



# Moving to Work

## 2018 Annual Report



March 29, 2019

# Seattle Housing Authority

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# I. Introduction

This section provides an overview of the purpose and layout of the report and describes Seattle Housing Authority's short-term and long-term goals.

## What is "Moving to Work"?

Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) demonstration program for housing authorities to design and test innovative, locally designed housing and self-sufficiency initiatives. The MTW program allows participating agencies to waive certain statutes and HUD regulations in order to increase housing choice for low-income families, encourage households to increase their self-sufficiency, and improve operational cost effectiveness. Seattle Housing Authority's participation in the MTW program allows the agency to test new methods to improve housing services and to better meet local needs.

Fiscal year 2018 marked Seattle Housing Authority's twentieth year as a MTW agency. Each year, Seattle Housing Authority (SHA) adopts a plan that highlights MTW initiatives and other activities planned for the following year. At the end of the year, the agency creates the annual report to describe the year's accomplishments.

## What is in this report?

The annual report describes SHA's MTW activities and performance in 2018 and provides comparisons to projections in the 2018 Annual Plan. The report follows the required format established in Attachment B of the agency's MTW agreement with HUD:

Section I: Introduction provides an overview of SHA's goals and objectives for 2018.

Section II: General Housing Authority Operating Information reports on housing stock, leasing, and waiting lists.

Section III: Proposed MTW Activities is included and left blank at HUD's direction. The activities proposed in the 2018 MTW Plan are reported on in Section IV as approved activities.

Section IV: Approved MTW Activities provides information on previously approved uses of MTW authority, including evaluation data and standard metrics regarding the effectiveness of different MTW activities.

Section V: Sources and Uses compares projected and actual revenue and expenses for 2018.

Section VI: Administrative Information provides administrative information required by HUD.

Not all of SHA's activities and programs are part of the MTW program. However, due to federal requirements, this document focuses on MTW activities. For more information about all of SHA's programs, please see our website ([www.seattlehousing.org](http://www.seattlehousing.org)) for agency-wide annual reports and our strategic plan.

## **MTW Goals and Objectives**

2018 was an important year for SHA in many ways. The 2018 Annual Plan set MTW priorities for the year focused on operational efficiency, supports and connections for self-sufficiency, and providing choice in housing and its location. Progress on these priorities is reflected throughout this report.

### **Long-Term MTW Goals**

SHA will continue to use MTW to maximize our ability to provide affordable housing within Seattle's extremely competitive rental and construction markets. These efforts include local changes to our voucher payment standards as well as consideration of local development cost limits for construction in the Yesler neighborhood. SHA will also support households in pursuing self-sufficiency, including the JobLink program, and will experiment with and assess the strategies that are most effective in promoting housing choice, including the Creating Moves to Opportunity program for families with children. SHA continues to use MTW to build and strengthen cross-sector partnerships, including initiatives such as the Home from School program for families with children enrolled at Bailey Gatzert Elementary School.

SHA and MTW agencies nationwide will also continue to advocate for improvements in planning, reporting, and performance metrics that will more effectively capture the successes and lessons learned through participation in the MTW program. This effort includes performance measurement initiatives funded by MTW housing authorities through the HAI group and Abt Associates, as well as participation in the affordable housing accreditation program. We hope that these efforts will inform HUD's metrics, particularly in revisions to the Form 50900, which dictates components of the annual plan and report, and throughout local and national evaluation initiatives to better understand the results of MTW activities.





## II. General Housing Authority Operating Information

This section provides an overview of SHA's housing portfolio, leasing, and waiting list information.

### Mission statement

The mission of the Seattle Housing Authority is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and self-sufficiency for people with low incomes.

### Agency overview

SHA is a public corporation, providing affordable housing to more than 35,000 people, including more than 29,000 in neighborhoods throughout the city of Seattle. SHA (SHA) operates a variety of programs that include agency operated housing, partner operated communities, and private rental housing.

Participants include approximately 11,000 children, 10,000 people with disabilities, and 7,000 elderly (disabled and non-disabled) individuals. At the end of 2018 84 percent of households had annual incomes below 30 percent of Area Median Income (AMI). Households' median income in 2018 was \$12,000.

In keeping with our mission, SHA supports a wide range of community services for residents, including employment services, case management, and youth activities.

Funding for the agency's activities comes from multiple sources including the HUD MTW Block Grant, special purpose HUD funds, other government grants, tenant rents, and revenues from other activities.

### Housing stock: MTW Block Grant funded housing

The majority of SHA's funding from HUD comes in the form of a block grant that combines the public housing operating fund, public housing capital fund, and MTW voucher funding into one funding source for SHA to use to pursue its mission.

The following section focuses on SHA's MTW-funded inventory. For information on all of SHA's housing stock, regardless of funding type, see Appendix A.

### Public housing units

**The Low Income Public Housing program (also referred to as public housing or LIPH) included 5,894 units as of year-end 2018.** Public housing units are in high-rises (large apartment buildings), scattered sites (small apartment buildings and single family homes), and in communities at NewHolly, Lake City Court, Rainier Vista, High Point, and remaining original units in Yesler Terrace. HUD's MTW Block Grant provides funding to help pay for operating costs exceeding rental income. Households typically pay approximately 30 percent of their monthly income for rent and utilities. About 100 of these public housing units are utilized by service providers who provide transitional housing or services to residents. About 900 public housing units are part of the Seattle Senior Housing Program (further described in the following Local Housing section). Forty units receiving public housing subsidy through SHA are owned by nonprofits and operated as traditional public housing.

## Housing Choice Vouchers

The Housing Choice Voucher program is also commonly known as HCV or Section 8. The program is a public/private partnership that provides vouchers (housing subsidies) to low-income families for use in the private rental housing market. **At year end 2018, SHA administered 9,776 vouchers funded through HUD's MTW Block Grant.**

Participants typically pay 30 to 40 percent of their household's monthly income for rent and utilities, depending on the unit that they choose. Voucher subsidies are provided through a variety of means including:

- Tenant-based (tenants can take their vouchers into the private rental market)
- Project-based (the subsidy stays with the unit, property, or defined set of properties)
- Program-based (MTW flexibility allows SHA to provide unit-based subsidies that float within a group of units or properties)
- Provider-based (SHA uses MTW flexibility to distribute subsidies through service providers so that they can master lease units and sublet to participants in need of highly-supportive housing)
- Agency-based (tenant-based vouchers distributed through selected partners)

## Project-based Vouchers

In 2018 SHA awarded 55 new MTW project-based vouchers to support homeless housing. The following table shows new MTW project-based based vouchers. For more information about the properties, please see Appendix B.

New MTW Housing Choice Vouchers that were Project-Based During the Fiscal Year					
Property Name	Anticipated Number of New Vouchers to be Project-Based	Actual Number of New Vouchers that were Project-Based	Status at End of Year	RAD?	Description of Project
Arbora Court	TBD	40	Leased/ Issued	No	Homeless housing through the King County Combined Funders Allocation
The Estelle	TBD	15	Leased/ Issued	No	Homeless housing through the King County Combined Funders Allocation
Total Number of New Project-Based Vouchers	75	55			

SHA project-based 20 fewer vouchers than projected in 2018 because a project was delayed and did not come online until early 2019.



Existing Project Based Vouchers				
Property Name	Number of Project-Based Vouchers	Status at End of Plan Year	RAD?	Description of Project
1811 Eastlake	25	Leased	No	Permanent supportive housing
A Place of Our Own	19	Leased	No	Homeless families (with at least 1 minor)
Albion Court	12	Leased	No	Behavioral Health housing
AlderCrest Apartments	8	Leased	No	Affordable housing
Arbora Court	40	Leased	No	Service Enriched for homeless individuals and families
Aridell Mitchell Home	6	Leased	No	Affordable housing
Aurora House - Levy	30	Leased	No	Permanent supportive housing
Avalon Place	9	Leased	No	Behavioral Health permanent supportive housing
Bakhita Gardens (Rose of Lima)	30	Leased	No	Permanent supportive housing
Beacon House	6	Leased	No	Affordable housing
Bergen Place (YMCA)	2	Leased	No	Homeless Young Adult
Brettler Family Place	51	Leased	No	Service Enriched for families
Broadway Crossing	9	Leased	No	Homeless families (with at least 1 minor)
Bush Hotel	7	Leased	No	Affordable housing
Cascade Court	3	Leased	No	Homeless families (with at least 1 minor)
Cate Apartments	15	Leased	No	Homeless families (with at least 1 minor)
Centerwood Apartments	2	Leased	No	Affordable housing
CHMH Sound Mental Health	6	Leased	No	Behavioral Health housing
Columbia Court	13	Leased	No	Transitional housing for homeless families (with at least 1 minor)
Colwell Building	26	Leased	No	Affordable housing
Compass	33	Leased	No	Permanent supportive housing for Women
Compass on Dexter-Levy	36	Leased	No	Service Enriched for families

Existing Project Based Vouchers				
Property Name	Number of Project-Based Vouchers	Status at End of Plan Year	RAD?	Description of Project
Council House	30	Leased	No	Senior Housing
CPC (10th Ave NW)	5	Leased	No	Behavioral Health housing
CPC (Alderbrook)	6	Leased	No	Behavioral Health housing
CPC (Cluster homes)	14	Leased	No	Behavioral Health housing
Croft Place	7	Leased	No	Homeless families (with at least 1 minor)
Delridge Heights Apartments	3	Leased	No	Affordable housing
Denny Park	8	Leased	No	Homeless families (with at least 1 minor)
Eastern Hotel	4	Leased	No	Affordable housing
Ernestine Anderson	33	Leased	No	Permanent supportive housing
Estelle Supportive Housing	15	Leased	No	Permanent supportive housing
Evans House	49	Leased	No	Permanent supportive housing
FACT Sound Mental Health	20	Leased	No	Behavioral Health housing
First Place School	4	Leased	No	Homeless families (with at least 1 minor)
Four Freedoms House	151	Leased	No	Senior housing
Fremont Solstice	6	Leased	No	Homeless families (with at least 1 minor)
Genesee House	3	Leased	No	Homeless families (with at least 1 minor)
Gossett Place	28	Leased	No	Permanent supportive housing
Heritage House	10	Leased	No	Assisted living
Hilltop House	30	Leased	No	Senior housing
Holden Manor	1	Leased	No	Affordable housing
Holden St Family Housing	25	Leased	No	Homeless families (with at least 1 minor)
Holiday Apartments	6	Leased	No	Homeless families (with at least 1 minor)

Existing Project Based Vouchers				
Property Name	Number of Project-Based Vouchers	Status at End of Plan Year	RAD?	Description of Project
Humphrey House	81	Leased	No	Permanent supportive housing
Josephinum	25	Leased	No	Service Enriched for homeless individuals
Josephinum Stability Program	49	Leased	No	Service Enriched for homeless individuals
Julie Apartments	28	Leased	No	Affordable housing
Katharine's Place	10	Leased	No	Homeless families (with at least 1 minor)
Kerner-Scott House	15	Leased	No	Permanent supportive housing
King Way Apartments	16	Leased	No	Homeless families (with at least 1 minor)
Lakeview Apartments	6	Leased	No	Affordable housing
Legacy House	22	Leased	No	Senior housing
Leighton Apartments	15	Leased	No	Behavioral Health housing
Leschi House	35	Leased	No	Senior housing
Lincoln Apartments	4	Leased	No	Affordable housing
Lyon Building	12	Leased	No	Permanent supportive housing
Marion West Apartments	25	Leased	No	Affordable housing
Martin Court (RFP)	28	Leased	No	Transitional housing for homeless individuals
Martin Court (SF)	13	Leased	No	Transitional housing for homeless families (with at least 1 minor)
McDermott Place	15	Leased	No	Permanent supportive housing
Meadowbrook View	15	Leased	No	Homeless families (with at least 1 minor)
Monica's Village	38	Leased	No	Homeless families (with at least one minor)
Morrison	190	Leased	No	Permanent supportive housing
Muslim Housing Services	10	Leased	No	Homeless families (with at least 1 minor)

Existing Project Based Vouchers				
Property Name	Number of Project-Based Vouchers	Status at End of Plan Year	RAD?	Description of Project
Nihonmachi Family Housing	5	Leased	No	Homeless families (with at least 1 minor)
NP Hotel	5	Leased	No	Affordable housing
Oleta Apartments	6	Leased	No	Affordable housing
One Community Commons	5	Leased	No	Homeless families (with at least 1 minor)
Opportunity Place	145	Leased	No	Permanent supportive housing
Ozanam House	29	Leased	No	Permanent supportive housing
Pacific Hotel	2	Leased	No	Permanent supportive housing
PACT 3 Pioneer Human Services	20	Leased	No	Assertive Community Treatment (ACT) housing
PACT DESC	12	Leased	No	Assertive Community Treatment (ACT) housing
Palo Studios Josephinum	7	Leased	No	Service Enriched for homeless individuals
Pantages Apartments	11	Leased	No	Homeless families (with at least 1 minor)
Parkview	23	Leased	No	Affordable housing for people with disabilities
Pat Williams Apartments	20	Leased	No	Permanent supportive housing
Patrick Place	40	Leased	No	Permanent supportive housing
Plymouth on First Hill	77	Leased	No	Permanent supportive housing
Plymouth on Stewart	84	Leased	No	Permanent supportive housing
Plymouth Place	70	Leased	No	Permanent supportive housing
Ravenna Springs	13	Leased	No	Affordable housing
Samaki Commons	8	Leased	No	Homeless families (with at least 1 minor)
Sand Point Campus	18	Leased	No	Service Enriched for families
Sand Point Family Housing	21	Leased	No	Permanent supportive housing for Families
Sea-Mar Family Housing	5	Leased	No	Homeless families (with at least 1 minor)

Existing Project Based Vouchers				
Property Name	Number of Project-Based Vouchers	Status at End of Plan Year	RAD?	Description of Project
Simons Senior Apartments	84	Leased	No	Permanent supportive housing
St. Charles	61	Leased	No	Permanent supportive housing
Sylvia Odom's Place	55	Leased	No	Service Enriched for individuals who no longer require permanent supportive housing
The Karlstrom	17	Leased	No	Service Enriched for homeless individuals
Traugott Terrace	40	Leased	No	Permanent supportive housing
Tyree Scott (SF)	6	Leased	No	Homeless families (with at least 1 minor)
Views@Madison (SF)	10	Leased	No	Homeless families (with at least 1 minor)
Vivian McLean Place Apartments	4	Leased	No	Affordable housing
Willie London Properties	13	Leased	No	Affordable housing
Wisteria Court	10	Leased	No	Homeless families (with at least 1 minor)
YWCA Women's Residence	53	Leased	No	Permanent supportive housing for women
Total planned existing project-based vouchers	3,710			

SHA does not provide a planned number of project-based voucher at the property level for the preceding table because this level of detail was not previously required and was not included in the 2018 Plan.

	Anticipated	Actual
Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	3,688	3,790
Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year	3,393	3,549



### **Other Changes to the Housing Stock that Occurred During the Fiscal Year**

Units were offline for various reasons throughout the year, including 27 units at Longfellow Creek Apartments for modernization, five at Tri-Court for UFAS conversion, three at Jefferson Terrace for water damage and for UFAS conversion, one at NewHolly for fire rehabilitation; and five in the Scattered Sites portfolio for renovation. In addition Longfellow Creek Apartments added four accessible units and Lam Bow continued redevelopment after a fire in 2016.

## **Housing stock: Other (non-MTW) housing**

SHA also administers units and vouchers that are funded through sources other than the MTW Block Grant.

### **Special Purpose Vouchers**

SHA administers vouchers for special purposes (933 as of year-end) such as housing veterans and reunited families. These vouchers are often awarded competitively and funding is provided outside of the MTW Block Grant.

### **Section 8 New Construction**

The agency has 130 locally-owned units that receive Section 8 New Construction funding. They serve people with extremely low incomes.

### **Moderate Rehab**

SHA administers HUD Section 8 Moderate Rehab funding for 575 units operated by partner nonprofits serving extremely low-income individuals.

### **Other affordable housing**

Other affordable housing programs are operated outside of HUD's MTW Block Grant. They receive no operating subsidy except project-based vouchers in selected properties. SHA may use MTW Block Grant funds for capital improvements in other affordable housing properties serving low-income residents (as discussed further in Section IV, MTW Activity 20.A.01). SHA's other affordable housing is not equivalent to HUD's local non-traditional category, but there is some overlap between the two categories.

### **Senior Housing**

The Seattle Senior Housing Program (SSHP) was established by a 1981 Seattle bond issue. It includes 23 apartment buildings throughout the city, totaling over 1,000 units affordable to low-income elderly and disabled residents. In 2011 the agency added public housing subsidy to 894 of these units in order to keep rents affordable while addressing needed capital repairs. The agency used MTW authority to maintain the SSHP program's unique rules and procedures despite the introduction of public housing subsidy.

Remaining in the Seattle Senior Housing Program (as of year-end 2018) are 136 units without public housing subsidy.

## Tax Credit and Other Housing Types

SHA operates more than 2,000 units of other types of housing, including locally subsidized housing and unsubsidized housing. Units are located in townhomes and small apartment complexes throughout Seattle, including low- and moderate-income rental housing in the agency's redeveloped family communities (NewHolly, Rainier Vista, and High Point). These units do not receive ongoing operating subsidy, with the exception of project-based housing choice vouchers in selected units.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End		
Housing Program	Total Units	Overview of the Program
Tax Credit	1,189	Straight tax credit units typically targeted to serve between 50% and 60% AMI without unit-based MTW subsidy
Other Affordable Housing	741	Units targeted to serve between 50% and 80% AMI. May have housing choice vouchers or no subsidies. Some units are leased to agencies that provide transitional housing.
Market Rate	590	Units with no income restrictions
Non-MTW HUD Funded	130	SHA owned units that receive Section 8 New Construction funding
Total Other Housing Owned and/or Managed	2,650	

## Major capital activities

### MTW Block Grant funds

SHA made progress on a number of capital projects in public housing communities in 2018, including elevators, exteriors, and roof replacements, as well as upgrades to security systems, HVAC, and accessibility upgrades in common areas for several properties. In addition, the agency made substantial progress on the redevelopment of Yesler Terrace, a Choice Neighborhoods project. See the following table for additional information.

### General Description of Actual Capital Fund Expenditures During the Plan Year

In 2018 Seattle Housing addressed roofs, elevators, security, interior upgrades, and exterior rehabilitation at several properties in addition to other capital projects.

**Elevators:** SHA completed design work for elevators at Schwabacher House (WA001000092), Sunrise Manor (WA001000092), Phinney Terrace (WA001000092), Fort Lawton Place (WA001000094), Carroll Terrace (WA001000094), and Beacon Tower (WA001000086). Elevator upgrades were completed for two elevators at Bitter Lake Manor (WA001000095), two elevators at Blakeley Manor (WA001000095), and work began on the elevator at Pleasant Valley Plaza (WA001000094). The first of two elevator rehabilitations was completed and the second elevator upgrade began at Jefferson Terrace (WA001000009).

**Generators:** The generator replacement at Jefferson Terrace (WA001000009) was completed.

**Exteriors:** Exterior rehabilitation was completed at Carroll Terrace (WA001000094). Design was started for the exterior upgrades at Fort Lawton (WA001000094) and Sunrise Manor (WA001000092). Exterior painting was completed at Island View (WA001000093).

**Roofs:** Roof replacement was completed at Carroll Terrace (WA001000094), Blakeley Manor (WA001000095), Cedarvale Village (WA001000038), as well as various scattered site locations (WA001000050 through WA001000057).

**HVAC:** Mini-split HVAC units were installed in the community rooms of all SSHP buildings where feasible. (Ravenna School to be completed in 2019.) Mini-split systems were also installed at Cedarvale Village (WA001000038).

**Security:** ACAM systems have been installed at Bitter Lake (WA001000095), Columbia Place (WA001000093), Gideon Matthews Gardens (WA001000094), South Park Manor, Reunion House (WA001000095), and Pinehurst Court (WA001000092). SHA completed design of ACAM and security improvements at the remaining sixteen SSHP buildings and installation has begun, to be completed in 2019. Design was completed for the installation of a security second door for Denny Terrace (WA001000017).

**Accessibility:** Uniform Federal Accessibility Standard (UFAS) upgrades were scheduled for common areas in selected SSHP buildings as part of work anticipated to extend throughout the portfolio. UFAS upgrades were completed at Jefferson Terrace (WA001000009) and at Tri-Court (WA001000031), which completes the requirements of the Voluntary Compliance Agreement.

**Interior upgrades:** Interior upgrades were completed in numerous scattered site locations (WA001000050 through WA001000057) as the second phase of unit upgrades to single family units in the portfolio. Interior painting was completed at Gideon Matthews (WA001000094). Flooring replacement was carried out at Columbia Place (WA001000093) and the sixth floor of Jefferson Terrace (WA001000009). Insulation was installed and fans replaced at Cedarvale Village (WA001000038).

**Other capital projects:** SHA completed various small capital projects at scattered sites buildings, including window replacement, siding repair and replacement, exterior painting, appliances, flooring, cabinet replacement, door repair and replacement, and window furnishings.

## Leasing information

Leasing rates were strong in 2018. SHA served more than 17,000 households as of year-end, including more than **5,500 households in public housing, 9,400 households with MTW HCV vouchers, and 700 households with special purpose vouchers**. SHA served an additional 2,100 households through other housing programs such as Section 8 Mod Rehab and Low Income Housing Tax Credit housing.

The following section focuses on “local non-traditional” households, a small subset of SHA households that are served at least partially with MTW Block Grant funding but in a format different from the traditional public housing and Housing Choice Voucher programs. These households include, for example, people housed in programs operated by our community partners and the medical respite program. To learn more about leasing for all of SHA’s programs, please see Appendix A.

Please note that the following table requires that we calculate total households served based on unit months served divided by twelve rather than providing an actual number of households served. Therefore these numbers do not correlate with the actual numbers of households served throughout the year or at year end. In addition there are differences between planned and actual numbers of households served.

Actual Number of Households Served at the End of the Fiscal Year		
Housing Program	Number of Households Served	
	Planned	Actual
MTW Public Housing Units Leased	5,657	5,657
MTW Housing Choice Vouchers Utilized	8,837	9,312
Local Non-Traditional: Tenant-Based	0	0
Local Non-Traditional: Property-Based (MTW Activity #20: Local Non-Traditional Affordable Housing Strategies)	488	574
Local, Non-Traditional: Homeownership	0	0
Total Projected and Actual Households Served	14,982	15,543
Housing Program	Unit Months Occupied/Leased	
	Planned	Actual
MTW Public Housing Units Leased	67,887	67,884
MTW Housing Choice Vouchers Utilized	106,046	111,744
Local Non-Traditional: Tenant-Based	0	0
Local Non-Traditional: Property-Based (MTW Activity #20: Local Non-Traditional Affordable Housing Strategies)	5,856	6,890
Local, Non-Traditional: Homeownership	0	0
Total Projected and Annual Unit Months Occupied/Leased	179,789	186,518

The number of planned and actual households served as of year-end were quite similar. Unit months and households served for local non-traditional categories are all for MTW Activity #20: Local Non-Traditional Affordable Housing Strategies. Unit months for households served through MTW Activity #8: Special Purpose Housing Units are included in public housing unit months as these units are public housing units.

	<b>Average Number of Households Served Per Month</b>	<b>Total Number of Households Served During the Year</b>
Households Served through Local Non-Traditional Services Only	N/A	0

## Leasing issues

Across SHA's portfolios, 2018 was a successful year. The competitive local rental market continued to pose a challenge for the Housing Choice Voucher program, but SHA was effective in employing strategies that increased leasing rates, as described in the following table.

<b>Description of Any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Year End</b>	
<b>Housing Program</b>	<b>Description of Leasing Issues and Solutions</b>
Public Housing	Public housing leasing rates remained strong. Challenges included two bedroom units in the SSHP program and UFAS units, as well as delays in leasing for scattered sites units as the portfolio tried to find the best match between household and bedroom sizes. To address this particular challenge the Scattered Sites portfolio has developed a plan to enhance marketing skills training with the team.
Housing Choice Vouchers	Seattle continues to experience an extremely competitive rental market. However SHA has successfully employed tactics to assist participants in leasing with their vouchers, including increasing the market-rate Voucher Payment Standard in 2018.
Local Non-Traditional	Leasing rates for local non-traditional units remained strong in 2018.

## Compliance with MTW statutory requirements

MTW housing authorities are required to comply with a few key requirements: that they assist substantially the same number of households as would have been served without MTW participation, continue to serve mainly very low-income households, and maintain a comparable mix of households served by family size. SHA continues to meet these requirements.

The following table shows the distribution of new households served in local non-traditional programs by income category. These households represent only a small portion of the total households served by SHA; however, they are called out alone here because HUD uses data submitted to their standard information



systems to verify compliance for public housing and HCV recipients. SHA estimates that the overall percentage of MTW households served that were very low-income at year end was 91 percent.

<b>Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income (Household Income for Newly Admitted Local Non-Traditional Households Only)</b>	
<b>Income Level</b>	<b>Number of Local, Non-Traditional Households Admitted in the Plan Year</b>
80-50% AMI	4
49%-30% AMI	13
Below 30% AMI	71
Total	91

The following table looks at the current and historical number of households served by family size, to verify that SHA is serving a comparable mix of households.

<b>Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix of Family Sizes Served</b>					
<b>Baseline for the Mix of Family Sizes Served</b>					
<b>Family Size</b>	<b>Occupied Number of Public Housing units by Household Size when PHA Entered MTW</b>	<b>Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW</b>	<b>Non-MTW Adjustments to the Distribution of Household Sizes *</b>	<b>Baseline Number of Household Sizes to be Maintained</b>	<b>Baseline Percentages of Family Sizes to be Maintained</b>
1 Person	3,317	1,535	785	5,637	51%
2 Person	967	1,041	79	2,087	19%
3 Person	590	824	0	1,414	13%
4 Person	423	529	0	952	9%
5 Person	223	259	0	482	4%
6+ Person	203	207	0	410	4%
Total	5,723	4,395	864	10,982	100%
Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized	2011: SHA added 894 units from its Seattle Senior Housing Portfolio. Using average occupancy for the most recent three years, the baseline was adjusted to show an increase of 785 1 Person Households and 79 2 Person Households. Other Historical Adjustments: Since beginning its MTW participation in 1999, SHA has done significant asset repositioning and made numerous non-MTW policy changes (such as occupancy standards); in addition the demographics and availability of other housing resources in Seattle community has changed. As there is not necessarily a direct relationship in unit and policy changes and household size, SHA reserves the right to make further historical adjustments in future reports. Data issues: Approximately 100 households are not included in the 1998 numbers due to missing historical data for a portion of Holly Park which was undergoing redevelopment at that time.				

<b>Mix of Family Sizes Served</b>							
	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6+ Person</b>	<b>Total</b>
Baseline Percentages of Household Sizes to be Maintained	51%	19%	13%	9%	4%	4%	100%
Number of Households Served by Family Size this Fiscal Year	8,991	2,404	1,310	1,020	598	837	15,160
Percentages of Households Served by Household Size this Fiscal Year	59%	16%	9%	7%	4%	6%	100%
Percentage Change	16%	-17%	-34%	-25%	-1%	38%	
Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages	SHA has undertaken significant asset repositioning since 1998. While there is not a one for one relationship between unit size and household size, the changes in household sizes served largely reflects the changes in public housing unit sizes. Our tenant-based housing choice voucher program does not consider household size when pulling families off of the waiting list and is therefore subject to changes outside of SHA's control such as community demographics. In addition, our allocation of project-based vouchers to support service-enriched housing locally has increased the number of one person households due to a community focus on serving homeless households.						

### **Households transitioned to self sufficiency**

SHA strives to support participants in multiple ways as they transition to self-sufficiency. For different households, self-sufficiency may have different meanings. For the purpose of reporting within this report, SHA has provided two metrics: households whose primary source of income is wages and households who transition to unsubsidized housing. The following table shows results on these self-sufficiency metrics related to SHA's MTW activities.

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End		
MTW Activity #2: Family Self-Sufficiency Program	245	Households whose primary source of income was wages
MTW Activity #5: Local Leases	388	Households whose primary source of income was wages
MTW Activity #8: Special Purpose Housing Use	10	Households who transitioned to unsubsidized housing
MTW Activity #10: Local Rent Policy	1,161	Households whose primary source of income was wages
MTW Activity #13: Homeownership and Graduation from Subsidy	50	Households who transitioned to unsubsidized housing
Households Duplicated Across Activities/Definitions	584	
Annual Total Number of Households Transitioned to Self-Sufficiency	1,270	

## Waiting list information

### Waiting list strategies

SHA's waiting list strategies vary to match the needs of different properties and housing programs. Applicants may be, and often are, on multiple waiting lists at the same time. For more information about the characteristics of households on the waiting lists, please see Appendix C.

### Tenant-based housing choice vouchers

A single tenant-based voucher waiting list is maintained by SHA for MTW-funded Housing Choice Vouchers. In 2017 the housing authority held a lottery to establish a new waiting list and it remained closed throughout 2018. At year-end 2,144 households were on the waiting list.

### Other housing choice vouchers

Partners maintain unique waiting lists for voucher subsidy in the project-based, program-based, provider-based, and agency-based voucher programs.

### SHA-operated housing

Site-specific waiting lists are offered for all of SHA's affordable housing properties. The waiting lists for senior housing and public housing are purged on an ongoing basis through the use of Save My Spot, a system that allows applicants to check in monthly by phone or computer to indicate their continued interest in housing opportunities with SHA.

Please see the following table for more information about waiting lists for SHA's units and vouchers.

Wait List Information at Fiscal Year End				
Housing Program	Wait List Type	Number of Households on Wait List	Wait List Open, Partially Open or Closed	Was the Wait List Opened During the Fiscal Year
Federal MTW Public Housing Units (SHA Administered)	Site-Based	6,724	Open	N/A
Federal MTW Housing Choice Voucher Program (Tenant Based)	Community-Wide	2,144	Closed	No
Federal MTW Housing Choice Voucher Program (Project Based)*	Site-Based	1,502	Partially Open	N/A

\* Not an unduplicated count. Applicants for project-based vouchers may also be applicants for public housing, tenant-based vouchers, or other project-based voucher programs.

For the Project-Based Federal MTW Housing Choice Program, wait lists were open for units at Bergan Place, Broadway Crossing, Bush Hotel, Cesar Chavez, Hilltop House, Karlstrom, Longfellow, Main Place, Main Street, Montridge Arms, Pantages, Traugott Terrace, Westwood Heights East, Wisteria, and Yesler Court.

Community agencies operating local non-traditional programs within public housing units have transitioned to coordinated entry through the county-wide system rather than maintaining their own waiting lists. Other local non-traditional units also do not maintain a waiting list, including straight tax credit units at Alder Crest Apartments and SHA's HOPE VI communities.

There were no significant changes to the organizational structure or policies of waiting lists.





### **III. Proposed MTW Activities: HUD approval requested**

All proposed activities that are granted approval by HUD are reported on in Section IV as “Approved Activities.”



## IV. Ongoing MTW Activities: HUD approval previously granted

This section provides information on previously HUD-approved uses of MTW authority, including evaluation criteria and specific waivers used.

### Background

SHA has made every effort to include all previously approved MTW activities in this section of the report. Any omissions are unintentional and should be considered continuously approved. It should be noted that during the initial years of the MTW program, HUD requirements regarding how and when to seek approval for MTW activities differed. Some MTW flexibilities were requested outside of the annual plan or were considered implicit as part of participation in the MTW program. In some cases, SHA needed only to state in very broad terms its intention to implement an MTW activity. In many cases, MTW activities appeared in multiple plans. The dates included in this section represent the first year the activity was mentioned in an approved plan and the first year the activity was implemented.

Each MTW activity represents an authorization previously approved by HUD. The implementation of these activities may vary over time as SHA strives to continuously improve its practices and respond to a changing environment. For the sake of the demonstration, we attempt to specify the strategies that are utilized. However, these strategies are part of a whole and cannot always be viewed as distinct parts.

The metrics provided in this section follow a format required by HUD.

## Implemented MTW Activities

Please note that activities are generally numbered in chronological order. Some activities have been closed out and are listed in a separate section.

### MTW Activity #1 – Development Simplification

#### Status

Active - First included in the 1999 MTW Agreement and 1999 MTW Annual Plan. First implemented in 2004.

#### Description

Development simplification helps SHA to move quickly to acquire, finance, develop, and remove public housing properties from its stock in an efficient, market-driven manner. MTW flexibilities allow the agency to respond to local market conditions and avoid delays and associated costs incurred as a consequence of HUD requirements and approval processes. While of greatest impact when the housing market is highly competitive, these strategies present opportunities continuously for SHA to avoid costs and increase housing options as circumstances arise.

## **Authorization**

MTW Agreement - Attachment C (B)(1), (C)(12), (C)(13), (C)(16); Attachment D (B)(x), (C)(2); PIH Notice 2011-45. Our MTW authority is used for the strategies described below.

## **Public Housing Development Simplification Strategies**

- Streamlined public housing acquisitions: Acquire properties for public housing without prior HUD approval, provided that HUD site selection criteria are met. (MTW Strategy #1.P.02. First implemented in 2004.)

## **Not Needed in 2018**

- Design guidelines: SHA may establish reasonable, modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities. (MTW Strategy #1.P.01. The agency has not yet needed to exercise this flexibility.)
- Total development cost limits: Replaces HUD's Total Development Cost limits with reasonable limits that reflect the local market place for quality construction. (MTW Strategy #1.P.03. The agency has not yet needed to exercise this flexibility.)
- Local blended subsidy: SHA may blend public housing and Housing Choice Voucher funds to subsidize units that serve households earning below 80 percent of Area Median Income. (MTW Strategy #1.P.06. The agency has not yet needed to exercise this flexibility.)

## **Inactive**

- Streamlined mixed-finance closings: Utilize a streamlined process for mixed-finance closings. (MTW Strategy #1.P.04. Implemented in 2005, but replaced by HUD's streamlined process published in 2013 in the final capital fund rule.)
- Streamlined public housing demo/dispo process: Utilize a streamlined demolition/disposition protocol negotiated with the Special Applications Center for various public housing dispositions (including those for vacant land at HOPE VI sites and scattered sites property sales). (MTW Strategy #1.P.05. Implemented in 2004, however, most of the streamlined features are now available to all housing authorities.)

## **Impact**

Development simplification strategies are intended to promote housing choice by allowing SHA to acquire, finance, develop, and remove property in a manner that maximizes our ability to take advantage of market conditions and provide affordable housing throughout the city of Seattle.

This activity is on schedule.

Impact	Metric	Baseline (2003)	Benchmark	2018 Results	Benchmark Achieved?
Cost Effectiveness	CE4: Total leveraged funds in dollars	\$0	\$5 million, but dependent on project selection and approval from HUD	0	No
Housing Choice	HC1: Number of new housing units made available for households at or below 80% AMI as a result of SHA's MTW development strategies	0	400 cumulative	0 cumulative	No
	HC2: Number of housing units preserved for households at or below 80% AMI as a result of SHA's MTW acquisitions strategies	0	500 cumulative	1,085 cumulative	Yes
	HC5: Total number of households able to move to a better unit or neighborhood of opportunity	0	0	0	Yes

### Challenges in achieving benchmarks

SHA did not achieve the benchmark for MTW development strategies in 2018 because the agency did not develop new public housing units during the year and because SHA did not use Local Blended Subsidy. Failure to achieve the benchmark in this case reflects SHA's schedule for new projects, which are largely dependent on the availability of financing, the real estate market, and community priorities. Performance against these benchmarks reflects neither positively nor negatively on MTW development strategies.



## **Data collection methods**

SHA closely tracks all details regarding housing development, including the number of units developed and acquired, and project expenses and revenues, including interest costs and leveraged funds for all mixed finance and bond financed projects.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made.

## **MTW Activity #2 – Family Self-Sufficiency Program**

### **Status**

Active - First included in the 1999 MTW Annual Plan. First implemented in 2018.

### **Description**

SHA's JobLink program is an innovative initiative that combines FSS with other funding streams to allow participants streamlined access to multiple resources. JobLink's mission is to help SHA residents increase their income through employment. JobLink uses one-on-one coaching support to connect residents to employment, education, and resources. The program is open to all SHA residents age 18 and older and helps residents build job preparation and interview skills, teaches financial planning and literacy skills, supports residents to start a small business, connects residents with resources in the community such as childcare and transportation, and helps residents sign up for college or vocational training, apply for jobs, or explore buying a home.

MTW strategies have been designed to help JobLink expand its impact by providing incentives for participation and using local selection criteria, contract terms, and escrow calculation methods. Escrow accounts and short-term incentives such as education, employment, and emergency fund payments are distinct strategies and receipt of short-term incentives does not disqualify a household from receiving an escrow disbursement in the future.

### **Authorization**

MTW Agreement- Attachment C (C)(5), (C)(11), (E). Our MTW authority is used for the strategies described below.

### **Agency-wide Family Self-Sufficiency Program Strategies**

- FSS escrow accounts: Use local policies for determining escrow calculation, deposits, and withdrawals. (MTW Strategy #2.A.03. First implemented in 2018.)
- FSS participation contract: Locally designed contract terms including length, extensions, interim goals, and graduation requirements. (MTW Strategy #2.A.04. First implemented in 2018.)

- FSS program incentives: Provide incentives to FSS participants who do not receive escrow deposits, including program offerings for non-heads of household and other members not enrolled in HUD's FSS program. (MTW Strategy #2.A.06. First implemented in 2018.)
- FSS selection preferences: Up to 100 percent of FSS enrollments may be selected by local preferences. (MTW Strategy #2.A.07. First implemented in 2018.)

### Inactive

- Partner with city: Partner with the City of Seattle to share responsibilities and resources for a new integrated FSS program. (MTW Strategy #2.A.01. Implemented in 1998; discontinued in 2000.)
- SJI preference + time limits: Preference for Seattle Jobs Initiative participants coupled with time limits. (MTW Strategy #2.A.02. Implemented in 1998; discontinued in 2000.)
- FSS Program Coordinating Committee: Restructure Program Coordinating Committee (PCC) to better align with program goals and local resources. (MTW Strategy #2.A.05. Not yet implemented.)

### Impact

FSS strategies support self sufficiency by helping SHA residents increase their income through employment. The JobLink program connects residents to employment, education, and resources through one-on-one coaching support. The program helps residents build job preparation and interview skills, teaches financial planning and literacy skills, supports residents to start a small business, connects residents with resources in the community such as childcare and transportation, and helps residents sign up for college or vocational training, apply for jobs, or explore buying a home.

This activity is on schedule.

Impact	Metric	Baseline (program entry)	Benchmark	2018 Results	Benchmark Achieved?
Self sufficiency	SS1: Average earned income of JobLink participants	\$15.96 per hour for employed participants at program entry	\$13.09 (2017 Workforce Development Council of Seattle King-County self-sufficiency standard for one adult)	\$16.70 average wage for JobLink job placements	Yes
	SS2: Average savings/escrow of JobLink participants	\$484 at program entry	\$2,500	\$5,714	Yes

Impact	Metric	Baseline (program entry)	Benchmark	2018 Results	Benchmark Achieved?
Self Sufficiency	SS3: JobLink participants employed full-time, part-time, enrolled in an educational program, enrolled in job training, and unemployed	123 participants employed full-time at program entry, 150 part-time, 144 in educational program, 20 in job training, 362 unemployed 21% full-time, 25% part-time, 23% educational program, 3% job training, 52% unemployed	120 full-time job placements, 40 part-time, 200 in educational program, 20 in job training 19% full-time, 6% part-time, 32% educational program, 3% job program, N/A unemployed	132 placements in full-time employment, 70 part-time, 219 in educational program, 24 in job training 21% full-time, 10% part-time, 33% educational program, 4% job training, N/A unemployed	Yes
	SS5: Number of JobLink participants receiving services aimed to increase self sufficiency	357 SHA ROSS and FSS participants prior to JobLink launch	535 JobLink participants	643 JobLink participants	Yes
	SS8: Number of households transitioned to self-sufficiency	2 participants transitioned to unsubsidized housing in 2018; 245 participants whose primary source of income was wages	2 participants transition to unsubsidized housing; 245 participants whose primary source of income was wages	2 participants transitioned to unsubsidized housing; 245 participants whose primary source of income was wages	Yes

## **Data collection methods**

JobLink tracks participants and outcomes by individual rather than household and therefore all reported metrics represent individual participants.

Savings/escrow baseline is the average of self-reported bank account balances. Annual outcomes are the average accrued escrow balance of participants with escrow accounts. The benchmark represents 50% of JobLink's maximum escrow disbursement.

Employment is not a goal for all JobLink participants and therefore employment and income metrics are reported for employed participants and job placements made through JobLink. Because outcome data is derived from job placements, unemployment is not reported.

Job training program participants may be undercounted because SHA does not track class or training type within community college enrollment and therefore students that enroll in job training at local community colleges are categorized under educational programs rather than job training in order to avoid duplicate counts.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made. 2018 was the first year of implementation for JobLink and its data collection methods.

## **MTW Activity #3 - Inspection Protocol**

### **Status**

Active - First included in the 1999 MTW Annual Plan. First implemented in 2001.

### **Description**

SHA uses a cost-benefit approach to unit and property inspections. Current strategies in this approach include using SHA's own staff to complete HQS inspection of its properties with vouchers and inspecting residences on a less frequent schedule.

### **Authorization**

MTW Agreement- Attachment C (C)(9)(a), (D)(5), (D)(7)(a); Attachment D (D)(1); specific regulations waived include 24 CFR 982.405 (a), 982.352(b)(iv)(A), 983.59, 983.103(f). Our MTW authority is used for the strategies described below.

### Agency-wide Inspection Protocol Strategies

- Reduced frequency of inspections: Cost-benefit approach to housing inspections allows SHA to establish local inspection protocol, including less frequent inspections for residents who have not moved and interchangeable use of HQS and UPCS. (MTW Strategy #3.A.03. Implemented in 2003 for public housing. Implemented in 2013 for Housing Choice Vouchers, but MTW is no longer required for reduced HCV inspections due to the inclusion of biennial inspections in the 2014 Appropriations Act.)

### Under development

- Private sector cost benefit and risk management approaches to inspections such as avoiding duplicative inspections by using other recent inspections for agencies such as the Washington State Housing Finance Commission. (MTW Strategy #3.A.01. Implementation planned for 2019.)

### Voucher Inspection Protocol Strategies

- Inspect SHA-owned properties: SHA staff, rather than a third party entity, complete inspections of SHA owned properties with vouchers. (MTW Strategy #3.H.01. Implemented in 2001.)

### Inactive

- Fines for no-shows at inspections (MTW Strategy #3.H.02. Not yet implemented.)
- Self-certification for minor fails: Self-certification by landlords of correction of minor failed inspection items. (MTW Strategy #3.H.04. Implemented in 2010. This policy remains active, however we believe that MTW authority is not required and it is therefore listed as inactive from a MTW perspective.)

Inspection strategies that are unique to the project-based program are listed under MTW Activity #9 – Project-Based Program.

### Impact

MTW inspection protocol strategies are intended to increase cost effectiveness by saving staff time through less frequent inspections and by inspecting SHA's own units rather than contracting this work, with a goal of no negative impact on the quality of housing.

This activity is on schedule.

Impact	Metric	Baseline (2000)	Benchmark	2018 Results	Benchmark Achieved?
Cost Effectiveness	CE1: Total cost of inspections	\$429,647 in wages	\$639,464 or less in wages adjusted for CPI	\$414,170 in wages	Yes
	CE2: Total time to complete inspections in staff hours	18,720 (9 FTE)	16,640 (8 FTE) or less	12,480 (6 FTE)	Yes

Impact	Metric	Baseline (2000)	Benchmark	2018 Results	Benchmark Achieved?
Cost Effectiveness	Staff time saved from avoided inspections	0	500 hours saved annually	1,548 hours saved (3,095 public housing inspections avoided)	Yes
Maintain housing quality	Voucher participant-requested inspections per leased vouchers	1.8 percent in 2009 (128 inspections were requested out of 6,997 households)	No increase in complaint inspection requests	<1 percent (20 inspections were requested)	Yes
	Percent of voucher units that fail regularly scheduled inspections	In 2009, 29 percent of voucher units failed their regularly scheduled inspections	No more than 33 percent fail regularly scheduled inspections	31 percent of voucher units failed their regularly scheduled inspections (2,123 failed inspections)	Yes

### Data collection methods

Hours, costs, and time savings for MTW inspection protocol strategies are reported for HCV and public housing portfolios. HOPE VI communities are excluded because their staffing structure for inspections and property management are distinct and because SHA has different inspection goals for these portfolios. MTW strategies such as less frequent inspections are not applied in HOPE VI communities and they are therefore not included in the data for the metrics.

Total hours and costs are reported based on inspections staff and wages only. Other costs such as mileage, overhead, and benefits are not included. Hours are calculated based on actual number of inspections staff at year end.

Hours saved from avoiding annual inspections for public housing units is based on the total number of units that did not receive a full inspection during the year multiplied by the 30 minutes averaged per inspection.

The voucher management system records the results of all inspections by type and inspection requests.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

We revised the benchmark for wages to reflect inflation based on the CPI.

### **MTW Activity #5 – Local Leases**

#### **Status**

Active - First included in the 1999 MTW Annual Plan. First implemented in 1999.

#### **Description**

SHA utilizes local lease strategies to incorporate best practices from the private market and to encourage self-sufficiency.

#### **Authorization**

MTW Agreement - Attachment C (C)(6), (C)(9)(b), (C)(10), (E). Our MTW authority is used for the strategies described below.

#### **Agency-wide Local Leases Strategies**

- Self-sufficiency requirement: All households receiving subsidy from SHA (public housing or voucher) living in HOPE VI communities must participate in self-sufficiency activities. (MTW Strategy #5.A.01. Implemented in 1999.)

#### **Public Housing Local Lease Strategies**

- Local lease: SHA may implement its own lease, incorporating industry best practices. (MTW Strategy #5.P.01. Implemented in 2011.)
- Property-specific pet policies: SHA may establish pet policies, which may include the continuation or establishment of pet-free communities or limits on the types of pets allowed, on a building by building basis. (MTW Strategy #5.P.04. Implemented in 2011.)
- Lease incentives: SHA may offer lease incentives to promote the leasing of a public housing unit. (MTW Strategy 5.P.05. Implemented in 2018.)

#### **Inactive**

- Grievance procedures: Modify grievance policies to require tenants to remedy lease violations and be up to date in their rent payments before granting a grievance hearing for proposed tenancy terminations. (MTW Strategy #5.P.02. Not yet implemented.)
- Lease term of less than one year for public housing units: SHA may offer lease renewals for six months or month-to-month time periods. (MTW Strategy #5.P.03. Implemented in 2010.)



## Impact

Local lease strategies are intended to promote self-sufficiency by encouraging work-able adults to participate in self-sufficiency activities and housing choice by providing living environments that are pet-free in addition to communities that allow pets.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of vacancy loss (lost rental revenue)	(2016) \$399,010	\$415,192 adjusted for inflation	\$363,424	Yes
	CE2: Total time to lease units	(2016) 26,527 vacancy days (151,583 hours)	26,527 vacancy days (151,583 hours)	25,928 vacancy days (148,049 hours)	Yes
Self sufficiency	SS1: Average earned income of households affected by HOPE VI self-sufficiency requirement in dollars	(1998) \$12,652	\$19,670 or more in wages adjusted for CPI	\$34,996	Yes
	SS3: Number of heads of households affected by HOPE VI self-sufficiency requirement and percent households employed full time, part time, and unemployed	(2014) 183 heads of households employed full-time, 179 part-time, 212 unemployed; 44% of households employed full-time, 31% part-time, 25% unemployed	183 heads of households employed full-time, 179 part-time, 212 unemployed; 44% of households employed full-time, 31% part-time, 25% unemployed	245 heads of households employed full-time, 270 part-time, 131 unemployed; 38% of households employed full-time, 42% part-time, 20% unemployed	Yes
	SS4: Number of households receiving TANF assistance	(2014) 42 HOPE VI households	42 HOPE VI households	35 HOPE VI households	Yes

Impact	Metric	Baseline (1998)	Benchmark	2018 Results	Benchmark Achieved?
Self sufficiency	SS5: Number of households affected by HOPE VI self-sufficiency requirement receiving services aimed to increase self sufficiency	(2014) 172 HOPE VI households receiving Economic Opportunity Services	172 HOPE VI households receiving Economic Opportunity Services	191 HOPE VI households receiving JobLink (formerly Economic Opportunity) services	Yes
	SS8: Number of households with HOPE VI self-sufficiency requirement whose primary source of income was wages	(1998) 316	500	495	No
	Comparison of primary source of income from wages for work-likely households with and without the HOPE VI self-sufficiency requirement	(2014) 58% of work-likely households without HOPE VI self-sufficiency requirement reported wages as primary source of income	Percent is higher than baseline for HOPE VI households with self-sufficiency requirement	82% of HOPE VI households with self-sufficiency requirement	Yes

### Challenges in achieving benchmarks

SHA did not achieve the benchmark for HOPE VI households whose primary source of income was wages. However, the result was very close to the benchmark. We will continue to monitor this metric.

## **Data collection methods**

Income and unit data is routinely maintained for all household members. Baseline data from 1998 for primary source of income through wages does not include households at Holly Park, for whom this information is not available. Data on HOPE VI public housing households affected by the self-sufficiency requirement excludes Lake City Court. On-site HOPE VI service usage is tracked by our JobLink program.

SHA does not track employment by full-time or part-time status and instead provides these figures using a proxy that makes assumptions based on earned income using the minimum wage rate.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

We revised the benchmarks for wages and vacancy loss to reflect inflation based on the CPI.

## **MTW Activity #8 – Special Purpose Housing Use**

### **Status**

Active - First implemented prior to MTW participation in 1999 and continued throughout MTW participation.

### **Description**

SHA utilizes public housing units to provide special purpose housing and to improve quality of services or features for targeted populations. In partnership with agencies that provide social services, SHA is able to make affordable housing available to households that would not likely be admitted in traditional public housing units. With this program SHA allows partner agencies to use residential 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 facilitates this work, by allowing units to target populations with specific service and housing needs, or specific purposes.

### **Authorization**

MTW Agreement- Attachment C (B)(2), (B)(3), (B)(4), (C)(1), (C)(2), (C)(4), (C)(5), (C)(6), (C)(9)(a), (C)(9)(b), (C)(10), (C)(11), (C)(15); Attachment D (Uses of MTW Funds), (B). Our MTW authority is used for the strategies described below.

### **Public Housing Special Purpose Strategies**

- Agency units for housing and related supportive services: SHA makes residential units available for service-enriched housing by partner agencies. (MTW Strategy #8.P.01. Implemented prior to MTW participation.)
- Agency units for services: Make residential units available as space for community activities, management use, and partner agencies providing services in and around the community. (MTW Strategy #8.P.02. Implemented prior to MTW participation.)
- Designate public housing units for special purposes/populations: SHA may designate properties/units for specific purposes such as elderly or smoke-free. (MTW Strategy #8.P.03. Implemented in 2000.)

- Program-specific waiting lists: SHA or agencies may operate separate waiting lists (or no waiting list) for specific programs such as service enriched units. (MTW Strategy #8.A.02. Implemented prior to MTW participation.)
- Service enriched housing: With the help of key partners, SHA may develop supportive housing communities. (MTW Strategy #8.A.03. Implemented in 2001.)

### Inactive

- Conditional Housing: Housing program for those who do not currently meet SHA's minimum qualifications. (MTW Strategy #8.A.01. Not yet implemented.)
- Definition of elderly: Allows change in definition of elderly for HUD-designated elderly preference public housing from 62 to 55. (MTW Strategy #8.P.04. Not yet implemented.)
- Pet-free environments: Establish pet-free environments in connection with selected service enriched housing. (MTW Strategy #8.P.05. Not yet implemented.)

### Impact

Special Purpose Housing Use strategies are intended to increase housing choice and self-sufficiency by providing service-enriched housing for households that would otherwise be difficult to serve in traditional housing authority units and by enabling services to be available in the community.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE4: Amount of funds leveraged in dollars	\$0	\$2 million in service dollars	More than \$2.9 million	Yes
Housing choice	HC5: Number of households able to move to a better (service-enriched) unit	0	126	591 households housed in service-enriched housing	Yes
	HC7: Number of households receiving services aimed to increase housing choice	0	126	654	Yes

Impact	Metric	Baseline (1998)	Benchmark	2018 Results	Benchmark Achieved?
Self sufficiency	SS8: Number of households that transitioned to unsubsidized housing	0	50	32 (not including medical respite)	No
	Number of on-site agencies in SHA's residential units	5	5	5	Yes
Maintain and increase stability for households in service-enriched units	Percent of exiting households that leave service-enriched units for stable housing destinations (transitional, permanent, or unsubsidized market-rate housing)	0%	70%	80% of households exiting service-enriched units (77 out of 96 households exiting service-enriched units with a known destination in 2018) excluding medical respite	Yes

### Challenges in achieving benchmarks

The number of households that transitioned from service-enriched units to unsubsidized housing in 2018 was lower than the benchmark. This is likely due to the high cost of market-rate housing in Seattle. We believe this is not necessarily cause for concern about program design, as there has been a corresponding increase in households departing for stable but subsidized housing destinations, including permanent subsidized housing as well as households served through rapid reentry.

## **Data collection methods**

Unit use is tracked by staff in SHA's property management software. Outcome measures, including households served, are reported by partner agencies.

Exit destination for medical respite program participants at Jefferson Terrace is not included for households departing for stable and unsubsidized housing destinations because the medical respite program model and goals are different. The goal for most medical respite participants is that they transition to an assisted housing program after completion of their respite care. As a result, failure to transition to unsubsidized housing in some cases indicates a positive result.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made.

## **MTW Activity #9 - Project-based Program**

### **Status**

Active - First included in the 1999 MTW Annual Plan. First implemented in 2000.

### **Description**

SHA uses MTW to develop and implement a local project-based program, providing vouchers to subsidize units in SHA-owned and privately owned properties throughout Seattle. SHA's project-based activities include a large number of MTW strategies to reduce costs, make project-based programs financially feasible for owners, and to provide housing choice in the city. The project-based program promotes housing choice through strategies such as offering site-specific waiting lists maintained by providers (and, therefore, does not issue exit vouchers), expanding the definition of eligible unit types, allowing more project-based units per development and overall, admitting certain types of felons, allocating vouchers to programs and providers (not just units), allowing payment standards that promote services and the financial viability of projects, and coupling housing assistance with services by working with partners. The project-based program reduces SHA's costs through strategies allowing project-based owners to self-certify selected inspections and maintain their own waiting list, reducing the frequency of inspections by SHA staff, streamlining admissions, and non-competitively allocating subsidies to SHA units. Project-based program strategies also make contract terms consistent with requirements for other leveraged funding sources.

### **Authorization**

MTW Agreement- Attachment C (B)(1)(b)(vi),(vii), (B)(2), (B)(4),(D)(1)(a),(b),(c),(e)(f), (D)(2), (D)(3)(b), (D)(4), (D)(5), (D)(6), (D)(7); Attachment D (B)(ix),(x),(D)(1), (D)(2); specific regulations waived include 24 CFR 982.204(a), 982.401, 982.405(a), 982.451, 983.103(c), 983.20, 983.202(a), 983.251(c), 983.260(b), 983.30, 983.51, 983.53(a)(7), 982.553(a), 983.51(e), 983.56(a), 983.59(a), 983.59(b)(1), 983.6(a), 5.609(b)(3). Our MTW authority is used for the strategies described below.

## **Voucher Project-based Program Strategies**

- Cost-benefit inspection approach: Allows SHA to establish local inspection protocol, including self-certification that inspection standards are met at time of move in for mid-year turnovers. (MTW Strategy #9.H.01. Implemented in 2004.)
- Choice offered at beginning (no exit vouchers): Because housing choice is provided at the beginning of the project-based admissions process through site-specific waiting lists, exit vouchers are not offered. (MTW Strategy #9.H.03. Implemented in 2000.)
- Contract term: Project-based commitments are renewable up to 40 years. (MTW Strategy #9.H.04. Implemented in 2000.)
- Eligible unit types: SHA may allow shared housing and transitional housing under project-based contracts. (MTW Strategy #9.H.05. Implemented in 2002.)
- HAP contracts: HAP contracts are modified to ensure consistency with MTW changes and add tenancy addendum. (MTW Strategy #9.H.06. Implemented in 2000.)
- Non-competitive allocation of assistance: SHA allocates project-based subsidy non-competitively to SHA controlled units, including non-contiguous project-based units within a portfolio. (MTW Strategy #9.H.07. Implemented in 2000.)
- Owners conduct new construction inspections: SHA may allow project-based owners to conduct their own new construction/rehab inspections and to complete unit turnover inspections. (MTW Strategy #9.H.08. Implemented in 2005.)
- Percent of vouchers that may be project-based: SHA allows a greater percentage of vouchers that are project-based than non-MTW HUD limits. (MTW Strategy #9.H.09. Modified in the 2008 MTW Annual Plan.)
- Unit cap per development: Waives the 25 percent cap on the number of units that can be project-based in a multi-family building without supportive services or elderly/disabled designation. (MTW Strategy #9.H.10. Implemented in 2008.)
- Streamlined admissions: SHA may streamline and centralize applications and waiting list processes for project-based voucher units. (MTW Strategy #9.H.12. Implemented in 2000.)
- Competitive allocation process: Commit vouchers to the City's competitive process for housing funding. (MTW Strategy #9.H.13. Implemented in 2005.)
- Payment standards for SHA units: Allows higher than Voucher Payment Standard for SHA-operated project-based units if needed to support the project budget (while still taking into account rent reasonableness). (MTW Strategy #9.H.14. Implemented in 2004.)
- Admissions - admit felons under certain conditions: Allows for the admission into Project-based Voucher units of Class B and Class C felons subject to time-limited sex offender registration requirements who do not, in the opinion of the owner of the subsidized units, constitute a threat to others. (MTW Strategy #9.H.16. Implemented in 2005.)
- Program-based vouchers: SHA allocates a floating voucher subsidy to a defined group of units or properties. (MTW Strategy #9.H.17. Implemented in 2007 in SHA's Seattle Senior Housing Program.)



- Provider-based vouchers: Provide vouchers to selected agencies to couple with intensive supportive services. The agency master leases units and subleases to tenants. (MTW Strategy #9.H.18. Implemented in 2007.)
- Partners maintain own waiting lists: Allow partners to maintain waiting lists for partner-owned and/or operated units/vouchers and use own eligibility and suitability criteria. (MTW Strategy #9.H.20. Formerly 12.H.01. Implemented in 2000.)
- COPES housing assistance payment calculations: Count as zero income for residents who are living in project-based units at assisted living properties where Medicaid payments are made on their behalf through the COPES system (MTW Strategy 9.H.21. Implemented prior to MTW status.)

#### **Inactive**

- Assets in rent calculation: Only calculate income on assets declared as valuing \$5,000 or more. (MTW Strategy #9.H.02. Implemented in 2005, superseded by MTW Strategy #10.H.12, which increased the threshold for calculating asset income to an amount up to \$50,000.)
- Rent cap-30 percent of income: Project-based participants cannot pay more than 30 percent of their adjusted income for rent and utilities. (MTW Strategy #9.H.11. Implemented in 2000.)
- Subsidy cap in replacement units: Cap subsidy at levels affordable to households at 30% AMI in project-based HOPE VI replacement units where SHA also contributed capital to write-down the unit's affordability to that level. (MTW Strategy #9.H.15. Included in the 2004 MTW Annual Plan and currently active as a policy; however, we believe that MTW authority is not required for this policy at this time. If HUD policies change, we will reactivate this MTW activity.)
- Streamlined admissions and recertifications: SHA may streamline admissions and recertification processes for provider-based, project-based and mod rehab programs. (MTW Strategy #9.H.19. Not yet implemented.)

#### **Impact**

The project-based program is intended to promote cost effectiveness by reducing staff time and leveraging funding, as well as expanding housing choice by increasing access to service-enriched affordable housing.

This activity is on schedule.

Impact	Metric	Baseline (1999)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost to administer project-based vouchers	0	\$524,621 or less in wages adjusted for CPI	\$591,021	No
	CE2: Total time to administer project-based vouchers in staff hours	0	16,640 or less (8 FTE)	20,280 (9.75 FTE)	No
	CE4: Amount of funds leveraged in dollars	0	\$200,000 or more	\$5.3 million	Yes
	SHA hours saved by allowing partners to maintain their own waiting lists and not conducting new and turnover inspections	0	1,400 hours or more annually	890 hours	No
	SHA hours spent on project-based v tenant-based vouchers (Year end FTEs per leased vouchers)	.003 FTE per leased tenant-based voucher (20 FTE for 6,227 tenant-based vouchers)	Average staff time for project-based voucher is equal to or less than average staff time for tenant-based voucher	.003 FTE per leased project-based voucher (9.75 FTE for 3,549 project-based vouchers)	Yes
Housing choice	HC4: Number of households at or below 80% AMI that would lose assistance or need to move	0 households	50 households or fewer	46 households	Yes
	HC5: Number of households able to move to a better (service-enriched) unit	0	500	593	Yes

## **Challenges in achieving benchmarks**

SHA did not meet staff time and cost benchmarks for 2018 because the project-based program has grown larger and continues to increase each year, particularly as Yesler projects come online in addition to the housing authority's commitment to the City's affordable housing levy. Since the metrics were first developed in 2013, SHA's project-based voucher program has increased by approximately 20 percent.

There were also fewer hours saved by allowing partners to maintain their own waiting lists and not conducting new and turnover inspections in 2018, because there were fewer total new move-ins over the course of the year. We believe this is due in part to guidance from All Home (formerly Seattle/King County's Committee to End Homelessness) that has encouraged local homeless family programs to move from transitional to permanent housing models, which creates less movement among families.

## **Data collection methods**

SHA maintains detailed tenant, inspection, landlord, and voucher allocation information in its voucher management system. Partner agencies maintain waiting list information and commit to service levels in their application for project-based vouchers. Staff hours are calculated based on actual number of project-based staff. Time savings are based on an estimated one hour of time saved processing a new tenant application for each new household served off of a partner's waiting list and one half hour per turnover inspection avoided. Comparative time savings between project-based and tenant-based vouchers are calculated based on leased vouchers only and exclude special purpose vouchers and port outs. Total costs represent staff wages only.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

We adjusted the benchmark for wages to reflect inflation based on the CPI.

## **MTW Activity #10 – Local Rent Policy**

### **Status**

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

### **Description**

SHA's rent policy tackles a number of objectives, including cost effectiveness and self-sufficiency through an absolute minimum rent and asset income threshold and through streamlined rent review processes.

### **Authorization**

MTW Agreement - Attachment C (C)(4), (C)(11), (D)(1)(c), (D)(2)(a),(c); Specific regulations waived include 24 CFR 982.352(b)(iv), 982.508, 24 CFR 982.517, 982.604(a), and 5.609, including the Small Area Fair Market Rents final rule. Our MTW authority is used for the strategies described below.

### **Agency-wide Rent Policy Program Strategies**

- Streamlined income verification: SHA may adopt tax credit rules or the rules of other major funders regarding the length of time income verification documents are considered valid for income review processes. (MTW Strategy #10.A.01. Implemented in 2014.)

### **Public Housing Rent Policy Program Strategies**

- Absolute minimum rent: The minimum rent for all residents will be established annually by SHA. No rent will be reduced below the minimum rent amount by a utility allowance. (MTW Strategy #10.P.01. Implemented in 2001.)
- Earned Income Disregard: HUD's Earned income Disregard is not offered to public housing residents. (MTW Strategy #10.P.02. Implemented in 2001.)
- Rent reviews for elderly and disabled households every three years: Rent reviews conducted for elderly and disabled households on a triennial basis with rent increases by Social Security Cost of Living Adjustment in intervening years, including 40 month window for scheduling. (MTW Strategy #10.P.03. First implemented in 2004.)
- Imputed income from public benefits: SHA may impute income in rent calculation for tenants declaring no income who are eligible for but decline to collect cash benefits. (MTW Strategy #10.P.08. Implemented in 2005.)
- Streamlined for fixed income: Further streamline rent policy and certification process for fixed income households, including self-certification of medical expenses. (MTW Strategy #10.P.13. Implemented in 2014.)
- Utility allowance-frequency of utility allowance updates: SHA may revise the schedule for reviewing and updating utility allowances due to fluctuations in utility rates. (MTW Strategy #10.P.15. Implemented in 2010.)
- SSHP rent policy: Rents in Seattle Senior Housing Program (SSHP) units are one of five flat rents based on the tenant's percentage of Area Median Income, with annual adjustments and income reviews only every three years. (MTW Strategy #10.P.17. Implemented in 2011.)
- No HUD-defined flat rents: SHA does not offer tenants the choice of flat rents as required of non-MTW agencies, and does not use flat rents in the rent calculation for mixed citizenship households. (MTW Strategy #10.P.18. Implemented in 2001.)
- Asset income threshold: SHA will increase the threshold for including asset income in rent contribution calculations to an amount up to \$50,000 for public housing program participants and may allow self-certification of assets below the threshold. (Strategy #10.P.19. Formerly 10.P.17. Implemented in 2013.)
- Simplified Utility Assistance Payment for HOPE VI communities: HOPE VI participants receive a water and sewer utility allowance in the form of a maximum level of consumption rather than a rent reduction and incentive for conservative consumption. Annual adjustments are made at the next regularly scheduled annual review or update. (MTW Strategy #10.P.20. Implemented in 2013.)
- Market rate rent policy: SHA may institute market rate rents as a penalty for noncompliance with the annual review process. (MTW Strategy #10.P.21. Implemented in 2005.)

- Delay in rent increase for newly employed households: SHA may allow a longer notification period before rent increase if the increase is due to the resident becoming employed after at least six months of unemployment and is self-reported by the resident in a timely manner. (MTW Strategy 10.P.22. Implemented in 2005.)
- Self Employment Expenses: Households may declare employment expenses up to set thresholds of gross income without further validation of deductions. (MTW Strategy #10.P.23. Implemented in 2015.)

#### **Not Needed in 2018**

- Utility allowance-schedule: SHA may change utility allowances on a schedule different for current residents and new move-ins. (MTW Strategy #10.P.12. Implemented in 2008.)

#### **Inactive**

- Rent freezes: Voluntary rent policy freezes rent in two year intervals. (MTW Strategy #10.P.04. Implemented in 2001, inactive since 2005.)
- TANF rent calculation: Calculate TANF participant rent on 25% of gross income. (MTW Strategy #10.P.05. Implemented in 2000, inactive since 2005.)
- Tenant Trust Accounts (TTA): A portion of working public housing residents' income may be deposited in an escrow account for use toward self-sufficiency purposes. (MTW Strategy #10.P.06. Implemented in 2001; inactive since Fall 2012.)
- Ceiling rent two year time limit: When a tenant's calculated rent reaches the ceiling rent for their unit, the rent will not be increased beyond the rent ceiling for 24 months. (MTW Strategy #10.P.07. Implemented in 2005; inactive since 2012.)
- Partners develop separate rent policies: Allow partner providers and HOPE VI communities to develop separate rent policies that are in line with program goals and/or to streamline. (MTW Strategy #10.P.09. Not yet implemented.)
- Studio vs. 1 bedroom: Differentiate rents for studios vs. 1 bedroom units. (MTW Strategy #10.P.10. Not yet implemented.)
- Utility allowance-self-sufficiency and resource conservation: Change utility allowance where metering permits to encourage self-sufficiency and resource conservation. (MTW Strategy #10.P.11. Not yet implemented.)
- Streamlined rent policy for partnership units: Allow non-profit partners operating public housing units to implement simplified rent policies. (MTW Strategy #10.P.14. Not yet implemented.)
- Utility allowance-local benchmark: SHA may develop new benchmarks for "a reasonable use of utilities by an energy conservative household" - the standard by which utility allowance are calculated. (MTW Strategy #10.P.16. Not yet implemented.)

#### **Voucher Rent Policy Program Strategies**

- Rent burden-include exempt income: Exempt income included for purposes of determining affordability of a unit in relation to 40 percent of household income. (MTW Strategy #10.H.01. Implemented in 2005.)
- Rent cap-use gross income: Rent burden may be calculated on 40 percent of gross income, up from HUD's standard 30 percent of adjusted income. (MTW Strategy #10.H.02. Implemented in 2005.)

- Rent reasonableness at SHA owned units: Allows SHA staff to perform rent reasonableness determination for SHA owned units. (MTW Strategy #10.H.03. Implemented in 2000.)
- Payment standard: SHA may develop local voucher payment standards, including supplements for opportunity areas, and different standards for market-rate and affordable housing and shared housing. (MTW Strategy #10.H.04. Implemented in 2016.)
- Payment standard-SROs: SHA may use the studio payment standard for SRO units. (MTW Strategy #10.H.06. Implemented in 2003.)
- Rent reasonableness streamlining: Allows SHA to streamline rent reasonable determinations, including automatic annual updates and shared housing. (MTW Strategy #10.H.09. Implemented in 2017.)
- Rent reviews for elderly and disabled households every three years: Rent reviews for elderly and disabled households conducted triennially, including 40 month window for scheduling. (MTW Strategy #10.H.10. Implemented in 2010.)
- 180-day EOP clock (Previous MTW Strategy #10.H.11 has been renumbered 13.H.02 and moved to the following section on Homeownership and Graduation from Subsidy.)
- Asset income threshold: Increased threshold for calculating asset income to an amount up to \$50,000 and self-certification of assets below the threshold. (MTW Strategy #10.H.12. Implemented in 2010.)
- Streamlined medical deduction: SHA may allow self-certification of medical deductions. (MTW Strategy #10.H.13. Implemented in 2011.)
- Simplified utility allowance schedule: HCV participants' rent is adjusted for a Utility Estimate based on the number of bedrooms (defined as the lower of voucher size or actual unit size) and tenant responsibility for payment of energy, heat, and sewer/water under their lease, with a proration for energy-efficient units. (MTW Strategy #10.H.14. Implemented in 2011.)

### **Inactive**

- Absolute minimum rent: The minimum rent for all residents will be established annually by SHA. No rent will be reduced below the minimum rent amount by a utility allowance. (MTW Strategy #10.H.05. Not yet implemented.)
- Tenant-based self-sufficiency incentives: Rent policies to foster self-sufficiency among employable households, including income disregards proportional to payroll tax; allowances for employment-related expenses; intensive employment services coupled with time limits; locally-defined hardship waivers. (MTW Strategy #10.H.07. Not yet implemented.)
- Imputed income from TANF: Impute TANF income if household appears eligible and has not documented ineligibility. TANF not counted toward income if family is sanctioned. (MTW Strategy #10.H.08. Not yet implemented.)

### **Impact**

Local rent policy strategies are intended to promote cost effectiveness by saving staff time and to support self-sufficiency by encouraging households to build income, employment, and assets.

This activity is on schedule.



Impact	Metric	Baseline (1999)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of recertifications	(2009) \$720,966 in wage costs attributable to preparing and conducting certifications	\$857,857 or less in wage costs attributable to preparing and conducting certifications, adjusted for inflation	\$788,697 in wage costs attributable to preparing and conducting recertifications	Yes
	CE2: Total time to complete recertifications in staff hours	(2009) 32,036 staff hours	37,267 or less staff hours	29,780 staff hours	Yes
	Staff time savings from local rent policy	(1999) 0	1,100 or more hours saved from local rent policy strategies	3,060 hours	Yes
Housing choice	HC4: Number of households at or below 80% AMI that would lose assistance or need to move	(2013) 69 public housing evictions	69 or fewer public housing evictions	35 public housing evictions	Yes
Self sufficiency	SS1: Average earned income of households affected by absolute minimum rent	(1999) \$13,815	\$21,125 or more in earned income adjusted for CPI	\$28,444	Yes

Impact	Metric	Baseline (1999)	Benchmark	2018 Results	Benchmark Achieved?
Self sufficiency	SS3: Number of heads of household and percent of work-able households employed full time, part time, or unemployed	(2014) 455 work-able heads of households employed full-time, 552 part-time, 662 unemployed; 34% of work-able households employed full-time, 34% part-time, 33% unemployed	455 work-able heads of households employed full-time, 552 part-time, 662 unemployed; 34% of work-able households employed full-time, 34% part-time, 33% unemployed	539 work-able heads of households employed full-time, 663 part-time, 506 unemployed; 32% of work-able households employed full-time, 39% part-time, 30% unemployed	Yes
	SS8: Number of households in properties with absolute minimum rent that have primary source of income from wages	(1999) 1,080	1,200	1,161	No

### Challenges in achieving benchmarks

SHA did not meet the benchmark for households in properties with absolute minimum rent that have primary source of income from wages. However, the 2018 result was quite close. We do not at this point believe that changes are needed, but will continue to monitor the metric.

### Rent Reform Hardship Requests

In 2018, there were fifteen hardship requests under the public housing rent policy and zero hardship requests related to rent reform for vouchers. All fifteen requests were granted.

### Data collection methods

SHA began implementing rent reforms in 2001. However, meaningful data from that time period for staffing and hours spent on recertifications is unavailable. We therefore use 2009 as the baseline year for recertification metrics because data is available and because this year precedes implementation of a round of rent policy strategies that had a measurable impact on staff hours, including implementation of triennial recertifications in the HCV program. SHA conducted a 2013 time study to determine the amount of staff time

spent on public housing annual and interim recertifications and a 2011 time study for the HCV program. Reported costs in this category reflect only staff wages attributable to conducting certifications and do not include benefits, taxes, or costs for resources such as postage and paper. Total wages are calculated by multiplying median wage rates for the staff positions times the amount of time per certification times the number of certifications. This methodology is used rather than total wages because many staff are engaged in a number of activities not related to certifications.

Baseline data for 1999 for households whose primary source of income is through wages does not include Holly Park because this data is not available.

SHA does not maintain records on hours worked by participants. Data on employment by full time, part time, and unemployed status are instead calculated based on total earned income divided by the minimum wage rate.

SHA maintains records in Yardi, the system of record for public housing, of self-employed participants' selection of the streamlined deduction or full verification of actual expenses.

Recertification data excludes mod rehab units and port-in voucher households, which do not apply MTW rent policies.

### **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

We adjusted the benchmarks for costs and income to reflect inflation based on the CPI.

## **MTW Activity #11 – Resource Conservation**

### **Status**

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

### **Description**

SHA's resource conservation strategies take advantage of the agency's existing relationships with the City of Seattle and local utility providers, which continuously identify opportunities to increase resource conservation and reduce costs, rather than conducting a HUD-prescribed energy audit every five years. Conservation strategies have achieved significant energy and cost savings to the agency, including conversion to more efficient toilets and electrical upgrades.

### **Authorization**

MTW Agreement - Attachment D (C)(1). Our MTW authority is used for the strategy described below.

### **Public Housing Resource Conservation Strategies**

- Energy protocol: SHA employs a cost-benefit approach for resource conservation in lieu of HUD-required energy audits every five years. (MTW Strategy #11.P.01. Implemented in 2000.)

## Impact

Resource conservation strategies are intended to increase cost effectiveness by working continuously with local utility providers and the City of Seattle to identify conservation measures in a timely manner and avoiding the cost of hiring a third party to conduct energy audits every five years.

This activity is on schedule.

Impact	Metric	Baseline (2009)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of energy audits in dollars	\$102,000	\$121,367 or less adjusted for CPI	\$37,952	Yes
	Savings from water conservation measures (primarily toilet replacement)	0	\$900,000/year	\$1.9 million in 2018; \$18.6 million since implementation	Yes
	Savings from electricity conservation measures (homeWorks renovations 2004-2009)	0	\$147,000/year	\$535,056 in 2018; \$2.9 million since implementation	Yes

## Data collection methods

SHA maintains detailed utility consumption and rate data supplied by utility providers and SHA's own system. Cost savings measures look solely at the impact of conservation initiatives and are not an agency-wide measure of utility usage. For example, portfolios that were not included in the conservation initiatives are not included in the analysis. Cost savings represent the total amount of energy saved through conservation initiatives and do not distinguish between resulting decreases in expenses for the agency and for tenants.

The baseline cost of energy audits is based on the real cost to SHA of \$51,000 for an energy audit of 520 units in 2009, resulting in a proportionate estimated cost of \$510,000 for 5,200 public housing units. Since energy audits are required only once every five years, this is divided by five to calculate an average annual cost of \$102,000 for the baseline. The cost of energy audits is based on a percentage of the median salary for staff responsible for energy and utility analyses. This analysis does not include factors such as overhead or benefits.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

The benchmark for cost of energy audits was revised to reflect inflation.

## **MTW Activity #12 – Waiting Lists, Preferences, and Admission**

### **Status**

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

### **Description**

SHA's waiting list, preferences, and admission strategies have two primary objectives: to decrease costs and to facilitate partnerships with agencies that provide supportive services. SHA's MTW flexibilities in this area allow the agency to provide a greater percentage of vouchers to service providers and make special decisions if needed to prevent homelessness. These strategies also expedite admission into the program for partner agencies' clients by allowing agencies to maintain their own waiting lists and allowing applicants referred by selected providers to receive the next available unit.

### **Authorization**

MTW Agreement - Attachment C (B)(1)(b)(vi), (C)(1), (C)(2), (D)(4); Specific regulations waived include 24 CFR 982.204(a),(f). Our MTW authority is used for the strategies described below.

### **Public Housing Waiting Lists, Preferences, and Admission Strategies:**

- Partners maintain own waiting lists: SHA allows partners to maintain waiting lists for partner-owned and/or operated units (traditional LIPH units; service provider units, etc.) and use their own eligibility and suitability criteria (including no waiting list). (MTW Strategy #12.P.02. Implemented in 2000.)
- Expedited waiting list: SHA allows applicants referred by selected partners (primarily transitional housing providers) to receive expedited processing and receive the "next available unit." (MTW Strategy #12.P.03. Implemented in 2004.)
- Eligibility criteria: Unique eligibility criteria for specific units or properties, such as service enriched units. (MTW Strategy #12.P.05. Implemented in 2008.)
- Seattle Senior Housing Program (SSHP) waiting list policy: SHA does not distinguish between senior and non-senior disabled households in filling vacancies in the SSHP portfolio based on bedroom size, while maintaining a 90 percent senior, 10 percent non-senior disabled ratio at the AMP level. (MTW Strategy #10.P.06. Implemented in 2013.)

## **Inactive**

- Site-based waiting lists: Applicants can choose from several site-specific and/or next available waiting lists. (MTW Strategy #12.P.01. First approved in 1999, but MTW flexibility is no longer required.)
- No waiting list: Allows for filling units without a waiting list. (MTW Strategy #12.P.04. Has not yet been implemented.)

## **Voucher Waiting Lists, Preferences, and Admission Strategies:**

- Voucher distribution through service provider agencies: Up to 30 percent of SHA's tenant-based vouchers may be made available to local nonprofits, transitional housing providers, and divisions of local government that provide direct services for use by their clients without regard to their client's position on SHA's waiting list. (MTW Strategy #12.H.02. Implemented in 2002.)
- Special issuance vouchers: SHA has established a "special issuance" category of vouchers to address circumstances where timely issuance of vouchers can prevent homelessness or rent burden. (MTW Strategy #12.H.03. Implemented in 2003.)
- Limit eligibility for applicants in subsidized housing: Implements limits or conditions for tenants living in subsidized housing to participate in the HCV program. For example, before issuing a public housing resident a voucher, they must fulfill the initial term of their public housing lease. (MTW Strategy #12.H.05. Implemented in 2012.)
- Streamlined eligibility verification: Streamline eligibility verification standards and processes, including allowing income verifications to be valid for up to 180 days. (MTW Strategy #12.H.06. Not yet implemented.)

## **Inactive**

- Local preferences: SHA may establish local preferences for federal housing programs. (MTW Strategy #12.A.01. Included in the 2002 MTW Annual Plan; however, this policy is available to all PHAs.)
- Admit applicants owing SHA money: Provide voucher assistance to households owing SHA money from prior tenancy under specific circumstances, for example if they enter into a repayment agreement. (MTW Strategy #12.H.04. Implemented in 2008 and still in place; however MTW authority is no longer needed.)

## **Impact**

Waiting list, preferences, and admission strategies are intended to increase cost effectiveness by reducing avoidable turnover and avoiding costs for tasks that can be fulfilled by service providers.

This activity is on schedule.



Impact	Metric	Baseline (1999)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of waiting lists and admissions in dollars	\$442,791 in wages for admissions staff	\$677,077 or less in wages adjusted for CPI	\$481,916 in wages for admissions staff	Yes
	CE2: Total time to complete waiting lists and admissions in staff hours	24,960 (12 FTE)	20,800 (10 FTE) or less	16,640 (8 FTE)	Yes
	Savings from agencies maintaining their own waiting lists	0	\$24,960	\$1,950	No
Increase availability of affordable housing in combination with supportive services	Number of applicants newly receiving housing through agency referrals or waiting lists	0	75	10 in 2018 (0 through the expedited waiting list and 10 through agency vouchers)	No

### Challenges in achieving benchmarks

SHA did not achieve the benchmark for applicants newly receiving housing through agency referrals or the expedited waiting list, or the related metric regarding time savings from these strategies. The decrease in public housing admissions through the expedited waiting list reflects a management decision to halt the processing of expedited applications in order to increase agency-wide capacity for admissions. Additionally it reflects SHA's increased ability to serve homeless households through general admissions with the secondary review process, which provides an intensive, individualized assessment process for applicants that may lack a current positive rental history and through project-based voucher contributions to the community's housing first efforts. The number of Housing Choice Voucher admissions through agency referrals also decreased in 2018 because most of the existing contracts are not renewable and as a result the total number has decreased over time. We may adjust benchmarks for these activities in future plans and reports once a permanent decision has been made about implementation.

## **Data collection methods**

Avoided costs from agencies maintaining their own waiting lists is calculated based on savings of \$195 per newly occupied unit for partnership and service-provider operated housing units. The \$195 per unit is derived from the agency's real cost in 2010 of \$879,050 to conduct regular admissions for 4,500 units.

Hours are calculated based on actual number of admissions staff. Staff costs are calculated based on the median wage per position, but do not include other costs such as benefits and overhead.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

The benchmark for staffing costs was adjusted to reflect inflation.

## **MTW Activity #13 – Homeownership and Graduation from Subsidy**

### **Status**

Active - First included in the 2004 MTW Annual Plan. First implemented in 2004.

### **Description**

SHA strives to support participants in the multiple ways that households can successfully move away from housing subsidy. These strategies include not only homeownership programs, but also programs that incentivize households transitioning to unsubsidized rental units in the private market, including end of participation policies for higher income households.

### **Authorization**

MTW Agreement - Attachment C (B)(1),(D)(8); Attachment D (B). Our MTW authority is used for the strategies described below.

## **Agency-wide Homeownership and Graduation from Subsidy Strategies**

### **Inactive**

- Savings match incentive: SHA has implemented a program that matches savings and provides financial information for participating public housing and HCV households leaving subsidized housing for homeownership or unsubsidized rental units. (Strategy #13.A.02. Implemented in 2013.)
- Down payment assistance (DPA): allocates MTW Block Grant funds to offer a local down payment assistance program. (MTW Strategy #13.A.01. Implemented in 2004.)

## **Public Housing Homeownership and Graduation from Subsidy Strategies**

- End of Participation for higher income households in mixed-income communities: In mixed-income communities, SHA will remove subsidy when household income exceeds the established limit for six months. (MTW Strategy #13.P.01. Implemented in 2016.)

## Voucher Homeownership and Graduation from Subsidy Strategies

- The 180-day End of Participation “clock” due to income will start when a family’s Housing Assistance Payment (HAP) reaches \$50 or less. (MTW Strategy #13.H.02. Formerly #10.H.11. Implemented in 2010.)

### Inactive

- Monthly mortgage assistance (MTW Strategy #13.H.01. Not yet implemented.)

### Impact

Homeownership and graduation from subsidy strategies promote self-sufficiency and create housing opportunities for waiting list households by helping participants leave subsidized housing. This activity is on schedule.

Impact	Metric	Baseline	Benchmark	2018 Results	Benchmark Achieved?
Housing choice	HC6: Number of households that purchased a home through homeownership and graduation from subsidy strategies	0	5	2	No
Self sufficiency	SS8: Number of households who transitioned to unsubsidized housing due to homeownership and graduation from subsidy strategies	0	25	50	Yes

### Challenges in achieving benchmarks

SHA did not achieve the benchmark for number of households that purchased a home through homeownership and graduation from subsidy strategies. This is due in part to the elimination of the savings match program. Internal evaluation of the savings match pilot program found that results were less successful than anticipated and as a result SHA is focusing on alternate strategies to support asset building such as JobLink.

### Data collection methods

End of participation information is maintained in SHA’s participant databases.

Homeownership is not tracked for households leaving the HCV program due to the end of participation clock.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made.

## **MTW Activity #15 – Combined Program Management**

### **Status**

Active - First included in the 2008 MTW Annual Plan. First implemented in 2008.

### **Description**

In some of its communities, SHA co-locates units funded through project-based vouchers with low income public housing or with other units managed by SHA staff. Combining program management and policies for both of these types of units within the same community makes sense and reduces costs by eliminating redundancies, including duplicative rent reviews and inspections. It also avoids unnecessary disparities between tenants of the two different types of units. SHA's implementation of this activity allows units subsidized by project-based housing choice vouchers to be operated just like public housing subsidized units.

### **Authorization**

MTW Agreement, Attachment C (C)(1), (C)(2), (C)(4), (C)(9), (C)(10), (C)(11), (D)(1), (D)(2), (D)(3), (D)(4), (D)(5), (D)(7); specific regulations waived include 24 CFR 983.51(b)(2). Our MTW authority is used for the strategies described below.

### **Agency-wide Combined Program Management Strategies**

- Combined program management: Combined program management for project-based vouchers co-located with public housing or other units in communities operating both subsidy types. (MTW Strategy #15.A.01. Implemented in 2008.)

### **Impact**

Combined program management strategies are intended to increase cost effectiveness by decreasing staff time through the elimination of duplicated activities, such as inspections and waiting lists, and the streamlining of rent and other policies that would otherwise be similar, but different, if the units were operated under the separate subsidy programs.

This activity is on schedule.

Impact	Metric	Baseline (2007)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost to complete recertifications for combined program management units	\$10,335	\$12,828 or less adjusted for CPI	\$11,571	Yes
	CE2: Total time to complete recertifications for combined program management (SLIHP) units	472 hours	450 hours or less	435 hours	Yes

### Data collection methods

Staff time is calculated based on a 2011 voucher time study and 2013 public housing time study, which found that on average it took 16 minutes to key an annual review in HCV's data system of record, plus an average of 146 total minutes to complete a regular recertification in public housing. The time required for a regular recertification in public housing is used as a proxy for the equivalent amount of time required to complete an annual tax credit certification in the HOPE VI units. The baseline figure is derived from the average total time required to complete a public housing annual review plus the average total time required to complete a project-based voucher annual review.

The data provided on time saved through this strategy reflects only time spent on annual recertifications and does not reflect the added opportunities for efficiencies through unified waiting lists and inspections. Data on cost savings reflects median wage levels only and excludes other factors such as overhead, benefits, and postage.

### Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods

The cost benchmark was adjusted to reflect inflation.

## **MTW Activity #18 – Short-Term Assistance**

### **Status**

Active - First included in the 2013 MTW Plan. First implemented in 2013.

### **Description**

SHA is working on multiple fronts with community partners to develop innovative new assistance programs that are designed to be short-term in length. These programs help households both access and retain housing through one-time or temporary assistance such as rent, deposits, arrears, utility assistance, moving and relocation costs, and temporary housing as needed. Short-term assistance is paired with targeted services when needed, including connections to employment, childcare services, and domestic violence counseling.

### **Authorization**

MTW Agreement, Attachment D (B). Our MTW authority is used for the strategies described below.

### **Agency-Wide Short-Term Strategies**

- Emergency Assistance for Housing Stability: SHA may disregard one-time or short-term emergency assistance from other sources to prevent households from losing their housing in determining eligibility and rent contribution. (MTW Strategy #18.A.02. Implemented in 2014.)

### **Inactive**

- Interagency Domestic Violence Transfer Program: In collaboration with partnering MTW agencies and domestic violence service providers, SHA may participate in an inter-jurisdictional transfer program to assist residents and program participants who become victims of domestic violence and need to move to another jurisdiction. (MTW Strategy #18.A.01. Not yet implemented.)

### **Voucher Short-Term Strategies**

### **Inactive**

- Short-Term Rental Assistance: SHA may provide funding for short-term shallow rental assistance through cooperative community initiatives to help families, students, adults, and youth obtain and retain housing. (MTW Strategy #18.H.01. Implemented in 2013.)

### **Impact**

Short-term assistance strategies contribute to self-sufficiency by providing youth and adults with the services and financial assistance that they need to remain stable in their housing and/or to obtain housing.

This activity is on schedule.

Impact	Metric	Baseline (2012)	Benchmark	2018 Results	Benchmark Achieved?
Housing choice	HC1: Number of new units for domestic violence survivors made available for households at or below 80% AMI through the interagency domestic violence transfer program	0	3 households annually	0	No
	HC4: Number of households at or below 80% AMI that would lose assistance or need to move without access to emergency assistance funds	0	0	0	Yes
	HC5: Number of households able to move to a better unit	0	3 households annually	0	No
	HC7: Number of households receiving services aimed to increase housing choice	0	25 households annually	0	No

### Challenges in achieving benchmarks

SHA did not achieve the benchmark for the inter-agency domestic violence transfer agreement because the program has not been implemented. We are currently considering the strategy inactive.

SHA did not achieve benchmarks for short-term rental assistance because the agency did not provide funding for households in this program in 2018. The short-term rental assistance program found that restrictions on SHA's federal funds made them difficult to administer. The program will continue to move forward with funding from other sources. In future plans and reports we may revise this benchmark to reflect the discontinuance of this activity.

### **Data collection methods**

Outcomes for youth and families served are tracked through both program records and HMIS.

SHA reports zeros for the benchmark and annual outcome for emergency assistance for housing stability (18.A.02) because the policy allows the agency to disregard this type of emergency assistance. We do not maintain documentation of emergency assistance because it is excluded through this policy.

### **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made.

## **MTW Activity #19 – Mobility and Portability**

### **Status**

Active - First included in the 2013 MTW Plan. Not yet implemented.

### **Description**

Mobility and portability strategies are designed to support cost effectiveness and to increase access to targeted units and neighborhoods for voucher holders.

### **Authorization**

MTW Agreement, Attachment C (D)(1)(g); (B)(1).

### **Voucher Mobility Strategies**

- One Year Residency Requirement before Port Out: SHA may require that Housing Choice Voucher households live in Seattle for one year before moving with their voucher to a different community. (MTW Strategy 19.H.03. First implemented in 2015.)

### **Not Needed in 2018**

- Limiting portability in high cost areas: SHA may deny requests for portability moves to another jurisdiction when the receiving housing authority intends to administer rather than absorb the voucher and the resulting payment standard would be higher than SHA's payment standard. (MTW Strategy #19.H.01. Not yet implemented.)
- Housing Choice Moving Cost Assistance and Support: SHA may develop a program for voucher households to provide assistance with housing search, deposits and similar costs, outreach and



incentives for landlord participation such as risk reduction funds, and access supplements. (MTW Strategy #19.H.02. MTW authority was not needed in 2018.)

## Impact

Mobility and portability strategies support cost effectiveness by reducing agency costs and time commitments. This activity is on schedule.

Impact	Metric	Baseline (2014)	Benchmark	2018 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of task in dollars	\$17,332	\$16,314 (adjusted for inflation)	\$2,468	Yes
	CE2: Total time to complete port out processing in staff hours	419 hours	369 hours per year once fully implemented	100 hours	Yes

## Data collection methods

SHA maintains records of households that have ported out of Seattle in Elite, the current system of record for the Housing Choice Voucher program. Time estimates represent initial port out processing only and do not include subsequent activities such as annual port out updates. Cost estimates represent staff wages and do not include overhead.

## Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods

No changes were made.

## MTW Activity #20 – Local Non-Traditional Affordable Housing Strategies

### Status

Active - First described as an MTW activity in the 2013 MTW Plan in response to HUD guidance. First implemented in 1999.

### Description

SHA sometimes uses MTW Block Grant funds to support affordable housing outside of the traditional public housing and voucher programs. This support may include funding for development, capital improvements, and both physical and financial maintenance. While this was previously an unremarkable use of MTW Block Grant funds under our Local Asset Management Program, subsequent guidance from HUD on local non-traditional activities (PIH Notice 2011-45) has made it advisable for us to call out this use of funds as an MTW activity.

This use of MTW funds allows Seattle Housing to maintain or broaden the availability of housing in the city affordable to households below 80 percent of Area Median Income. This activity may include both short and long term funding for development, capital improvement, and maintenance of affordable housing units. It may also provide financial maintenance, such as the contribution of funds to meet an established Debt Coverage Ratio, required for continued operation of the affordable units.

## Authorization

MTW Agreement, Attachment D – Use of Funds.

## Agency-wide Local Non-Traditional Strategies

- Use of Funds for Local Non-Traditional Affordable Housing: SHA may use Block Grant funds to develop, capital improve, and/or maintain and operate affordable housing outside of the traditional public housing and voucher programs. (MTW Strategy #20.A.01. First described as an MTW strategy in the 2013 Plan in response to HUD guidance. Implemented in 1999.)

## Impact

Local Non-Traditional Affordable Housing strategies support housing choice by preserving affordable housing options for households below 80 percent AMI throughout the city of Seattle.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2018 Results	Benchmark Achieved?
Housing choice	HC1: Number of new units made available for households at or below 80% AMI	0	596 units	685 units (cumulative)	Yes
	HC2: Number of housing units preserved for households at or below 80% AMI that would otherwise not be available.	0	90 units	393 units	Yes

## Data collection methods

SHA routinely tracks information on all of its housing stock, including funding type.

## **Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods**

No changes were made.

## **MTW Activity #22 – Housing Assistance for School Stability**

### **Status**

Active - First included in the 2016 MTW Annual Plan and first implemented in 2016.

### **Description**

Stable, quality schools are a core component of neighborhoods of opportunity. Home from School is a collaborative initiative to support homeless and unstably housed families with children in order to positively impact family and school stability. Student turnover, especially mid school year, creates challenges for schools and for students, both in serving new students and those who remain throughout the year. Residential stability can lead to an uninterrupted school year for students and can prevent fewer school changes that often leave children behind academically.

SHA provides housing assistance to participating families, using multiple means as available, including prioritizing preference for participating families for admission into units within the selected neighborhood, as well as tenant-based vouchers for participating families, with use limited to the school neighborhood. Partnering service providers provide outreach, enrollment, and pre and post-move support, including services such as housing search, assistance with barriers to leasing such as lack of security deposit and utility arrears, and connecting families to neighborhood resources and services.

Participation in the program is voluntary and priority is given to literally homeless families. SHA may require that participating families remain within the school neighborhood in order to retain their housing assistance.

### **Authorization**

MTW Agreement: Attachment C.B.1; C.C.1; C.C.2; C.D.1.g; C.D.3; C.D.4

### **Agency-wide Housing Assistance for School Stability Strategies**

- Housing Assistance for School Stability: SHA may provide housing assistance for homeless or unstably housed low-income families with children at selected neighborhood schools. (MTW Strategy #22.A.01. Implemented in 2016.)

### **Impact**

Housing Assistance for School Stability strategies support self-sufficiency and housing choice by providing homeless families with housing and supports that allow them to keep their children in the same school.

This activity is on schedule.

Impact	Metric	Baseline (2015)	Benchmark	2018 Results	Benchmark Achieved?
Self sufficiency	SS5: Number of households receiving services to increase self sufficiency	0	25 cumulative	41 cumulative (17 in 2018)	Yes
Housing choice	HC5: Number of households able to move to a unit that allows them to continue their child's enrollment at their current neighborhood school (or feeder school)	0	22 cumulative	36 cumulative (17 in 2018)	Yes
	HC7: Number of households receiving services to increase housing choice	0	25 cumulative	41 cumulative (17 in 2018)	Yes

### Data collection methods

SHA, Seattle Public Schools, and service partners maintain detailed records of participation in the program, including receipt of housing assistance and supportive services.

### Changes in Authorization, Metrics, Baselines, Benchmarks, or Data Collection Methods

No changes were made.

## On Hold Activities

### MTW Activity #4 – Investment Policies

#### Status

On Hold - First included in the 1999 MTW Annual Plan. First implemented in 1999. Placed on hold in 2013.

#### Description

SHA's MTW investment policies give the agency greater freedom to pursue additional opportunities to build revenue by making investments allowable under Washington State's investment policies in addition to HUD's investment policies. Each year, SHA assesses potential investments and makes a decision about whether this MTW flexibility will be needed. In 2018 investment flexibility was not needed and all SHA investments followed HUD policies.

#### Authorization

MTW Agreement - Attachment C (B)(5). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2018.

### Agency-wide Investment Policy Strategies

#### Not Needed in 2018

- Investment policies: SHA may use Washington State investment policies in lieu of HUD investment policies. (MTW Strategy #4.A.01. Implemented in 1999.)

#### Reactivation

SHA annually assesses potential investments to determine which investment policies are most beneficial. MTW alternate investment policies were not needed in 2018. However, SHA continues to revisit its investment strategies annually in consideration of both the agency's financial plans and available investment opportunities.

### MTW Activity #21 –Self-Sufficiency Assessment and Plan

#### Status

On Hold - First included in the 2015 MTW Annual Plan. Not yet implemented. Placed on hold in 2017.

#### Description

This activity is intended to increase self-sufficiency by connecting participants to assessments, individualized plans, and community resources designed to help them increase their education, training, and credentials and obtain higher wage jobs.

## **Authorization**

MTW Agreement: Attachment C (C)(2), (C)(4), (D)(1)(c), (D)(1)(c), (D)(3)(b). These authorizations are needed because requiring participation in the self-sufficiency assessment and planning process could alter policies regarding eligibility for admission into the public housing and voucher programs, as well as requirements for interim review processes or continued eligibility.

## **Agency-wide Strategies**

### **Not Needed in 2018**

- SHA may make self-sufficiency assessments and planning mandatory for work-able adults.

## **Reactivation**

SHA launched the Workforce Opportunity System pilot in 2015 and at the end of 2017 ended the three year pilot program without needing to make participation mandatory. Key strategies from the pilot were integrated in the new JobLink program in 2018, which streamlined access to services previously delivered through the Family Self Sufficiency and Economic Opportunities programs. Mandatory participation has not been needed to date but each year SHA will continue to monitor enrollment and participation and may make changes such as requiring mandatory participation based on those results.



## Closed Out Activities

### MTW Activity #6 – MTW Block Grant and Fungibility

First implemented with MTW participation in 1999. Closed out in 2011.

While SHA maintains this important MTW authority, HUD has requested that we no longer report on it as a standalone MTW activity. Previously approved strategies for this activity were:

- MTW Block Grant: SHA combines all eligible funding sources into a single MTW Block Grant used to support eligible activities.
- Operating reserve: Maintain an operating reserve consistent with sound management practices.
- Utilization goals: HCV utilization defined by use of budget authority.
- Obligation and expenditure timelines: SHA may establish timelines for the obligation and expenditure of MTW funds.

While the Block Grant, fungibility, operating reserve, and utilization goals continue to be active and critical elements of SHA's participation as an MTW agency, this activity may be considered closed out as of 2011, which was the last year that SHA reported on it as a separate activity. HUD no longer allows SHA to establish timelines for the obligation and expenditure of MTW funds.

### MTW Activity #7 - Procurement

First implemented with MTW participation in 1999. Closed out in 2011.

While SHA's MTW procurement activity was approved by HUD in the 1999 Annual Plan, HUD has since that time taken the position that it is not an allowable MTW activity.

Previously approved strategies for this activity were:

- Construction contract: Locally-designed form of construction contract that retains HUD requirements while providing more protection for SHA.
- Procurement policies: Adopt alternative procurement system that is competitive, and results in SHA paying reasonable prices to qualified contractors.
- Wage rate monitoring: Simplified process for monitoring the payment of prevailing wages by contractors.

This activity may be considered closed out as of 2011, which was the last year that SHA reported on it as a separate activity.



## **MTW Activity #14 – Related Nonprofits**

First approved in the 2004 MTW Annual Plan. Closed out in 2013.

SHA never implemented this activity, which would have allowed the agency to enter into contracts with related nonprofits. SHA determined that existing partnership structures were adequate without needing additional MTW authority.

Previously approved strategies for this activity were:

- Related non-profit contracts: SHA may enter into contracts with any related nonprofit.

This activity may be considered closed out as of 2013. SHA closed out this activity without implementing it because it found that MTW flexibility was not needed for the activities intended. As a result, there are no outcomes to report.

## **MTW Activity #16 – Local Asset Management Program**

First included in the 2000 MTW Annual Plan and first implemented in 2000.

While SHA maintains Local Asset Management Program (LAMP) authority, we no longer report on this as an MTW activity at HUD's request.

Previously approved strategies for this activity were:

- Local Asset Management Program: Use asset management principles to optimize housing and services.

Although SHA continues to operate under the LAMP and this remains an essential element of the agency's participation in the MTW program, this activity may be considered closed out at HUD's request as of 2013. No final outcomes can be reported as the LAMP is a way of doing business rather than a discrete program or activity, and because SHA continues to implement this activity.

## **MTW Activity #17 – Performance Standards**

First included in the 1999 MTW Annual Plan and first implemented in 1999.

While SHA maintains alternate performance standards based on MTW participation, this is no longer reported as an MTW activity at HUD's request.

Previously approved strategies for this activity were:

- Local performance standards in lieu of HUD measures: Develop locally relevant performance standards and benchmarks to evaluate the agency performance in lieu of HUD's Public Housing Assessment System (PHAS).

Although SHA continues to maintain and refine alternate performance standards, this activity may be considered closed out at HUD's request as of 2014. No final outcomes can be reported as performance standards do not result in measurable outcomes, and because SHA continues to implement this activity.



## V. Sources and Uses of Funding

This section describes aspects of SHA's revenues and expenditures for 2018, local asset management program, and use of MTW single fund authority.

### Sources and uses of MTW funds

HUD requires that public housing authorities submit their financial information through the Financial Assessment System - PHA (FASPHA) rather than in the MTW report. The following section provides information on a few aspects of the MTW Block Grant and Replacement Housing Factor (RHF) funding, but is not comprehensive.

#### Single Fund Flexibility

The MTW Block Grant is a critical element of MTW participation, allowing MTW housing authorities to combine public housing capital, operating, and Housing Choice Voucher subsidies into a single source of funding that they are able to allocate to meet local needs. The following table describes how SHA used this single fund flexibility in 2018.

##### Activities that Used Only MTW Single Fund Flexibility

SHA established a MTW Block Grant Fund under the original MTW Agreement in 1999. Seattle Housing continues to use single fund flexibility under the First Amendment to the MTW Agreement (and now under the Extension Agreement). Funding flexibility allowed under MTW supports a variety of low-income housing services and programs and is central to the agency's Local Asset Management Plan (LAMP). SHA's LAMP includes the whole of its operations, including MTW Block Grant sources and uses.

During 2018, SHA exercised its MTW flexibility to allocate MTW Block Grant revenues among the Authority's housing and administrative programs. This enabled SHA to further its mission and strategic plan by balancing the mix of housing types, services, capital investment, and administrative support to different low-income housing programs and different groups of low-income residents and voucher participants.

In 2018 Seattle Housing used single fund authority of \$38.7M to support the following local programs:

- Support for resident and voucher households to achieve greater economic stability through building assets, achieving education goals, and gaining job opportunities
- Community supportive services and health and wellness programs for public housing participants such as case management, education, and youth activities to support housing stability and education achievement
- Low income housing acquisition, development, preservation, and rehabilitation to increase capacity to serve more low income people through SHA-owned and/or managed residential facilities
- Direct support of local low-income housing operations, assistance, capital repairs, and program support to ensure safe, decent, and modern housing

While these activities benefit from the flexibility of SHA's MTW Block Grant, nearly all activities are for Section 8 and Section 9 participants. A minor share also benefit local non-traditional MTW activities as defined in PIH Notice 2011-45. SHA remains in compliance with the guidance regarding use of funds described in PIH Notice 2011-45.

## Local Asset Management Plan

Local Asset Management Plan	
Has the PHA allocated costs within statute during the plan year?	Yes
Has the PHA implemented a local asset management plan (LAMP)?	Yes
Has the PHA provided a LAMP in the appendix?	Yes

### Implementation of the LAMP

Seattle Housing continues to operate under its approved Local Asset Management Plan (LAMP), as first stipulated in the 2010 Plan and in practice since the beginning of its MTW participation. No significant changes were made to Seattle Housing's LAMP during 2018. SHA updates its Indirect Service Fees (ISF) annually; adds new programs if/when created; and maintains on-site maintenance staffing at selected communities as deemed most efficient to meet local needs. SHA submitted the LAMP with our 2018 MTW Plan and it was approved by HUD in a letter received January 12, 2018.

In compliance with the First Amendment to the MTW Agreement and the Office of Management and Budget (OMB) Super Circular at Title 2 CFR Part 200 (formerly A-87 requirements), SHA has set up an Indirect Services Fee (ISF). The indirect cost plan is described in more detail in Seattle Housing's LAMP in the appendices. Similar to HUD's COCC and consistent with Circular 200, SHA created a Central Services Operating Center (CSOC) to represent the fee charges and expenses for indirect costs.

As described previously, SHA has developed an indirect services fee (ISF) in compliance with OMB Circular 200 requirements. SHA's CSOC is more comprehensive than HUD's asset management system, which focuses only on fees for services for public housing properties. SHA's mission and work is much broader than public housing and therefore SHA's LAMP is broader. The LAMP includes local housing, for sale activities, limited partnership properties, and other activities not found in traditional HUD programs or public housing agencies. SHA's ISF is based on anticipated indirect costs serving all direct service programs. In accordance with OMB Circular 200 requirements, the ISF is determined in a reasonable and consistent manner based on total units and leased vouchers. The ISF is a standard fee calculated annually per housing unit and leased voucher charged each month to each program. Please see the LAMP in the appendices to review SHA's Indirect Cost Plan.

## VI. Administrative Information

This section provides documentation of findings from HUD audits and monitoring visits and certifies compliance with regulations.

### Reviews, audits, or inspection issues

SHA received no findings from HUD audits and monitoring visits that required actions to correct in 2018.

### Agency-Directed Evaluations

SHA is not currently engaged in any agency-wide evaluations of its MTW program.

### Certification of Compliance with Regulations

- At least 75 percent of families assisted by SHA are very low-income.
  - SHA certifies that it is meeting this statutory objective. HUD, as stated in Section II, will confirm this with PIC data and the information SHA provides in this report on households served by local, non-traditional programs. According to SHA's data at the end of 2018, 91 percent of households we served were very low-income.
- SHA continues to assist substantially the same number of eligible low-income families as would have been served had the amounts (MTW funds) not been combined.
  - SHA continued to meet this requirement in 2018. Supporting details in HUD's prescribed format may be submitted separately from this report.
- SHA has maintained a comparable mix of families (by family size as would have been served absent the demonstration).
  - SHA has maintained a comparable mix of families by family size as would have been served absent the demonstration. While the distribution of family sizes served has shifted since SHA began its MTW participation, these shifts are largely attributed to non-MTW changes such as housing stock and community demographics, as explained in Section II of this report.

### MTW Energy Performance Contract (EPC) Flexibility Data

This is not applicable for SHA.





## **Appendices**

The appendices of this report include:

- Appendix A:     Housing Stock and Leasing Overview
- Appendix B:     New Project-based Voucher Units
- Appendix C:     Housing and Applicant Demographics
- Appendix D:     Local Asset Management Plan





## Appendix A – Housing Stock and Leasing Overview

In the body of this report, we provide statistics on properties and units funded through the MTW Block Grant. However, SHA owns and manages additional housing stock funded through other sources. In this appendix we provide an overview of SHA’s housing stock and leasing rates for units that are both MTW and non-MTW funded.

**Table 1: Changes in housing inventory**

Housing Program	2017 year end	2018 year end
<b>MTW Block Grant-funded Housing</b>		
Housing Choice Voucher	9,740	9,776
<i>Tenant-based</i>	6,170	6,133
<i>Project-based – partner-owned</i>	2,854	2,945
<i>Project-based – SHA-owned</i>	633	615
<i>Program-based – SHA-owned</i>	10	10
<i>Provider-based</i>	73	73
Public Housing	6,033	5,894
<i>SHA-owned *</i>	5,993	5,854
<i>Partner-owned</i>	40	40
<b>MTW Block Grant-funded Housing Total</b>	<b>15,773</b>	<b>15,809</b>
<b>Other HUD-funded Housing</b>		
Housing Choice Vouchers - Special Purpose	781	904
<i>Family Unification Program</i>	200	200
<i>Mainstream Disability</i>	75	154
<i>Housing Conversion</i>	36	85
<i>Veterans Affairs Supportive Housing</i>	470	509
Section 8 New Construction	130	130
Section 8 Moderate Rehab	648	575
<b>Other HUD-funded Housing Total</b>	<b>1,522</b>	<b>1,609</b>
<b>Other Affordable Housing</b>		
Seattle Senior Housing Program *	136	136
Tax credit housing (without public housing subsidy)	1,214	1,189
Other affordable housing	627	741
<b>Other Affordable Housing Total</b>	<b>1,977</b>	<b>2,066</b>
Managed by SHA for other owners	0	0
<b>Total Housing**</b>	<b>18,629</b>	<b>18,720</b>

\*Includes residential units leased to agencies that provide transitional housing or supportive services and units for live-in staff.

\*\*Due to project-basing and program-basing of Housing Choice Vouchers in Local Housing, Total Housing is the sum of all housing units minus Housing Choice Vouchers-MTW Project-based – SHA-owned and Program-based – SHA-owned. Managed by SHA for other owners is also not included in Total Housing.

**Table 2: Changes in units leased**

<b>HOUSING PROGRAM</b>	<b>2017 year end</b>	<b>2018 year end</b>
Housing Choice Vouchers-MTW	8,881	9,312
Housing Choice Vouchers-Non-MTW	675	713
<i>Family Unification Program</i>	183	199
<i>Mainstream Disability</i>	70	69
<i>Housing Conversion</i>	31	58
<i>Veterans Affairs Supportive Housing</i>	391	387
Low Income Public Housing	5,645	5,657
Section 8 Moderate Rehab	600	549
Section 8 New Construction	129	129
Other Affordable Housing*	2,039	1,928
*Does not include local SSHP unit operated by partner; includes residential units leased to agencies that provide transitional housing or supportive services and units for live-in staff. May include households who are represented in other programs such as HCV Section 8.		



## Appendix B – New Project-based Voucher Units

SHA awarded 55 new project-based vouchers during the year. The projects are described below.

Arbora Court						
Project description	Bellwether Housing opened Arbora Court in April 2018 offering 133 units of affordable housing in Seattle’s University District neighborhood. Project-based units have been designated for homeless families and individuals and Bellwether Housing will accept referrals from King County’s Coordinated Entry for All system, utilizing a Housing First model to reduce barriers to housing. Bellwether Housing has partnered with Wellspring Family Services to provide on-site services in the form of case management for the homeless families and individuals to assist these households to maintain stable housing.					
	Amenities on-site include a community room with a shared kitchen and a shaded courtyard including a children’s play structure, benches, table and chairs for gatherings. The building has intercom-controlled access, laundry facilities on-site, and animals.					
Total units in property (ies)	Project-based units					
	Studios	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	Total
133	11	9	12	8	0	40

The Estelle						
Project description	Downtown Emergency Service Center (DESC) opened The Estelle in March 2018 providing 91 Permanent Supportive Housing units to homeless individuals living with serious mental illness or other disabling conditions. The Estelle is a Housing First project and receives referrals from King County’s Coordinated Entry for All system.					
	DESC provides case management for all tenants at The Estelle. DESC also partnered with Seattle’s Harborview Medical Center to provide supportive housing and quality healthcare within the same building and available to all residents. The 15 project-based voucher units are dedicated to people exiting the hospital with healthcare needs that exceed the services offered in a convectional residential care system.					
	Located in the Rainier Valley and within a few blocks of the Mt. Baker Light Rail station, the building itself has on-site case management offices, community spaces that include a kitchen and dining room, a small computer lab, a television lounge, and an outdoor courtyard.					
Total units in property (ies)	Project-based units					
	Studios	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	Total
91	15	0	0	0	0	15



## Appendix C – Household and Applicant Demographics

This appendix provides data on characteristics of households housed in Seattle and applicants to SHA. Unless otherwise noted, data represents year-end information (December 31, 2018) for which the category is known. Variations in totals from table to table indicate detailed data is missing. Additional data notes are provided at the end of this appendix.

### Current SHA Households (12/31/2018)

#### Race and ethnicity

Race/Ethnicity	African American/ Black	White	Asian	Latino	Native American/ Alaskan Native	Native Hawaiian/ Pacific Islander	Multi-Race	Not Specified	Total
Housing Choice Voucher	45%	34%	12%	5%	2%	1%	2%	0%	100%
Public Housing	36%	37%	18%	6%	1%	0%	1%	0%	100%
Other	34%	48%	8%	4%	2%	1%	0%	2%	100%

#### Income distribution as a percent of median income

Income	<30% AMI	35-50% AMI	50-80% AMI	>80% AMI	Not Specified	Total
Housing Choice Voucher	83%	13%	3%	1%	1%	100%
Public Housing	83%	12%	4%	1%	0%	100%
Other	24%	16%	12%	9%	39%	100%

#### Total population by age group (minors, adults and elderly)

Age Group	Children Under 18	Young Adults	Adults	Seniors	Total
Housing Choice Voucher	34%	8%	41%	17%	100%
Public Housing	27%	7%	35%	31%	100%
Other	28%	4%	60%	8%	100%

## People with disabilities

	Not Disabled	Disabled Adults	Disabled Elderly	Disabled Minors	Total
Housing Choice Voucher	68%	17%	13%	2%	100%
Public Housing	73%	14%	13%	1%	100%
Other	98%	1%	1%	0%	100%

## Households served in Seattle by unit size

Unit Size	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5+ Bedroom	Total
Housing Choice Voucher	32%	26%	24%	13%	3%	1%	100%
Public Housing	14%	54%	16%	1%	3%	1%	100%
Other	5%	35%	38%	18%	3%	1%	100%

## Average length of participation by housing and household type

Length of Stay	<2 Years	2-4 Years	5-9 Years	10-14 Years	15-19 Years	20+ Years	Total
Housing Choice Voucher	10%	23%	23%	25%	15%	4%	100%
Public Housing	9%	22%	28%	21%	11%	10%	100%
Other	19%	29%	28%	16%	4%	3%	100%

## Waiting list applicant race and ethnicity

Race/Ethnicity	African American/ Black	White	Asian	Latino	Native American/ Alaskan Native	Native Hawaiian/ Pacific Islander	Multi-Race	Not Specified	Total
Housing Choice Voucher	44%	30%	7%	9%	2%	2%	5%	0%	100%
Public Housing	31%	31%	22%	7%	2%	0%	1%	5%	100%
SSHP	20%	40%	29%	5%	1%	0%	1%	4%	100%

## Waiting list applicant income level

Income	<30% AMI	35-50% AMI	50-80% AMI	>80% AMI	Total
Housing Choice Voucher	89%	9%	2%	0%	100%
Public Housing	88%	10%	2%	1%	100%
SSHP	86%	11%	3%	1%	100%

### Additional data notes – the following notes apply to all tables within this appendix:

- Low Income Public Housing excludes occupants of employee and agency units.
- Housing Choice Vouchers excludes households that have left SHA's jurisdiction; excludes households using vouchers in the SSHP program; and includes households that have entered SHA's jurisdiction.
- Other excludes occupants of units managed by SHA for other owners and excludes households in these properties that are represented in other data tables (such as tenant-based Housing Choice Vouchers).
- Length of Participation data excludes households in properties managed by SHA but not SHA owned and households whose original move-in date is temporarily unavailable.
- Applicant data does not include applicants for Special Portfolio and HOPE VI Tax Credit units.





## Appendix D – Local Asset Management Plan

### I. Introduction

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement (“First Amendment”) allows the SHA (SHA or the Authority) to develop a local asset management program (LAMP) for its Public Housing Program. The agency is to describe its LAMP in its next annual MTW plan, to include a description of how it is implementing project-based management, budgeting, accounting, and financial management and any deviations from HUD’s asset management requirements. Under the First Amendment, SHA agreed its cost accounting and financial reporting methods would comply with the federal Office of Management and Budget (OMB) Super Circular at Title 2 CFR Part 200 (formerly A-87 requirements) and agreed to describe its cost accounting plan as part of its LAMP, including how the indirect service fee is determined and applied. The materials herein fulfill SHA’s commitments.

### II. Framework for SHA’s Local Asset Management Program

#### A. Mission and Values

SHA was established by the City of Seattle under State of Washington enabling legislation in 1939. SHA provides affordable housing to about 26,000 low-income people in Seattle, through units SHA owns and operates or for which SHA serves as the general partner of a limited partnership and as managing agent, and through rental assistance in the form of tenant-based, project-based, and provider-based vouchers. SHA is also an active developer of low-income housing to redevelop communities and to rehabilitate and preserve existing assets. SHA operates according to the following Mission and Values:

##### ***Our Mission***

*Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.*

##### ***Our Values***

*As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.*

SHA owns and operates housing in neighborhoods throughout Seattle. These include the four large family communities of NewHolly and Rainier Vista in Southeast Seattle, High Point in West Seattle, and Yesler Terrace in Central Seattle. In the past eighteen years, SHA has undertaken redevelopment or rehabilitation of all four family communities, a new family community in Lake City, and 23 of our public housing high-rise buildings, using mixed financing with low-income housing tax credit limited partnerships and/or ARRA funds. As of year-end 2018, SHA was the general partner in eighteen limited partnerships.

SHA has approximately 560 employees and a total projected operating and capital budget of \$305 million for Calendar Year 2018.

## B. Overarching Policy and Cost Objectives

SHA's mission and values are embraced by our employees and ingrained in our policies and operations. They are the prism through which we view our decisions and actions and the cornerstone to which we return in evaluating our results. In formulating SHA's Local Asset Management Program (LAMP) our mission and values have served as the foundation of our policy/cost objectives and the key guiding principles that underpin SHA's LAMP.

Consistent with requirements and definitions of 2 CFR 200, SHA's LAMP is led by three overarching policy/cost objectives:

- ◆ ***Cost Effective Affordable Housing:*** To enhance the Seattle community by creating, operating, and sustaining decent, safe, and affordable housing and living environments for low-income people, using cost-effective and efficient methods.
- ◆ ***Housing Opportunities and Choice:*** To expand housing opportunities and choice for low-income individuals and families through creative and innovative community partnerships and through full and efficient use of rental assistance programs.
- ◆ ***Resident Financial Security and/or Self-Sufficiency:*** To promote financial security or economic self-sufficiency for low-income residents, as individual low-income tenants are able, through a network of training, employment services, and support.

## C. Local Asset Management Program – Eight Guiding Principles

Over time and with extensive experience, these cost objectives have led SHA to define an approach to our LAMP that is based on the following principles:

***(1) In order to most effectively serve low-income individuals seeking housing, SHA will operate its housing and housing assistance programs as a cohesive whole, as seamlessly as feasible.***

We recognize that different funding sources carry different requirements for eligibility and different rules for operations, financing, and sustaining low-income housing units. It is SHA's job to make funding and administrative differences as invisible to tenants/participants as we can, so low-income people are best able to navigate the housing choices and rental assistance programs SHA offers. We also consider it SHA's job to design our housing operations to bridge differences among programs/fund sources, and to promote consolidated requirements, wherever possible. It is also incumbent on us to use our own and MTW authority to minimize administrative inefficiencies from differing rules and to seek common rules, where possible, to enhance cost effectiveness, as well as reduce the administrative burden on tenants.

This principle has led to several administrative successes, including use of a single set of admissions and lease/tenant requirements for Low Income Public Housing and project-based Housing Choice Voucher tenants in the same property. Similarly, we have joint funder agreements for program and financial reporting and inspections on low-income housing projects with multiple local and state funders.

An important corollary is SHA's involvement in a community-wide network of public, non-profit, and for-profit housing providers, service and educational providers, and coalitions designed to rationalize and maximize housing dollars – whatever the source – and supportive services and educational/training

resources to create a comprehensive integrated housing + services program city and county-wide. So, not only is SHA's LAMP designed to create a cohesive whole of SHA housing programs, it is also intended to be flexible enough to be an active contributing partner in a city-wide effort to provide affordable housing and services for pathways out of homelessness and out of poverty.

**(2) *In order to support and promote property performance and financial accountability at the lowest appropriate level, SHA will operate a robust project and portfolio-based budgeting, management, and reporting system of accountability.***

SHA has operated a property/project-based management, budgeting, accounting, and reporting system for the past twenty years. Our project-based management systems include:

- Annual budgets developed by on-site property managers and reviewed and consolidated into portfolio requests by area or housing program managers;
- Adopted budgets at the property and/or community level that include allocation of subsidies, where applicable, to balance the projected annual budget – this balanced property budget becomes the basis for assessing actual performance;
- Monthly property-based financial reports comparing year-to-date actual to budgeted performance for the current and prior years;
- Quarterly portfolio reviews are conducted with the responsible property manager(s) and the area or housing program managers, with SHA's Asset Management Team.

SHA applies the same project/community based budgeting system and accountability to its non-federal programs.

**(3) *To ensure best practices across SHA's housing portfolios, SHA's Asset Management Team provides the forum for review of housing operations policies, practices, financial performance, capital requirements, and management of both SHA and other housing authorities and providers.***

A key element of SHA's LAMP is the Asset Management Team (AM Team) comprised of upper and property management staff from housing operations, asset management, property services, executive, legal, finance and budget, community services, communications, and rental assistance. This interdisciplinary AM Team meets bi-weekly throughout the year and addresses:

- All critical policy and program issues facing individual properties or applying to a single or multiple portfolios, from rent policy to smoke-free buildings to rules for in-home businesses;
- Portfolio reviews and follow-up, where the team convenes to review with property management staff how well properties are operating in relation to common performance measures (e.g. vacancy rates; turnover time); how the property is doing in relation to budget and key reasons for deviations; and property manager projections and/or concerns about the future;

- Annual assessment of capital repair and improvement needs of each property with property managers and area portfolio administrators in relation to five-year projections of capital preservation needs. This annual process addresses the capital needs and priorities of individual properties and priorities across portfolios; and,
- Review and preparation of the annual MTW Plan and Report, where key issues for the future are identified and discussed, priorities for initiatives to be undertaken are defined, and where evaluation of MTW initiatives are reviewed and next steps determined.

The richness and legitimacy of the AM Team processes result directly from the diverse Team composition, the open and transparent consideration of issues, the commitment of top management to participate actively on the AM Team, and the record of follow-up and action on issues considered by the AM Team.

***(4) To ensure that the Authority and residents reap the maximum benefits of cost-effective economies of scale, certain direct functions will be provided centrally.***

Over time, SHA has developed a balance of on-site capacity to perform property manager, resident manager and basic maintenance/handyperson services, with asset preservation services performed by a central capacity of trades and specialty staff. SHA's LAMP reflects this cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, pest control, and asset preservation as direct costs to properties. Even though certain maintenance functions are performed by central trade crews, the control remains at the property level, as it is the property manager and/or area or program manager who calls the shots as to the level of service required from the "vendor" – the property services group – on a unit turnover, site landscaping, and maintenance and repair work orders. Work is not performed at the property by the central crews without the prior authorization of the portfolio manager or his/her designee. And all services are provided on a fee for service basis.

Similarly, SHA has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization of certain dollar levels of direct authority for purchases, with Authority-wide economies of scale and conformance to competitive procurement procedures for purchases/work orders in excess of the single bidder levels. Central procurement services are part of SHA's indirect services fee.

***(5) SHA will optimize direct service dollars for resident/tenant supportive services by waiving indirect costs that would otherwise be borne by community service programs and distributing the associated indirect costs to the remaining direct cost centers.***

A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, the indirect costs will be supported by housing and housing choice objectives.

There are a myriad of reasons that led SHA to this approach:

- Most services are supported from public and private grants and many of these don't allow indirect cost charges as part of the eligible expenses under the grant;
- SHA uses local funds from operating surpluses to augment community services funding from grants; these surpluses have derived from operations where indirect services have already been charged;

- SHA's community services are very diverse, from recreational activities for youth to employment programs to translation services. This diversity makes a common basis for allocating indirect services problematic; and,
- Most importantly, there is a uniform commitment on the part of housing and housing choice managers to see dollars for services to their tenants/participants maximized. There is unanimous agreement that these program dollars not only support the individuals served, but serve to reduce property management costs they would experience from idle youth and tenants struggling on their own to get a job.

**(6) *SHA will achieve administrative efficiencies, maintain a central job cost accounting system for capital assets, and properly align responsibilities and liability by allocating capital assets/improvements to the property level only upon completion of capital projects.***

Development and capital projects are managed through central agency units and can take between two and five or more years from budgeting to physical completion. Transfer of fixed assets only when they are fully complete and operational best aligns responsibility for development and close-out vs. housing operations.

The practice of transferring capital assets when they are complete and operational, also best preserves clear lines of accountability and responsibility between development and operations; preserves the relationship and accountability of the contractor to the project manager; aligns with demarcations between builders risk and property insurance applicability; protects warranty provisions and requirements through commissioning; and, maintains continuity in the owner's representative to ensure all construction contract requirements are met through occupancy permits, punch list completion, building systems commissioning, and project acceptance.

**(7) *SHA will promote service accountability and incorporate conservation incentives by charging fees for service for selected central services.***

This approach, rather than an indirect cost approach, is preferred where services can be differentiated on a clear, uniform, and measureable basis. This is true for information technology services and for Fleet Management services. The costs of information technology services, hardware and software, are distributed based on department headcount and weighted by employee job function, i.e. field employees were weighted much less than office staff.

The Fleet service fee encompasses vehicle insurance, maintenance, and replacement. Fuel consumption is a direct cost to send a direct conservation signal. The maintenance component of the fleet charge is based on a defined maintenance schedule for each vehicle given its age and usage. The replacement component is based on expected life of each vehicle in the fleet, a defined replacement schedule, and replacement with the most appropriate vehicle technology and conservation features.

**(8) *SHA will use its MTW block grant authority and flexibility to optimize housing opportunities provided by SHA to low-income people in Seattle.***

SHA flexibility to use MTW Block Grant resources to support its low-income housing programs is central to our Local Asset Management Program (LAMP). SHA will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs, as the Authority deems necessary to further our mission and cost objectives. MTW flexibility to allocate MTW Block Grant revenues among the Authority's housing and administrative programs enables SHA to balance the mix of housing types and services to different low-income housing programs and different groups of low-income residents. It

enables SHA to tailor resource allocation to best achieve our cost objectives and therefore maximize our services to low-income residents and applicants having a wide diversity of circumstances, needs, and personal capabilities. As long as the ultimate purpose of a grant or program is low-income housing, it is eligible for MTW funds.

### **III. SHA's Local Asset Management Program (LAMP) Implementation**

#### **A. Comprehensive Operations**

Consistent with the guiding principles above, a fundamental driver of SHA's LAMP is its application comprehensively to the totality of SHA's MTW program. SHA's use of MTW resource and regulatory flexibility and SHA's LAMP encompass our entire operations; accordingly:

- We apply our indirect service fees to all our housing and rental assistance programs;
- We expect all our properties, regardless of fund source, to be accountable for property-based management, budgeting, and financial reporting;
- We exercise MTW authority to assist in creating management and operational efficiencies across programs and to promote applicant and resident-friendly administrative requirements for securing and maintaining their residency; and,
- We use our MTW block grant flexibility across all of SHA's housing programs and activities to create the whole that best addresses our needs at the time.

SHA's application of its LAMP and indirect service fees to its entire operations is more comprehensive than HUD's asset management system. HUD addresses fee for service principally at the low-income public housing property level and does not address SHA's comprehensive operations, which include other housing programs, business activities, and component units.

#### **B. Project-based Portfolio Management**

We have reflected in our guiding principles above the centrality of project/property-based and program-based budgeting, management, reporting and accountability in our asset management program and our implementing practices. We also assign priority to our multi-disciplinary central Asset Management Team in its role to constantly bring best practices, evaluations, and follow-up to inform SHA's property management practices and policies. Please refer to the section above to review specific elements of our project-based accountability system.

A fundamental principle we have applied in designing our LAMP is to align responsibility and authority and to do so at the lowest appropriate level. Thus, where it makes the most sense from the standpoints of program effectiveness and cost efficiency, the SHA LAMP assigns budget and management accountability at the property level. We are then committed to providing property managers with the tools and information necessary for them to effectively operate their properties and manage their budgets.

We apply the same principle of aligning responsibility and accountability for those services that are managed centrally, and, where those services are direct property services, such as landscaping, decorating, or specialty trades work, we assign the ultimate authority for determining the scope of work to be performed to the affected property manager.

In LIPH properties, we budget subsidy dollars with the intent that properties will break even with actual revenues and expenses. Over the course of the year, we gauge performance at the property level in relation to that aim. When a property falls behind, we use our quarterly portfolio reviews to discern why and agree on corrective actions and then track their effectiveness in subsequent quarters. We reserve our MTW



authority to move subsidy and cash flow among our LIPH properties based on our considered assessment of reasons for surplus or deficit operations. We also use our quarterly reviews to identify properties whose performance warrants placement on a “watch” list.

## **C. Cost Allocation Approach**

### ***Classification of Costs***

Under 2 CFR 200, there is no one universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, as either a direct or an indirect cost. Consistent with 2 CFR 200 cost principles, SHA has identified all of its direct costs and segregated all its costs into pools, as either a direct or an indirect cost pool. We have further divided the indirect services pool to assign costs as “equal burden” or hard housing unit based, as described below.

### ***Cost Objectives***

2 CFR 200 defines cost objective as follows: *Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.* The Cost Objectives for SHA’s LAMP are the three overarching policy/cost objectives described earlier:

- Cost Effective Affordable Housing;
- Housing Opportunities and Choice; and,
- Resident Financial Security and/or Self-Sufficiency

Costs that can be identified specifically with one of the three objectives are counted as a direct cost to that objective. Costs that benefit more than one objective are counted as indirect costs. Attachment 1 is a graphic representation of SHA’s LAMP, with cost objectives, FDS structure, and SHA Funds.

### ***SHA Direct Costs***

2 CFR 200 defines direct costs as follows: *Direct costs are those that can be identified specifically with a particular final cost objective.* SHA’s direct costs include but are not limited to:

- Contract costs readily identifiable with delivering housing assistance to low-income families.
- Housing Assistance Payments, including utility allowances, for vouchers
- Utilities
- Surface Water Management fee
- Insurance
- Bank charges
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees
- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating SHA-owned properties
- Fleet management fees



- Central maintenance services for unit or property repairs or maintenance
- Central maintenance services include, but are not limited to, landscaping, pest control, and decorating and unit turnover
- Operating subsidies paid to mixed income, mixed finance communities
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning SHA-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as SHA receives grants
- Direct Finance staff costs
- Direct area administration staff costs.

### **SHA Indirect Costs**

2 CFR 200 defines indirect costs as *those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.* SHA's indirect costs include, but are not limited to:

- Executive
- Communications
- Most of Legal
- Development
- Finance
- Purchasing
- Human Resources
- Most of Housing Finance and Asset Management
- Administration staff and related expenses of the Housing Operations Department that cannot be identified to a specific cost objective.

### **SHA Indirect Service Fee – Base, Derivation and Allocation**

SHA has established an Indirect Services Fee (IS; ISF) based on anticipated indirect costs for the fiscal year. Per the requirements of 2 CFR 200, the ISF is determined in a reasonable and consistent manner based on total units and leased vouchers. Thus, the ISF is calculated as a per-housing-unit or per-leased-voucher fee per month charged to each program. Please see Attachment 2 to review SHA's Indirect Services Fee Plan.

### **Equitable Distribution Base**

According to 2 CFR 200, *the distribution base may be (1) total direct costs (excluding capital expenditure), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.* SHA has found that

unit count and leased voucher is an equitable distribution base when compared to other potential measures. Testing of prior year figures has shown that there is no material financial difference between direct labor dollar allocations and unit allocations. Total units and leased vouchers are a far easier, more direct and transparent, and more efficient method of allocating indirect service costs than using direct labor to distribute indirect service costs. Direct labor has other complications because of the way SHA charges for maintenance services. Using housing units and leased vouchers removes any distortion that total direct salaries and wages might introduce. Units leased vouchers is an equitable distribution base which best measures the relative benefits.

### ***Derivation and Allocation***

According to 2 CFR 200, where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits. SHA divides indirect costs into two pools, "Equal Burden" costs and "Hard Unit" costs. Equal Burden costs are costs that equally benefit leased voucher activity and hard, existing housing unit activity. Hard Unit costs primarily benefit the hard, existing housing unit activity.

Before calculating the per unit indirect service fees, SHA's indirect costs are offset by designated revenue. Offsetting revenue includes 10 percent of the MTW Capital Grant award, a portion of the developer fee paid by limited partnerships, limited partnership management fees, laundry revenue, dividend or savings from insurance companies and purchasing card discounts for early payment, commuting reimbursements from employees and a portion of Solid Waste's outside revenue.

A per unit cost is calculated using the remaining net indirect costs divided by the number of units and the number of leased vouchers. For the 2018 budget, the per unit per month (PUM) cost for housing units is \$51.74 and for leased vouchers is \$23.08.

### ***Annual Review of Indirect Service Fee Charges***

SHA will annually review its indirect service fee charges in relation to actual indirect costs and will incorporate appropriate adjustments in indirect service fees for the subsequent year, based on this analysis.

## **D. Differences – HUD Asset Management vs. SHA Local Asset Management Program**

Under the First Amendment, SHA is allowed to define costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR 990. SHA is required to describe in this MTW Annual Plan differences between our Local Asset Management Program and HUD's asset management program. Below are several key differences, with additional detail reflected in Attachment 3 to this document:

- SHA determined to implement an indirect service fee that is much more comprehensive than HUD's asset management system. HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Low Income Public Housing (LIPH) property level. SHA's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. SHA's LAMP addresses the entire SHA operation.
- SHA has defined its cost objectives at a different level than HUD's asset management program. SHA has defined three cost objectives under the umbrella of the MTW program, which is consistent with the issuance of the CFDA number and with the current MTW Contract Agreement (expires 12/31/28). HUD defined its cost objectives at the property level and SHA defined its cost objectives at the

program level. Because the cost objectives are defined differently, direct and indirect costs will be differently identified, as reflected in our LAMP.

- HUD's rules are restrictive regarding cash flow between projects, programs, and business activities. SHA intends to use its MTW resources and regulatory flexibility to move its MTW funds and project cash flow among projects without limitation and to ensure that our operations best serve our mission, our LAMP cost objectives, and ultimately the low-income people we serve.
- HUD intends to maintain all maintenance staff at the property level. SHA's LAMP reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation as direct costs to properties.
- HUD's asset management approach records capital project work-in-progress quarterly. SHA's capital projects are managed through central agency units and can take between two and five or more years from budgeting to physical completion. Transfer of fixed assets only when they are fully complete and operational best aligns responsibility for development and close-out vs. housing operations.

Please consult Attachment 3 for additional detailed differences between HUD's asset management program and SHA's LAMP. However, detailed differences for SHA's other housing programs are not provided.

### ***Balance Sheet Accounts***

Most balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements and some will deviate from HUD's requirements, as discussed below:

- Cash
- Petty Cash
- Prepaid Expenses and Deferred Charges
- Materials Inventory
- Contract Retention
- Other Post-Employment Benefits (OPEB) Liability
- Pension Liability or Asset
- Deferred Inflows and Deferred Outflows

SHA will deviate from HUD's asset management requirements by reporting the above account balances as assets or liabilities maintained centrally. They will not be reported by AMP or program. Through years of practice, we believe that maintaining these accounts centrally has proven to be the most cost effective and least labor-intensive method. Although these balance sheet accounts are proposed to be maintained centrally, the related expenses will continue to be reported as an expense to the appropriate program, department and/or AMP, based on income and expense statements. It is important to note that maintaining the above balance sheet accounts centrally will not diminish SHA's obligation or ability to effectuate improved and satisfactory operations and to develop and adhere to its asset management plan. This is consistent with the new Catalog of Federal Domestic Assistance (CFDA) number for the MTW program.

### **Enclosures:**

**Attachment 1: Structure of SHA's LAMP and FDS Reporting**

**Attachment 2: 2018 Indirect Services Fee Plan**

**Attachment 3: Matrix – HUD vs. SHA Indirect and Direct Costs**

## Attachment 1

### SHA Cost Objectives, FDS Reporting Structure, and SHA Funds

#### Local Asset Management Program

*Use MTW flexibility to operate Housing and Assistance Programs as seamlessly as feasible*

Direct Cost Objectives	Housing							Rental Assistance	Community Services
FDS Columns	MTW	Indirect Services Costs	AMPs	Other Housing	Other Business Activities	LP Component Units	MF Developments & Home Ownership	Other Housing	Other Business Activities
Funds	Capital WIP unallocated costs, IT capital projects, 100 480	400	Various including LIPH portion of LP CUs	104 122 127 137 193/216 352-354 591	190 194 195 198 199 450 470	18 LPs LIPH portion reported in AMPs	700, 704-709, 711-712, 718-719, 723-736, 738-747	139 168	125 CS grants

Fund Name	Fund Number
General	100
Seattle Senior Housing	104
Market Terrace	122
Bayview Tower	127
Ref 37	137
Housing Choice Vouchers	139
Mod Rehab	168
Local Fund	190
Local Housing Program	193/216
House Ownership	194
SHA Land and Parks	195
Development	198
Wakefield	199
Holly II and III	352-353
Rainier I	354
Indirect Services Costs	400
Impact Property Services	450
Impact Property Management	470
MTW Fund	480
Baldwin	591
MF Developments & Home Ownership	700-747

## Attachment 2

### Indirect Cost Allocation Plan – Calendar Year 2018

Department	2018 Estimated		
	Budget	All units	Hard Units only
Executive Total	2,322,458	2,322,458	
Asset Management	277,535		277,535
Finance	3,779,448	3,779,448	
Housing Operations	1,412,005		1,412,005
HCV	140,889	140,889	
<b>HR: Allocated based on staff</b>	2,063,489	736,275	1,327,214
Prior Year Inc/Exp reconciliation - expense	(172,509)	<b>(172,509)</b>	
<b>Total</b>	<b>\$ 9,823,315</b>	<b>\$ 6,806,561</b>	<b>\$ 3,016,754</b>
Percentage	100%	69%	31%
Less fixed revenues	(3,554,004)		
Remaining OH to allocate PUM	6,269,311	4,343,997	1,925,314
Units		15,681	5,599
PUM cost		\$23.08	\$28.66
<b>PUM Cost to equal burden units</b>			<b>\$23.08</b>
<b>PUM fee to hard units</b>			<b>\$51.74</b>

INDIRECT REVENUE	2018 Estimate
Capital Grant Admin and other MTW Sources	1,542,600
10% of Developer Fee cash	115,436
LP Management Fees	1,244,650
Laundry Fee Revenue	144,718
Insurance Dividend	160,000
City Benefit Reimbursement	96,600
Solid Waste Services	250,000
<b>Total Fixed Revenues</b>	<b>\$ 3,554,004</b>
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UNIT SUMMARY	Total
Housing Units	5,599
Total Vouchers	10,522
Leased Vouchers at 92.9% of utilization	9,758
Total Mod Rehab	648
Divide by two for work equivalency	324
<b>Total Units</b>	<b>15,681</b>

# INDIRECT SERVICES FEE BY COMMUNITY

## Indirect Services Rates

Equal Burden Units	23.08
Hard Units	51.74

### Low Income Public Housing

Development No.	Community Name	Units	2018 Budget
1	Yesler	160	99,341
9	Jefferson Terrace	299	185,644
13	Olive Ridge	105	65,193
15	Bell Tower	120	74,506
17	Denny Terrace	221	137,215
23	Westwood Heights	130	80,715
31	Tri Court	87	54,017
37	Jackson Park Village	41	25,456
38	Cedarvale Village	24	14,901
41	Holly Court	66	40,978
50	Scattered Sites	59	36,632
51	Scattered Sites	121	75,127
52	Scattered Sites	60	37,253
53	Scattered Sites	112	69,539
54	Scattered Sites	71	44,083
55	Scattered Sites	128	79,473
56	Scattered Sites	87	54,017
57	Scattered Sites	73	45,325
86	High Rise Rehab Phase I	704	437,102
87	High Rise Rehab Phase II	687	426,547
88	High Rise Rehab Phase III	586	363,838
92	Seattle Senior Housing North	231	143,424
93	Seattle Senior Housing South	138	85,682
94	Seattle Senior Housing Central	246	152,737
95	Seattle Senior Housing City Funded	279	173,227
<b>Total Low Income Public Housing</b>		<b>4,835</b>	<b>3,001,972</b>

### Other Housing Programs

104	Seattle Senior Housing	66	40,978
201	127th & Greenwood	6	3,725
139	Rental Assistance	9758	2,703,231
168	Mod Rehab	324	89,753
193	Local Housing Program	178	110,517
354	Rainier Vista I - Escallonia	184	114,243
352	New Holly II - Othello	96	59,605
353	NewHolly III - Desdemona	219	135,974
591	Baldwin Apartments	15	9,313
<b>Total Other Housing Programs</b>		<b>10,846</b>	<b>3,267,339</b>
<b>Total Management Fee</b>		<b>15,681</b>	<b>6,269,312</b>

Limited Partnership Units and Restricted Fee Units			
	Property	2018 Units	2018 Budget
089	731 Tamarack (RV)	83	56,150
0xx	736 RV III Northeast	118	79,828
083	732 High Point N	344	232,716
085	733 High Point S	256	173,184
091	727 Lake City Village	86	58,180
<b>Total HOPE VI Limited Partnerships</b>		<b>887</b>	<b>600,058</b>
234	Ritz	30	20142
292	734 South Shore Apts fka Douglas	44	20,238
735	735 Aldercrest	36	18,775
738	738 1105 E Fir/Kebero	103	69,680
739	739 Leschi House	69	46,679
743	743 Raven LP	83	56,150
744	744 Hoa Mai Gardens	111	73,260
745	745 Red Cedar	0	0
746	746 Holly Park I Re-Redeve	305	202,581
0xxx	747 West Seattle LP	204	137,088
<b>Total Restricted Units</b>		<b>985</b>	<b>644,593</b>
<b>Total</b>		<b>1,872</b>	<b>1,244,651</b>

### Attachment 3

#### Matrix: HUD's Tables 7.1 and 7.2 Definition of Direct and Indirect/Fee Expense vs. SHA Local Asset Management Program (LAMP)

Low Income Public Housing	
Fee/Indirect Expense per HUD	Fee/Indirect Expense per SHA LAMP
<p>* Actual personnel costs for individuals assigned to the following positions:</p> <ul style="list-style-type: none"> <li>Executive Direct and support staff</li> <li>Human resources staff</li> <li>Regional managers</li> <li>Corporate legal staff</li> <li>Finance, accounting and payroll staff</li> <li>IT staff including help desk</li> <li>Risk management staff</li> <li>Centralized procurement staff</li> <li>Quality control staff, including QC inspections</li> </ul> <p>* Purchase and maintenance of COCC arrangements, equipment, furniture and services</p> <p>* Establishment, maintenance, and control of an accounting system adequate to carryout accounting/bookkeeping for the AMPs</p> <p>* Office expense including office supplies, computer expense, bank charges, telephone, postage, utilities, fax and office rent related to the general maintenance and support of COCC</p> <p>* The cost of insurance related to COCC buildings, equipment, personnel to include property, auto, liability E&amp;O and casualty.</p>	<p>* Actual personnel costs for individuals assigned to the following positions:</p> <ul style="list-style-type: none"> <li>Executive Direct and support staff</li> <li>Human resources staff</li> <li>Corporate legal staff</li> <li>Finance, accounting and payroll staff, except non-supervisory accounting staff (considered front line bookkeepers)</li> <li>Separate IT Fee for Service</li> <li>Risk management staff</li> <li>Most Centralized procurement staff</li> </ul> <p>* Purchase and maintenance of Indirect Services ("IS") arrangements, equipment, furniture and services</p> <p>* Establishment, maintenance, and control of an accounting system adequate to carryout accounting/bookkeeping for the AMPs</p> <p>* Office expense including office supplies, computer expense, bank charges, telephone, postage, utilities, fax and office rent related to the general maintenance and support of IS.</p> <p>* The cost of insurance related to CSOC buildings, equipment, personnel to include property, auto, liability E&amp;O and casualty.</p>



Fee/Indirect Expense per HUD	Fee/Indirect Expense per SHA LAMP
<ul style="list-style-type: none"> <li>* Work with auditors for audit preparation and review of audit costs associated with the COCC.</li> <li>* Central servers and software that support the COCC (not projects)</li> <li>* Commissioners' stipend and non-training travel.</li> <li>* Commissioners' training that exceed HUD standards</li> <li>* The cost of a central warehouse, unless, with HUD approval, the Agency can demonstrate that the costs of maintaining this warehouse operation, if included with the costs of the goods purchased, are less than what the project would otherwise incur if the goods were obtained by on-site staff.</li> </ul>	<ul style="list-style-type: none"> <li>* Work with auditors for audit preparation and review of audit costs associated with the IS.</li> <li>* Central servers and software that support the IS (not projects)</li> <li>* Commissioners' stipend and non-training travel.</li> <li>* Commissioners' training that exceed HUD standards</li> <li>* The cost of a central warehouse, unless, with HUD approval, the Agency can demonstrate that the costs of maintaining this warehouse operation, if included with the costs of the goods purchased, are less than what the project would otherwise incur if the goods were obtained by on-site staff.</li> </ul>

## Low Income Public Housing

Direct Expenses per HUD	Direct Expenses per SHA LAMP
<ul style="list-style-type: none"> <li>* Actual personnel costs of staff assigned directly to AMP sites</li>   <li>* Repair &amp; maintenance costs, including                             <ul style="list-style-type: none"> <li>Centralized maintenance provided under fee for service</li> <li>Maintenance supplies</li> <li>Contract repairs e.g. heating, painting, roof, elevators on site</li> <li>Make ready expenses, including painting and repairs, cleaning, floor replacements, and appliance replacements;</li> <li>Preventive maintenance expenses, including repairs and maintenance, as well as common area systems repairs and maintenance</li> <li>Maintenance contracts for elevators, boilers, etc.</li> <li>Other maintenance expenses, Section 504 compliance, pest</li> </ul> </li> <li>* Utility costs</li> <li>* Costs related to maintaining a site-based office, including IT equipment and software license allocations.</li> <li>* Advertising costs specific to AMP, employees or other property</li> <li>* PILOT</li> <li>* All costs of insurance for the AMP</li> <li>* Professional services contracts for audits, rehab and inspections specific to the project.</li> </ul>	<ul style="list-style-type: none"> <li>* Actual personnel costs of staff assigned directly to AMP sites</li>   <li>* Area management site costs allocated to AMPs w/in area</li> <li>* Direct procurement staff</li> <li>* Repair &amp; maintenance costs, including                             <ul style="list-style-type: none"> <li>Centralized maintenance provided under fee for service (IPS)</li> <li>Maintenance supplies</li> <li>Contract repairs e.g. heating, painting, roof, elevators on site</li> <li>Make ready expenses, including painting and repairs, cleaning, floor replacements, and appliance replacements;</li> <li>Preventive maintenance expenses, including repairs and maintenance, as well as common area systems repairs and maintenance</li> <li>Maintenance contracts for elevators, boilers, etc.</li> <li>Other maintenance expenses, Section 504 compliance, pest</li> </ul> </li> <li>* Utility costs</li> <li>* Costs related to maintaining a site-based office, including IT equipment and software license allocations.</li> <li>* Advertising costs specific to AMP, employees or other property</li> <li>* PILOT</li> <li>* All costs of insurance for the AMP</li> <li>* Professional services contracts for audits, rehab and inspections specific to the project.</li> </ul>

Direct Expenses per HUD	Direct Expenses per SHA LAMP
<ul style="list-style-type: none"> <li>* Property management fees, bookkeeping fees, and asset management fees.</li> <li>* Certain litigation costs.</li> <li>* Audit costs (may be prorated)</li> <li>* Vehicle expense</li> <li>* Staff recruiting and background checks, etc.</li> <li>* Family self-sufficiency staff and program costs</li> <li>* Commissioners' training up to a limited amount as provided by HUD</li> </ul>	<p>Inspector costs are allocated to the projects as a direct cost.</p> <ul style="list-style-type: none"> <li>* Property management fees, bookkeeping fees, and asset management fees.</li> <li>* Certain litigation costs.</li> <li>*</li> <li>* Separate Fleet Fee for Service</li> <li>* Staff recruiting and background checks, etc.</li> <li>* Family self-sufficiency staff and program costs</li> <li>* Commissioners' training up to a limited amount as provided by HUD</li> <li>* Building rent</li> </ul>

## Housing Choice Vouchers

Fee/Indirect Expense per HUD	Fee/Indirect Expense per SHA LAMP
<ul style="list-style-type: none"> <li>* A share of the personnel costs for HCV staff assigned to the COCC.</li> <li>* Establish, maintain and control an accounting system adequate to carryout accounting/bookkeeping for the HCV program</li> <li>* General maintenance of HCV books and records</li> <li>* Supervision by COCC management staff of overall HCV program operations</li> <li>* Procurement</li> <li>* Preparation of monitoring reports for internal and external use.</li> <li>* Preparation, approval and distribution of HCV payments, not HAP</li> <li>* COCC staff training, and ongoing certifications related to HCV program.</li> <li>* Travel for COCC staff for training, etc. related to HCV program</li> <li>* COCC staff attendance at meetings with landlords, tenants, others regarding planning, budgeting, and program review.</li> <li>* Work with auditors and audit preparation.</li> <li>* Indirect cost allocations imposed on the HCV program by a higher level of local government.</li> <li>* Hiring, supervision and termination of front-line HCV staff.</li> <li>* Preparation and submission of HCV program budgets, financial reports, etc. to HUD and others.</li> <li>* Monitoring and reporting on abandoned property as required by states.</li> <li>* Investment and reporting on HCV proceeds.</li> </ul>	<ul style="list-style-type: none"> <li>* A share of the personnel costs for HCV staff assigned to Indirect Services ("IS"). Some executive staff costs allocated to IS.</li> <li>* Establish, maintain and control an accounting system adequate to carryout accounting/bookkeeping for the HCV program</li> <li>* General maintenance of HCV books and records</li> <li>* Supervision by IS management staff of overall HCV program operations</li> <li>* Centralized Procurement staff</li> <li>* Preparation of monitoring reports for internal and external use.</li> <li>* Preparation, approval and distribution of HCV payments, not HAP</li> <li>* IS staff training, and ongoing certifications related to HCV program. Certifications are an ongoing cost of keeping trained staff.</li> <li>* Travel for IS staff for training, etc. related to HCV program</li> <li>* IS staff attendance at meetings with landlords, tenants, others regarding planning, budgeting, and program review.</li> <li>* Work with auditors and audit preparation.</li> <li>* Indirect cost allocations imposed on the HCV program by a higher level of local government.</li> <li>* Hiring, supervision and termination of front-line HCV staff.</li> <li>* Preparation and submission of HCV program budgets, financial reports, etc. to HUD and others.</li> <li>* Monitoring and reporting on abandoned property as required by states.</li> <li>* Investment and reporting on HCV proceeds.</li> </ul>

**Fee/Indirect Expense per HUD**

- \* Storage of HCV records and adherence to federal and/or state records retention requirements
- \* Development and oversight of office furniture, equipment and vehicle replacement plans.
- \* Insurance costs for fidelity or crime and dishonesty coverage for COCC employees based on a reasonable allocation method.
- \* Commissioners' stipend and non-training travel.
- \* Commissioners' training that exceed HUD standards

**Fee/Indirect Expense per SHA LAMP**

- \* Storage of HCV records and adherence to federal and/or state records retention requirements
- \* Development and oversight of office furniture, equipment and vehicle replacement plans.
- \* Insurance costs for fidelity or crime and dishonesty coverage for IS employees based on a reasonable allocation method.
- \* Commissioners' stipend and non-training travel.
- \* Commissioners' training that exceed HUD standards

Direct Expenses per HUD	
*	Actual personnel costs of staff assigned directly to HCV program
*	Travel & training for HCV program personnel
*	Prep, approval and distribution of HCV HAP disbursement
*	Legal fees directly related, including tenant and landlord enforcement.
*	Background reports on tenants, landlords, etc.
*	Bank charges
*	Telephone
*	Advertising costs specific to HCV, including applicants, landlords and employees
*	Postage for HAP checks.
*	HCV office furniture and IT equipment
*	Service Agreements re furniture
*	Insurance for auto and equipment
*	Insurance for fidelity or crime for front-line staff.
*	Direct costs of collection activities related to fraud. Indirect cost of fraud collections are a management fee cost.
*	Preparing and maintaining tenant and landlord files, etc. including unit inspections.
	Public relations expenses related to maintaining positive relationships between the local community, landlords and tenants
*	Professional service contracts related to direct services for HCV.
*	Commissioners' training expenses up to a limited amount provided by HUD

Direct Expenses per SHA LAMP	
*	Actual personnel costs of staff assigned directly to HCV program
*	Travel & training for HCV program personnel
*	Prep, approval and distribution of HCV HAP disbursement
*	Legal fees directly related, including tenant and landlord enforcement.
*	Background reports on tenants, landlords, etc.
*	Bank charges
*	Telephone
*	Advertising costs specific to HCV, including applicants, landlords and employees
*	Postage for HAP checks.
*	HCV office furniture and IT equipment
*	Service Agreements re furniture
*	Insurance for auto and equipment
*	Insurance for fidelity or crime for front-line staff.
*	Direct costs of collection activities related to fraud. Indirect cost of fraud collections are a management fee cost.
*	Preparing and maintaining tenant and landlord files, etc. including unit inspections.
	Public relations expenses related to maintaining positive relationships between the local community, landlords and tenants. Communications department charges for this.
*	Professional service contracts related to direct services for HCV.
*	Commissioners' training expenses up to a limited amount provided by HUD
*	Building rent



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