future goals of increasing the number of customers and low-income Tacoma residents hired by THA and its partners and expanding opportunities for training and certifications so residents can be competitive in the current job market (aligned with Section 3 efforts).

**Planned Non-Significant Changes:** THA will do more planning between 2022-2023 focused on Section 3 strategies to hire residents and increase access to certifications and training opportunities in collaboration with other service partners. These planning sessions may further clarify THA's strategies and goals related to this activity in 2023.

**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.

## 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 does not anticipate any changes to the baselines or benchmarks during the plan year.

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

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

**Plan Year Approved, Implemented, Amended:** THA proposed this activity in its 2014 MTW Plan and implemented the program in January 2016. 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 and retention in THA's rental assistance programs. THA intends to operationalize a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss and payment policy.

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 modified the program in its 2019 Plan to expand the flexibility within this activity to include potential incentive programs to encourage property owner participation and retention in THA’s rental assistance programs. During the 2023 plan year, THA intends to operationalize a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss and payment policy. No additional waivers are needed to implement these changes.

**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.
4. In lieu of an initial inspection completed by Rental Assistance HQS Inspection Staff, THA may accept “self-certified inspections” from Property Management staff for THA-Owned Units. Qualified and trained PM staff may certify that the unit has been inspected and that the property 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, no less than 10%, each year. Eligible units are those owned by THA directly or in partnership with THA. Only units with construction dates after 1978 would be eligible for participation. During the QA process, should THA find any items that fail inspection, THA would require that all fail items be resolved just as we do with other standard inspection requirements. Furthermore, if less than 80% of inspections of the randomly selected QA inspections pass, THA would QA another sample and repeat the process as deemed necessary.
5. Pre-inspections could be allowed for any units that previously had an HCV tenant and/or for units owned by landlords that express interest in renting to a voucher holder. Pre-inspections could be good for 90 days.

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

**Planned Non-Significant Changes:** THA will be building out its pre-inspections policies and implementation processes to explore additional changes that may be needed in 2023 to operate pre-inspections effectively. No additional waivers are needed to implement these changes.

**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.

## B. NOT YET IMPLEMENTED ACTIVITIES

### 10. 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.

## C. ACTIVITIES ON HOLD

N/A

## SECTION D. CLOSED OUT ACTIVITIES

**2. ESHAP:** THA proposed and implemented this activity in 2011 and closed this activity in 2019. The activity began as a pilot program to assist homeless families enrolled at McCarver Elementary School. McCarver was known for its high transient rates. The initial design was intended to stabilize families enrolled at McCarver Elementary and as a result 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.

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

# Section V: Sources and Uses of MTW Funds

## A. PLANNED APPLICATION 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	\$16,000
70600	HUD PHA Operating Grants	\$57,300,000
70610	Capital Grants	\$500,000
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$3,100,000
71100+72000	Interest Income	\$15,000
71600	Gain or Loss on Sale of Capital Assets	\$0
71200+71300+71310+71400+71500	Other Income	\$24,000
70000	Total Revenue	\$60,955,000

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	\$15,500,000
91300+91310+92000	Management Fee Expense	\$1,380,000
91810	Allocated Overhead	\$0
92500 (92100+92200+92300+92400)	Total Tenant Services	\$1,770,000
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$76,000
93500+93700	Labor	\$0
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$320,000
95000 (95100+95200+95300+95500)	Total Protective Services	\$75,000
96100 (96110+96120+96130+96140)	Total Insurance Premiums	\$170,000
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$112,000
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$0
97100+97200	Total Extraordinary Maintenance	\$0
97300+97350	Housing Assistance Payments + HAP Portability-In	\$46,400,000
97400	Depreciation Expense	\$1,000,000
97500+97600+97700+97800	All Other Expenses	
90000	Total Expenses	\$66,803,000

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

THA has significant funds in the HUD held HAP reserves that will assist in covering any deficits in the 2023 MTW budget. Even though HUD held HAP funds will be reflected in the THA's budget for 2023, only 2023 HAP funding, which we are projecting to be above 2022 funding levels due to the award of additional vouchers and a minimal increase in anticipated per voucher funding. The remainder of the budget includes both Recurring and Non-Recurring costs for THA's MTW program. It is anticipated there will be enough HAP funds held at HUD to cover all 2023 budgeted expenses. Any additional deficits will be covered by Non-Federal funds if at any time that may be needed. It is important to note that these estimates are preliminary budget figures, as we do not approve the budget until December and the agency is still in the midst of budget development.

## Planned Application of MTW Funding Flexibility

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

- THA is continuing its work with an external consultant to lead the agency in assessing the state of diversity, equity, inclusion, and belonging (DEIB) in its policies, practices, and programs. The consultant will continue to collaborate with staff to articulate a clear set of goals and draft an action plan with specific activities to advance DEIB at THA.
- 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 entering into community partnerships to form new programs and wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, social emotional learning. This also encompasses THA's Children's Matched Savings Account Program (formerly reported as Activity 21), which is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment.
- THA is making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA's administrative data system as THA seeks to transition to a new vendor in 2022-2023. THA is also making investments to ensure data is aligned in our reporting and visualization capabilities to provide meaningful insight into THA's quality of housing and services.
- THA 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 included an activity in its 2012 amended plan that allows the agency to activate the MTW single fund flexibility to support the development and preservation of affordable housing. THA utilizes its single source MTW funds to obtain land, in addition to existing properties, which is vital for future development of affordable housing in Tacoma.



- THA 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.
- In response to the tremendous impacts of the COVID-19 pandemic and the economic strain for many households, THA is focusing on eviction prevention efforts to help keep residents who are at-risk of eviction housed. This includes the hiring of an eviction prevention specialist to engage with residents on late rent and entering into affordable repayment agreements and partnering with Pierce County to connect households to local Emergency Rental Assistance funds.
- THA is reassessing its contracting procedures and investing in staff support to ensure equitable contracting and procurement standards are being followed. THA seeks to increase contracts with minority and women-owned business enterprises (MWBE). THA is also focusing on equitable hiring and ensuring there is adequate staff capacity to help accomplish our goal of increasing the number of customers and low-income Tacoma residents hired by THA and its partners (aligned with Section 3 efforts).
- THA is exploring the possibility of initiating a new local homeownership program. THA's new program could include flexibilities to make access to homeownership more equitable and affordable to marginalized populations in Tacoma. These flexibilities could include: down payment assistance; mortgage payment assistance; changes to the payment standard formula; streamlining verification policies; and/or altering any income requirements. THA is considering amending THA's waitlist for access to the homeownership program to prioritize household who experienced or are at-risk of displacement or other alternatives that could address the historical inequities around homeownership access.

## Planned Application of PHA Unspent Fund and HCV Funding

Original Funding Source	Beginning of FY - Unspent Balances	Planned application of PHA Unspent Funds during FY	Amount	Time frame
HCV HAP	\$10,00,000 - estimated	IT Platform upgrade/switch	1,400,000	2023-2024
		Business Process Improvement	1,100,000	2023-2024
		Property Acquisitions	2,000,000	2023-2024
		Faircloth RAD units	1,500,000	2023-2027
		Maintain 4 months MTW Operating Expense in Reserve (Non-HAP)	6,300,000	In Perpetuity
HCV Admin Fee	\$ -			
PH Operating Subsidy	\$ -			

## 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

# Rental Assistance Demonstration (RAD) Participation

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## Description of RAD Participation

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION
<ul style="list-style-type: none"><li>• In April 2016, THA closed on the conversion of 456 units. Rehab on those units was completed on 12/31/2017.</li><li>• 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.</li><li>• THA's original significant RAD amendment was submitted to HUD 7/27/2015 and was approved on 9/14/2015.</li></ul>

**Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.**

No

**If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?**

N/A

# Section VI: Administrative

## A. BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE



### TACOMA HOUSING AUTHORITY

#### RESOLUTION 2022-09-28 (1)

**Date:** September 28, 2022  
**To:** THA Board of Commissioners  
**From:** April Black  
Executive Director  
**Re:** Approval of THA's 2023 Moving to Work Plan

*This resolution would authorize Tacoma Housing Authority's (THA) Executive Director to submit THA's 2023 Moving to Work (MTW) Plan.*

#### Background

In accordance with its MTW agreement, THA must submit an annual MTW Plan to the Department of Housing and Urban Development (HUD). The Plan describes how THA will apply MTW in the next fiscal year, including its existing activities, any changes to existing activities, and new applications of this federal regulatory flexibility.

Each year, THA may propose new MTW activities intended to meet the statutory objectives of the MTW program:

1. Reduce costs and achieve greater cost effectiveness;
2. Increase economic independence and self-sufficiency among the families served;
3. Increase housing choices for low-income households.

MTW activities are best described as new policies or programs THA wishes to implement that require waiving HUD regulations.

#### 2023 MTW Plan

In 2023, THA will continue to leverage its MTW flexibility to adapt our work to respond to emergent community needs. No new activities are being proposed for 2023. THA will remain focused on the following established priorities:

- Increase the Amount of Available Housing for Low-income Families
- Increase Housing Access and Stability
- Embed Principles of Diversity, Equity, Inclusion, and Belonging (DEIB) in THA's Programs, Culture, and Priorities
- Make THA a Great Place to Work

More details and information on each of these efforts can be found in the first several pages of the appended 2023 MTW Plan.

No new activities are being proposed; rather, THA is making activity revisions to some and further clarifying the activity scope, all of which THA may pursue without additional HUD waivers or authorizations. For example, in 2023, THA's Rental Assistance Department is planning to develop a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss payment policy. Additionally, THA's Department of Client Support and Empowerment will continue the redesign and implementation of its Family Self-Sufficiency (FSS) program to ease program participation and reduce requirements in which household members could receive escrow. THA is also using this opportunity to inform HUD of the decision to sunset the Housing Opportunity Program (HOP) and the criteria by which HOP households began transitioning to vouchers starting May 2022 upon a household meeting a qualified event. Beyond these program and policy revisions that aim to ease program administration and remove housing and programmatic barriers for clients, there are no significant changes in the 2023 MTW Plan.

Finally, it should be noted that during the 2023 MTW Plan year, THA is using its single source fund flexibility to explore new programs, such as initiating a local homeownership program to make access to homeownership more equitable and affordable to marginalized populations in Tacoma. THA will also use these funds to support renewed efforts to increase the number of customers and low-income Tacoma residents hired by THA and its partners and increase the number of minority- and women-owned business enterprises receiving contracts with THA and/or on projects paid for with THA funds.

#### **Recommendation**

Approve Resolution 2022-09-28 (1) authorizing the Executive Director to submit the Housing Authority of the City of Tacoma's Fiscal Year 2023 Moving to Work (MTW) Plan.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2022-09-28 (1) Certifications of Compliance

**Annual Moving to Work Plan Certifications of Compliance  
U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual  
Moving to Work Plan**

*Begins on next page.*

## CERTIFICATIONS OF COMPLIANCE

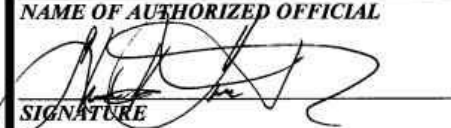
**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF PUBLIC AND INDIAN HOUSING**

**Certifications of Compliance with Regulations:  
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2023), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.

- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the City of Tacoma	WA005
<b>MTW PHA NAME</b>	<b>MTW PHA NUMBER/HA CODE</b>
<p><i>I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).</i></p>	
Shennetta Smith	Chair
<b>NAME OF AUTHORIZED OFFICIAL</b>	<b>TITLE</b>
	September 28, 2022
<b>SIGNATURE</b>	<b>DATE</b>
<p><small>* Must be signed by either the Chair or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chair or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.</small></p>	



## B. DOCUMENTATION OF PUBLIC PROCESS

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MTW Plan Public Review Process - Summary:

- Public Comment Dates: August 5, 2022 – September 4, 2022
- No public comments received
- Posted on THA’s website and social media accounts
- Virtual public hearing was held on August 16, 2022
  - One attendee for the public hearing
  - No comments received

*(Image on next page) Notice of Public Comment Period and Public Hearing.*

PUBLIC COMMENT

# 2023 Moving to Work (MTW) Draft Plan

August 5, 2022

The public comment period ended September 4, 2022

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</#linkedin>

</#facebook>

## NOTICE OF PUBLIC COMMENT PERIOD & PUBLIC HEARING

The Tacoma Housing Authority (THA) invites residents, voucher holders, partners and community members to comment on our **2023 Moving to Work (MTW) Draft Plan**.

The 2023 MTW Draft Plan outlines the agency's priorities and how we will use our MTW flexibility to serve our participants, community and our partners in 2023.

We will receive comments regarding the 2023 MTW Draft Plan during a 30-day public comment period, August 5, 2022 – September 4, 2022. **All comments must be received by 5:00 PM on September 4.**

2023 Moving to Work Draft Plan pdf

Download

## Leave a Comment on the MTW Plan

You may fill out our online form or contact Christine Nguyen, Planning and Policy Analyst via the options below:

### Christine Nguyen

Tacoma Housing Authority

Policy and Planning Analyst

Office: 253-274-5581

Email: [cnguyen@tacomahousing.org](mailto:cnguyen@tacomahousing.org)

You can also mail comments to THA, c/o Christine Nguyen, at 902 S. L Street, Tacoma, WA 98405

## Fill Out MTW Plan Survey Online:

The public comment period has ended.

## Attend a Public Hearing

You can also attend a virtual public hearing to share your questions and comments:

### Virtual Public Hearing for THA's 2023 MTW Plan

**Date/Time:** Tuesday, August 16, 2022, 4:00 PM – 05:00 PM Pacific Time (US and Canada)

**Join online:** <https://us02web.zoom.us/j/83351260879>

**Meeting ID:** 833 5126 0879

**Passcode:** 902

Meeting dates, locations, and times are subject to change. Up-to-date information is posted on the Tacoma Housing Authority (THA) website. You may contact the THA office the week prior to the scheduled meeting to confirm this information. The sites are accessible to persons with disabilities. Persons requiring special accommodations should contact Christine Nguyen at 253-274-5581 before 4:00 p.m. the day before the scheduled regular meeting.

## Deadline for Comments

All comments must be received by 5:00 PM on September 4, 2022 to be considered. The Tacoma Housing Authority Board of Commissioners will vote on the adoption of this policy on Wednesday, September 28, 2022.

## C. PLANNED AND ONGOING EVALUATIONS

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THA's Department of Policy, Improvement, and Evaluation (PIE) continually monitors its programs, conducts analyses to inform agency-wide decisions, and evaluates strategies that improve its service delivery. In 2023, THA's PIE department, in conjunction with operational departments, will support the following work:

**Operational Improvements:** THA will continue working closely with IT to plan for THA's technology conversion, including extensive data cleaning and transformation. Efforts will be largely focused on building the data capacity and infrastructure needed to carry out rigorous evaluation and analyses in the future. THA will also continue to monitor and adjust practices for its waitlist management, implementation of the 2Gen Program, FSS Program, and continued transition of HOP subsidies to HCVs based on analyses conducted by implementation staff.

**Payment Standards Analysis:** THA's PIE department completes annual and mid-year reviews of its payment standards to ensure they are meeting the needs of participants. THA piloted new methods to conduct its payment standards analysis in 2022 in which THA was able to procure access to an extensive third-party dataset, thereby allowing THA to fine tune its payment standards and adjust to the local market in response to changing market conditions. THA will continue to conduct its annual and mid-year reviews in the 2023 plan year.

**Education Systems Change Assessment and Recommendations:** THA is working with the Foundation for Tacoma Students (FFTS) to evaluate THA's Education Project, with the intent of adjusting programs to better meet the needs of THA clients and align with FFTS' and Graduate Tacoma's 2030 community-wide goals.

**Exploring New Programs & Initiatives:** THA continues to explore new programs that are aligned with THA's mission to expand quality, affordable housing to low-income households in Tacoma. Before new programs are launched, THA undergoes a robust analysis and feedback period to identify potential impacts of a new program and relevant measurement criteria. For example, in 2023 THA is exploring the possibility of initiating a new local homeownership program and seeks to conduct analyses to inform how its program will be designed to ensure homeownership access can be more equitable and affordable to marginalized populations in Tacoma.

# D. LOBBYING DISCLOSURES

DocuSign Envelope ID: AA04537A-FD56-41A4-B72F-61CABEED0C89

## DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB  
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input checked="" type="checkbox"/> NA a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  <b>Congressional District, if known:</b>	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  <b>Congressional District, if known:</b>	
<b>6. Federal Department/Agency:</b> Department of Housing and Urban Development	<b>7. Federal Program Name/Description:</b> MTW Annual Plan CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i>	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: <u>April Black</u> Print Name: <u>April Black</u> Title: <u>Executive Director</u> Telephone No.: <u>253-207-4474</u> Date: <u>10/12/2022</u>   5:41 PM	
<b>Federal Use Only:</b>	Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)	

# Appendix A: Letter of Consistency

<b>Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan (All PHAs)</b>	U. S Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-0226 Expires 2/29/2016
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**Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan**

I, Diane Klontz, the Deputy Director of Division and Program Alignment,  
Official's Name Official's Title

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Tacoma Housing Authority  
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of Impediments (AI) to Fair Housing Choice of the

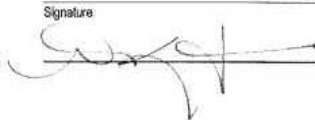
Washington State Department of Commerce  
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State Consolidated Plan and the AI.

THA's 2023 MTW Plan aligns with 2 of the 4 summarized goals of WA's Consolidated Plan which aims to reduce homelessness and provide decent housing. In FY 2023, THA will continue to deliver unique subsidy programs that meet the needs of diverse individuals and families and will continue to lease up its Emergency Housing Vouchers intended to serve individuals and families experiencing homelessness. THA will focus on acquisition to preserve affordable housing to households earning up to 80% of AMI.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Diane Klontz	Title Deputy Director of Division and Program Alignment, CSHD
Signature 	Date 10.13.2022

# 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. In 2022, compliance was moved from the Administration Department to the Policy, Innovation and Evaluation Department. The chart below shows this relationship and the positions responsible for these management functions.

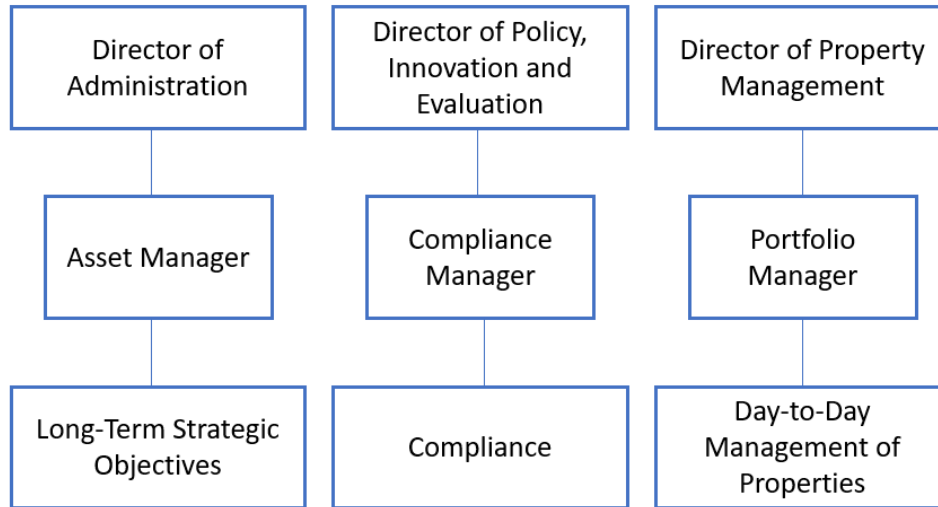


Figure 1: Organizational Structure

### *Description of 2023 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 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 have robust reporting to review, analyze and compare property information.

### ***Maintenance Operations***

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. We continually review our practices and how they are working and update our approach when needed. We have a Facilities Manager whose responsibility it is to oversee overall maintenance in our properties. We currently have two Maintenance supervisors and five maintenance leads with more technical abilities who assist other maintenance specialists and oversee 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, all but five Public Housing units had transitioned to RAD units. The five units consists of a single-family home owned by THA (AMP6), and four units in our Hillside 1500 tax credit entity. It is important to note we currently manage our properties in our Tax Credit entities, and follows the guidelines set forth by this LAMP.

THA developed this approach for the following reasons:

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

### ***Activity Areas***

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

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

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

### ***Program Support Center***

Each of the three activity areas (Business Activities, CAH Activities and Tax Credit Activities) will have a Program Support Center (PSC). This is the equivalent of the Central Office Cost Center (COCC) under the HUD Asset Management model, and it contains all of the programmatic support costs related to each of the three activity areas. The expenses will be split out to one of the three support centers based on unit equivalency and where the project or program resides to more clearly identify where administrative expenses fall and measure either the profitability or cost to each of the identified areas.

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

### Direct Costs

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

**Table 1: Direct Costs**

Program Area	Cost Type	Comments
Property Management	Personnel Costs	
	Office Rent	
	Insurance	Includes property and liability insurance directly related to the AMP
	Program Support Fees	Fees charged to the properties for administrative overhead and costs allocated out that are not under the direct purview of the managers
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs
	Maintenance Costs	Includes materials, maintenance personnel costs, and contracts
	Utilities	
	Security	
	Relocation due to Reasonable Accommodation	
	Collection Loss	
	PILOT	
	Debt Service Payments	
	Audit Costs	
	Rental Assistance	Personnel Costs
Office Rent		
Insurance		
Program Support Fees		HUD fees and leasing
HAP Expenses		
Audit Costs		
Administrative Costs		Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs

### Indirect Costs (Program Support Fees)

Any indirect costs incurred by THA in support of its projects and programs will be incurred by the Program Support Center. The fees are:

- Administrative Support Fee based on HUD model. This also includes IT, Elderly Service coordinator and leasing cost. We choose not to allocate any costs out to a program or project that is not under their direct control.

### Administrative Support Fee

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

- Executive Department
- Purchasing
- Asset Management, 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 and our special programs (FHP, NHT, VASH) will all be charged based on occupancy. Table 2 below shows how these fees are derived. For Rental Assistance, THA had been using the HUD prescribed Management Fee, but has started deviating based on an improved understanding of the costs required from the different departments to support the program for Rental Assistance. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in any remaining Tax Credit AMP to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

When we transitioned our PH units to RAD, we also built in a \$250 per unit per year fee for Client Support by our THA staff. It is separate from the administrative support fee and is recorded as revenue by our Client Support and Empowerment department to defray the cost of supporting our managed property clients. This fee indicates the level of support THA has made to help ensure the successful tenancy of our clients.

**Table 2: Administrative Support Fee Components**

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

**Cost Centers**

Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The primary source of funds for Property Management includes Tenant Revenue, Housing Assistance Payments, and Other Revenue.

Rental Assistance

Rental Assistance uses of funds include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA’s Rental Assistance Division. These programs include Housing Choice Voucher (HCV), SRO, Project-Based Vouchers, FUP, VASH, NHT, Mainstream and HUD FSS. In 2021, THA also received vouchers for the EHV and FYI programs. The sources for Rental Assistance primarily include HAP Revenue and the Administrative Fees paid to the agency by HUD.

In addition to the fees Rental Assistance pays to the Program Support Center, there are other fees paid and earned in this area. All direct costs for all of the Rental Assistance programs will be recorded in our main Section 8 HCV fund in the MTW program. A fee will then be charged to our SRO and non MTW Section 8 programs based on unit equivalencies. This fee will be income earned by the MTW Section 8 HCV program for reimbursement of the expenses incurred by them. Table 3 below shows the unit equivalencies for THA. These equivalencies are also the basis of THA’s allocation scheme for Program Support Fees.

Client Support and Empowerment (CSE)

The Client Support and Empowerment department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. 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 10 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

### ***Other Considerations***

#### **Personnel**

Personnel costs are broken out a number of different ways, depending on which program(s) the staff support, where the funding for the positions comes from, and what the function of each position is.

#### **Rent**

THA's main office houses the agency's administrative support staff, the Rental Assistance Department and the 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 2023.

***Program Support Center Allocation Detail***

*(On next page)*

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

<b>Program Support Center Unit Equivalencies - 2023 Projected</b>						
<b>Cost Center</b>	<b>Funding Source</b>	<b>CAH (MTW) Unit Equiv.</b>	<b>Tax Credit (MTW) Unit Equiv.</b>	<b>Business Activities (Non-MTW) Unit Equiv.</b>	<b>Total Units</b>	
Rental	Mod Rehab SR0003			30	30	
Assistance	Mod Rehab SR0002			41	41	
	Section 8 Vouchers	3,543			3,543	
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150	
	Hillside Terrace Relocation Vouchers	103			103	
	Wedgewood - 50 Units managed UMS*	48			48	
	New Fair Choice HCV - 2022	20			20	
	Tahoma House	6			6	
	EHV				135	135
	FUP Vouchers				125	125
	FYI Vouchers				75	75
	Mainstream Vouchers				78	78
	NHT Vouchers				100	100
	VASH Vouchers				267	267
RAD Vouchers	RTH RAD Vouchers	456			Prop Mgt	
	Bay Terrace 1 RAD Vouchers	26			Prop Mgt	
	Hillside Terrace RAD Vouchers	33			Prop Mgt	
	Salishan RAD units	290			Prop Mgt	
	Salishan 7			91	91	
PH Units-THA	AMP 6	1			1	
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		46	
	Hillside Terrace 1500 Blk		16		16	
	Bay Terrace		70		70	
	Bay Terrace 2		74		74	
	Renew Tacoma Housing		456		456	
	Arlington Youth Housing		58		58	
	Court F (Rise at 19th)		64		64	
	Salishan 1		90		90	
	Salishan 2		90		90	
	Salishan 3		90		90	
	Salishan 4		90		90	
	Salishan 5		90		90	
	Salishan 6		90		90	
3rd Party Managed - 75 % equivalency	Highland Crest - Should be online 1/1/18			54.75	73	
	James Center North - Estimate- s/b online 1/1			22.5	30	
	New Look		36		48	
	North Highland			26.25	35	
	Outrigger Apts.			36.75	49	
	Prairie Oaks			11.25	15	
<b>Totals</b>		<b>4,676</b>	<b>1,360</b>	<b>1,094</b>	<b>6,387</b>	

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

# Appendix C: THA's Emergency Operations

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

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

- **Remove 90-day and 20% rule for Interims:** For households with a Section 8 voucher, their rent is based on their income. During normal operations, we only process an interim (change in their rent) if they have lost at least 20% of their household income and that decrease is expected to last more than 90-days. We propose to remove those requirements so that families can find relief during a crisis.
  - *Related Activity: 8. Local Interim Processing and Verification Policies (HCV/PH)*
- **Defer HQS 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.
  - *Related Activity: 25. Modify HQS*

## MTW Authorization of Emergency Operations Matrix

Emergency Operation Type	Relevant THA MTW Activities	MTW Authorization (THA Standard MTW Agreement)	Reference to MTW Operations Notice - Appendix I, as applicable	Additional Notes
<b>Defer end of participation dates</b>	<ul style="list-style-type: none"> <li>• 3. <i>Local Project-Based Voucher Program;</i></li> <li>• 17. <i>Housing Opportunity Program (HOP)</i></li> </ul>	Standard MTW Agreement: Attachment C Section D.2.a. and D.2.d.	7. Term-Limited Assistance. Term-Limited Assistance (HCV) HUD states “the agency [THA] is authorized to implement term limits for families residing in public housing or receiving voucher assistance.” (Main description, waiver 7)	THA is authorized to limit term assistance and abides by activity rules during normal operations. During emergency operations THA will amend the time limitation requirement to make it less restrictive for clients by deferring the end of participation.
<b>Extend regular recertification due date</b>	<ul style="list-style-type: none"> <li>• 5. <i>Local Policies for Fixed-Income Households;</i></li> <li>• 6. <i>Local Policies for Work-Able Households</i></li> </ul>	Standard MTW Agreement: Attachment C Sections C.4 and D.1.c.	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets. HUD states “the agency [THA] may establish an alternative reexamination schedule for households.”	During emergency operations THA will alter its recertification schedule, as allowed through the MTW authorization.
<b>Implement emergency verification policies</b>	<ul style="list-style-type: none"> <li>• 5. <i>Local Policies for Fixed-Income Households;</i></li> <li>• 6. <i>Local Policies for Work-Able Households;</i></li> <li>• 7. <i>Local Income and Asset Verification Policy;</i></li> <li>• 8. <i>Local Interim Processing and</i></li> </ul>	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets HUD states “the agency [THA] is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act	Per the Standard MTW Agreement, THA is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. As required by HUD in the 1996 MTW Statute, THA will continue to determine the initial eligibility of the

	<i>Verification Policies (HCV/PH)</i>		and its implementing regulations... MTW agencies must continue to determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609.”	family in accordance with HUD’s <a href="#">PIH Notice 2018-18</a> and any subsequent guidance that supersedes.
<b>Remove 90-day and 20% rule requirements</b>	<ul style="list-style-type: none"> <li>• <i>8. Local Interim Processing and Verification Policies (HCV/PH)</i></li> </ul>	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.	This refers to providing flexibility for a THA-imposed activity, not provided in Appendix I.	THA is authorized to define its own reexamination standards, payment standards and rent levels for tenant-based assistance during normal operations. During emergency operations THA will make its policy less restrictive for clients.
<b>Defer HQS Inspections</b>	<ul style="list-style-type: none"> <li>• <i>25. Modify HQS</i></li> </ul>	MTW Authorization: Attachment C, Section D.5	5. Housing Quality Standards (HQS).d. Alternative Inspection Schedules (HCV. HUD allows PHAs “to develop flexibilities around an HQS inspection’s timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection...”	HUD provides PHAs the ability to set its own schedule for timing and frequency, which includes the flexibilities THA is seeking to establish. Furthermore, these provisions are included in the MTW Standard MTW Agreement.