



# Moving To Work Report

January 1st — December 31st, 2016

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## SECTION I: INTRODUCTION AND OVERVIEW

This report covers January 1, 2016 through December 31, 2016.

### LONG TERM GOALS

THA's long term goals remain similar to those that were stated in THA's 2016 Plan and Report. The exception is that THA will be trying to accomplish the same goals in a changing budget and regulatory environment that we expect will make this work more challenging. Regardless, in 2017, THA will remain focus on its long-term vision for its city. THA's Board of Commissioner has stated it clearly:

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

THA acknowledges that such a future is not pending, or presently plausible. This makes THA's mission that much more urgent. THA's Board of Commissioners has also stated that mission clearly:

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

THA's Moving to Work (MTW) designation is essential to this effort. MTW status does not give THA more funding from HUD. Instead, and critically, MTW status makes the funding more flexible. It allows THA to design its programs to better serve Tacoma's community in ways that best account for Tacoma's local needs as THA and its community judges them to be.

THA's vision and mission align completely with the three MTW statutory objectives:

- 1. Increase housing choices for low-income families*
- 2. Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational 2programs, or programs that help people obtain employment and become economically self-sufficient*
- 3. Reduce cost and achieve greater cost effectiveness in federal expenditures*

THA looks forward to determining effective uses of MTW authority for these purposes.

With the agency vision and mission and HUD's MTW statutory objectives in mind, THA has established strategic objectives and performance measures that will guide the agency through the coming years. THA's Board has developed seven strategic objectives. They show on the following pages. The Board is also devising performance measures for each one. Listed below each strategic objective are the strategies THA have tentatively chosen to fulfill the objective. THA is also choosing performance measures for each strategy.

In general, these strategic choices have THA provide high quality housing and supportive services to people in need, with a focus on the neediest. THA will seek to do this in ways that also get two other things done. **First**, it seeks to help people prosper. It wants their time on its housing programs to be transforming and temporary. It wants this certainly for people who can work but emphatically for children because it does not wish them to need its housing when they grow up. **Second**, THA seeks to help the City of Tacoma develop equitably so that it makes hospitable room for households of all types, needs and incomes. The following seven strategic objectives and strategies are ambitious. THA will require all the tools within reach, including its MTW flexibility.

## 1. Housing and Supportive Services

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

To meet this objective THA will:

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

## 2. Housing and Real Estate Development

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

To meet this objective, THA will:

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

## 3. Property Management

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

To meet this objective, THA will:

- Lower its per unit per year operating costs.
- Increase its rent collection.
- Improve each property's cash flow.
- Maintain high quality properties.
- Schedule and complete capital repairs on a regular schedule.
- Maintain a high level of customer satisfaction as judged by customer surveys.
- Consult with customers in advance of any policy changes 100% of the time.

#### **4. Financially Sustainable Operations**

*THA seeks to be more financially sustaining.*

To meet this objective, THA will:

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

#### **5. Environmental Responsibility**

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

To meet this objective, THA will:

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

#### **6. Advocacy and Public Education**

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

To meet this objective, THA will:

- Strive to maintain a positive public regard for THA.
- Lend staff to serve as effective members of community advisory panels.
- Be an effective advocate for the value of its work and the people it serves.

## 7. Administration

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

To meet this objective, THA will:

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

THA feels proud and excited about these objectives and the path they set for its work and its city. MTW flexibility makes this work adaptable and innovative and helps give meaning to each of THA's seven strategic objectives. Here are some examples of how THA has used its MTW flexibility:

**Housing and Supportive Services:** THA has modified its rent structure for its Housing Opportunity Program (HOP). Its flat subsidy removes the disincentive to increase earned income. It makes it easier to administer and explain. The savings allow THA to serve more families and to invest in supportive services that households need to succeed as “tenants, parents, students and wage earners.”

THA has used MTW dollars and flexibility to fund its innovative Education Project. Among its initiatives is a program that has stabilized an elementary school with ruinous transient rates among its students because of family homelessness. THA has extended this program model to house homeless community college students during their enrollment as long as they make adequate academic progress toward a degree.

THA has modified its Family Self-Sufficiency program to build escrow accounts for customers as they achieve tangible, individual goals rather than through extremely complicated calculation worksheets.

THA has also been able to invest federal dollars in non-traditional rental assistance programs that serve homeless households with children, homeless youth without families, and families who need housing to prevent or shorten their children's foster care placements.

**Real Estate Development:** THA is able to invest MTW dollars to build or buy new housing. Over the next five years, THA plans to add an average of 70 new housing units per year. This investment is important especially as Tacoma's rental market becomes less and less affordable making vouchers less effective. This investment also allows THA to (i) bring affordable housing to higher opportunity parts of the market that would be unaffordable or inaccessible even with a voucher; (ii) invest in depressed parts of the market that need the investment and embolden others to invest.

**Property Management:** THA has used MTW dollars to maintain its public housing portfolio. This investment is also critical. That portfolio is valuable. It serves THA's neediest households, including those who would not do well in the private rental market even with a voucher, such as disabled persons, seniors, households coming from trauma and those who do not speak English. THA and its talented and multi-lingual staff are very good landlords to such tenants. This use of MTW dollars is also how THA can bring investments to neighborhoods that need it and to spur their development in ways that benefit all their residents.

**Financially Sustainable Operations:** The addition of affordable housing units to the portfolio will increase the agency assets. It will also add new income streams to the agency.

**Environmental Responsibility:** THA achieved Certified LEED Gold Bay Terrace Phase I development that we developed using MTW dollars is.

**Advocacy:** MTW has allowed THA to develop and test new ideas using its federal flexibility. These programs have added value to the Tacoma community and benefitted the customers we serve. We have been able to share these experiences with a wide national audience.

**Administration:** THA has greatly simplified how it verifies household income and assets for the purpose of calculating rent.

THA will continue to look for innovative ways to best leverage its MTW designation in order to meet these objectives. THA's efforts could inform policy choices of other Public Housing Authorities unable to participate in the MTW demonstration.

Throughout all this work THA seeks to use the best data and research available. It builds evaluation into its program design. For these purposes, THA has joined with three other neighboring MTW agencies - Seattle Housing Authority, King County Housing Authority, and Home Forward (Portland) – to contract for research and evaluation services from the Urban Institute.

## SHORT TERM GOALS

THA remains ambitious and 2017 will be no different. In 2017, we will complete the capital improvements in the Rental Assistance Demonstration (RAD) converted portfolio, complete a large software conversion, reopen the rental assistance waiting list, expand and redesign the Elementary School Housing Assistance Program (formerly called McCarver), refine the Children's Savings Account Program, and strategize ways to increase the number of households THA can serve in an ever-tightening housing market. All of these activities will serve our long-term strategic planning.

### Rental Assistance Demonstration

In 2016, THA completed a RAD conversion in the majority of its portfolio. With the additional debt and subsidy that is generated through this conversion, THA will complete over \$40 million in repairs and upgrades to give these housing units a longer life. These capital investments will be completed in 2017 and will provide THA's tenants higher quality housing and local neighborhoods with a clear sense of investment in the community. With long-term operating investments, THA will fund a higher level of on-site supportive services to help THA's tenants succeed.

### Software Conversion

In 2016, THA began its software conversion that will be completed in Spring 2017. After reviewing bids and presentations from many traditional housing software vendors, THA chose a product that would be custom made to fit our agency needs. This software will not only meet our federal reporting needs but also allow us to have a single product to track the workflow and tasks of nearly all functions within the agency, including inspections, construction management, MTW reporting, inventory management, staff time keeping and supportive service management. Through this software development and data conversion THA will be able to deploy its long-awaited dashboard reporting to allow us to track goals and outcomes to monitor our work in MTW. This software conversion will also make THA more compatible with HUD's own plans for its information systems.

### Elementary School Housing Assistance Program

In 2016, the McCarver Elementary School Housing Assistance Program completed its fifth year. THA and Tacoma Public Schools (TPS) made the joint decision to move this program from pilot status to a regular offering of the school. With this decision, both THA and TPS made long-term commitments that were memorialized in an interlocal agreement. The entities also agreed to change the name of the program to the Elementary School Housing Assistance Program to reflect a commitment to expand the program to other schools within the district. 2017 will be spent redesigning the program and making plans for its expansion within McCarver Elementary and other schools in the district.

### **Children's Savings Account (CSA) Program**

THA launched the CSA program in Fall 2015. Over 60 households have enrolled in the program and families are beginning to make deposits. The Urban Institute is also beginning its first evaluation under a three-year evaluation contract. The staff experience and evaluation report will help guide where the program administration can be improved and how and when the program can be expanded to include more households. THA continues to strive to develop a replicable program that can be expanded citywide to help improve the graduation rates and post-graduation success of every Tacoma student.

### **Increase Households Served**

THA is facing a budget cut and changing rental market changes. The Continuing Resolution (CR) from December 2016 resulted in a 5% HAP budget cut. It is unclear whether further funding cuts will occur in a further CR or federal budget. This cut comes at a time when the Tacoma rental market is tightening. The vacancy rate is hovering at 3% and HAP expenses have been going up by at least 2% per year. THA will spend this year attempting to secure affordable housing for the households in need in the community. THA will analyze strategies related to assisting current voucher tenants retain housing, providing housing search assistance for “shoppers,” additional project-basing, acquiring units that can be rented to voucher holders and the “working poor,” and partnering where possible to tackle this problem as a community.

## SECTION II: GENERAL THA OPERATING INFORMATION

Housing Stock Information			
New 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	Description of Project
Renew Tacoma (RAD)	809	456	Renew Tacoma is THA's first phase of the RAD Conversion. It contains 456 units in nine (9) previously Public Housing buildings. Initially THA planned on converting all of its Public Housing to RAD (809 units). Due to financing, THA may or may not convert all of the remaining 353 units.
Bay Terrace – Phase II	52	0	Bay Terrace - Phase II is a 74 unit new development which is the second phase of THA's reinvestment in the Hilltop neighborhood. Combined with the 70-unit phase I development creates 144 new units which replace 81 units of deteriorated, substandard public housing that was previously located on the site. THA anticipates bringing on the new PBVs when Phase II begins leasing up in Spring 2017.
NA	0	0	NA
NA	0	0	NA

<b>Anticipated Total Number of New Vouchers to be Project-Based</b>	<b>861</b>	<b>Actual Total Number of New Vouchers that were Project-Based</b>	<b>456</b>
<b>Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year*</b>	<b>1,536</b>	<b>Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year</b>	<b>1,382</b>
<b>Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year</b>	<b>1,160</b>	<b>Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year</b>	<b>1,114</b>

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

- THA converted 456 of its Public Housing units to PBVs through RAD. Of those, 242 have been renovated.
- THA has also sold some its market rate (MR) and public housing (PH) scattered sites through its Section 32 disposition. In 2016, six MR units and three PH units were sold.

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

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

Capital Funds were expended for the transition of our existing PH portfolio to RAD. It was either in the form of Capital Funds for Development, or for Account 1503 for 1st year HAP funding for our RAD converted projects.

**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	16	Hillside Terrace-Family Property
Tax Credit	3	Salishan-Family Property
Tax Credit	24	Bay Terrace-Family Property
Market Rate	49	Outrigger-Family Property
<b>Total Other Housing Owned and/or Managed</b>	<b>92</b>	

\*Select Housing Program from: Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.

<b>Leasing Information</b>		
<b>Actual Number of Households Served at the End of the Fiscal Year</b>		
<b>Housing Program:</b>	<b>Number of Households Served*</b>	
	<b>Planned</b>	<b>Actual</b>
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs**	24	23
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs**	130	61
Port-In Vouchers (Not Absorbed)	N/A	19
<b>Total Projected and Actual Households Served</b>	<b>154</b>	<b>103</b>
* Calculated by dividing the planned/actual number of unit months occupied/leased by 12.		
** In instances when a Local, Non-Traditional program provides a certain subsidy level does not specify a number of Units/Households Served, the PHA should estimate the number of Households served.		

<b>Housing Program:</b>	<b>Unit Months Occupied/Leased*****</b>	
	<b>Planned</b>	<b>Actual</b>
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs***	288	278
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs***	1,560	732
Port-In Vouchers (Not Absorbed)	N/A	224
<b>Total Projected and Actual Unit Months Occupied/Leased</b>	<b>1,848</b>	<b>1,148</b>

**THA contracts with Pierce County to administer the use of MTW funds for Rapid Rehousing (LNT Tenant Based Assistance). In 2016, THA expanded the use of contract funds to be used for supportive services. The expanded use of funds meant that the contract would serve fewer households.**

\*\*\* In instances when a Local, Non-Traditional program provides a certain subsidy level does not specify a number of Units/Households Served, the PHA should estimate the number of Households served.

\*\*\*\*\* Unit Months Occupied/Leased is the total number of months the housing PHA has occupied/leased units, according to the unit category during the year.

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

<b>Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income</b>								
HUD will verify compliance with the statutory objective of “assuring that 75 percent of the families assisted by the Agency are very low-income families” is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency’s fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:								
Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	0	0	47	141	86	85	0	0
Number of Local, Non-Traditional MTW Households with Incomes 50% of Are Median Income	0	0	47	139	86	81	0	0
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	0	0	100%	99.1%	100%	95%	0	0

**Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix**

In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the PHA will provide information in the following formats:

**Baseline for the Mix of Family Sizes Served**

<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	385	1466	0	1851	42.58%
2 Person	179	681	0	860	19.77%
3 Person	141	538	0	679	15.62%
4 Person	96	364	0	460	10.58%
5 Person	60	227	0	287	6.60%
6+ Person	43	167	0	210	4.85%
Totals	904	3443	0	4347	100%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized	N/A
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Mix of Family Sizes Served							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained**	42.58%	19.77%	15.62%	10.58%	6.6%	4.85%	100%
Number of Households Served by Family Size this Fiscal Year***	1,900	898	687	426	312	226	4,449
Percentages of Households Served by Household Size this Fiscal Year****	42.71%	20.18%	15.44%	9.58%	7.01%	5.08%	100%
Percentage Change	-0.13%	-0.41%	-0.18%	1.00%	-0.41%	-0.23%	0

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages	N/A
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Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End	
Housing Program	Description of Leasing Issues and Solutions
Public Housing	In 2016, THA was working off of an outdated waitlist which made it difficult to lease up THA Public Housing units because many of the households no longer needed or assistance or were unreachable. When applicant households were reached, they were often not in a position to move financially. THA is currently updating its waitlist and allowing Public Housing households to use its newly created Security Deposit Assistance Program in order to lease up in a THA unit successfully and in a timelier manner.
Housing Opportunity Program (HCV)	For tenant based subsidy programs, the major stumbling blocks have been a tighter market that has allowed landlords to be more selective in their screening process and a lot of our clients have poor rental history or questionable criminal history. Increased amounts for deposits have been a barrier. Unavailability of affordable units has also been a challenge. Tacoma has seen a huge increase in rents in as landlords take advantage of a hot market which has priced THA's clients out of some areas. THA intends to engage in more outreach to private landlords to promote the program, rent-ready classes that would include tips to clean up credit and criminal history, partnering/MOU's with neighboring PHA's to increase housing choice areas without porting.
Local Non-Traditional	No Issues

<b>Number of Households Transitioned to Self-Sufficiency by Fiscal Year End</b>		
<b>Activity Name/#</b>	<b>Number of Households Transitioned*</b>	<b>Agency Definition of Self-Sufficiency</b>
Modified FSS Program/19	15	Number of FSS graduates
Local Policies for Work Able Households/6	15	Number of FSS graduates
Housing Opportunity Program/17	8	HOP: Number of households who reach 80% of AMI or higher CHAP: Number of households that graduate from TCC
Regional Approach to Special Purpose Housing/2	95	Number of households successfully housed three months after assistance ends.
McCarver Program/2	15 (cumulative over four years)	Number of households who leave the program and do not need rental assistance.
<b>Households Duplicated Across Activities/Definitions</b>		15
<b>ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF-SUFFICIENCY</b>		133
*The number provided here should match the outcome reported where metric SS #8 is used.		

<b>Wait List Information</b>				
<b>Wait List Information at Fiscal Year End</b>				
<b>Housing Program(s)*</b>	<b>Wait List Type**</b>	<b>Number of Households on Wait List</b>	<b>Wait List Open, Partially Open, Or Closed***</b>	<b>Was the Wait List Opened During the Fiscal Year</b>
Low Income Housing (PH and PBV)	Site Based	5,811	Closed	Yes
Housing Opportunity Program (HCV)	Community Wide	41	Closed	No
Children's Housing Opportunity Program (HCV)	Other	68	Open	Yes
College Housing Assistance Program (HCV)	Other	9	Closed	Yes
Family Rapid Rehousing (Local Non-Traditional)	Community Wide	131	Open	Yes
Young Adult Rapid Rehousing (Local Non-Traditional)	Community Wide	33	Open	Yes
* <i>Select Housing Program:</i> Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.				
** <i>Select Wait List Types:</i> Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).				
*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.				

<b>Children's Housing Opportunity Program - HOP subsidies for families reuniting.</b>
<b>Family Rapid Rehousing - Rental Assistance for homeless families.</b>
<b>Young Adult Rapid Rehousing - Rental Assistance for homeless young adults.</b>

If Local, Non-Traditional Program, please describe:

**Family Rapid Rehousing- Local Non-Traditional Program being operated in conjunction with county. This program serves homeless or near homeless households in Tacoma and Pierce County.**

**Young Adult Rapid Rehousing- Local Non-Traditional Program being operated in conjunction with county. This program serves homeless unaccompanied youth and young adults in Tacoma and Pierce County.**

**N/A**

If Other Wait List Type, please describe:

**The Children's Housing Opportunity Program is described as "Other" in this report as a separate wait list is maintained by THA's partner, the Department of Social and Health Services (DSHS). Households referred from DSHS have a preference on THA's HOP wait list.**

**The College Housing Assistance Program is described as "Other" in this report as a separate wait list is maintained by THA's partner, Tacoma Community College (TCC). Households referred from TCC have a preference on THA's HOP wait list.**

**N/A**

If there are changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

**N/A**

### SECTION III: PROPOSED MTW ACTIVITIES

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

## SECTION IV: APPROVED MTW ACTIVITIES

## 1. EXTEND ALLOWABLE TENANT ABSENCE FROM UNIT FOR ACTIVE DUTY SOLDIERS

### **Impact of Activity:**

THA proposed and implemented this activity in 2011. THA modified its policy for terminating households who were absent from their unit for more than 180 days. Modifying the policy was necessary to account for households with adults called to active duty from retirement, from the reserves, or national guards. THA's programs have a number of reserve or guard military families because of close proximity to Fort Lewis, one of the nation's largest military bases. Due to the war in the Middle East, more of these reserve or guard members have been called to active duty. Active duty may force a household to be absent from their assisted unit for more than 180 days the normal rules allow, leaving them without housing assistance when the service member returns home. Although the question of having to terminate such a household of service men and women arose only a few times during the war, the prospect of terminating them was too unsettling even to risk. This activity allowed THA to allow a previously assisted households returning from deployment to request reinstatement within 90 days from the date they return from deployment.

<b>HC #4: Displacement Prevention</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of active duty soldiers at or below 80% AMI that would lose assistance or need to move (decrease).</b>	0	0	0	Met

**Discussion of Benchmarks:** This activity was not used in 2016.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection process.

## **2. ELEMENTARY SCHOOL HOUSING ASSISTANCE PROGRAM**

**Impact of Activity:** The Elementary School Housing Assistance Program began accepting families in the fall of 2011. Currently, in the 2016-2017 school year, the program supports 31 formerly homeless families (44 students at McCarver). In an effort to fill the cohort to get back to 50 families, THA opened enrollment for families who met the program eligibility guidelines. As a result of these replenishment efforts there were ten families accepted into the program.

Due to the continued success of the partnership between THA and TPS the Elementary Housing Assistance Program will expand to one possibly two schools in the Fall of 2017. In anticipation of this expansion and to further the commitment to the partnership, THA and TPS signed a 5 year Interlocal Cooperation Agreement in August 2016. The details of the expansion are under development. THA will update HUD on the expansion of this program in its 2017 MTW Plan.

<b>CE # 4: Increase in Resources Leveraged</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Amount of funds leveraged in dollars (increased).</b>	\$0	0	\$526,349	N/A

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average earned income of households affected by this policy in dollars (increase).</b>	\$0	\$17,061	\$16,261	Did Not Meet but Made Substantial Progress

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>1) Employed Full Time</b>	0	17	7	Did not meet
	0%	34%	14%	Did not meet
<b>2) Employed part-time</b>	0	17	5	Did not meet
	0 %	34%	10%	Did not meet
<b>3) Enrolled in an Educational Program</b>	0	20	4	Did not meet
	0%	40%	8%	Did not meet
<b>4) Enrolled in a Job Training Program</b>	0	25	38 (5 year cumulative) 12 (2016)	Met for the 5 year cumulative
	0%	50%	24% (2016)	Did not meet in 2016
<b>5) Unemployed</b>	42	8	21	Did not meet
	100%	16%	43%	Did not meet

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving services aimed to increase self-sufficiency (increase).</b>	0	39	43	Met

<b>SS #6: Reducing per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).</b>	\$789 in 2014	\$750	\$681	Met

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households transitioned to self-sufficiency (increase) by exiting the program for employment and/or increased income.</b>	0	0	15 (5 year cumulative)	Met

**Discussion of Benchmarks:** Many of the program’s benchmarks were met or made substantial progress in the 2014-2015 school year. In the metrics listed above, it is important to note that the number of households enrolled in a job training or educational program were not reported separately in the third party evaluation. THA will begin to track these separately in the coming school year.

**Average earned income of households affected by this policy in dollars (SS #1)**

While the dollar amount did not meet benchmark, the number of households who acquired earned income since the start of their time on the program (2011 and 2012) increased substantially over time. By 2016, 20 of the program households were in their 4<sup>th</sup> or 5<sup>th</sup> year; among those 20, only 25% had earned income at their time of enrollment compared to 55% by 2016.

Additionally, 10 new households enrolled into the program in 2016. For the newly enrolled households, their levels of earned income were much lower due to their transition out of crisis and homelessness and many were in the early stages of receiving supports from financial and employment services to improve their income levels. The income of newly-enrolled families may have impacted the lowered rate of the overall earned-income average.

Program caseworkers worked to help families set incremental goals and plans to achieve financial stability. THA also partnered closely with a local organization that provides financial counseling to help empower families to take action toward improving their financial statuses.

**Employed Full Time/Employed Part time (SS #6)**

Several factors impacted the rates of employment amongst program families. They include:

- Many head of households are in need or in the process of completing educational programs or employment trainings in order to pursue meaningful employment.

- Roughly one third of participants in the program experienced challenges related to domestic violence, substance abuse, or mental illness. Families experiencing issues related to safety and well-being struggled with acquiring or maintaining stable employment.
- Many families experienced barriers around accessing transportation. THA worked to help families secure bus cards for public transportation, but were less successful in helping families needing to pay expenses in order to fix their cars.
- A small number of households who were employed in previous years experienced a loss of employment in 2016, but remained active in searching for new employment opportunities.
- A small number of program households were elderly or disabled and unable to work.

The program sought to help those households experiencing severe hardships such as mental illnesses or substance abuse by referring families to behavioral health and treatment programs. Program caseworkers also provided job leads to workable households who were unemployed and connected households to training programs that may increase their employment prospective.

### **Enrolled in an Educational Program**

Majority of program households engaged in at least one educational or training program during their time on the program. While 2016 demonstrates a small amount of those actively engaged, that is in part due to households having already engaged and completed programs in previous years. During their time on the program, 20 parents have completed an educational certificate or degree ranging from GED to a master's program; 38 parents have completed a financial literacy class and 24 parents have completed a certified skilled trade program.

Similar to the factors listed for employment challenges, THA staff worked with families to identify barriers and helped them locate services or resources to address those various issues.

### **Unemployed**

For the reasons listed above for employment challenges, we saw a correlation to a slight increase in unemployment. THA staff helped to engage families unable to work in asset-building programs, and worked to connect workable families to employment opportunities, skill training courses, career fairs and more.

Below is some promising information from the fifth year evaluation.

***“Families have experienced increases in education, job training employment, and income. Incomes fluctuated monthly. In August 2016, 16 (51.6%) of the 31 households in the Program had earned income. Half of the 10 new households had earned income. This is a slight increase from Year 4 when 48.5% families had earned income. The percentage of adults employed rose steadily from a low of 11.4% at Program entry to 61.8% in Year 5. Among the 34 adults in the 31 families in the Program in August of Year 5, many have gained and lost employment while in the Program. Their jobs in Year 5 included: retail manager, auto technician, server, maintenance, caregiver, security guard, recycler, nutritionist, crossing guard, cashier, sales associate, child care provider, cook, and fast food worker.***

*Many started with and some have continued receiving some government assistance though some have reduced reliance on government assistance. In Year 5, five households (16.1%) received some SSI payments; 11 (35.5%) received child support; 16 (51.6%) received TANF; two (6.5%) received unemployment compensation; and one received support from family members. Sixteen households received earned income(averaging \$1003/month), and that now far exceeds unearned income (averaging \$576/month).*

*Seven households receive some SSI payments (5 for children); 10 receive child support; three receive TANF; two receive unemployment compensation; and none receive support from family members; most receive SNAP (food stamps) and Earned income (averaging \$1,048/month) now far exceeds unearned income (averaging \$384/month). Some families also receive unearned income from other sources (e.g., child support, unemployment insurance). The efforts of caseworkers to help families apply for needed and qualified financial support has helped many supplement their incomes and increase their financial stability.*

**Overall, median monthly household income increased 47.4% from \$782 to \$1,153.** Average monthly household income rose 10.7% to \$1,585. Due to the small size of the cohort (which skews the average when a few members have relatively large incomes), the median numbers are more meaningful. Among all households, three (9.7%) had zero income; another four (12.9%) received less than \$500; seven (22.6%) received between \$500 and \$1,000; ten (32.3%) received between \$1,000 and \$2,000; and seven (22.6%) received more than \$2,000. **Households now get 63.3% of their income from employment** (down from 73.2% last year). These figures do not take into account family size. Households that joined in 2016 (compared to those who have been in the Program much longer) show similar distributions of lower and higher incomes.

**Extensions:** In evaluating the 17 families who were going to transition off the program in 2016, it was obvious that 14 families would struggle with housing stability if the subsidy was removed. These 14 families had varying exit dates due to when they found a unit and signed leases; as a result of this it was possible that they would experience another housing crisis during the 2015-2016 school year. THA extended their housing subsidy to July 31, 2017 to allow caseworkers more time to work with families to continue to grow earned income and reduce the possibility of destabilization of the school if these families were to experience another housing crisis. The remaining three families were successfully able to pay their rent a shelter burden of between 30% and 38%.

**Hardships:** In the 2015-16 school year, when households were originally expected to pay 80% of their income toward rent, 25 households were granted hardships. THA changed the rent structure of the program to more closely mirror the traditional HCV MTW rent calculation in the 2014-15 school year.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection process.

### 3. LOCAL PROJECT- BASED VOUCHER PROGRAM (HCV)

**Impact of Activity:** This activity has been completely implemented. THA waived the option that allows PBV holders to automatically receive a tenant based voucher after one year in 2011. THA grandfathered in anyone who had a PBV before October 1, 2011. THA began inspecting its own PBV units in early 2012 and noticed a small savings in the amount of money it cost the agency to inspect those units.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$12,250	\$8,526	\$8,969	Although the outcome is higher than the benchmark, this is still considered an achievement. THA added 20 PBVs to its portfolio in 2014 which increased the dollar amount of this activity.

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	THA did not establish a baseline for this activity prior to completing its own inspections on units	TBD 2017	370	NA

<b>CE # 3: Decrease in Error Rate of task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average error rate in completing a task as a percentage (decrease).</b>	THA cannot establish a baseline for this metric.	0	0	NA

<b>HC #4: Displacement Prevention</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households at or below 80% AMI that would lose assistance or need to move (decrease).</b>	0	0	0	NA

**Discussion of Benchmarks:** THA sees annual savings through the authority that this activity gives the agency to inspect its own units. THA is working on setting benchmarks and a tracking system for metric CE#3 and will begin to report on this metric in the 2017 Report. THA will set baselines and benchmarks for HC#4 once the number of PBVs exceeds the 20% cap.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

#### **4. ALLOW TRANSFERS BETWEEN PUBLIC HOUSING AND VOUCHER PROGRAMS**

**Impact of Activity:** THA fully implemented this activity in 2012. THA used this activity to transfer 31 households in 2016. The agency continues to use a new database to help the transfer policy be more effective in 2017.

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).</b>	0	25	31	Met

**Discussion of Benchmarks:** THA exceeded the benchmark to transfer 25 households in 2016.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection process.

## **5. LOCAL POLICIES FOR FIXED INCOME HOUSEHOLDS**

### **Impact of Activity:**

THA received authorization for this activity in 2011 and fully implemented this activity in 2013. THA realized its first full year of administrative savings because of the triennial review cycle in 2013. The time avoidance was put to use by public housing staff spending more time on client needs. Section 8 THA created a new position to investigate fraud and program integrity.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$21,438	\$14,291	\$15,370	Did not meet

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	1,051	701	648	Met

<b>CE # 5: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Rental revenue in dollars (increase).</b>	\$0	\$750	\$875	Met

**Discussion of Benchmarks:** THA met its benchmarks in 2016 for agency cost and staff time savings. THA has not increased the minimum rent for this population, as THA has contemplated program wide rent reform the last few years. THA reports that it did not meet its benchmark for CE #1. CE #2 demonstrates that staff time has been saved, thus the outcome from CE #1 reflects an increase in staff costs due to increasing wages; rather than changes due to this activity. This is an arbitrary benchmark carried over that was not reconfigured in 2016. THA has re-evaluate its benchmark for its 2017 MTW report.

### **Hardships: 1**

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection process.

## **6. LOCAL POLICY FOR WORK-ABLE HOUSEHOLDS (HCV/PH)**

**Impact of Activity** THA received authorization for this activity in 2011 and fully implemented this activity in 2013. The last part of this activity to be implemented was the biennial recertifications. Biennial's resulted in staff time savings which was redirected towards increased fraud monitoring, client support and interim tracking.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$56,202	\$28,101	\$15,736	Met

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	2755	1377.5	664	Met

<b>CE # 5: Increase in Agency Rental Revenue</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Rental revenue in dollars (increase).</b>	\$0	\$10,000	\$15,900	Met

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average earned income of households affected by this policy in dollars (increase).</b>	\$12,372	\$12,991	\$17,569	Met

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>1) Employed full-time</b>	438	475	495	Met
	21%	14%	29%	Met
<b>2) Employed part-time</b>	597	635	472	Did not meet
	TBD	19%	28%	Met
<b>3) Enrolled in Educational Program</b>	0	10	16	Met
	0%	1%	1%	Met
<b>4) Enrolled in Job Training</b>	0	10	16	Met
	0%	1%	1%	Met
<b>5) Unemployed</b>	Cannot establish baseline	700	726	Did not meet
		41%	43%	Did not meet

<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving TANF assistance (decrease).</b>	431	400	237	Met

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households graduated from the FSS program.</b>	0	10	15	Met

**Hardships: 6**

**Discussion of Benchmarks:** THA met its benchmarks in 2016 for agency cost and staff time savings. Minimum rent for is \$75 for this population and THA has seen an increase in tenant share as a result. Minimum rent has not been increased above \$75 as THA has contemplated program wide rent reform the last few years. Benchmarks were also met for household income, number of households on TANF and the number of households that are employed full time.

**As more households come on to the Housing Opportunity Program and households leave the traditional HCV Program, original baselines and benchmarks are beginning to skew the outcomes. This is particularly noticeable in the employment outcomes in SS#3. THA is considering re-benchmarking on an annual basis based on the HCV attrition rate.**

THA does not track the number of households enrolled in an educational and/or job training program across this population. The numbers reported in these categories above only reflect those that participate in Community Services.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology.

## 7. LOCAL INCOME AND ASSET POLICIES (HCV/PH)

**Impact of Activity:** THA received permission to implement several policy changes that would reduce the agency's administrative burden. Part of this activity included allowing tenants to self-certify assets valued at less than \$25,000 and eliminate EID. Staff time interviews have shown that in 2015 they did not have any households with more than \$25,000 in assets. That led to a 100% staff time savings on this activity.

<b>CE # 1: Agency Cost Savings</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total cost of task in dollars (decrease).</b>	\$19,726	\$10,400	\$12	Met

<b>CE # 2: Staff Time Savings</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Total time to complete the task in staff hours (decrease).</b>	967	500	.5 hours	Met

<b>CE # 3: Decrease in Error Rate of task Execution</b>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
<b>Average error rate in completing a task as a percentage (decrease).</b>	Cannot establish baseline.	0%	0%	Met

**Discussion of Benchmarks:** THA has seen nearly a 100% savings from only verifying assets over \$25K in 2016. Three households had assets more than \$25K.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

**Hardships:** No hardships were requested in the 2016 because of this activity.

## **8. LOCAL INTERIM PROCESSING AND VERIFICATION POLICIES (HCV/PH)**

**Impact of Activity:** THA has found that parts of the interim policy were causing more work than necessary. Because of that, THA will no longer require an interim increase for every interim decrease processed. THA will also limit interims to two per recertification cycle. In 2013, a process improvement project led to THA accepting all changes of circumstances (interims) online. The activity has worked well and THA supports clients who cannot use a computer and need assistance. Forms now come in 100% complete and correctly filled out.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$33,354	\$23,348	\$8,237.78	Met

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	1,635	1,145	347	Met

**Discussion of Benchmarks:** THA met both of the benchmarks for this activity in 2016.

**Hardships:** No hardships were requested in 2015 because of this activity.

**Revisions to Benchmarks or Metrics:** Because this activity limits the interim processing necessary for rent changing events, THA began calculating dollars and hours saved based on interims that led to a change in rent. In the past, THA included all interim processing while calculating these metrics, including FSS interims and inspections.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **11. SIMPLIFIED UTILITY ALLOWANCE**

**Impact of Activity:** HUD approved this activity which allows THA to streamline the utility allowance (UA). THA implemented this simplified UA in November of 2011. This activity has had a positive impact on both staff and residents. It has made explanation of the UA much simpler and cut back on the amount of time staff uses to process the UA's.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$6,793	\$3,396.50	\$1,414	Met

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	333	166.5	60	Met

<b>CE # 3: Decrease in Error Rate of task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average error rate in completing a task as a percentage (decrease).</b>	THA cannot establish baseline data for this metric.	0	0	Met

**Discussion of Benchmarks:** THA met the benchmarks outlined for this activity.

**Hardships:** Zero, households do not request hardships due to the utility allowance.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## 12. LOCAL PORT OUT POLICY

**Impact of Activity:** THA implemented the activity in 2012 and has seen the monthly number of port outs decrease. The decrease combined with the attrition that comes with absorbing and households leaving the program have led to THA meeting its goals in 2016. The hours and dollars spent met the 40% decrease benchmark.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease).</b>	\$6,630	\$3,978	\$3,611	Met

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease).</b>	325	195	152	Met

**Discussion of Benchmarks:** THA met the benchmarks for both metrics for this activity in 2016.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **15. REGIONAL APPROACH TO SPECIAL PURPOSE HOUSING**

**Impact of Activity:** THA received authorization for this activity in 2012. THA used this activity to implement its local non-traditional housing programs in 2013. THA partnered with Pierce County on two programs that worked with hard to house populations. The program uses the rapid rehousing model in order to quickly house or re-house homeless or at risk of being homeless families and young adults. The program also allows THA to leverage service dollars for the housing dollars spent.

<b>CE # 4: Increase in Resources Leveraged</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Amount of funds leveraged in dollars (increased).</b>	\$0	\$150,000	\$548,000	Exceeded

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving services aimed to increase self-sufficiency (increase).</b>	0	120	184 (unique households) 61 (per unit month count)	Met

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households transitioned to self-sufficiency (increase).</b>	0	20	95	Met

<b>HC #1: Additional units of Housing Made Available</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).</b>	0	120	184	Met

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).</b>	0	120	184	Met

**Discussion of Benchmarks:** THA met the benchmarks established for all of the metrics for this activity in 2016. As THA's investment increases, the resources leveraged also increase. The number of unique households served is nearly three times the per unit month count showing that this is a wise investment in order to serve more households. All households served through this contract receive services from providers to increase self-sufficiency.

Metric SS#8 counts households that were still housed three months upon the end of their rental assistance. Through contract, THA requires the County to follow up with households at three, six and twelve month intervals after their rental assistance ends. Households have been more difficult to reach after the first three months for various reasons.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **16. CREATION AND PRESERVATION OF AFFORDABLE HOUSING**

**Impact of Activity:** THA proposed this activity in a 2012 plan amendment to preserve and create affordable housing units under MTW. Affordable housing units developed under this initiative can be any bedroom size and will be located within the City of Tacoma and may be acquired or created by THA to be rented to families at or below 80% AMI. THA intends to allow eligible low-income families to reside in these units, including those that may be receiving Section 8 rental assistance. THA also recognizes that this entire activity is under the parameters of PIH Notice 2011-45. THA will abide with PIH Notice 2011-45 when implementing this activity.

THA used MTW dollars in 2013 on the development of affordable housing units to replace Hillside Terrace. In total 104 public housing units were torn down. In 2014, phase I replaced 70 of those units with a mix of project based units, public housing units and affordable tax credit units. THA brought these units online in May through December 2014. Phase II of this planned development will bring on 74 new units that will be available to households at or below 80% AMI. Phase II is scheduled to open in spring 2017.

### **HC #1: Additional units of Housing Made Available**

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).</b>	0	26	26 (cumulative) 22 in 2017	Met

### **HC #2: Units of Housing Preserved**

<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).</b>	0	26	26 (cumulative) 22 in 2017	Met

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).</b>	0	26	26 (cumulative) 22 in 2017	Met

**Discussion of Benchmarks:** THA did not use the flexibility of this activity to develop in plan year 2016.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## 17. HOUSING OPPORTUNITY PROGRAM (HOP)

### **Impact of Activity:**

THA implemented this program in 2013 after receiving MTW approval. THA increased the number of HOP households to 459 in 2016. 589 households were active in HOP at some point in 2016. Of those, 343 (59%) were work able while 239 (41%) were elderly or disabled. THA is continuing to monitor lease up rates and the geographic locations of where HOP households are able to find affordable housing. THA will also continue to monitor the program to ensure no single population (race, ethnicity, and family size) is being negatively affected more than one throughout 2017. THA is in the process of conducting an in-depth analysis to understand how HOP is working. The analysis will seek to answer questions related to whether or not the program has a disparate impact on any protected classes or extremely low-income households. It will also seek to understand the utility of HOP subsidies in Tacoma's rental market by reviewing lease up rates and other rental market data.

Through the use of targeted funding, THA provides a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CHAP) and the Children's Housing Opportunity Program (CHOP). Descriptions of these programs follow along with some relevant metrics indicated by ***bold italics***:

CHAP: THA partnered with the Tacoma Community College (TCC) where THA provides rental assistance to homeless students at the community college. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidies as the HOP program and has a three (3) year limit on assistance. Graduates are considered a success and transitioned off of the program with a 30 day notice. The community college handles all eligibility but anyone on the program would have to be an active student at the community college. Students have to continue to stay in college and maintain a 2.0 grade level. ***In 2016, 26 households participated in the program. The two year cumulative number of participants is 41. To date, 5 households have successfully graduated from the program.***

CHOP: THA partnered with the Department DSHS to provide rental assistance to families who need housing to prevent or shorten their child's foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood as a homeless person. Information on this program has been included in the HOP activity. ***In 2016, 20 households were enrolled in this program. One of the families is currently participating in THA's FSS program.***

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average earned income of households affected by this policy in dollars (increase).</b>	\$12,372	\$13,609	All Households: <u>\$16,246</u> All HOP: \$16,799 HOP Work Able: \$18,448 CHAP: \$10,350 CHOP: \$12,324	Met

<b>SS #3: Increase in Positive Outcomes in Employment Status (work able households only)</b>				
<b>Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>1) Employed Full Time</b>	0	30	116	Met
	0	25%	34%	Met
<b>2) Employed part-time</b>	0	40	120	Met
	0	33%	35%	Met
<b>3) Enrolled in an Educational Program</b>	0	25	30	Met
	0	7%	9%	Met
<b>4) Enrolled in a Job Training Program</b>	0	25	4	Did not meet
	0	7%	1%	Did not meet
<b>5) Unemployed</b>	Cannot Establish Baseline	144	107	Met
	Cannot Establish Baseline	42%	31%	Met

<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving TANF (decrease).</b>	0	28	86	Did not meet

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving services aimed to increase self-sufficiency (increase). Households participating in FSS.</b>	0	15	52	Met (this metric does not count HOP households participating in FSS)

<b>SS #6: Reducing per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).</b>	\$604 for traditional section 8 (\$635 in 2017)	\$460 for HOP households	\$496	Did not Meet

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households transitioned to self-sufficiency (increase). Households who reached more than 80% AMI.</b>	0	0	8 5(College Housing Assistance Program) 3 (Over Income)	Met

<b>HC #3: Decrease in Wait List Time</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average applicant time on wait list in months (decrease).</b>	5.16 Years	2 Years	1.32 Years	Met

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of calculating rent in dollars (decrease).</b>	\$7,943	\$3,972	\$662	Met

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to calculate rent in staff hours (decrease).</b>	335	168	28	Met

<b>CE # 3: Decrease in Error Rate of task Execution</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average error rate in completing a rent calculation as a percentage (decrease).</b>	THA cannot establish a baseline for this metric.	0	0	Met

<b>CE # 4: Increase in Resources Leveraged (From the College Housing Assistance Program)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Amount of funds leveraged in dollars (increased).</b>	\$0	\$22,000	\$22,000	Met

**Discussion of Benchmarks:** 2016 was the fourth year THA brought families onto the program. The net gain of households that came on to the program from 2015 to 2016 was 68. HOP household earned income increased from 2015 to 2016. The average income of the work able households in this population is above \$18,000.

For the first time, THA reached the benchmark for the time a household spends on the waitlist. This may be because of the difficulty HOP (and voucher) clients have had utilizing their subsidies in Tacoma's tightening rental market. THA is finding that subsidies are expiring before a household is able to lease up. Along the same lines, THA has seen increases in the average Housing Assistance Payment as payment standards have been adjusted to better accommodate households renting in the private market.

THA's Community Services department is working on a plan that will allow them to have more outreach to HOP clients once they are on the program as engaging households in community services continues to be a struggle for the agency. THA's Client Services department continues to strategize on best practices for engaging with households and bridging communication gaps between Rental Assistance and Community Services.

**Hardships:** Zero hardships were requested or granted in plan year 2016.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **18. ELIMINATE THE 40% RULE**

**Impact of Activity:** THA implemented this program in 2013 after receiving MTW approval. The first year of the program went successfully. The activity allowed more households in THA's voucher programs the opportunity to lease units that they would have not had the opportunity to lease in the past. In addition, staff saved time explaining the 40% rule to clients.

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).</b>	0	100	635	Met

**Discussion of Benchmarks:** THA has seen an increase in the number of households that use this flexibility. In 2015, 509 households paid more than 40% of their income toward rent and in 2016, 635 households paid more than 40% of their income toward rent.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **19. MODIFY THE FSS PROGRAM**

**Impact of Activity:** THA implemented this program in 2013 after receiving MTW approval. To successfully implement this program, THA created an FSS internal software to track the program. The program uses a pay point approach in lieu of the traditional income based escrow system. This system has now been built into THA's new software program. Program implementation started in late 2012 and carried into 2013. Everyone in the FSS program is now using this modified approach. In 2016, THA's Community Services department has laid ground work for evaluating how this modified approach is working as well as for ways to expand its outreach and engagement to increase participation. This work will continue through 2017.

<b>CE # 1: Agency Cost Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total cost of task in dollars (decrease) by not having escrow errors.</b>	\$22,586	\$1,583	\$0	Exceeded

<b>CE # 2: Staff Time Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Total time to complete the task in staff hours (decrease) by not having escrow errors.</b>	936	78	0	Exceeded

<b>SS #1: Increase in Household Income</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average earned income of households affected by this policy in dollars (increase).</b>	\$9,231	\$9,697	\$23,883	Exceeded

<b>SS #2: Increase in Household Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average amount of savings/escrow of households affected by this policy in dollars (increase).</b>	\$0	\$500	\$502	Met

<b>SS #3: Increase in Positive Outcomes in Employment Status</b>				
<b>Report the Baseline, Benchmark and outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>1) Employed Full Time</b>	68	71	66	Did Not Meet
	54%	59%	39%	Did Not Meet
<b>2) Employed part-time</b>	23	10	21	Did Not Meet
	18%	23%	12%	Did Not Meet
<b>3) Enrolled in an Educational Program</b>	16	20	14	Did Not Meet
	13%	16%	8%	Did Not Meet
<b>4) Enrolled in a Job Training Program</b>	29	30	12	Did Not Meet
	23%	25%	7%	Did Not Meet
<b>5) Unemployed</b>	33	31	53	Did Not Meet
	26%	21%	31%	Did Not Meet

<b>SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving TANF assistance (decrease).</b>	19	18	23	Did Not Meet

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households receiving services aimed to increase self-sufficiency (increase).</b>	140	140	170	Exceeded

<b>SS #6: Reducing per Unit Subsidy Costs for Participating Households</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).</b>	\$589 2014	\$580 in 2015	\$556	Met

<b>SS #7: Increase in Agency Rental Revenue/Tenant Share</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>PHA rental revenue in dollars (increase).</b>	THA cannot establish a baseline for this metric.	\$17,000	\$19,535 in 2016	Met

<b>SS #8: Households Transitioned to Self Sufficiency</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of households transitioned to self-sufficiency (increase). Number of households that graduate the FSS program each year.</b>	10	10	15	Met

**Discussion of Benchmarks:** Numbers for the FSS program continue to be consistent with the exception of households that are employed full time and part time. Employment numbers went down from 2015 to 2016. Program changes in 2013, moved the focus from quickly increasing earned income to living wage obtainment as a result of pay points contributing to escrow calculation. In 2016, 33% of the participants in the FSS program were new enrollments. Only a small percentage of clients entered the program with earned income.

Despite this, overall average income has increased from 2015 to 2016. Tenant share has increased while THA housing assistance payments have decreased. The average amount of money in participants' accounts in 2016 was just above the benchmark. THA saw an increase in graduates from 10 to 15 from 2015 to 2016.

THA has also seen a 100% cost and time savings from the modified FSS program. Staff report that they spend no time calculating the amount of escrow as the new system simply requires the caseworker to select the milestone accomplished.

THA's Client Services department is working diligently to increase the number of households that participate in FSS.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **21. CHILDREN’S MATCHED SAVINGS ACCOUNTS**

**Impact of Activity:** THA proposed this activity in its 2014 MTW Plan and implemented the program in fall 2015. THA continued its fundraising efforts for this activity throughout 2016 and now has sufficient funding to support the first cohort. In 2016, THA continued to recruit children living in Salishan and attending Lister Elementary School in the Salishan neighborhood into this program in order to help those children save for college. To date, a total of 66 children are signed up for the program.

<b>SS #2: Increase in Household Savings</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Average amount of savings/escrow of households affected by this policy in dollars (increase).</b>	\$0	\$100	\$120	Met

**Discussion of Benchmarks:** In the first year, THA hope to average \$100 in the children’s savings accounts. By the end of 2016, the average amount exceeded the benchmark.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **24. SECURITY DEPOSIT ASSISTANCE PROGRAM**

**Impact of Activity:** THA proposed this activity in its 2014 MTW Plan and implemented the program in winter 2015. Program funds are available to households participating in the Tacoma Public Schools Special Housing Program, College Housing Assistance Program and households wishing to live in THA's properties but cannot afford a security deposit. One household used the activity in 2015.

<b>HC #5: Increase in Resident Mobility</b>				
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark</b>	<b>Outcome</b>	<b>Benchmark Achieved?</b>
<b>Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).</b>	0	20	29	Exceeded

**Discussion of Benchmarks:** In 2016, THA assisted 29 households with this program. The average deposit amount was \$509. Of the allotted \$20,000 for this program in 2016, \$18,160 was used by program participants in the College Housing Assistance Program, the Elementary School Housing Assistance Program or THA housing residents.

**Revisions to Benchmarks or Metrics:** No changes were made to the benchmarks or metrics for this activity.

**Changes to Data Collection Methodology:** No changes were made to the data collection methodology for this activity.

## **B. Not Yet Implemented Activities:**

### **9. Local HQS Activity**

**Update:** This activity was proposed in 2011. THA has been working with the city on implementing part of its inspection code into our HQS standards. Staff has needed updated training and the agency needed to ensure all the units were up to Tacoma city code before implementing any multi-year inspection policy.

### **10. Special Program Vouchers**

**Update:** THA proposed this activity in 2011. THA has several special programs it is running but they have all been proposed separately as rent reform activities or local non-traditional programs to this point.

### **22. Exclude Financial Aid from Excess Income for Students**

**Update:** THA will implement this activity later in 2017 with the development of its new software.

## C. On Hold Activities:

### 20. MTW Seed Grants

**Update:** THA implemented this program in 2013 after receiving MTW approval. THA used this activity in 2013 to contract with a service provider for job readiness soft skills. THA did not utilize this activity in 2016.

## D. Closed Out Activities:

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

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

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

## SECTION V: SOURCES AND USES

Sources and Uses of MTW Funds
<b>Actual Sources and Uses of MTW Funds</b>
<b>PHAs shall submit their unaudited and audited information in the prescribed FDS format through the Financial Assessment System – PHA (FAS-PHA), or its successor system.</b>
<b>Describe the Activities that Used Only MTW Single Fund Flexibility</b>
<p>THA used single funding source to fund the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act. Below are listed some of the specific ways in which THA exercises the Single-Fund Flexibility:</p> <ul style="list-style-type: none"><li>• THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends its processes to be less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.</li><li>• THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Community Services area also assists tenants that are facing challenges in successful tenancy.</li><li>• THA is going into the sixth year of its Education program. It has various elements and initiatives. One has THA providing rental assistance to homeless households with children who attend a school with an exceptionally high level of turnover to help stabilize the student population. THA believes this approach will help to improve educational out-comes, add stability to the neighborhood, and create a better learning environment for the community as a whole.</li><li>• THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents.</li><li>• THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.</li><li>• THA wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.</li><li>• THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies in the community.</li></ul>

Local Asset Management Plan	
Has the PHA allocated costs within statute during the plan year?	No
Has the PHA implemented a local asset management plan (LAMP)?	Yes
<p>If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. It shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.</p>	
Has the PHA provided a LAMP in the appendix?	Yes
<p>In the body of the Report, PHAs should provide a narrative updating the progress of implementing and operating the Local Asset Management Plan during the fiscal year.</p>	
<p><b>The changes to the 2017 LAMP reflect the transition of our 456 ACC Public Housing units over to RAD. It also updates our Management Fees schedules for 2017, as well as eliminates the Rent Calculation. As there have been some organizational structure changes, it adjusts some of the narrative to reflect those changes.</b></p>	

Commitment of Unspent Funds for 2016			
In the table below, provide planned commitments or obligations of unspent MTW funds at the end of the PHA's fiscal year.			
Account	Planned Expenditure	Obligated Funds	Committed Funds
Capital	Renovation/Remodel of Family Investment Center Building	\$0	\$579,500
Capital	Renovation of Salishan Maintenance Shop	\$0	\$286,500
Conversion	Software Conversion of Yardi/VisualHOME Platform	\$0	\$25,000
Education	Education Projects - McCarver and Others	0	\$310,000
Education	Children's Savings Account Cohort payments	\$0	\$270,000
Development	Development Projects (Hilltop)	\$0	\$2,500,000
		<b>\$0</b>	<b>\$3,971,000</b>

THA is committed to a number of different endeavors. Some are underway. Others will be accomplished in the near future. Our Bay Terrace redevelopment effort continues and will begin leasing up in spring 2017. THA also has a number of planned development projects in the Hilltop neighborhood. We recently finished remodeling the 2nd floor of our administrative building. We need to do renovations in our FIC and Maintenance shop in the next two years. In 2015, we signed a contract for our Mainframe software development and conversion, with contractors on board. Portions of the new software have launched and THA staff is currently using it for tracking community services participation, grant management, contract management and project management. The housing and finance components of the software are scheduled to go live in spring 2017. THA continues to fund raise for the Children's Savings Accounts and has secured roughly \$2 million in funding for this program from outside sources. Uses of these funds will include matching account deposits, program operations support and evaluation efforts. The intent is to expand our Education program that has been so successful at McCarver Elementary in the fall of this year.

## SECTION VI: ADMINISTRATIVE

**A.** Certification that the PHA has met the three statutory requirements of: **1)** assuring that at least 75 percent of the families assisted by the Agency are very low-income families; **2)** continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and **3)** maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.

**B.** Results of latest PHA-directed evaluations of the demonstration, as applicable: (McCarver Report attached as appendix B)

**C.** General description of any HUD reviews, audits or physical inspection issues that require the agency to take action to address the issue. **N/A**

**A. On behalf of the Tacoma Housing Authority, I certify that that the agency has met the 3 statutory requirements of the MTW program in fiscal year 2016.**

Certification that the Agency has met the three statutory requirements of:

- 1) Assuring that at least 75 percent of the families assisted by the Agency are very low-income 50% AMI and below families. In 2016, 94% of all households were at or below 50% AMI.

Certification of Statutory Compliance 2011			Certification of Statutory Compliance 2016		
Family Size	50% AMI and Below	Above 50% AMI	Family Size	50% AMI and Below	Above 50% AMI
1	98%	2%	1	98%	2%
2	95%	5%	2	92%	8%
3	92%	8%	3	91%	9%
4	93%	7%	4	90%	10%
5	93%	7%	5	88%	12%
6	96%	4%	6	91%	9%
7	97%	3%	7	95%	5%
8+	93%	7%	8+	83%	17%

- 2) Continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined; and

Program	Moving to Work Baseline (Updated '13)	2011 Households Served	2012 Households Served	2013 Households Served	2014 Households Served	2015 Households Served	2016 Households Served
Public Housing	817 <sup>1</sup>	904	870	762	792	801	801
Section 8	3,696 <sup>2</sup>	3,448	3,552	3,634	3,673	3,685	3,677
Local Non-Traditional	0	0	0	47	128	86	87
<b>Totals</b>	<b>4,513</b>	<b>4,335</b>	<b>4,422</b>	<b>4,443</b>	<b>4,593</b>	<b>4,572</b>	<b>4,565</b>

- 3) Maintaining a comparable mix of families (by family size) served, as would have been provided had the amounts not been used under the demonstration.

Persons in Household	1	2	3	4	5	6	7+	Total
Pre-MTW	36%	21%	18%	12%	7%	3%	2%	100%
2011	42%	20%	16%	10%	7%	3%	3%	100%
2012	41%	20%	16%	10%	8%	3%	2%	100%
2013	42%	20%	16%	10%	7%	3%	2%	100%
2014	43%	19%	15%	10%	7%	3%	2%	100%
2015	43%	20%	16%	10%	7%	3%	2%	100%
2016	43%	20%	15%	10%	7%	3%	2%	100%

*SS Michael Mirra*  
 Michael Mirra, Executive Director

Date: March 31, 2017

<sup>1</sup> 104 units public housing were torn down at Bay Terrace in 2013.

<sup>2</sup> THA received 103 TPV vouchers between July and October 2012.

## ADDITIONAL APPENDIX ITEMS

**Appendix A: Local Asset Management Plan**

**Appendix B: McCarver Program Year Five Evaluation (Sent separately because of HUD inbox limitations)**

## APPENDIX A: LOCAL ASSET MANAGEMENT PLAN

### A. Background and Introduction

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

In 2012, THA changed the structure of property management operations in order to achieve greater efficiencies. The new structure is described in Section C below. Since 2007, THA has operated using project-based budgeting with on-site administrative and maintenance personnel responsible for the majority of the tasks associated with managing the properties. THA will modify somewhat the cost approach as described in the previous year’s LAMP. This cost approach continues to eliminate all current allocations and book all indirect revenues and expenses to a Program Support Center and then charges fees to the programs and properties as appropriate.

### B. Guiding Principles

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

## C. Description of Asset-Based Operations

### Overview of Organizational Structure

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

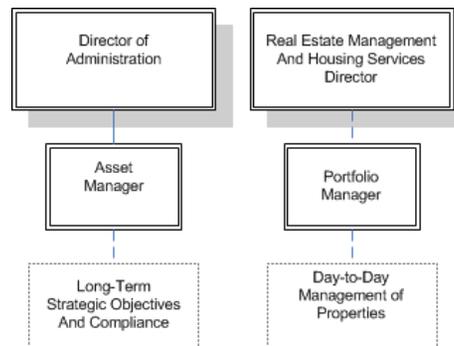


Figure 1: Organizational Structure

### Description of 2017 Plan

THA's 2011 LAMP described a distinction between the method in which it managed its "conventional" AMPs and the Salishan portfolio. THA decided to manage these areas differently in order to capitalize on the efficiencies of managing Salishan as a larger property. THA restructured its entire portfolio in 2012 in order to achieve the operational efficiencies desired in Salishan. Rather than managing different types of properties in the same AMP, THA changed its management groupings into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized management group rather than managing seven Salishan properties as separate entities. THA has made the same conversion for its Hillside Terrace properties. We have a Portfolio Manager that oversees our Salishan properties, and a separate one overseeing the remainder of our properties..

### ***Asset and Compliance Management***

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

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

### ***Project-Level Reporting***

THA instituted project-based budgeting and accounting practices in 2007. In 2008, THA Finance staff developed systems and reports to facilitate the onsite management of budgets, expenses, rent collection and receivables, and purchasing; in 2009 the Asset Management division developed reports and financial models to analyze all properties at the project level.

### ***Maintenance Operations***

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. We have continually updated our approach over time, and have a slotted facilities manager whose responsibility it is to oversee overall asset maintenance. We currently have four maintenance leads with more

technical abilities who oversee assigned staff in each of our management clusters. Staff can be detailed to properties outside of their cluster, if there is a specified need.

### ***Acquisition of Goods***

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

### ***Acquisition of Services***

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

## **D. Strategic Asset Planning**

### ***THA's Asset Management Committee***

In 2010, THA formed an Asset Management Committee consisting of key members from the following functional areas in the agency: Finance, Asset Management and Compliance, Property Management, Community Services and Real Estate Development. The committee meets on a routine basis. The standing agenda includes reviewing operational costs at each site, investigating large cost variances between the AMPs, analyzing property performance metrics, and comparing cost data and operational data to industry standards. THA also uses financial models to compare our metrics to properties managed by private firms. The committee also considers any policy changes having a potential impact on the operation of its properties and decisions regarding property acquisition and disposition. Some examples of policy changes discussed here include adoption of a smoke-free policy and changes to THA's current rent policy and occupancy standards.

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

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

## **Cost Approach**

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Community Service expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. In 2016, THA no longer owns any Public Housing units outright. We converted our existing ACC Public Housing portfolio to RAD, setting up a new Tax Credit entity. The remaining Public Housing units are owned by our existing Tax Credit entities. We currently manage our

THA developed this approach for the following reasons:

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

## **Activity Areas**

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

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

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

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

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

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

### Direct Costs

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

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

Table 1: Direct Costs

### ***Indirect Costs (Program Support Fees)***

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

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

### **Project Support Fee**

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

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

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD our special program (FHP, NHT, VASH) will all be charged based on occupancy. . . The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-

16) to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

Administrative Support Fee Components			
Fee	Rental Assistance	Property Mgt.- 806	Tax Credit
Management Fee		\$	
Executive	\$ 2.00	2.00	\$ 2.00
Human Resources	\$ 1.50	2.00	\$ 2.00
PM Overhead (including rent)	2.50	Remaining	Remaining
Bookkeeping Fee	5.00	20.00	20.00
Asset Management Fee	-	10.00	10.00
IT Fee (IT portion of Operating Subsidy)	5.00	6.00	6.00
Community Services	2.50		2.50
Leasing Support			2.50
<b>Total Fee:</b>	<b>\$ 18.50</b>	<b>\$ 40.00</b>	<b>\$ 45.00</b>

**Table 2: Administrative Support Fee Components**

## Cost Centers

### Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The Property Management source of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue.

### Rental Assistance

Rental Assistance uses of funds include the Direct Costs and Program Support Fees for all of the voucher programs managed by THA's Rental Assistance Division. These programs include Housing Choice Voucher (HCV), TBRA, SRO/SCO, Project-Based Vouchers, FUP, VASH, NHT, and HUD FSS. The sources for Rental Assistance primarily include HAP Revenue and the Administrative Fees paid to the agency by HUD.

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

Rental Assistance Unit Equivalencies		
CAH (MTW)	Units Supported	Percentage
Section 8	3543	83.52%
TPV Vouchers	301	7.10%
Non-MTW	Units Supported	Percentage
SRO	71	1.67%
FUP	50	1.18%
VASH	177	4.17%
NHT	100	2.36%
	4242	100.00%

Table 3: Rental Assistance Unit Equivalencies

### Community Services

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

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

THA's Community Service department will either hire caseworkers or collaborate with other agencies to assist families at different levels. Community Services works with families who face hardship and cannot meet minimum rent or lease requirements, prepares them to succeed as tenants, and assists tenants in obtaining skills that allow them to become self-sufficient. THA is proud of this focus. It is what makes us more than a real estate developer, more than a landlord, and more than a manager of rental assistance. This is the work that makes us a social justice agency. This is the work that makes us an MTW housing authority.

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

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

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

### Development

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

Based on historic and projected activities, the agency estimates that Development activities make up approximately 10 – 15 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units. Additionally, THA has applied for a whole portfolio RAD conversion of its Public Housing portfolio, with 50% (primarily Tax Credit PH units) to be converted near the end of 2015.

### **Other Considerations**

#### Personnel

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

#### Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. We used to break out rent separately as a line item in the budget, and charge the different areas. This is now included in our Management Fee calculations.

### **Differences – HUD Asset Management vs. THA Local Asset Management**

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

1. THA is using a modified fee for service as outlined above. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator) that could have been allocated out, but as these expenses are not under the control of the Property Manager we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the program/property is paying a fee on a unit that is not occupied ; and 2) doing so will allow the administrative staff to budget on a known fee amount, along with covering overhead incurred by the agency whether a unit is leased or not.
5. Under the HUD Asset Management Model the COCC financial information is reported as Business Activities. In THA's LAMP, each activity area has its own Program Support Center (PSC), which is the equivalent of the COCC, and the PSC's that support MTW will be included in the MTW Demonstration Program and the Business Activities PSC will be included in Business Activities column on the FDS.

**E. Charts** - These charts are based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2017.

***Unit Equivalencies***

Property Management Units		
<b>CAH (MTW)</b>	<b>Units Supported</b>	<b>Percentage</b>
AMP 6	Under Demo/dispo	0.00%
<b>Tax Credit (MTW)</b>	<b>Units Supported</b>	<b>Percentage</b>
Tax Credit Properties	1,584	94.62%
<b>Non-MTW</b>	<b>Units Supported</b>	<b>Percentage</b>
Salishan 7	90	5.38%
	<b>1,674</b>	<b>100.00%</b>

**Table 6: Unit Equivalency Charts**

**Program Support Center Allocation Detail**

<b>Program Support Center Unit Equivalencies</b>					
<b>Cost Center</b>	<b>Funding Source</b>	<b>CAH (MTW) Unit Equiv.</b>	<b>Tax Credit (MTW) Unit Equiv.</b>	<b>Business Activities (Non-MTW) Unit Equiv.</b>	<b>Total Units</b>
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV	150			150
	Hillside Terrace Relocation TPV	103			103
	Wedgewood TPV	48			48
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			177	177
	Salishan 7			90	90
Property Management: Public Housing AMPs	AMP 6 - Scattered Sites (Under Demo/Dispo	26			26
Property Management: Tax Credit Partnerships			21		21
	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	Renew Tacoma Housing			456	456
	<b>Total Units</b>	<b>3,870</b>	<b>1,128</b>	<b>488</b>	<b>5,486</b>
Development	THA MTW Support including CFP	280			280
	THA as Developer			543	543
	Unit Equivalents	280	0	543	823
	<b>Total Units/Unit Equivalents - 15% of Units</b>	<b>4,150</b>	<b>1,128</b>	<b>1,031</b>	<b>6,309</b>
<b>Program Support Center Equivalencies (% of All Units)</b>		<b>65.78%</b>	<b>17.88%</b>	<b>16.34%</b>	<b>100%</b>

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## APPENDIX B: McCARVER PROGRAM YEAR FIVE EVALUATION