

Tacoma Housing Authority 2020 MOVING TO WORK REPORT

Submitted: March 31, 2021



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Section I: Introduction and Overview

This report covers January 1, 2020 through December 31, 2020.

This past year brought new and unexpected challenges attributed to the global health pandemic and the resulting economic fallout to the Tacoma Housing Authority (THA) and the communities we serve. Events in 2020 also reinvigorated a long overdue conversation and response to systemic racism. This context required THA to improvise and find new ways of doing our work while doubling down on our social justice mission. It also reaffirmed the value of Moving to Work (MTW) and the flexibility it provides us to improvise and respond to emergent needs.

Prior to the pandemic, the local housing market was struggling to keep pace with need. A housing shortage, in-migration of higher wage earners, and gentrification created an untenable situation for people with low incomes, even before the added stress of COVID-19. THA continued to address this issue through its real estate development strategies, including the construction and acquisition of affordable housing units. Despite the unpredictable nature of operating in the midst of a pandemic, THA was able to complete two development projects: Arlington Drive Youth Campus for youth and young adults experiencing homelessness and The Rise on 19th which provides housing to low-income households, veterans experiencing homelessness and their families, and households with a member who has a disability.

Leveraging our MTW flexibility and in partnership with local providers, THA has designed programs that meet the needs of diverse individuals and families, including Tacoma Public School students experiencing homelessness and their families; college students who are housing insecure and homeless; and child welfare system-involved youth and families. In late 2020, to ensure these particularly marginalized households and others served through THA's federally subsidized programs remained stably housed, THA implemented the Late Rent program that leveraged Pierce County's CARES Act funding. This program assisted 592 THA households with back rent that was accumulated during the first several months of the pandemic.

While the pandemic highlighted and exacerbated systemic inequities across health, economic, educational, and housing outcomes, THA held steady to its mission that seeks to address these challenges over the long-term while being responsive to the health and safety needs of the community we serve. Moving to Work is essential in our ability to advance long-term strategies while remaining nimble and responsive to emergencies, such as those presented to us in 2020.

LONG TERM GOALS & OBJECTIVES

In 2020, THA continued to take an active role in its long-term vision for its city. THA's Board of Commissioners has stated this vision 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 and markets 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 programs, 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.

THA's Board has chosen the agency's seven strategic objectives, each with performance measures that will guide the agency through the coming years. See [Appendix C: THA's Strategic Objectives with Performance Measures](#).

In general, these strategic choices have THA provide high quality housing and supportive services to people with low incomes, with a focus on the most marginalized. THA will seek to do this in ways that also achieves two other objectives. **First**, it seeks to help people who can work to succeed, not just as tenants but also, as THA's vision statement and strategic objectives contemplate, as "parents, students, wage earners and builders of assets". It wants their time on its housing programs to be transforming in these ways, and temporary. It wants this certainly for grownups 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 and to help ensure that when the city does develop it does so equitably. It seeks this so that Tacoma becomes a place that households of all incomes, races, needs and compositions experience that, as THA's mission statement contemplates, is "safe, vibrant, prosperous, attractive, and just." THA's seven strategic objectives and strategies are ambitious and require all tools within reach, including MTW flexibility.

SHORT TERM GOALS & OBJECTIVES

The pandemic required us to relearn ways to do our work while preserving our social justice mission. That work included managing a large and varied portfolio of properties that house vulnerable households; paying the rent on behalf of thousands of voucher clients to hundreds of landlords in amounts that must be recalculated to account for lost income; completing large, complicated construction projects; and providing supportive services to an increasingly stressed population of clients, including now the delivery of food to seniors and other high-risk households. THA's mission comes in parts. In 2020, all of them saw challenge, innovation, and expansion.

Housing and Supportive Services

THA helps people pay rent to private landlords. Our rental assistance programs do that in partnership with hundreds of landlords, large and small. Measured by people served and dollars spent, these programs are our largest. We serve about 4,000 households this way.

In partnership with Pierce County Department of Human Services, we also help to fund our county's rapid rehousing program for homeless families with children and young adults experiencing homelessness. In 2020, THA expanded this program by launching the Tacoma Schools Housing Assistance Program (TSHAP), which targets Tacoma Public Schools students who are experiencing homelessness and their families. In addition to housing assistance, participants receive case management and other supportive services according to their individual need.

Another way THA targets its assistance to those with immediate housing needs is by contracting with market-rate properties through our Property-Based Subsidy activity which works similarly to project-based vouchers. This year, two properties began leasing, one property serving individuals with mental disabilities who are exiting shelters or the streets; and the other for College Housing Assistance Program (CHAP) participants which include students experiencing homelessness from the University of Washington in Tacoma and Tacoma Community College.

The pandemic gave these rental assistance programs an extra significance. They helped families stay in place which also helped our landlord partners, especially the smaller ones, survive their tenants' loss of income without evictions during the eviction moratorium. While other tenants were defaulting on their rents, for THA's voucher clients, THA paid its share of their rent on time, in full, and in increasing amounts as tenant incomes fell.

Housing and Real Estate Development

Tacoma's new rental market continues to get more expensive. Our voucher subsidy struggles to keep pace with the rising rents. Our clients must compete for fewer vacancies with other households having stronger credit, rental, or criminal histories. In response, THA is emphasizing its other strategies. One way we do that is by building, buying, and rebuilding properties that we then keep permanently affordable to people with low incomes. We are one of the city's largest real estate developers and the largest residential landlord. We serve about 1,500 households in this way.

This year, despite the challenges brought forth by the pandemic, THA's portfolio continued to grow:

- **Arlington Drive Youth Campus:** The Arlington Drive Youth Campus was completed in 2020. In late 2020, we were able to open the doors to the Crisis Residential Center/HOPE Facility and the Arlington Apartments with 58 apartments for homeless young adults 18 – 24 years old. We do this in partnership with The Social Impact Center of the YMCA of Greater Seattle and Community Youth Services to provide the specialized services for the young adults who walk through Arlington's Doors seeking shelter from the streets.
- **The Rise on 19th:** In late 2020, we opened the Rise on 19th, which has 64 affordable apartments with 14 reserved for Veterans experiencing homelessness, and their families. The Department of Veteran Affairs will refer them and provide them with supportive services. Another 14 apartments are for households with a member who has a disability.

THA does not confine our mission to being a landlord and disbursing monthly rental assistance checks. We are also real estate and community developers. We seek ways to spend our housing dollar to leverage other outcomes among the families we serve including increased earned income, improved educational outcomes, and improved asset building. One example of our community development work is Housing Hilltop, which is a development project that brings four neighboring sites together to form a resilient, mixed-use core of affordable homes in the rapidly changing Hilltop neighborhood of Tacoma. Working closely with local partners, we completed Hilltop Master planning to develop the neighborhood plan for affordable housing, retail, and community public space.

Property Management

THA used MTW dollars to maintain its public housing portfolio and convert its portfolio to Rental Assistance Demonstration (RAD) financing. That portfolio is valuable. It serves THA's lowest income households facing the greatest barriers, including people with disabilities, seniors,

households coming from traumatic situations, and those who do not speak English. 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.

Despite numerous challenges with social distancing and additional safety precautions, the team remained diligent at keeping the numbers down for turns and leasing – ensuring families get into units quickly. We found ways to alleviate some of the anxiety around rent and other charges owed because of COVID-19 by adjusting our repayment agreement policies. Eligible households will find relief to spread these charges out over time, as some move through unemployment and layoffs. The morale of the team is of the utmost importance during these challenging times. Support and resources are offered daily as we provide the essential work needed to keep the agency moving.

Financially Sustainable Operations

THA completed its RAD conversion of Salishan and Hillside Terrace portfolios from public housing to RAD PBV vouchers, improving the financial operations of these properties. Conversion of the Renew Tacoma portfolio in 2016 has improved the operational sustainability of that portfolio by improving the subsidy, as well as reducing operational costs in these properties.

With the acquisition of additional units and property in Tacoma’s West End neighborhood, THA is receiving additional unsubsidized rental income to help offset the cost of operations.

Environmental Responsibility

THA staff began working with a small group of community leaders to set the foundation for establishing an Eco-District in the Hilltop. The Eco District framework is based on three Imperatives—Equity, Resilience and Climate Protection. The working group has added three additional imperatives—Economic Development & Jobs, Affordable Housing and Culture. The goal of the working group is for the Eco District to create a set of standards and metrics for future development in the Hilltop. This is an outgrowth of the community engagement work done for THA’s four parcels. To help build community on the Hilltop, THA and the Hilltop Action Coalition are co-sponsoring bi-monthly events, Hilltop Happenings.

Advocacy

THA continued its partnership with Forterra and the University of Washington-Tacoma to review the advocacy effort with the City Council for effective affordable housing policies. These policies include: (i) a local housing trust fund, (ii) inclusionary and incentive zoning to require in some cases and entice in others the inclusion of affordable housing in a market rate development. (iii) a contingent loan program to

lower borrowing costs for affordable housing development. THA continues to be available as a source of data and advice to the city, county state and national policy makers on housing, community development and related topics.

Administration

THA seeks to improve its administration by continuing to invest in our IT platform and ramp up our Process Improvement and documentation effort. We also began work to upgrade our website. In 2020 the agency hired a consultant to assist us in mapping out the best path for ongoing success for this project. We intend on hiring the additional staff needed for the Process Improvement effort in early 2021. It is anticipated that this will be at least a 3-year intensive effort, with ongoing updates and maintenance after that period.

In the face of tremendous challenge and devastation, THA continued to provide housing assistance and supportive services that enabled the individuals and families we serve remain stable, safe, and healthy.

Section II: General Operating Information

Housing Stock Information

Actual New Project Based Vouchers

Tenant-based vouchers that the MTW PHA project-based for the first time during the Plan Year. These include only those in which a Housing Assistance Payment (HAP) Agreement was in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

Property Name	Number of Vouchers Newly Project-Based		RAD?	Description of Project
	Planned*	Actual		
Home at Last	30	30	No	A partnership with the YWCA to provide housing assistance for extremely, low-income, homeless households fleeing domestic violence.
Arlington Drive Apartments	58	58	No	Arlington Drive Apartment will provide housing to young adults near and/or are homeless.
Hillside 1800	64	64	No	Hillside 1800 is within THA's portfolio that will house low-income households.

152	152	Planned/Actual Total Vouchers Newly-Project Based
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*Figures in the "Planned" column should match the corresponding Annual MTW Plan.

Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:

Home at Last – The development is expected to be completed by February 2021. THA anticipates that leasing will begin in March 2021. Both Arlington Drive Apartments and Hillside 1800 did not begin leasing until the end of 2020.

Actual Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which a HAP Agreement was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

Property Name	Number of Project-Based Vouchers		Status at End of Plan Year**	RAD?	Description of Project
	Planned*	Actual			
Bay Terrace	26	26	Leased	Y	THA family housing
Bay Terrace 1	20	20	Leased	N	THA family housing
Bay Terrace 2	52	52	Leased	N	THA family housing
Hillside 2	13	13	Leased	N	THA family housing
Hillside 2 (RAD)	33	33	Leased	Y	THA family housing
Hillside Gardens	8	8	Leased	N	Third-party housing for families experiencing homelessness
Hillside Terrace 1500	12	12	Leased	N	THA family housing
Salishan Five	45	45	Leased	N	THA family housing
Salishan Four	45	45	Leased	N	THA family housing
Salishan One	35	35	Leased	N	THA family housing
Salishan Six	45	45	Leased	N	THA family housing
Salishan Three	45	45	Leased	N	THA family housing
Salishan Two	35	35	Leased	N	THA family housing
Tyler Square	15	15	Leased	N	Third-party housing for families experiencing homelessness

Salishan Seven	90	90	Leased	Y/N	THA family housing (excludes the recently converted public housings reported in the New Project-Based section above)
Renew Tacoma Housing	456	456	Leased	Y	THA's Renew Tacoma Housing includes all of THA's elderly/disabled sites
Harborview Manor	147	147	Leased	N	Third-party affordable housing for seniors
New Tacoma Phase 2	8	8	Leased	N	Third-party affordable housing for seniors
Eliza McCabe Townhomes	10	10	Leased	N	Third-party housing for families experiencing homelessness
Flett Meadows	13	13	Leased	N	Third-party housing for families experiencing homelessness
Guadalupe Vista	38	38	Leased	N	Third-party housing for families experiencing homelessness
Pacific Courtyards	23	23	Leased	N	Third-party housing for households experiencing homelessness
Home at Last	30	30	Committed	N	Third-party housing for households fleeing domestic violence
Olympus Apts.	26	26	Leased	N	Third-party housing with affordable housing for households at or below 50% AMI
Nativity House	50	50	Leased	N	Third-party permanent supportive housing for chronically homeless individuals

1,314	1,314	Planned/Actual Total Existing Project-Based Vouchers
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* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

** Select "Status at the End of the Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Number of Vouchers Project-Based:

None.

Actual Other Changes to MTW Housing Stock in the Plan Year

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

Actual Other Changes to MTW Housing Stock in the Plan Year
THA completed its redevelopment of its 1800 block of the property formerly known as Hillside Terrace. This is the third phase of the new Bay Terrace development and has 64 units developed with low-income housing tax credits and other financing sources. It also includes set-asides to serve individuals with disabilities and Veterans experiencing homelessness and their families.
THA will continue to seek to acquire existing housing in the market to preserve affordable housing for households earning up to 80% of the area median income (AMI).
THA added 74 Property-Based Subsidy units in 2020 to allow for 64 units at Koz at the Dome and 10 units at the Campbell Court Apartments.
THA's RAD conversion and disposition of its scattered site public housing through Section 32 was completed in 2020. This will leave THA with 719 public housing units available for use under faircloth. THA is considering placing Public Housing faircloth units in new acquisitions and new developments, and potentially other projects owned by others in the community.

General Description of All Actual Capital Expenditures During the Plan Year

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

General Description of All Actual Capital Expenditures During the Plan Year
In 2020, THA used its remaining CFP funds to supplement MTW operations.

Leasing Information

Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

Number of Households Served Through	Number of Units Months Occupied/Leased*		Number of Households Served **	
	Planned^^	Actual	Planned^^	Actual
MTW Public Housing Units Leased	48	48	4	4
MTW Housing Choice Vouchers (HCV) Utilized	50,726	49,612	4,227	4,134
Local, Non-Traditional: Tenant-Based ^	2,824	1,903	235	159 ¹
Local, Non-Traditional: Property-Based ^	4,260	4,201	355	350
Local, Non-Traditional: Homeownership^	0	0	0	0
Planned/Actual Totals	57,858	55,764	4,821	4,647

¹ HUD has recently granted THA approval to include households served under this activity into its utilization 6 months post participation. THA began with households served from January 2018 through December 2018.

Please describe any differences between the planned and actual households served:

LNT: Tenant-Based: At the time of Plan submission, THA anticipated that TSHAP would be in effect at the beginning of 2020. Instead, TSHAP was launched later in the year and began enrolling families in September which is why there is a significant difference between planned and actual number of households served

LNT: Property-Based – Planned number of households served were based on predictions based on information available at the time of analysis. It also assumed a 100% utilization rate. However, in 2020 one property did not begin leasing until April 2020 and another development was slow to lease up.

MTW HCV – At the time of the Plan submission, THA planned for 125 CHAP vouchers and 25 DOC-CHAP vouchers for 2020. However, in 2020 THA decreased the number of CHAP vouchers from 125 to 75 vouchers and the 25 DOC-CHAP are still being held as the program is being developed.

Local Non-Traditional Category7	MTW Activity Name/Number	Number of Units Occupied/Leased		Number of Households to be Served	
		Planned^^	Actual	Planned^^	Actual
Tenant-Based	Regional Approach To Special Purpose Housing/15	2,824	1,903	235	159
Property-Based	Creation & Preservation of Affordable Housing/16	4,260	4,201	355	350
Homeownership	N/A	0	0	0	0
Planned/Actual Totals		7,084	6,104	590	509

* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous table. Multiple entries may be made for each category if applicable.

* ^^ Figures and text in the “Planned” column should match the corresponding Annual MTW Plan.

Households Receiving Local, Non-Traditional Services Only	Average Number of Households Per Month	Total Number of Households in the Plan Year
-	0	0

Waiting List Information

Actual Waiting List Information

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The “Description” should detail the structure of the waiting list and the population(s) served.

Waiting List Name	Description	Number of Households on Waiting List	Waiting List Open, Partially Open or Closed	Was the Waiting List Opened During the Plan Year
2020 Consolidated Waitlist	Community wide – low-income households	1,806	Closed	Yes
Child Welfare Housing Program (CHOP)/Family Reunification Program (FUP – non-MTW)	Other - families reuniting	68	Open	Yes
Family & Young Adult Rapid Rehousing (Local Non-Traditional) <i>THA eligible only</i>	Community Wide – homeless families	258	Open	Yes

Please describe any duplication of applicants across waiting lists: No duplication across waitlists

Actual Changes to Waiting List in the Plan Year

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

Waiting List Name	Description of Actual Changes to Waiting List
Consolidated Waitlist (Low Income Housing and Housing Opportunity Program)	Throughout 2020, THA maintained its 95% utilization goal and consequently did not open its waitlist or issue new HOP subsidies. THA streamlined its process for identifying and processing waitlist applicants who needed a Reasonable Accommodation. This was a measure to place households in a unit that meets their needs without delaying the application and housing process to complete the Reasonable Accommodation process. It has been a great benefit to the applicant and THA's Property Management leasing staff. THA has also focused on its transfer waitlist to get current THA tenants in either the right-sized unit or to accommodate an approved Reasonable Accommodation. This has included issuing income-based vouchers (versus our standard HOP subsidy) as well as transferring as part of the initial lease-up at The Rise, our new development for family housing.

Information on Statutory Objectives and Requirements

75% of Families Assisted Are Very Low Income

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual households served upon admission during the PHA's Fiscal Year reported in the "Local, Non-Traditional: Tenant-Based"; "Local, Non-Traditional: Property-Based"; and "Local, Non- Traditional: Homeownership" categories. Do not include households reported in the "Local, Non-Traditional Services Only" category.

Income Level	Number of Local, Non-Traditional Households Admitted in the Plan Year
Above 80% Area Median Income	0
80%-50% Area Median Income	11
49%-30% Area Median Income	122
Below 30% Area Median Income	111

Total Local, Non-Traditional Households Admitted

244

Maintain Comparable Mix

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

Baseline for the Mix of Family Sizes Served (upon entry to MTW)					
Family Size	Occupied Number of Public Housing units	Utilized HCVs	Non-MTW Adjustments *	Baseline Mix Number	Baseline Mix Percentage
1 Person	53	1,857	0	1,851	42.58%
2 Person	106	754	0	860	19.77%
3 Person	82	502	0	679	15.62%
4 Person	42	300	0	460	10.58%
5 Person	29	237	0	287	6.60%
6+ Person	17	179	0	210	4.85%
Totals	329	3,829	0	4,347	100%

* “Non-MTW Adjustments” are defined as factors that are outside the control of the MTW PHA. An example of an acceptable “Non-MTW Adjustment” would include demographic changes in the community’s overall population. If the MTW PHA includes “Non-MTW Adjustments,” a thorough justification, including information substantiating the numbers given, should be included below.

Please describe the justification for any “Non-MTW Adjustments” given above:

None

FAMILY SIZE	BASELINE MIX PERCENTAGE**	NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^	PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^	PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR
1 Person	42.58%	2,005	48%	5.42%
2 Person	19.77%	815	20%	-0.23%
3 Person	15.62%	573	14%	-1.62%
4 Person	10.58%	324	8%	-2.58%
5 Person	6.60%	247	6%	-0.6%
6+ Person	4.85%	185	4%	-0.85%
TOTAL	100%	4,149 ²	100.00%	0.00%

** The “Baseline Mix Percentage” figures given in the “Mix of Family Sizes Served (in Plan Year)” table should match those in the column of the same name in the “Baseline Mix of Family Sizes Served (upon entry to MTW)” table.

^ The “Total” in the “Number of Households Served in Plan Year” column should match the “Actual Total” box in the “Actual Number of Households Served in the Plan Year” table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the “Total” number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

² THA is unable to report “Mix of Family Size” to match “Actual Households Served.” The former is based on actual households served versus the prescribed calculation used to derive “Actual Households Served.”

Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:

THA's local, non-traditional households are excluded from the households reported in the above table. The exclusion of these households would change the numbers above, most notably, the number of single households utilizing traditional THA units and vouchers. The percentage changes from our baseline year are more pronounced due to the exclusion of our LNT households.

Number of Households Transitioned to Self-Sufficiency in the Plan Year

Number of households, across MTW activities, that were transitioned to the MTW PHA's local definition of self-sufficiency during the Plan Year.

MTW Activity Name/Number	Number of Households Transitioned to Self-Sufficiency*	MTW PHA Local Definition of Self-Sufficiency
Local Policy for Work-Able Households/5	15	Exited or graduated with market rent burden <=50%
Regional Approach to Special Purpose Housing/15	4	Exited or graduated with market rent burden <=50%
Housing Opportunity Program/17	8	Exited or graduated with market rent burden <=50%
Modify the FSS Program/19	15	Exited or graduated with market rent burden <=50%
	15	<i>(Households Duplicated Across MTW Activities)</i>
	27	Total Households Transitioned to Self Sufficiency

* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

Section III. Proposed MTW Activities

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

Section IV. Approved MTW Activities

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

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

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

Impact: THA has not needed to use this flexibility since its implementation. However, this activity provides the flexibility to honor an active service member's call to duty and permits the household to request reinstatement once they return from a deployment.

Update: This activity was not used in 2020.

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

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

3. Local Project- Based Voucher Program (HCV)

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

Description: In 2011, THA implemented a local project-based voucher program to increase the number of vouchers that THA can project base. The local program includes the following:

- **Remove 20% cap on project-based vouchers for THA developments:** THA removed the cap on project-based vouchers for its own developments to allow THA to finance more developments in the future. In 2018, THA modified the activity by waiving the per project cap on a case-by-case basis for projects, including those not owned by THA; and allowing individual project owners to manage their own waiting lists. The changes have allowed THA to streamline many parts of the project-based program that were inefficient or unfair to those on the waitlist.
- **Modified Choice Mobility options for non-RAD, PBV households:** THA initially used this activity to waive the mobility option that allowed PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. Once THA converted a majority of its PBV units to RAD-PBV, THA revised its Choice Mobility policies. The RAD rules require THA to offer Choice Mobility vouchers to RAD-PBV tenants. In 2017, THA's board approved a revised version of this policy that made Choice Mobility available to *all* PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following requirements: 1) in good status/no debts owed; 2) one-time use policy 3) required pre-issuance counseling; 3) unpaid tenant charges could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.
- **Established a reasonable competitive process and contract terms for PBV assistance:** THA established a reasonable competitive process and contract terms which includes the length of the contract for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.
- **In-house Housing Quality Standards (HQS) inspections:** In 2012, THA began conducting its own Housing Quality Standards (HQS) inspections on units it owns or has interest in and conducts its own contract rent negotiations and rent reasonableness determinations.

Impact: It's been several years since this activity's initial implementation and THA has been conducting its own inspections on all owned project-based units. The largest benefit that THA realizes from in-house inspections is the ability to monitor and control the quality of HQS inspections.

THA takes pride in its in portfolio and this allows THA to ensure its clients reside in safe and decent housing. Another significant benefit is the opportunity to build relationships with property owners. THA inspectors take on the role of liaisons between THA housing specialists and property owners which helps THA maintain these important relationships.

This flexibility has also enabled THA to partner with local partners to serve households that have experienced homelessness and/or need supportive services provided by THA's community partners.

Update: There were no updates to this activity in 2020. However, in comparison to last year, THA conducted significantly less inspections due to the COVID-19 pandemic and social distancing requirements. After March 2020, THA limited inspections to initial and turnover inspections only.

In 2019, THA brought over 200 property-based subsidies online which resulted in a large number of inspections last year which explains why outcomes for this activity are significantly different.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease). Cost of in-house PBV inspections compared to third party.	\$49,560	\$39,648 (20% decrease)	\$12,312	Met

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

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection:

CE #2: Staff Time Savings – This metric has been removed. THA uses its MTW flexibility to conduct in-house inspections for PBV units for cost savings and quality control. There are no time savings by conducting in-house inspections.

CE#1: Agency Cost Savings – For 2020, THA updated the baseline based on a third-party invoice for annual inspection reviews. THA applied the costs to conduct each annual HQS inspection to the number of PBV inspections completed by THA in 2020. The invoice does not include charges for administrative or other miscellaneous tasks to come to an “apples-to-apples” comparison.

Previously the baseline was the cost of PBV inspections from the initial implementation of this activity in 2012. The number of PBV units in THA’s portfolio has increased significantly since implementation. THA compares the costs to conduct the same inspections in the given year by a third party to costs of conducting inspections in-house. THA hopes to achieve a 20% savings by conducting in-house inspections which determines the benchmark.

HC #4: Displacement Prevention - THA will set baselines and benchmarks for HC #4 once the number of PBVs exceeds the 20% cap. CE #3 (Decrease in Error Rate of Task Execution) was deleted from this impact analysis. Error rates have not been collected for this initiative throughout its implementation and there are no plans to start tracking this metric.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

4. Allow Transfers Between Public Housing and Voucher Programs

Plan Year Approved, Implemented, Amended: This activity was proposed and implemented in 2011.

Description: THA permits public housing clients to transfer to THA's voucher programs under certain conditions such as when they are overhoused, underhoused or require a special accommodation not available in their current unit. Some clients opt for a voucher to find a suitable unit in the private market.

Impact: This activity has allowed public housing households transfer to more suitable housing by allowing the transfer between unit-based and tenant-based housing. Without this flexibility, households may have to wait longer for a home that accommodates their individual household's needs.

Update: Tacoma's private rental market is extremely competitive and can be difficult for public housing clients to secure affordable housing. A large majority of THA's public housing units have been converted to RAD-PBV. By the end of 2020, THA had a total of 4 occupied public housing units. THA does not have any public housing households waiting for a transfer. For these reasons, the number of households who have successfully transferred between Public Housing and voucher programs in 2020 was (0) zero.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	0 households	0 Public Housing households transferred into voucher program and leased-up	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: THA updated the benchmark to zero. Due to our large RAD conversion, we do not expect any public housing households to transfer between programs.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

5. Local Policies for Fixed Income Households

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

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

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

Impact: This activity has allowed THA to reduce some of the administrative workload for THA Housing Specialists. The program is overall easier to administer for both staff and THA clients.

Update: This year's time and cost savings outcomes reflect decreases in time spent processing annual recertifications. In 2020, the COVID pandemic required operational changes to adapt to social distancing requirements. THA relaxed its verification requirements and did most work digitally.

At the end of 2020, 1,242 fixed income households were subject to the MTW tiered rents (and minimum rent) and triennial recertification cycle outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and triennial recertifications.

2020 staff costs include salaries and benefits. One reason for the variance from the benchmark is increased staffing costs since 2012. Although we are including an estimate of staff costs used to process this task, it does not equate to real cost savings as THA has not reduced staffing as a result of the changes.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$23,730 cost to complete all elderly/disabled certifications FY 2020 impacted by this activity	\$15,899 (33% decrease from baseline)	\$7,910 in staff costs related to processing fixed income reviews.	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	856 hours to complete all elderly/disabled certifications impacted by this activity	573 hours (33% decrease)	285 hours spent completing fixed income reviews	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$286	\$250 average monthly tenant share (increase from last year)	Met

Hardships: One hardship granted under this activity in 2020.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: THA made changes to its baseline and benchmarks for both CE#1 and CE#2. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct

annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 33% since Housing Specialists are now conducting a third of recertifications each year due to this activity.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: For CE#5, Tacoma has seen rents rise steeply in the last few years. Households are experiencing higher rents in the private market or are receiving higher rent increases in their current units. Even with a subsidy, fixed-income households are paying more in rent than they have in previous years.

6. Local Policy for Work-Able Households (HCV/PH)

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

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

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

Impact: This activity has helped THA’s Housing Specialists save time by reducing the number of recertifications to be completed each year. The biennial recertification schedule reduces the annual workload of Housing Specialists by decreasing the number of recertifications completed each year. Minimum rent is \$75 for this population and THA has seen an increase in tenant share as a result.

Update: At the end of 2020, 1,533 work-able households were subject to the MTW tiered rents (and minimum rent) and biennial recertification schedule outlined in this activity. The impact numbers reported below are generated from households on MTW tiered rents and biennial recertifications.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$36,284 cost to complete all work-able certifications impacted by this activity	\$18,142 (50% decrease)	\$18,142 staff costs	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	1,309 hours to complete all work-able certifications impacted by this activity	654 hours (50% decrease)	654 staff hours	Met

CE # 5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total household contribution towards housing assistance (increase). Average monthly tenant share.	\$0	\$704 (50% of 2-BD payment standard)	\$431 average monthly tenant share	Not met

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$12,372	\$21,060	\$26,950 *only includes HCV households with earned income	Met

SS #3: Increase in Positive Outcomes in Employment Status

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.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed full-time	323 households	693 households	464 households	Not met
	21%	45%	30%	Not met
2) Employed part-time	307 households	479 households	313 households	Not met
	29%	45%	20%	Not met
3) Enrolled in Educational Program	0	TBD	NA	THA will establish benchmark in 2023
	0%	TBD	NA	NA
4) Enrolled in Job Training	0	TBD	NA	THA will establish benchmark in 2023
	0%	TBD	NA	NA
5) Unemployed	Cannot establish baseline	154	762	Not met
		10%	50%	Not met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	1,174 work-able households affected by this activity	Not to exceed 20% of work-able households	169 work-able households (11% of work-able receiving TANF)	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Work-able households on traditional MTW rent calculation exiting the program with rent burden <50%	<p>Exited with market rent burden <=50%: NA</p> <p>Average market rent burden (all traditional work-able): NA</p>	50% of exiting or graduating households will have market rent burden <=50%	<p>Exited or graduated with market rent burden <=50%: 15 households (26% of all W/A exits)</p> <p>Average market rent burden (all traditional work-able): 82%</p>	Not Met.

Hardships: One (1) household in this program was granted a hardship in 2020.

Actual Non-Significant Changes: There were no changes to this activity.

Actual Changes to Metrics/Data Collection: THA made changes to its baseline and benchmarks for both CE#1 and CE#2. The changes allow THA to compare time and cost savings as the populations evolve and grow. The baselines are determined by the time and costs needed to conduct annual recertifications for all program participants impacted by this MTW activity. The benchmarks assume a reduction in time and costs by at least 50% since Housing Specialists are now conducting approximately half of the number of recertifications each year due to this activity.

THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time. Metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – the benchmark is based on Washington’s minimum wage and an assumption of a 30/hour work week. The benchmark will be revised in subsequent MTW reports as the minimum wage changes.

SS#3: Increase in Positive Outcomes in Employment Status - THA has established new benchmarks for full- and part-time and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied to the number of households in order to establish numerical benchmarks.

CE#5 : Increase in Agency Rental Revenue - THA will now report average monthly tenant share which helps to isolate the rent change impact better than overall rent revenue which will fluctuate with population changes. For example, average monthly family share could decrease but overall revenue could increase through expansion in the overall population size. Additionally, average tenant share allows for an “apples-to-apples” comparison across participating households in voucher and public housing programs. We will use a benchmark of 50% of the Plan Year 2-bedroom payment standard.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: In late 2018, THA began tracking the number of households enrolled in an educational and/or job training program for this population. This information is collected during annual recertifications. THA is on a biennial recertification schedule and has not collected sufficient data to report outcomes. THA will report on these metrics in 2023 – two years after implementing the requirement to collect this data.

7. Local Income and Asset Policies (HCV/PH)

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

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

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

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

Update: Staff time interviews have shown that on average it takes twenty minutes to verify assets greater than \$25,000, but in 2020 there were only five (5) households with reported assets over \$25,000. THA has seen nearly a 100% savings from only verifying assets over \$25,000.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease) as shown by hourly staff cost applied to hours required to perform task.	\$19,726	\$10,400	\$46	Met

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

Hardships: No hardships were requested for this activity in 2020.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020

Actual Changes to Metrics/Data Collection: No changes to metrics or data collection for this activity in 2020.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

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

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

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

Impact: THA spends significantly less time processing rent change interims due to income changes. Additionally, households with income-based rental assistance get to keep gains from income increases until their next annual recertification.

Update: In 2020, THA received approximately 338 change of circumstance requests that pertain to changes in household income. Of those, THA processed 141 interims that were due to a notable decrease in the family's income. Of the 388 report changes of income almost half were due to income increases. THA also relaxed its hardship requirements for households impacted by the COVID-19 pandemic.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$11,409 (2016)	\$9,864	\$3,138 in staffing costs to process rent decreases	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease) to complete interims that result in rent changes.	347 hours (2016)	300 hours	113 hours	Met

Hardships: THA processed 33 COVID-19-related extensions for households with time-limited subsidies in 2020.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: In 2017, THA made a minor change to its methodology to determine metric outcomes. Previously, THA included all interim processing-related activities while calculating these metrics, including FSS interims and inspections. To better report on the intended outcomes of this activity, THA now limits interims included in its calculations to interims that resulted in an actual change in rent.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

11. Simplified Utility Allowance

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

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

Impact: This activity has had a positive impact on both staff and residents. It has simplified explanation of the UA and reduced the amount of time staff uses to process the UAs. THA staff still checks the accuracy of UAs although rent calculations and utility allowances are now automated in THA's "Open Door" software system.

Update: No update to this activity in 2020.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$6,793	\$3,397	\$858 in staff cost to process UAs	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	333 hours	167 hours	31 hours	Met

Hardships: No households requested hardships due to this activity in 2020.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes in 2020.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity. However, it should be noted that the outcomes are derivatives from Activities 5 and 6 as it is part of the annual recertification process and it should not be interpreted as hours and costs in addition to those processes.

12. Local Port Out Policy

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

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

Impact: The activity has been successful in reducing the total number of port outs each year. Prior to implementation in 2011, THA saw 325 households port-out of its jurisdiction. Since then, THA sees around half the number of households porting-out.

Update: In 2020, 86 clients ported out of THA's jurisdiction with a total of 194 households in billing status. This is a 131 household decrease from the baseline of 325 households prior to implementation of this activity in 2011. The majority of port-out requests were due to emergency transfers and reasonable accommodations which is why most port-out requests were approved. For this reason, THA did not meet its benchmark.

CE # 1 (a): Agency Cost Savings – Staff Costs				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,556	\$2,222 (60% decrease)	\$4,151	No, most of the port-out requests received in 2020 were eligible to port under this activity's criteria.

CE # 1 (b): Agency Cost Savings – Port Out Administrative Billing				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	TBD	TBD	\$126,859	THA will establish a benchmark for this new metric in 2021.

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	200 hours	80 hours (60% decrease)	181 hours	Not met, but most port out requests received in 2020 were approved.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes made to metrics/data collection in 2020.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

15. Regional Approach to Special Purpose Housing

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

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

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

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

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

Impact: Traditional waitlists are unable to address immediate housing needs and barriers, but through this investment THA can serve families when they need housing the most. Each year since its implementation THA has been able to serve hundreds of families and young adults who needed an immediate housing intervention to transition them from unstable to stable housing. THA has been able to leverage County resources including case management services that strengthen a family's ability to remain stably housed. TSHAP helps Tacoma Public Schools (TPS) students

experiencing homelessness and their families become stably housed with the intent to reduce returns to homelessness and stabilize or improve academic outcomes.

Update: At the end of the year, THA's Rapid Rehousing investment reached 276 households who were experiencing homelessness in Tacoma/Pierce County in 2020. By the end of 2020, 19% of Rapid Rehousing households experienced a median increase of \$1,500 in their earned wages while 24% of Rapid Rehousing households experienced a median change of \$1,030 in their overall income. Of households who exited projects to permanent housing over the past two years most remained housed – 93% of households did not return to homelessness within 24 months.

TSHAP launched in the late fall and so far, has provided 11 households with housing and supportive service assistance. Three were one-time payments for households needing preventative or diversion assistance and 50 households received Rapid Rehousing services which helped them exit shelters or the streets into private housing.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$150,000	<p>TSHAP (for period 3/2020 – 12/31/2021):</p> <p>\$400,000 for housing and supportive services from Pierce County;</p> <p>\$356,461 for supportive services from THA philanthropic funds;</p> <p>\$35,646 for administration from Pierce County;</p>	Met

			\$125,000 for THA program oversight from Tacoma Public Schools	
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SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	0 households	120 households	11 unique TSHAP families and 276 unique RRH households housed in 2020.	Met

SS #8: Households Transitioned to Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	0 households	20 households	Exited or graduated with <=50% market rent burden: 4 families (7% of all RRH exits in 2020)	Not Met

HC #1: Additional units of Housing Made Available

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	0 households	120 households	11 unique TSHAP families and 276 unique RRH households housed in 2020.	Met

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	120 households	11 unique TSHAP families and 276 unique RRH households housed in 2020.	Met

Actual Non-Significant Changes: No changes or modifications were made to the MTW activity in 2020.

Actual Changes to Metrics/Data Collection: Pierce County and THA amended the contract to include more client details in Pierce County's submission to THA. This can allow for more targeted reporting and analysis for future metrics.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

16. Creation and Preservation of Affordable Housing

Plan Year Approved, Implemented, Amended: THA proposed this activity in a 2012 plan amendment intended to preserve and create affordable housing units utilizing MTW authority. THA used MTW dollars in 2013 on the development of affordable housing units to replace Hillside Terrace.

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

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

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

(1) *Housing Hilltop* – THA purchased 4 parcels in the surrounding Hilltop neighborhood. THA will develop a series of multi-family, mixed-use buildings which will serve as a catalyst for high quality residential and commercial development that will encourage increasing private investment in the area, while ensuring that affordable commercial and retail spaces are available. This will all be part of the Housing Hilltop plan.

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

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

(4) *Arlington Drive Youth Campus* - THA has partnered with Community Youth Services (CYS) and the YMCA of Greater Seattle to develop a service-enriched campus providing homeless, unaccompanied youth and young adults with short and long-term housing and high quality, engaging, empowering and supportive services. These services will include professional trauma-informed case management, independent living skills training, family reconciliation, therapy, substance use counseling, and job training. The campus will include the following elements:

- A Crisis Residential Center (CRC)/HOPE facility for homeless youth aged 12 to 17 years, with 12 beds allowing young people to stay an average of 15-30 days, depending on need. The CRC/HOPE facility offers youth a safe, supervised, and nurturing place to stay while skilled case managers work to arrange a safe place to live. This may be back with family, to relatives, to a new family, or to foster care. CYS's current six-bed CRC in Tacoma, WA has a 91% rate of successful discharge to a safe new residence. We anticipate that the CRC at Arlington Drive will serve 300-400 Pierce County youth and young adults every year.
- 58 units of rental housing for young adults ages 18 to 25 years, with focused support services provided by the YMCA of Greater Seattle to address their behavioral, mental and physical health needs and to help them complete their education, learn necessary life skills, and establish careers so that they enter into adulthood with the support and resources necessary to live a safe, healthy and thriving life. The YMCA of Greater Seattle is the largest housing provider for homeless young adults in the Pacific Northwest, and one of the nation's premier social service agencies focusing on young adults.
- High quality supportive services that emphasize social community activities, diversity, equity, and social enterprise.

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

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

Impact: Through its Property-Based Subsidies (PBS) program, THA has contracted with market-rate properties to preserve and/or create affordable housing options for very low-income households in Tacoma. This allows THA to serve low-income households in other non-traditional ways outside of tenant-based or project-based subsidies. Over the past year, two assisted living facilities serving Medicaid Seniors in Pierce County closed down and 140 low-income seniors were displaced. By offering property-based subsidies, THA assisted in preserving the only two remaining facilities in Pierce County that provide memory care for Medicaid patients. Neither facility could have continued to do that without THA's rental subsidy. The PBS program has been a meaningful addition to THA's CHAP (see Activity 17 – HOP) program. THA has partnered with five properties near the University of Washington – Tacoma and Tacoma Community College to house homeless or near-homeless students. This has been valuable as CHAP voucher holders have struggled to secure private rentals in Tacoma's competitive rental market.

Update: In 2020, THA executed a PBS contract with the Metropolitan Development Council (MDC) for the 10 units they operate at Campbell Court Apartments. This property serves mentally disabled adults exiting homelessness from the streets or shelters. Another PBS contract went into effect this year at Koz on Puyallup for 75 units to house homeless or near homeless students from the University of Washington – Tacoma.

To date, THA has partnered with seven different properties and has secured 344 affordable housing units. Two of the properties provide housing and services to Medicaid eligible seniors in need of dementia care, one for adults with intellectual disabilities exiting homelessness and the remaining are dedicated for students experiencing homelessness enrolled at Tacoma Community College or the University of Washington-Tacoma.

Housing Hilltop: In 2020, THA entered into an AHAP with Horizon Housing Alliance to provide 57 project-based vouchers for permanent supportive housing for homeless single adults. The property will provide on-site case management and support services.

The 1800 Hillside Terrace: Phase III, which will be known as The Rise on 19th, was completed in late 2020. THA also converted 11 of the PBV units to HUD-VASH PBV to address the HUD-VASH voucher challenges and the growing homeless population in Tacoma. THA began leasing for The Rise at 19th in late fall and will continue getting the building fully leased throughout the beginning of 2021.

James Center North: Working closely with local partners, THA completed the Hilltop Master Planning and is coordinating with potential development partners to contract the buildings.

Arlington Drive Youth Campus: This project was completed in 2020 and opened its doors in late 2020. THA began the lease-up process that will continue into early 2021.

HC #1: Additional units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase) in 2020.	0 units	200 units	Campbell Court – 10 units Koz on Puyallup – 64 units	Not Met

HC #2: Units of Housing Preserved				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase)	0 units	62 units	Highland Flats – 62 units Crosspointe – 20 units Cascade Park Vista – 75 units Cascade Park Gardens – 70 units Koz on Market – 52 units Koz on Puyallup – 64 units MDC Campbell Court – 10 units Bay Terrace – 26 units	Met

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	62 households	Highland Flats – 20 households Crosspointe – 4 households Cascade Park Vista – 12 households Cascade Park Gardens – 34 households Koz on Market – 9 households Koz on Puyallup – 64 households Campbell Court – 10 households	Met

Actual Non-Significant Changes: No non-significant changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

17. Housing Opportunity Program (HOP)

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

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

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

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

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

Impact:

HOP: Upon their last year receiving assistance, each cohort has experienced meaningful increases in their earned income while in the program. Similar trends can be observed for current work-able HOP households still receiving HOP rental assistance. Yet, Tacoma rents are rising quickly, vacancy rates are falling and wages are not keeping up. More and more people need help paying the rent. Tacoma's rental market requires a full-time hourly wage of \$26.68 to afford a modest two-bedroom apartment. In contrast, Washington's minimum wage is \$12.50 (FY 2020 hourly rates).

Wages have not kept up with Tacoma's rental market – meaning many households exiting HOP will struggle paying their rent without a subsidy. However, the fixed subsidy has made it possible for THA to serve 20% more households than it could serve if the agency maintained an income-based subsidy. THA has been able to provide HOP assistance to nearly 800 low-income households in Tacoma since 2013. HOP has also made our voucher programs easier to understand, administer and serve more households quicker.

CHAP has seen mixed results. 75 households were housed through a CHAP voucher thus providing the household stability while on program. However, like HOP, the shallow subsidy doesn't bolster CHAP household's income enough to afford housing in the private market. CHAP households are within the 30% AMI range, so even with a voucher, their income is insufficient to secure housing. A recent evaluation found that only one-quarter of CHAP participants lease-up and those that do tended to show stronger pre-existing navigational and academic skills. These findings are being used to explore how the program can be modified to increase lease up success and attain more equitable outcomes. While THA explores how to strengthen CHAP, 67 households secured housing and 4 students graduated this year.

CHOP continues to serve families involved in the family courts system in partnership with the Department of Children, Youth and Families by providing housing stability through CHOP assistance and supportive services provided by service partners.

Update:

ALL HOP: In 2020, THA suspended time limits for all time-limited programs until the end of 2021 which allowed 70 households to remain on program longer than originally allowed. At the end of 2020, 477 households were receiving assistance through HOP. Of these households, 202 (42%) were considered work-able and 275 (58%) were elderly and/or disabled households. 67 households were receiving assistance through CHAP and 16 households were enrolled in CHOP.

Across all cohorts and HOP programs, 28 households exited in 2020. Of those, 8 (29%) exited with a shelter burden at/or less than 50%. While most work-able HOP households will experience income gains throughout their time in the program many will still exit into an unaffordable housing market. THA is evaluating the efficacy of time-limits on income progression.

Although THA did not issue HOP vouchers for new admissions, for those moving with a HOP voucher, clients experienced a decrease in shopping time from 61 days (2019) to 42 days (2020); and THA observed a slight decrease in the number of unused/expired vouchers from 22% (2019) to 20% in 2020. These are positive changes but the COVID-19 pandemic has hit families hard and has no real end in sight. THA will continue to monitor these trends and modify the program accordingly.

Fifth-year HOP work-able cohort: This year, the 2015 work-able cohort reached their five-year end mark. Normally, this cohort would have exited the program after reaching the five-year time limit but THA has suspended time limits for all time-limited programs. These terms limits have been extended until the end of 2021. However, similar upward trends exist among this cohort as with past HOP graduates. The 2015 HOP cohort started with 36 work-able households with average wages of \$4,833. This year, 23 households remain and ended the year with average earnings of \$22,461.

CHAP: 4 students exited the program in 2020. While the addition of new PBS units is reported under Activity 16, those new units are a positive gain for the CHAP program as CHAP students have first priority for the PBS units. This allows us to serve CHAP students with either a HOP voucher or subsidized units affordable for low-income students.

CHOP: At the end of 2020, 16 families were receiving housing and supportive services through CHOP. For CHOP-eligible families that are also participating in Family Recovery Court, they will receive priority when referred to THA for CHOP assistance.

SS #1: Increase in Household Income				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase). Work-able HOP households.	\$12,164 (2013)	All HOP Work-able: \$20,670	HOP All Work-able: \$17,868	HOP All Work-able: Not met
		CHOP: \$20,670 CHAP: \$20,670	5 th -year Work-able: \$22,461(2015 co-hort)	2015 HOP work-able cohort: Met
			CHOP: \$11,132 CHAP: \$9,489	CHOP: Not met CHAP: Not met

SS #3: Increase in Positive Outcomes in Employment Status (work-able HOP households only)				
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.				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed Full Time	0 households	143 households	110 households	Not Met
	0%	50%	39%	Not met

2) Employed Part Time	0 households	128 households	71 households	Not Met
	0%	45%	25%	Not Met
3) Enrolled in an Educational Program	0 households	TBD	67 CHAP households	THA will establish benchmark in 2021
	0%	TBD	NA	NA
4) Enrolled in a Job Training Program	0 households	TBD	NA	THA will establish benchmark in 2021
	0%	TBD	NA	NA
5) Unemployed	0 households	14	104	Not met
	0%	5%	36%	Not met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF (decrease).	15% (9) work-able HOP households from 2013 cohort	10% of year 5 work-able HOP households	Year 5 work-able HOP households: 4 receiving TANF (17% of work-able HOP households from 2015 cohort)	Not Met

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase). Households participating in FSS.	0 households	15% participation in FSS by HOP work-able households	33 HOP households participated in FSS (16.3% of work-able HOP households)	Met

CE#6: Reducing per Unit Subsidy Costs for Participating Households				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$604 average monthly HAP for traditional HCV	\$708 average monthly HAP for HOP households (50% of 2-BD payment standard)	\$554 average monthly HAP for HOP-Elderly/Disabled households; \$680 for HOP work-able households	Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase). Work-able households who exit HOP with a market rent burden less than or equal to 50%.	Exited with market rent burden <=50%: NA Average market rent burden (all HOP): 72% Average market rent burden (HOP 2013 co-hort): 71%	50% of exiting work-able households will have market rent burden <=50%	Exited with market rent burden <=50%: 8 families (29%) Average market rent burden (all HOP): 80% Average market rent burden (HOP 2015 co-hort): 56%	Not met.

HC #3: Decrease in Wait List Time				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average applicant time on wait list in months (decrease).	5.16 Years	2 Years	THA did not issue new HOP vouchers in 2020.	N/A

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of calculating rent in dollars (decrease). Estimated staff cost to conduct annual reviews.	\$59,127 (cost to complete the same # of traditional annual recertification)	\$29,563 (decrease by 50% of baseline)	\$10,102 estimated staff cost to conduct HOP reviews in 2020.	Met

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to calculate rent in staff hours (decrease). Staff time to conduct annual reviews.	1,572 hours (time to complete the same # of traditional annual recertification)	786 hours (50% of baseline)	364 staff hours spent conducting HOP reviews in 2020	Met

CE # 4: Increase in Resources Leveraged (From the College Housing Assistance Program)				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$22,000	Tacoma Community College: \$75,000 for security deposit assistance; \$80,000 for CHAP-dedicated staff. Kresge Foundation: \$500,000 to support CHAP – subsidies, data, evaluation, landlord mitigation funds and operating funds.	Met

			ECMC Foundation: \$10,000 landlord mitigation/operating funds Rapoport Foundation \$65,000 for CHAP-DOC Foundation for Tacoma Students \$50,000 support for CHAP project manager	
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Hardships: 33 HOP households received a hardship extension under COVID-19 waivers. One (1) household received a hardship extension as an active participant in a self-sufficiency program.

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

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – The benchmark is based on Washington's minimum wage and an assumption of a 30 hour work week. The benchmark will be revised in subsequent MTW reports as minimum wage changes.

SS#3: Increase In Positive Outcomes in Employment Status - THA has established new benchmarks for full, part, and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied annually to the number of households in order to establish numerical benchmarks.

CE#1 & CE#2: Agency Time and Cost Savings - THA used the results of a time study of administrative tasks (completed in early 2018) to update the time and estimated staff costs to conduct HOP annual reviews. In previous MTW reports, THA has indicated these metrics reflect staff time and costs related to the rent calculation. To clarify the task being measured, THA will define this calculation more broadly to include the entire annual review process. The estimated staff cost to conduct reviews was based on the annual staff hours required and the average hourly salary (plus benefits) of the staff engaged in the review process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: Challenges achieving benchmarks are related to income which may indicate that THA may need to re-evaluate its benchmarks. Households must be very low-income at admission and the specialized HOP programs target households that are experiencing homelessness. Even for households that see significant income increases by the fifth year just barely make an annual income based on Washington State's minimum wage. THA has emphasized its education projects because of the value it brings to upward mobility. However, meaningful gains in a short period of time are difficult to achieve. An evaluation of THA's HOP and CHAP programs are in progress which will inform any changes to program design.

18. Eliminate the 40% Rule

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

Description: THA used this activity to waive the 40% cap on the percentage of income spent on rent. The goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant's ability to understand the program and lease up more quickly.

Impact: This activity has allowed more households in THA's voucher programs to lease units that they would have not had the opportunity to lease in the past. In addition, staff have saved time explaining the 40% rule to clients.

Update: In 2020, 501 (21%) MTW households used this flexibility to stay in a unit that exceeded the 40% rule; or move into a unit that exceeded the 40% rule. Eliminating the 40% rule removed the additional burden of finding housing in a tightening market. Families are not additionally burdened by the 40% rule when looking for housing in an already competitive market. However, when a household selects a unit where the contract rent exceeds the payment standard they are subject to larger out-of-pocket expenses. With this in mind, THA is likely to propose increasing the payment standards to help THA voucher holders lease-up successfully and stay in their units.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	100 households	501 households leased a unit when rent exceeded 40% of their income	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

19. Modify the FSS Program

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

Description: Through its MTW flexibility THA modified the way we calculate escrow payments to be simpler and provide clear motivation and guidelines for participating families. We designed a method under which families may qualify for one or more pay points based on pre-determined goals and accomplishments. These pay points are calculated and credited at the end of the FSS contract term. Pay points are based on self-sufficiency activities such as earning a degree or maintaining full-time employment for more than 6 consecutive months.

Impact: Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service.

Update: In 2020, FSS served 162 families. 11 families graduated from the FSS program with an average escrow amount of \$7,293. This is an increase of \$888 in escrow funds from 2019. Four of the 11 graduates purchased homes, utilizing escrow funds for down payments, relocation costs and furnishing their new homes. Five clients requested contract extension as a result of COVID-19. These clients saw a reduction in their hours at work, or inability to finish educational programs. In 2020, FSS participants continued their work with the embedded financial coach. During 2020, 18 participants saw an average increase in their credit score by 43 points. 20 participants grew their net worth by an average of \$9,144. Four of these participants went from a negative or zero net worth.

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

CE # 2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours	936 hours	78 hours	0 hours	Met

(decrease) by not having escrow errors.				
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SS #1: Increase in Household Income

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average earned income of households affected by this policy in dollars (increase).	\$9,231	\$21,060	\$20,839	Met

SS #2: Increase in Household Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$500	\$1,642 (increase from last year) with an average growth of \$802 from beginning balance	Met

SS #3: Increase in Positive Outcomes in Employment Status

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.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
1) Employed Full Time	87 households	57 households	81 households	Met
	54%	35%	50%	Met
2) Employed Part Time	29 households	65 households	28 households	Not met
	18%	40%	17%	Not met
			N/A	Not met

3) Enrolled in an Educational Program	13%	25%	21%	Not met
4) Enrolled in a Job Training Program			N/A	Not met
	23%	20%	8%	Not met
5) Unemployed	42 households	8 households	53 households	Not met
	26%	5%	33%	Not met

SS #4: Households Removed from Temporary Assistance for Needy Families (TANF)

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving TANF assistance (decrease).	19 participants	5% of FSS participants on TANF	15 participants or 9% of FSS participants on TANF	Not met

SS #5: Households Assisted by Services that Increase Self Sufficiency

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households receiving services aimed to increase self-sufficiency (increase).	140 FSS participants	100% of FSS participants	188 FSS participants	Met

SS #6: Reducing per Unit Subsidy Costs for Participating Households

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of Section 8 and/or 9 subsidy per household affected by this policy in dollars (decrease).	\$589 (2014)	\$704 (50% of 2-BD payment standard)	\$675	Met

SS #7: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total Household contribution towards housing assistance (increase). Average monthly tenant share.	THA cannot establish a baseline for this metric.	\$704 (50% of 2-BD payment standard)	\$509 average monthly tenant share for FSS families	Not Met

SS #8: Households Transitioned to Self Sufficiency				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households transitioned to self-sufficiency (increase).	Exited or graduated FSS with market rent burden <=50%: NA	50% of exiting or graduating work-able households will have market rent burden <=50%	Exited or graduated FSS with market rent burden <=50%: 80% (4 families) of FSS EOPs in 2020	Met
Percentage of FSS graduates with market rent burden less than 50%.	Average market rent burden (all FSS): NA		Average market rent burden (all FSS): 73%	

Actual Non-Significant Changes: No changes or modifications were made to the MTW activity in 2020.

Actual Changes to Metrics/Data Collection: THA made changes to baselines and benchmarks in 2017. The methodology established in the 2017 report has not changed, but variables will change over time, metrics that have evolving benchmark are as follows:

SS#1: Increase in Household Income – the benchmark is based on Washington’s minimum wage and an assumption of a 30-hour work week. The benchmark will be revised in subsequent MTW reports as minimum wage changes.

SS#3: Increase In Positive Outcomes in Employment Status - THA has established new benchmarks for full, part, and unemployed participants. Because the size of this population fluctuates from year-to-year, a percentage-based benchmark will be applied to the number of households each year in order to establish numerical benchmarks.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There have been challenges achieving the prescribed benchmarks, but FSS participants have displayed an increase in household income, educational and employment participation from the previous year.

21. Children's Matched Savings Accounts

Plan Year Approved, Implemented, Amended: THA proposed this activity in its 2014 MTW Plan and implemented the program in Fall 2015.

Description THA offers children's savings accounts (CSAs) from kindergarten through high school to the children of New Salishan. The program helps the children of Salishan and their families aspire to college, prepare for it and pay for it. It also seeks to help participants and their families develop a savings habit and improve academic achievement, graduation rates, college preparation and enrollment. New Salishan is THA's largest community.

Impact: Since its launch, CSA participants have yet to reach 12th grade, therefore high school graduation data is not yet available. However, since its launch, the program has enrolled 205 students, brought financial education to 1,346 students and has managed to partner with the state's 529 program to expand college-savings capabilities to low-income families.

Update: In 2020, THA's CSA program enrollment remained opened for eligible families, however program engagement and activities were significantly impacted by COVID-19. CSA program staff pivoted to respond to the urgent needs of families as the pandemic impacted student life and wellbeing. Staff quickly worked with community partners to deliver 225 meals per week between June and September 2020, distribute 280 learning kits, and help connect families to free or affordable technology devices and internet services.

In May of 2020, THA Board of Commissioners approved a partnership with the Washington Student Achievement Council (WSAC) to integrate the CSA program with the state's 529 Guaranteed Education Tuition (GET) program. The (GET) Program is Washington's 529 Prepaid Tuition Plan. GET is a great way for families to save for future education expenses and watch their savings grow tax-free and remain tax-free when it's used for qualified expenses at schools and colleges nationwide and abroad. This change means families will have an easier time interacting with their account through an online portal and are connected to the state's tools and resources for navigating college and career pathways as well as financial aid.

The program has \$96,827 total in savings across seed, match and incentive earnings. The average account balance in the elementary seed and match portion is \$197, and \$602 for the scholarly incentive portion for middle and high school participants. THA continued its fundraising efforts for this activity and now has sufficient funding to support all four cohorts.

SS #2: Increase in Household Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$100 average annual savings per account	\$472 average account balance	Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity

22. Exclude Excess Income from Financial Aid for Students

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

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

Impact: THA has not yet observed the impacts of this activity. However, THA anticipates that this activity will help increase a household's disposable income and encourage the head of household to finish their degrees.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmarks Achieved?
SS#3 Number of households enrolled in an educational program (receiving financial aid)	192 households (2014)	202 households	TBD	TBD
SS#3 Number of households enrolled in an educational program (receiving financial aid) as a %	0%	5% (increase from baseline)	TBD	TBD

Update: THA has updated its processes and internal data collection and began collecting this information throughout 2020. THA has biennial and triennial recertification cycles and will see the full impact of this activity after one full recertification cycle. THA cannot report on outcomes for 2020.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

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

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

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

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

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

Currently, THA's primary focus is to help tenants be more competitive on the private market by providing Renter Readiness classes.

THA's Landlord Engagement Specialist developed partnerships with local service providers to offer Renter Readiness classes to voucher holders who are shopping for a home. Through this initiative THA has established a Landlord Advisory Group which meets monthly. These meetings maintain a healthy attendance of landlords.

Impact: THA became a member with Washington Multifamily Housing Association (WMFHA), Pierce County Chapter of National Association of Residential Property Managers (NARPM), Rental Housing Association of Washington (RHAWA), and the Washington Landlord Association (WLA). The benefit has been tremendous. THA has a strong relationship with the lobbyists from each organization, and they serve on our Landlord Advisory Group.

The Landlord Advisory Group Consists of lobbyists for NARPM, RHAWA, WMFHA, WLA, Corporate Landlords, and a handful of Private Landlords. The group was planning our Annual Landlord Appreciation Event, which was postponed until further notice due to COVID-19. The group is continuing to develop Resident Retention and Landlord Education and advises THA on current issues and policy changes.

Update: In 2020, THA was unable to offer security deposit assistance for voucher holders due to lack of funding. However, THA did continue to house people from the waitlist for vacancies throughout its portfolio. This year, THA assisted 39 households with security deposit assistance averaging around \$406 in assistance with a total of \$15,860.

Since April 2020, 198 community members participated in virtual Renters Readiness Certification classes with 32 of those completing all three classes and getting a certificate. Throughout the COVID-19 pandemic, the Landlord Advisory group quickly became a space to share resources. The group was deeply concerned about the potential for a mass wave of evictions and the economic devastation their tenants were facing. Members were especially concerned about undocumented residents and lack of resources.

The group began sharing Good News Stories during this uncertain time. Many landlord partners set up payment plans and some even reduced the amount of rent owed. Others helped residents purchase items for their businesses. Corporate landlords supported small food truck businesses helping them stay open and keep people employed. Other landlords helped their local communities by offering payment plans; providing referrals to community rental assistance resources, food help, and unemployment application assistance; and partnering with local food banks/services to deliver food to residents in need.

In 2020, THA hosted multiple virtual lunch and learns about the Federal CDC Eviction Moratorium, and the Washington State Eviction Moratorium, which was extended multiple times.

THA focuses on building and strengthening relationships by providing the highest quality customer service to our current and future landlord partners. Members of THA's Landlord Advisory Group started planning a landlord education program that will launch in 2021. The City of Tacoma, Landlord Tenant and Fair Housing Coordinator are involved in the planning process.

THA may use this activity to consider other incentives in the future.

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of household able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	20 households	39 households	Met

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$50,000	\$0	Not Met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2020.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process.

Actual Significant Changes: No significant changes were made to this MTW activity in 2020.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity.

25. Modify HQS

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

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

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

Impact: This activity has allowed THA to streamline its inspection process which allows THA to closely monitor and uphold a high standard for HQS inspections. This enables THA to maintain a well-preserved and attractive portfolio and allows for less delay in the leasing process for developments that are new or have been significantly rehabbed.

Update: In 2020, inspection operations were severely impacted by the pandemic. THA was unable to conduct annual inspections for the majority of the year. We used this activity to save staff time and costs by using a certificate of occupancy in lieu of initial inspections for 58 units at Arlington Drive Youth Campus. Due to the pandemic, THA has not implemented its policy to allow landlords to self-certify for fail minors based on a THA prescribed list of life-threatening items. This project will begin after THA is able to resume normal inspection operations and after we address the inspections backlog. For 2020, THA cannot provide outcomes for the following metrics as the activity has not been fully implemented and inspection activities have been limited due to the pandemic.

CE # 1 (a): Agency Cost Savings – Staff Costs				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease total cost of task measured by staff time (decrease).	Total cost of initial re-inspections in 2018 (TBD) (in dollars)	20% decrease from baseline (in dollars)	N/A	THA significantly reduced its inspection schedule during the COVID-19 pandemic. We cannot provide an analysis at this time.

CE # 1 (b): Agency Cost Savings – Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Decrease total cost of task measured by staff time (decrease).	Average time to conduct initial inspections x number of initial re-inspections	20% decrease from baseline (in hours)	N/A	

Not Yet Implemented Activities

10. Special Program Vouchers

Update: THA proposed this activity in 2011. The initial idea was to establish a program similar to the project-based voucher program. Vouchers were to be awarded to service provider partners for a special purpose or population. The service partners would be responsible for designing the program, including household selection, program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process. THA has several special programs it is running but they have all been proposed separately as rent reform activities or local non-traditional programs

On Hold Activities

20. MTW Seed Grants

Update: THA implemented this program in 2013 after receiving MTW approval. THA proposed this activity so, if needed, the agency could provide seed grants to service provider partners to increase their capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for work-able households in 2013. THA did not have specific goals for this activity in 2020 but would like to keep it in the implemented section of the plan in case an opportunity to leverage a partnership through the use of a seed grant arises.

Closed Out Activities:

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

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, 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 was approved for a RAD conversion in 2014/2015 which caused this activity to be closed out in 2015. The activity is meant to increase the number of households served and to bring public housing units online.

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

Section V: Sources and Uses of MTW Funds

Actual Sources and Uses of MTW Funds in the Plan Year
The MTW PHA shall submit unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.
Actual Use of MTW Single Fund Flexibility
<p>THA used single fund flexibility 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 ineligible 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">• THA is making changes to relieve the administrative burden on both the agency and residents 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 certifications. The new certification cycle started in 2013.• THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Client Support and Empowerment Department also assists tenants that are facing challenges achieving successful tenancy.• THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents.• THA is analyzing its administrative overhead and charges expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services central fund to track expenses associated with those functions.• THA included an activity in its 2012 amended plan that allows the agency to activate the MTW single fund flexibility to support the development and preservation of affordable housing.

- THA is partnering with local agencies to create locally designed, non-traditional housing programs. The programs are funded by THA but administered by community partners.
- THA has developed a property-based subsidy program. Under this model, THA makes an annual contribution of MTW funds. The owner then rents these units to low income households at a rent affordable to these households. THA inspects the units annually and reviews a percent of tenant files annually to ensure the owner is renting to low-income households.

Local Asset Management Plan	
Did the MTW PHA allocate costs within the statute in the Plan Year?	Yes
Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?	No, ongoing
Did the MTW PHA provide a LAMP in the appendix?	Yes, appendix item A
If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year.	No actual changes in the Plan Year.

Section VI: Administrative

Reviews, Audits and Inspections

For 2020, many annual inspections and audits were put on hold due to the COVID-19 pandemic. However, the Washington State Audit of THA's Rental Assistance Department was completed virtually and closed with no findings. THA submitted year end reporting to the Washington State Finance Housing Commission (WSHFC) for all properties and all households.

MTW Statutory Requirement

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On behalf of the Tacoma Housing Authority, I certify that the agency has met the three statutory requirements of the MTW program in the fiscal year 2020. This is 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 2020, 93% of all households were at or below 50% AMI.

Certification of Statutory Compliance 2011			Certification of Statutory Compliance 2020		
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	90%	10%
3	92%	8%	3	88%	12%
4	93%	7%	4	90%	10%
5	93%	7%	5	89%	11%
6	96%	4%	6	85%	15%
7	97%	3%	7	84%	16%
8+	93%	7%	8+	92%	8%

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


Program	Public Housing	Section 8	Local Non-Traditional	Totals
Moving to Work Baseline (Updated '13)	817 ⁱ	3,696 ⁱⁱ	0	4,513
2011 Households Served	904	3,448	0	4,335
2012 Households Served	870	3,552	0	4,422
2013 Households Served	762	3,634	47	4,443
2014 Households Served	792	3,673	128	4,593
2015 Households Served	801	3,685	86	4,572
2016 Households Served	801	3,677	61	4,539
2017 Households Served	332	4,049	77	4,458

2018 Households Served	325	3,956	143	4,424
2019 Households Served	243 ⁱⁱⁱ	4,054	467 ^{iv}	4,764
2020 Households Served	4	4,134	506	4,644

- 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%
2017	46%	19%	15%	9%	6%	3%	2%	100%
2018	45%	21%	14%	9%	6%	2%	2%	100%
2019	46%	21%	14%	8%	6%	3%	2%	100%
2020	48%	20%	14%	8%	6%	2%	2%	100%

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Michael Mirra
Executive Director

ⁱ 104 public housing units were torn down at Bay Terrance in 2013

ⁱⁱ THA received 103 TPV vouchers between July and October 2012

ⁱⁱⁱ November 2019 THA converted 324 public housing units to RAD-PBV

^{iv} In addition to adding 270 local, non-traditional units in 2019, with HUD approval THA includes households receiving services from Pierce County for an additional six months after their assistance has ended.

MTW Energy Performance Contract (EPC) Flexibility Data

This section does not apply.

Additional Appendix Items

Appendix A: Local Asset Management Plan

Appendix B: Rent Burden Methodology

Appendix C: THA's Strategic Objectives

Appendix A: Local Asset Management Plan (LAMP)

A. Background and Introduction

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

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

B. Guiding Principles

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

employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families [Section 204(a) of the 1996 Appropriations Act].

C. Description of Asset-Based Operations

Overview of Organizational Structure

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



Figure 1: Organizational Structure

Description of 2020 Plan

THA manages its properties as 2 portfolios. We have Portfolio West, which consists of our 456 Renew Tacoma Housing (RTH) RAD units comprised of 9 properties of Elderly/Disabled and Family Housing. Our Hillside properties which comprises 5 properties and 206 units is also under the Portfolio West umbrella. As these properties are more spread out, we have management teams overseeing property groupings as best determined by the Director.

The other management group is called Portfolio East and is responsible for management of our Salishan properties (seven), consisting of 631 units. As Salishan is in one geographical area, there is a centralized management team to manage those properties. We 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
- Property Performance Review
- Strategic Planning
- Policy Development and Implementation
- Procurement Regulation

Project-Level Reporting

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

Maintenance Operations

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

Acquisition of Goods

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

Acquisition of Services

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

D. Strategic Asset Planning

THA's Asset Management Committee

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

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

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

E. Cost Approach

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

THA developed this approach for the following reasons:

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

Activity Areas

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

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

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

Program Support Center

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

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

Direct Costs

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

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

Table 1: Direct Costs

Indirect Costs (Program Support Fees)

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

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

Project Support Fee

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

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

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc.) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD our special program (FHP, NHT, VASH) will all be charged based on occupancy. The following chart shows how these fees are derived. For Rental Assistance, THA is using the HUD prescribed Management Fee. The Bookkeeping fee is reduced to correspond to a more accurate cost of defined support to the program. The IT fee is also reflective of direct support to the program. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in any remaining Tax Credit AMP to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that Property managers do not have any control over.

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

Table 2: Administrative Support Fee Components

Cost Centers

Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The Property Management source of funds includes Capital Fund, Tenant Revenue, Operating Subsidy, and Other Revenue. By the time this is submitted, THA should be finalizing the conversion of all but five of our remaining Public Housing units in existing Tax Credit entities to RAD.

Rental Assistance

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

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

Client Support and Empowerment (CSE)

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

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

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

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

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

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

Real Estate Development

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

Based on historic and projected activities, the agency estimates that Development activities make up approximately 15 % of the agency support. This figure will be reevaluated annually based on the projects in the pipeline, the funding available to support the activities, and current staffing levels. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

Other Considerations

Personnel

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

Rent

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

Differences – HUD Asset Management vs. THA Local Asset Management

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

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

Program Support Allocation Detail - The following chart is based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2020.

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2020 Projected					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers-	150			150
	Hillside Terrace Relocation Vouchers	103			103
	Wedgewood TPV	48			48
	Tahoma House TPV	6			6
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			182	182
	RTH RAD Vouchers	456			456
	Bay Terrace 1 RAD Vouchers	26			26
	Salishan 1 - 6 & Hillside 1 & 2 converting in 2019	343			343
Property Management: Local Fund Units	Salishan 7			91	91
Property Management	RTH1		150		150
Renew Tacoma	RTH2		162		162
Housing	RTH3		144		144
Property Management: Tax Credit Partnerships	Hillside Terrace		21		21
	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace 1		70		70
	Bay Terrace 2		74		74
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
3rd Party Managed - 50 % equivalency	Highland Crest			36.5	73
	James Center North - Unit equivalents estimate-			10	20
	New Look		24		48
	Outrigger Apts.			24.5	49
	Prairie Oaks			7.5	15
	Total Units				6,576
	Total Units for Allocation purposes	4,675	1,226	573	6,474
Development	THA MTW Support -15%	148			148
	THA as Developer - 85%			838	838
	Unit Equivalents - 15% of Total Units available for allocation	148		838	986
	Total Units/Unit Equivalents - 15% of Units	4,823	1,226	1,411	7,460
Program Support Center Equivalencies (% of All Units)		64.65%	16.43%	18.92%	100%

Appendix B: Rent Burden Calculation

THA has defined ‘successful’ self-sufficiency outcomes for work-able families in its ESHAP, Traditional MTW, HOP, and FSS programs to be those that exit (or graduate) the program with a market rent burden not exceeding fifty percent. In exiting THA-subsidized housing with a market shelter burden of less than fifty percent, THA believes the family would have reached an adequate level of self-sufficiency to move off subsidized housing, thus giving another family from the waiting list a chance at benefiting from the program.

THA has determined that rent burden will be the primary metric used to assess self-sufficiency across its MTW initiatives. Whereas shelter burden is the percentage of household gross income paid towards rent and utilities, rent burden excludes the utility component. In federally subsidized housing, households have typically paid thirty percent of their income towards rent and utilities.

Methodology

Current (or actual) rent burden is based on what the household is paying today in terms of their subsidized rent. Current rent being paid by a household is the numerator in the rent burden formula. For voucher programs, current rent will be the remaining after ‘HAP’ is subtracted from ‘Contract Rent.’ For non-voucher programs, rent in the numerator will be based solely on ‘Tenant Rent’. The denominator for all rent burden programs will be household monthly gross income (‘Annual Gross Income’ as shown in Open Door divided by twelve to get a monthly figure). To calculate the current rent burden, current rent will be divided by the household gross income.

Market rent burden assumes the household is paying an unsubsidized market rent. THA’s latest payment standards for the HCV program will be applied to each household based on the voucher size (for voucher households) or actual unit size (‘Bedrooms Unit’ as shown in Open Door) for non-voucher households in order to estimate a market rent. These payment standards will be used to estimate market rent for all THA households including those in non-voucher program programs such as Public Housing, RAD and tax credit situations. To calculate the market rent burden, the market rent (‘Payment Standard’ in Open Door) will be divided by monthly household gross income (‘Annual Gross Income’ as shown in Open Door divided by twelve to get a monthly figure).

To calculate rent burden, each variable in the formula as outlined above will be summed across all households in specific populations and used to calculate rent burden, rather than averaging the individual rent burdens. In other words, the sum of all household rents (or payment standards in the case of generating a market rent burden) will be the numerator; and the sum of all household monthly

gross incomes will be the denominator. The rationale for this aggregated approach is that households with very low incomes can drive extraordinarily high rent burdens, which could skew average rent burdens disproportionately higher. Use of a median rent burden was also considered but it was determined the aggregated approach would generate similar numbers and be less prone to calculation errors.

Appendix C: THA's Strategic Objectives with Performance Measures

1. Housing and Supportive Services

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

To meet this objective THA will:

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

2. Housing and Real Estate Development

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

To meet this objective, THA will:

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

3. Property Management

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

To meet this objective, THA will:

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

- Consult with customers in advance of any policy changes 100% of the time.

4. Financially Sustainable Operations

THA seeks to be more financially sustaining.

To meet this objective, THA will:

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

5. Environmental Responsibility

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

To meet this objective, THA will:

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

6. Advocacy and Public Education

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

To meet this objective, THA will:

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

7. Administration

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

To meet this objective, THA will:

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

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