Tacoma Housing Authority
MOVING TO WORK REPORT 2021

Submitted: March 31, 2022

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Section I: Introduction and Overview

This report covers January 1, 2021 through December 31, 2021.

In 2021, the COVID-19 pandemic continued to impact the health and economic wellbeing of THA's residents, staff, and community stakeholders. Despite these challenges, THA continued to be adaptive to the needs that arose in order to make our organization stronger and more responsive to the community and people we serve. We balanced our work to address what is most necessary to meet basic needs for our clients, such as continuing our Emergency Operations when it was necessary to protect the safety of our clients. At the same time, we leaned on our data and evaluative capacity to assess the outcomes of our programs and initiate change processes to operate more effectively in the future. For example, 2021 spurred the process of the Children Savings Account (CSA) program redesign, the exploration of potential FSS programmatic changes, and changes to the fixed-subsidy and time-limited nature of the Housing Opportunity Program (HOP) in order to explore more impactful outcomes for clients enrolled in THA's programs.

We continued to use the Design the Hill Master Plan, in which there was a rigorous and dedicated community consultation process from Hilltop residents and partnering organizations, as THA's *North Star* as we carry on the next phase of design and development. Housing Hilltop continues to serve as a model for how to leverage similar community-focused approaches with other large-scale properties we intend to acquire or develop.

This was also a substantial year for aligning our programs with community partners, such as collaborating with Pierce County for the successful implementation of the Emergency Housing Vouchers (EHVs) to serve people experiencing or at-risk of homelessness. This complemented THA's continued commitment and investment in the homeless response system that became increasingly strained as the pandemic worsened housing instability for the most vulnerable and economically insecure.

The dedication of THA's staff allowed us to launch new client-facing programs, such as 2Gen, as well as build from successful initiatives launched in recent years, such as the Renter Readiness Certification and the Landlord Advisory Group. Staff also expressed their creativity and nimbleness as they re-worked processes online and made services mor accessible, including the implementation of additional online interfaces and remote capabilities for briefings, inspections, and recertifications.

Finally, we understand there are systemic inequities that impact our programs and people's access to secure, affordable housing. THA made it a priority to embed equitable principles within our work, such as adjusting policy practices that would most likely have disproportionate impacts on Black, Indigenous, and People of Color (BIPOC)-headed households. One starting point was beginning THA's diversity, equity, inclusion, and belonging (DEIB) work within the organization, and centering the evaluation of outcomes by race, ethnicity, and additional demographic categories, as we did in the HOP assessment. These are the first steps in understanding the scale of the long road ahead to operate programs that authentically center diversity, equity, inclusion, and belonging and we recognize there is much more work ahead for THA and public housing authorities (PHAs) alike.

THA believes that the nature of being a Moving to Work PHA means embracing change, and with that focusing on where things are going right and course correcting when there are indications of a better path forward. In 2021, we continuously committed to this and established a foundation on which to continue in 2022. Our MTW flexibility helped THA make all this possible.

LONG TERM GOALS & OBJECTIVES

Tacoma Housing Authority's Board has chosen the agency's seven strategic objectives, each with performance measures that guide the agency through the coming years. We summarize them on the following pages and provide full detail as an appendix item, see Appendix C: THA's Strategic Objectives with Performance Measures.

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

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

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

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

4. **Financially Sustainable Operations**
   THA seeks to be more financially sustaining.

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

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

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

SHORT TERM GOALS & OBJECTIVES

The pandemic required THA to continue adapting and pivoting to achieve our core mission of providing access to quality, affordable housing while staying authentic to THA's social justice-oriented mission. That work included managing a large and varied portfolio of properties that house marginalized 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 the delivery of food to seniors and other high-risk households.

We highlight the following goals and objectives that continued to drive THA's work in 2021:

Aid in Post-Pandemic Response and Recovery

The COVID-19 pandemic has dramatically disrupted the lives of THA households, staff, and community partners. We anticipated that we would need to continue to adapt, adjust, and respond to resident and community needs as they arose throughout 2021. It was important to ensure THA residents and the broader community of low-income households had access to resources recently made available through the American Rescue Plan Act. As such, we partnered closely with Pierce County and the Continuum of Care to begin the lease-up of 135 Emergency Housing Vouchers dedicated to households who are homeless or facing housing instability.

At the same time, we needed to ensure our current policies were not serving as a barrier to those most in need and could continue to be responsive. In 2021, we used our MTW flexibility to ensure continuity of operations as the COVID-19 pandemic continued. These flexibilities would also serve as the blueprint for THA, should any future national emergencies occur that would disrupt our ability to connect with and serve our households. These flexibilities are described in Appendix D: THA's Emergency Operations.

Creating and Preserving Affordable Housing

Tacoma's rental market continues to grow more expensive and inaccessible to low-income households. Our voucher subsidy struggles to keep pace with the rising rents. Our clients must compete for fewer vacancies with other households that have stronger credit and rental histories. In response, THA is building, buying, and redeveloping properties that we then keep permanently affordable for people with low incomes. Below are highlights of some notable development projects in 2021:

Leasing-up The Arlington Drive Youth Campus and The Rise on 19^{th}

The completion of Arlington Drive Youth Campus and The Rise on 19^{th} were a primary focus for our agency this year. Despite the troubles COVID-19 brought with it this year, we are grateful that these two important development projects remained on schedule. Combined, both developments provided over 100 units of housing dedicated to serving young adults, families and Veterans experiencing homelessness. Leasing began in late-2020 and was completed in early 2021.

Housing Hilltop – a neighborhood plan for affordable housing, retail, and community public space

In 2021, we dedicated 57 project-based vouchers for studio units that will provide permanent supportive housing. We began design work in 2020 and continued this process with input from the community throughout 2021, including the exterior façade design and art and input on the community public spaces.

Home at Last—a partnership with the YWCA Pierce County

In spring 2021, the YWCA Pierce County began leasing its Home at Last property. The property includes a total of 54 new permanently affordable housing units for people overcoming domestic violence and people experiencing homelessness. Of the 54 apartments, 30 have THA's project-based voucher assistance.

Providing Support and Resources to our Clients

Amid ongoing uncertainty associated with the pandemic, it was critical for THA to remain steadfast in building meaningful partnerships and uncovering resources to provide THA residents with the supports and services they need to stay stably housed and pursue their aspirations and goals. THA's Client Support and Empowerment Department supported this goal in 2021 through the following activities: initiating the redesign and implementation of its Family Self-Sufficiency (FSS) program to develop an attractive and equitable program that centers the whole family; providing support to families with children in middle school and/or high school by providing targeted resources, programming, and staff support to children and adults in the household through the recently implemented Two Generational Program (2Gen); and launching the redesigned Children's Savings Account (CSA) program that provides a $500 contribution when a student opens a GET 529 prepaid college tuition account and ongoing services, support, and education to help the student and family meet their long-term educational and career goals.

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

While THA has always seen itself as a social justice agency with a technical mission, we acknowledge to do this work right we must center diversity, equity, inclusion, and belonging (DEIB) in *all* aspects of our operations, programs, and services. In recent years, THA has taken concrete steps to advance DEIB within the organization with much more work ahead beyond 2021. This progress includes forming a Diversity, Equity, and Inclusion Committee to help further THA's DEIB work with an initial focus of helping to align Board and staff goals and strategies. The committee oversaw the procurement of a DEIB consultant in late 2021 whose primary goal is to conduct an agency-wide assessment and develop THA's strategic plan to drive our DEIB work moving forward.

Continually Improve Operations, Programs, and Services

As an innovative PHA that holds the quality of its programs to the highest degree, it is important to continuously learn and evolve our operations, programs, and services to ensure we can better meet resident needs, ease the administration of THA's housing programs, and improve our operational systems. In 2021, THA began assessing its current IT software platform and exploring other options that could benefit THA operations, customer service, oversight, and reporting. THA sought a comprehensive tool that would connect the organization and better manage data, enabling us to make data-driven decisions and continually improve operations and programs, resulting in the selection of Yardi. We also continued to closely monitor and evaluate the outcomes of our time-limited, fixed rental subsidy, the Housing Opportunity Program. The increasingly expensive and out-of-reach housing market coupled with the devastating economic impacts of the pandemic, particularly on historically marginalized populations, require THA to assess the effectiveness of this model in addressing the needs of the individuals and families we serve. It is through this continuous quality improvement that we become a better PHA to serve our residents and community.

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		
Hilltop Lofts	**57**	**57**	**No**	**Studio units of permanent supportive housing for individuals exiting homelessness**

57	**57**	**Planned/Actual Total Vouchers Newly-Project Based**

*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:

N/A

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		PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Arlington Youth Drive	58	58	Leased/Issued	No	Youth and Young Adult Housing
Bay Terrace 1	20	20	Leased/Issued	No	THA Family Housing
Bay Terrace 2	52	52	Leased/Issued	No	THA Family Housing
Bay Terrace – RAD	26	26	Leased/Issued	Yes	THA Family Housing
Eliza McCabe Townhomes	10	10	Leased/Issued	No	Mercy Housing Family Housing
Flett Meadows	13	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	147	147	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	8	Leased/Issued	No	THA Family Housing
Hillside Terrace 1500	12	12	Leased/Issued	No	THA Family Housing
Hillside RAD	33	33	Leased/Issued	Yes	THA Family Housing
Hillside 2	13	13	Leased/Issued	No	THA Family Housing
Home at Last	30	30	Leased/Issued	No	YWCA Family Housing

PROPERTY NAME	Number of Project-Based Vouchers		PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Nativity House	50	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	8	Leased/Issued	No	Senior housing
Olympus Apts.	18	18	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	23	Leased/Issued	No	MDC transitional family housing
Rialto Apts.	52	52	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
Salishan 1-7[1]	340	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	290	Leased/Issued	Yes	THA Family Housing
The Rise at 19th	64	64	Leased/Issued	No	THA Family housing
Tyler Square	15	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	456	Leased/Issued	Yes	THA Senior/Disabled Housing
	1,776	**1,776**	**Planned/Actual Total Existing Project-Based Vouchers**		

* 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

[1] Please note: Salishan 7 never had public housing units and will not be found in PIC

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

N/A

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
Construction commenced for Hilltop Lofts, a 57-unit permanent supportive housing development, in which THA entered into a ground lease and partnership agreement with Horizon Housing Alliance as part of the Housing Hilltop plan.
THA will continue to seek to acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).
THA is in discussion with Tacoma Public Schools for acquisition or other possible options for the Gault School site. This includes a role THA may play if the school is demolished and the park across the street is taken out of consideration for development.
THA has sold the last seven lots of in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA received an offer to purchase the lots by a small, minority owned Tacoma based firm. They will be developing 18 market-rate rental units.
THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This left THA with 719 public housing units available for use under Faircloth. THA continued to explore ways to place Public Housing Faircloth units in new acquisitions and new developments.

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 2019, THA converted all but 5 units under the RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA received minimal Capital funds in 2021, yet had funds carried over from 2020 that were reflected in the budget and transferred to 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	60	4	5
MTW Housing Choice Vouchers (HCV) Utilized	49,747	49,511	4,146	4,126
Local, Non-Traditional: Tenant-Based ^	2,396[2]	1,889	200	157
Local, Non-Traditional: Property-Based ^	4,260	4,656	355	388
Local, Non-Traditional: Homeownership^	0	0	0	0
Planned/Actual Totals	**56,451**	**56,116**	**4,705**	**4,676**

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

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

MTW Public Housing – THA recently brought back online a public housing unit that was initially repositioned for use by another service partner but subsequently determined not needed.

LNT: Tenant-Based – Capacity limitations from the contracted TSHAP provider caused an impact on lease-ups this program.

LNT: Property-Based – Some properties experienced higher-than-usual turnover rates for which THA has since worked with the properties to resolve and establish preventative measures.

MTW HCV – Planned number of households served were based on predictions based on information available at the time of analysis. Pandemic-related challenges in the housing market made it more difficult to make predictions and to achieve intended targets, though it should be noted THA far exceeded its utilization goals each month and ended the year with a 101.62% utilization rate on average in 2021.

Local Non-Traditional Category[7]	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	2,396[3]	1,889	200	157
Property-Based	Creation & Preservation of Affordable Housing/16	4,260	4,656	355	388
Homeownership	N/A	0	0	0	0
Planned/Actual Totals		**6,656**	**6,545**	**555**	**545**

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

* 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
THA Consolidated Waitlist	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	1,550	Closed	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 2021, THA maintained and exceeded its 95% utilization goal and consequently did not open its waitlist or issue new HOP subsidies for all households. However, THA analyzed the waitlist data mid-year and identified the need to open our waitlist for large families (9+ persons). With the addition of housing units that could accommodate larger families, THA did a partial opening of its waitlist specifically for households with 9-10 people. The waitlist opening period was between November 15 – December 3, 2021.

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	1
49%-30% Area Median Income	32
Below 30% Area Median Income	177

Total Local, Non-Traditional Households Admitted	**210**

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%	2,234	49.27%	6.69%
2 Person	19.77%	869	19.17%	-0.60%
3 Person	15.62%	620	13.67%	-1.95%
4 Person	10.58%	341	7.52%	-3.06%
5 Person	6.60%	263	5.80%	-0.80%
6+ Person	4.85%	207	4.57%	-0.28%
TOTAL	100%	4,534[4]	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.

[4] 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 in the HUD Form 50900 used to derive "Actual Households Served."

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

We observed a notable difference in one person households because we utilized MTW to direct our subsidies to people experiencing homelessness and other special populations whose household composition tends to include single person households in Tacoma.

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	21	Exited or graduated with market rent burden <=50%
Regional Approach to Special Purpose Housing/15	1	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	4	Exited or graduated with market rent burden <=50%
	4	***(Households Duplicated Across MTW Activities)***
	30	**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 2021.

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 2021.

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 2021 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 voucher for THA developments**
  Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project-based Vouchers. THA received permission through MTW to go above this threshold toward PBVs in projects owned and operated by the agency.

  THA removed the cap on project-based vouchers for its own developments which will allow THA to finance more developments in the future.

- **Established a reasonable competitive process and contract terms for PBV assistance**
  THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing HQS or any standard developed by THA and approved by HUD pursuant to the requirements of this Restated Agreement.

- **In-house Housing Quality Standards (HQS) inspections**
  THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.

- **Modified Choice Mobility options for non-RAD, PBV households**
  THA used this flexibility to waive the Choice Mobility option for PBV households in previous years. THA's board approved policy changes that would allow all PBV holders to exercise CM given that households meet the following conditions: 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.

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

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 providers more easefully to serve households that have experienced homelessness and/or need supportive services provided by the community partners.

Update: There were no updates to this activity in 2021. However, in comparison to pre-pandemic levels, THA conducted significantly less inspections due to the COVID-19 pandemic and social distancing requirements. Beginning March 2020 and continuing throughout 2021, THA limited inspections to initial and turnover inspections only.

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)	$7,110	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 2021.

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 – Starting in 2021, 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 2021. 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 2021 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 over-housed, 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 to transfer to more suitable housing by allowing them to transfer between property-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. Further, a large majority of THA's public housing units have been converted to RAD-PBV. By the end of 2021, THA had a total of 5 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 2021 was (0) zero. It should be noted, starting in the 2022 MTW Plan, THA has closed this activity out, due to the limited number of PH 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	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 2021.

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 2021 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).

THA's hardship policy for MTW-HCV households states that households may submit a written request for a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW elderly/disabled households they must meet one of the following requirements: (1) income changes will require household to pay more than 40% of their income as rent; or (2) household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for households who income-qualified for a hardship to receive one. In 2021, THA has revised its hardship policy to remove the third-party documentation requirements.

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 2021, 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 2021, **1,232** 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.

2021 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 2021 impacted by this activity	$15,899 (33% decrease from baseline)	$8,341 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)	283 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	$252 average monthly tenant share (increase from last year)	Not Met

Hardships: Four households in this program were granted hardships in 2021

Actual Non-Significant Changes:

Emergency Operations: As learned through the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

- **Implement emergency verification policies:** During times of declared emergencies, THA would implement the emergency operations verification policies as outlined in the "Local Income and Asset Verification Policy" activity. This would include treating all forms of verifications equally and allowing participants to self-certify over the phone, by e-mail or other means in lieu of a signature.

- **Extend regular recertification due date**: THA extended the validity of the household's most recent completed recertification by one year. The recertification will be due one year from the original due date.

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 2021 through an Annual MTW Plan amendment.

Challenges in Achieving Benchmarks and Possible Strategies: For CE#5, households in the Tacoma area 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. Additionally, as THA has intentionally sought to align its programs with the homeless response system, THA has been receiving an increasing number of referrals from the Tacoma/Pierce County Coordinated Entry System enabling us to serve more people experiencing or at-risk of homelessness. This population faces more barriers to income progression, as participants tend to have higher service needs and more vulnerability when entering THA's programs than the general low-income population. THA and service partners focus on housing stabilization first with goals of financial self-sufficiency as they continue to be residing in THA's assisted units.

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).

THA’s hardship policy for MTW-HCV households states that households may request in writing a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW work-able households they must meet one of the following requirements: (1) income changes will require household to pay more than 50% of their income as rent; or (2) household has zero income. THA also requires that MTW work-able households show that they have applied for unemployment. THA’s hardship policy previously required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for households who income-qualified for a hardship to receive one. THA removed this verification requirement.

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 2021, **1,539** 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)	$19,361 staff costs	Not 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)	657 staff hours	Not 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	$731 (50% of 2-BD payment standard)	$435 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	$28,476 *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	471 households	Not met
	21%	45%	31%	Not met
2) Employed part-time	446 households	693 households	262 households	Not met
	29%	45%	17%	Not met
3) Enrolled in Educational Program	0	TBD	NA	In progress
	0%	TBD	NA	In progress
4) Enrolled in Job Training	0	TBD	NA	In progress
	0%	TBD	NA	In progress
5) Unemployed	Cannot establish baseline	154	806	Not met
		10%	52%	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	220 work-able households (14% 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%	Exited with market rent burden <=50%: NA Average market rent burden (all traditional work-able): NA	50% of exiting or graduating households will have market rent burden <=50%	Exited or graduated with market rent burden <=50%: 21 households (70% of all W/A exits) Average market rent burden (all traditional work-able): 78%	Met

Hardships: Four households in this program were granted hardships in 2021.

Actual Non-Significant Changes:

Emergency Operations: During the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

- **Implement emergency verification policies:** During times of declared emergencies, THA would implement the emergency operations verification policies as outlined in the "Local Income and Asset Verification Policy" activity. This would include treating all forms of verifications equally and allowing participants to self-certify over the phone, by e-mail or other means in lieu of a signature.

- **Extend regular recertification due date**: THA would extend the validity of the household's most recent completed recertification by one year. The recertification will be due one year from the original due date.

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 2021.

Challenges in Achieving Benchmarks and Possible Strategies: For SS#3, THA initiated a process that sought to track the number of households enrolled in an educational and/or job training program for this population; however, THA has experienced limitations with its administrative data system. THA will transition to a new vendor in 2022-2023 that will better serve our data needs. As we begin the data system transition, THA will review its capabilities to determine the relevance and viability of reporting on these measures continuously. Regarding outcomes for the household contribution towards housing assistance and employment, household incomes are stagnant and not rising as rapidly as increasing rental costs in the private market. Since the rental subsidies are income-based, THA absorbs more of the rent payment. It should also be noted that THA has intentionally sought to align its programs more with the homeless response system. As such, THA has been receiving an increasing number of referrals from the Tacoma/Pierce County Coordinated Entry System and serving people experiencing or at-risk of homelessness. This population faces more barriers to income progression, as participants having higher service needs and vulnerability when entering THA's programs. THA and service partners focus on housing stabilization first with goals of financial self-sufficiency as they continue to be residing in THA's assisted units.

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.

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 2021 there were only **six (6) 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	$59	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 2021.

Actual Non-Significant Changes:

Emergency Operations: During the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

- **Weigh all forms of income verification equally:** THA would accept self-certifications for income with equal weight as other forms of income verifications. THA will allow households to self-certify over the phone, by e-mail or other means in lieu of a signature. This policy was consistent with allowances from HUD's coronavirus waivers through HUD PIH 2021-14 (HA).

Actual Changes to Metrics/Data Collection: No changes to metrics or data collection for this activity in 2021.

Actual Significant Changes: No significant changes were made to this MTW activity in 2021 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.

With MTW flexibility THA revised its interim processing and verification policies in the following ways:

- THA will no longer require an interim increase for every income increase reported;
- THA will only process interim decreases when the income loss is 20% or more *and* is expected to last more than 90 days;
- THA will accept all interims online.

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 2021, THA processed **79 interims** that were due to a notable decrease in the family's income. Of the total reported changes of income THA received, most of them 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	$1,869 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	63 hours to process rent decreases	Met

Hardships: Of the interims completed in 2021, THA processed **28** COVID-19-related extensions for households with time-limited subsidies in 2021.

Actual Non-Significant Changes:

Emergency Operations: During the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

- **Remove 90-day and 20% rule requirements**: During states of emergencies, THA would remove the 90-day requirement and the 20% rule for processing interims for income decreases.

- **Implement emergency verification policies:** THA would implement the emergency operations verification policies as outlined in "Local Income and Asset Verification Policy" activity. This will include treating all forms of verifications equally and allowing participants to self-certify over the phone, by e-mail or other means in lieu of a signature.

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 2021 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 Housing Authority has calculated the average utility allowance currently provided to housing choice voucher and public housing program participants, and revised allowances. The revision provides each household responsible for tenant supplied utilities with the average allowance based upon unit bedroom size. Households have a more simplified explanation of utility allowance benefits and the Housing Authority staff now selects an allowance based only on unit size instead of determining individual allowances for every unit leased.

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 check 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 2021.

CE # 1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	$6,793	$3,397	$1,165 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	39 hours	Met

Hardships: No households requested hardships due to this activity in 2021.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2021.

Actual Changes to Metrics/Data Collection: No changes in 2021.

Actual Significant Changes: No significant changes were made to this MTW activity in 2021.

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 2021 there was a total of **205 households** in billing status. This is a 120 household decrease from the baseline of 325 households prior to implementation of this activity in 2011**.** Beginning in 2021, THA updated this policy to allow port outs occurring within Pierce County boundaries due to the increasing circumstances in which households look to different housing options in other parts of the county. This practice was aligned with policies already enabled by HUD through the implementation of the HUD Emergency Housing Vouchers with Pierce County starting mid-2021.

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)	$6,721	Not met

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)	275 hours	Not met

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2021.

Actual Changes to Metrics/Data Collection: THA removed the metric for CE #1 (b): Agency Cost Savings – Port Out Administrative Billing, as this metric was duplicative of CE#1 (a).

Actual Significant Changes: No significant changes were made to this MTW activity in 2021.

Challenges in Achieving Benchmarks and Possible Strategies: THA did not meet its benchmark as the majority of port-out requests were due to emergency transfers and reasonable accommodations, all reasons which are allowed under this policy and for which THA continues to support when households submit requests.

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) to serve 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.

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.

Update: At the end of the year, THA's Rapid Rehousing investment reached 190 households who were experiencing homelessness in Tacoma/Pierce County in 2021. By the end of 2021, 32% of Rapid Rehousing households experienced increases in their overall income, with the median change for households being $895. There were 12% of households who changed their earned incomes, with the median change in earned income being $1,148. Of households who exited projects to permanent housing over the past two years most remained housed – 82% of households did not return to homelessness within 24 months.

In 2021, TSHAP provided 109 households with housing and/or supportive service assistance. Of these, 47 were one-time payments for households needing preventative or diversion assistance and 62 households received Rapid Rehousing services which helped them exit shelters or the streets into private housing. By the end of 2021, 25% of TSHAP households experienced increases in their overall income, with the median change for households being $1,480. There were 12% of households who changed their earned incomes, with the median change in earned income being $1,598. Of households who exited projects to permanent housing over the past two years most remained housed – 82% of households did not return to homelessness within 24 months.

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	$0	$150,000	TSHAP (for period 3/2020 – 12/31/2021): $400,000 for housing and supportive services from Pierce County; $356,461 for supportive services from THA philanthropic funds; $35,646 for administration from Pierce County; $125,000 for THA program oversight from Tacoma Public Schools	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).	0 households	120 households	109 unique TSHAP families and 190 unique RRH households housed in 2021.	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: 1 household (1% of all RRH exits in 2021)	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	109 unique TSHAP families and 190 unique RRH households housed in 2021.	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	109 unique TSHAP families and 190 unique RRH households housed in 2021.	Met

Actual Non-Significant Changes: Since the launch of TSHAP in fall 2020, THA has been consistently monitoring the progress of the program and has identified ongoing programmatic challenges due to a lack of technical capacity and staff resources from the contracted provider. THA also found TSHAP to be additionally duplicative and burdensome for Pierce County and THA to administer. Because of these findings, THA is sunsetting TSHAP at the completion of the contract term, which is now at the end of 2022. As it gets closer to the end of the program, THA will re-evaluate options with the County and Tacoma Public Schools to determine how to redirect THA's investments for homeless students and their families more effectively.

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 2021.

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: This MTW activity allows THA to activate its broader uses of fund flexibility so the agency can dedicate MTW dollars to the construction and acquisition of affordable housing units. These affordable housing units (rented at or below 80% of AMI) can be any bedroom size and are located WITHIN the City of Tacoma. All units would require HQS inspections per PIH Notice 2011-45. THA also recognizes that this entire activity is under the parameters of PIH Notice 2011-45 under the category of Rental Subsidy Programs. THA will abide with PIH Notice 2011-45 when implementing this activity.

THA seeks to increase housing choices for low-income families using as many avenues as possible. THA uses this flexibility in various ways. The following details how THA has used MTW flexibility on the construction and acquisition of affordable housing units:

1. **Property-Based Rental Subsidies**

   This activity will include the use of MTW funds for Property-Based Rental Subsidies to make contributions to properties that agree to make units available at a rental price affordable to very low-income households. Under this activity, THA would contract with properties owned in whole or in part by THA or with other private owners. Under these contracts, owners would agree to set rents at prices affordable to households making up to 50% of area median income (AMI). Rents would not be based on tenant income but rather would be fixed rents with fixed subsidies based on the AMI restrictions set by unit or by property. Owners agreeing to make units affordable to households earning 30% of AMI may receive subsidies that are higher than properties set aside for households earning 50% of AMI. The rents and subsidies would be set 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. HUD Fair Market Rents will not be used to set rents.

   During the application and negotiation process the property owner commits to serve households below 30%, 40% and/or 50% of the area median income (AMI) (see table below for these income levels). Based on the income levels chosen, the property owner advertises its vacancies at rents equal to the maximum rents for the low-income housing tax credit program for each income level. Households living in these properties would not use other THA subsidies to assist with rent.

2021 maximum rents (HERA rent limits) in Pierce County are shown on the table below.

Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
30%	478	512	615	710	792	874
35%	558	598	717	829	924	1020
40%	638	683	820	947	1057	1166
45%	717	768	922	1065	1189	1312
50%	797	854	1025	1184	1321	1458
60%	957	1025	1230	1421	1585	1749

2. Acquisition

THA seeks to acquire existing rental housing throughout Tacoma and in particular, neighborhoods where THA doesn't have a strong presence. 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. These properties are acquired with a combination of bond, HOME, CDBG local impact investors and THA resources. For future new construction or re-developments THA intends to use GCCM or design build as a form of design and/or construction procurement for construction projects.

THA plans to use MTW dollars to pursue the following projects that are in THA's Real Estate Development pipeline:

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

  Phase I will be 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, will be done with a local non-profit partner. Phase II will be orientated toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units.

This historically Black neighborhood is rapidly changing and signs of gentrification and displacement are evident. The goal is to provide housing for those who are in danger of or who have been displaced. With its close proximity to downtown and the hospitals, its many current and future mass transit options, and the neighborhood's history as an artist community, THA's new units will provide affordable housing to low wage earners close to transit and employment and serve as a catalyst for inclusive growth and development of Hilltop. It will also help this gentrifying area remain affordable to lower income households.

- **The 1800 Hillside Terrace**: This activity was used in 2012 to help with the development of Bay Terrace, formerly Hillside Terrace. Phase 1 (2014) and Phase II (2017) for Bay Terrace are completed and the units are being occupied. THA will complete the third phase of Hillside Terrace redevelopment plan. The Rise on 19th (Phase III) will continue the theme of a strategic investment in the Hilltop neighborhood through the production of high quality, well designed multifamily units that integrates into the neighborhood, takes advantage of public transit and ensures that affordable rental housing will be available in the neighborhood for years to come. The Rise on 19th provides an additional 64 rental housing units in a mixed-income setting.

The Rise on 19th

	1-BR	2-BR	TOTAL
Low Income	24	12	36
Homeless	8	6	14
Disabled	8	6	14
TOTAL	40	24	64

A set-a-side of 20% of the units serves individuals with disabilities, an additional 20% set-a-side serves households experiencing homelessness and 28 units are filled with families with children.

The unit mix consists of 1- and 2-bedroom homes affordable to households earning between 30% and 60% AMI. A 20% special needs set-a-side is programmed for persons with disabilities and another 20% is for individuals/small families experiencing homelessness. THA provides Project-based Section 8 vouchers for the entire project.

- **Intergenerational Housing:** THA continues to explore an intergenerational housing project and may consider developing this project at Hillsdale Heights. a development project that will serve a multigenerational community where traumatized children receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite care givers, honorary grandparents and tutors to the families. There are more 3,100 children in foster care who need a forever family, a record number of elders who want to stay connected, and parents and families who need support to raise these very special children. This development will be built on a foundation of community services in support of the community. THA will work in partnership to begin planning for this project.

- **Aviva Crossing:** THA acquired a 7-acre retail and commercial area that is a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College. THA has completed a master planning process for this property. Up to 600 units may be developed on this location. THA expects to develop 150 units of housing affordable to households earning 60% or less of the Area Median Income. The balance of the housing will be developed by private sector partners who purchase the land and develop in accordance with the Master Plan Design guidelines. These multifamily properties will offer a mix of commercial and retail space, along with market rate rental housing. It is anticipated that this development will add households sufficient to support the retail and commercial spaces, while offering a high quality, mixed income project that will add vitality to the neighborhood.
- **1500 Block:** THA proposes to redevelop a property referred to as the 1500 Block. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC.

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. In 2020, two assisted living facilities serving Medicaid Seniors in Pierce County closed 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 also partnered with five properties near the University of Washington – Tacoma and Tacoma Community College to house homeless or near-homeless students.

Acquiring existing rental housing that is affordable to households earning 80% or less of AMI remains one of THA's rental housing preservation strategies. By leveraging MTW dollars in our development and acquisition activities, we have been able to redevelop entire communities, bringing opportunity and resources to areas that are historically underinvested in. It has also led to the success of many private-public partnerships in the building and design of many affordable housing units, which have served as models for other communities.

Update: 2021 was an impactful year and yielded the following results:

- **Property-Based Rental Subsidies:** THA continued to place property-based subsidies in seven (7) different properties – preserving 344 affordable housing units. Two of the properties provide housing and services to Medicaid eligible seniors in need of dementia care. The remaining five provide housing to local college students who are experiencing homelessness.

- **Housing Hilltop:** In 2021, THA entered into a ground lease and partnership agreement with Horizon Housing Alliance for Hilltop Lofts. As part of this partnership, Horizon would develop, own and manage 57 studio and one-bedroom units for permanent supportive housing. Design would be consistent with the Design the Hill Master Plan that was the outcome of an extensive community process. In addition, THA is developing the remaining three properties it owns in the Hilltop with studio, one, two- and three-bedroom homes that are affordable to household earning up to 60% of the Area Median Income. Financing for the projected 200-239 units is a combination of tax-exempt bonds, 4% Low Income Housing Tax Credit (LIHTC) and THA managed funds. THA entered into a Design Build contract with Walsh Construction in October 2021 and the company selected SMR Architects as the design partner. This past year, THA secured funding from Amazon's Housing Equity Fund to help finance the project.

- **The 1800 Hillside Terrace:** Phase III, known as The Rise on 19th, was completed in early 2021 after experiencing some completion delays due to COVID-19. The Rise on 19th provides 64 units of affordable housing, including housing for families exiting homelessness and veterans. THA also converted 14 PBV units to HUD-VASH PBV to address the HUD-VASH voucher challenges and increasing needs for people experiencing homelessness in Tacoma. Another 14 units were reserved for persons with disabilities and their families. The final lease update was May 1, 2021 and THA staff worked diligently in early 2021 to meet their 100% leasing goal. For the lease up process, THA prioritized the use of its transfer waitlist to fill vacant units. This was a strategic decision to fill vacancies quickly, as the newly available units at The Rise helped to provide right-sized housing for households who became over- or under-housed in THA's portfolio and for which there were no alternatives.

- **Acquisition:** In 2021, THA continued to pursue new acquisition or development opportunities to find opportunities to create or preserve affordable housing. This past year, THA authorized the acquisition of North Highland Court Apartments, a 35-unit property with 28 one-bedroom units and 7 two-bedroom units. THA also authorized the acquisition of the Saravida property.

- **Intergenerational Housing:** THA staff are in discussion with Bridge Meadows of Portland, OR. Initially staff partnered with Bridge Meadows to conduct a Feasibility Study to evaluate the development of two independent housing developments at the Hillsdale Heights property. The land ownership ratio changed the direction of the study and at the end of 2021, Bridge Meadows is exploring the feasibility of developing the site on their own. THA staff and Bridge Meadows will continue these discussions in 2022.

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 2021.	0 units	200 units	The Rise – 64 units	In progress

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	Met

			Koz on Puyallup – 64 units MDC Campbell Court – 10 units Bay Terrace – 26 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	62 households	Highland Flats – 11 households Crosspointe – 3 households Cascade Park Vista – 11 households Cascade Park Gardens – 34 households Koz on Market – 15 households Koz on Puyallup – 4 households Campbell Court – 10 households	Met

Actual Non-Significant Changes: No non-significant changes or modifications to the MTW activity were made in 2021.

Actual Changes to Metrics/Data Collection: No changes were made to the metrics or data collection process. In 2022 THA will review the benchmark and determine if it needs to be adjusted to reflect a multi-year strategy for acquiring the targeted number of units, as new affordable housing development and acquisition takes time.

Actual Significant Changes: No significant changes in 2021.

Challenges in Achieving Benchmarks and Possible Strategies: There are no challenges related to this activity. Note that HC#1 reflects a multi-year strategy to develop or acquire properties, as this process can be time and labor intensive. THA is seeking every possible avenue to pursue this activity where it is financially feasible and opportunistic to meet THA's core mission.

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 the tenant-based voucher program receive a HOP subsidy. A HOP subsidy is a fixed subsidy as opposed to a subsidy based on income. That includes senior/disabled households. Work-able households have a five-year time limit on their assistance. Households experiencing a hardship may apply for a three (3) month extension for an unforeseen loss of income or up to one (1) year to complete a qualifying self-sufficiency activity. Senior/disabled households do not have a time limit. HOP households have annual reexaminations so THA can monitor the earned income and compare it to its other programs. There are no interim exams in this program. THA does not permit port outs for this program except for domestic violence issues covered by VAWA, Reasonable Accommodations or if the receiving PHA will absorb the voucher. 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. An example of the fixed subsidy is below:

HOP SUBSIDY AMOUNT FY 2021					
Voucher Size (Bedrooms)	1	2	3	4	5
MTW Subsidy Amount (50% of payment standards)	$483	$633	$915	$1,111	$1,278

In 2017, THA implemented a new hardship policy for work-able HOP households. 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%) 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.

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 partnered with the Tacoma Community College (TCC) where THA provides rental assistance to homeless and near homeless students at the community college. TCC provides services designed to help the families succeed so they are ready to be independent of housing subsidies after graduation. The program offers the same fixed subsidy as the HOP program and has a five (5) year limit on assistance. Graduates are considered a success and are given up to an additional 12 months of assistance (not to exceed the five-year limit). The community college handles eligibility and compliance. Participants must be an active student at the community college. Students must remain enrolled and making progress towards a degree or certificate. Since its launch, 143 households have been enrolled in this program. In 2020, THA's Board of Commissioners approved allowing CHAP voucher holders to transfer to UW Tacoma and maintain their rental assistance.

- **CHOP**: THA partnered with the Department of Social and Health Services (DSHS) to provide rental assistance to families who need housing to prevent or shorten their child's foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood as a homeless person. Eligible families that are participating in Family Recovery Court will receive priority for CHOP vouchers.

Impact:

HOP and CHAP: Upon their last year receiving assistance, each HOP cohort has experienced 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. Wages have not kept pace with Tacoma's rental market – meaning many households exiting HOP will struggle paying their rent without a subsidy. We observe similar challenges with CHAP, as the shallow subsidy does not bolster CHAP household's income enough to afford housing in the private market. A recent evaluation found that only one-quarter of CHAP participants lease-up and those that do tend to show stronger pre-existing navigational and academic skills.

THA initially made the decision to feature fixed and time-limited subsidies for work-able households at the intention of reaching more households. In some ways THA achieved this, since 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. However, THA completed an assessment in 2021 of HOP participants and found that HOP participants had less positives outcomes than traditional HCV participants whose vouchers were income-based and not time-limited. THA found that HOP participants had lower income increases, lower likelihood to exit under positive circumstances, and lower success rates for leasing up units than their HCV counterparts. The results were even more evident when examining data by race, as households who were Black, Indigenous, or other People of Color (BIPOC) experienced positive outcomes related to income increases and leasing up when receiving an income-based subsidy like HCV, as opposed to a fixed subsidy like HOP. Please view the full HOP assessment at Appendix E: Assessment of the Housing Opportunity Program. Because of these results, THA is reconsidering current HOP policies that have turned out to be at best, ineffective, and at worst, punitive, particularly the time limitation and fixed subsidy components. At the end of 2021, THA was in public comment and THA anticipates final decisions to be made in 2022 regarding the future program design of HOP and CHAP.

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:

At the end of 2021, 428 households were receiving assistance through HOP. Of these households, 257 (60%) were considered work-able and 171 (40%) were elderly and/or disabled households. 60 households were receiving assistance through CHAP and 18 households were enrolled in CHOP. Across all cohorts and HOP programs, 25 households exited in 2021. Of those, 8 households who were work-able exited with a shelter burden at/or less than 50%.

This year, the 2016 work-able HOP cohort reached their five-year end mark. Normally, this cohort would have exited the program after reaching the five-year time limit but, as in 2020, THA has suspended time limits for all time-limited programs as a result of the economic impacts of COVID-19. These terms limits have been extended until the end of 2021. We see a similar upward trend exist among this cohort as with past HOP graduates, as they have higher household incomes on average than the general grouping of all HOP work-able households.

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, as we found in the 2021 HOP assessment referenced in the subsection above. For this reason and the stark outcomes of the HOP assessment, THA is considering changes to the HOP programs that are time-limited and for which the subsidy is fixed. As stated above, the changes should be determined in 2022.

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 *CHOP:* $20,670 *CHAP:* $20,670	HOP All Work-able: $19,488 5th-year Work-able: $21,866 (2016 cohort) *CHOP:* $13,851 *CHAP:* $12,898	HOP All Work-able: Not met 2016 HOP work-able cohort: Met 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	129 households	107	Not Met
	0%	50%	42%	Not met
2) Employed Part Time	0 households	116 households	56	Not Met
	0%	45%	22%	Not Met
3) Enrolled in an Educational Program	0 households	TBD	60 CHAP households	In Progress
	0%	TBD	NA	NA
4) Enrolled in a Job Training Program	0 households	TBD	NA	In Progress
	0%	TBD	NA	NA
5) Unemployed	0 households	13 households	94	Not met
	0%	5%	37%	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: 1 receiving TANF (3% of work-able HOP households from 2016 cohort)	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	29 HOP households participated in FSS (16% 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)	$568 average monthly HAP for HOP-Elderly/Disabled households; $705 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 (62% of total work-able HOP households) Average market rent burden (all HOP): 69% Average market rent burden (HOP 2016 co-hort): 60%	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 2021, except for households exercising choice mobility who were already residing in THA's portfolio units with PBVs.	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)	$9,641 estimated staff cost to conduct HOP reviews in 2021.	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)	327 staff hours spent conducting HOP reviews in 2021	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	• Kresge Foundation: $500,000 to support CHAP – subsidies, data, evaluation, landlord mitigation funds and operating funds. • ECMC Foundation: $10,000 landlord mitigation/operating funds • Rapoport Foundation $65,000 for CHAP-DOC • Foundation for Tacoma Students $50,000	Met

			support for CHAP project manager (ended June 30, 2021) • Bill and Melinda Gates Foundation $45,000 for contract compliance and management	

Hardships: 65 HOP households received a hardship extension under COVID-19 waivers.

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: In response to the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

- **Defer end of participation dates:** THA will delay the end of participation for households when due to program time limits for a specified period of time as determined by the circumstances and need of the agency during a state of emergency.

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:

<u>SS#1: Increase in Household Income</u> – 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.

<u>SS#3: Increase In Positive Outcomes in Employment Status</u> - 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 2021.However, with the results of the HOP evaluation please note we anticipate programmatic changes to be made in 2022.

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 economic mobility. However, meaningful gains in a short period of time are difficult to achieve. For SS#3, THA initiated a process that sought to track the number of households enrolled in an educational and/or job training program for this population; however, THA has experienced limitations with its administrative data system. THA will transition to a new vendor in 2022-2023 that will better serve our data needs. As we begin the data system transition, THA will review its capabilities to determine the relevance and viability of reporting on these measures continuously.

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 2021, 519 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	519 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 2021.

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 2021 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 2021, FSS served 153 families. 13 families graduated from the FSS program with an average escrow amount of $6,805. This is a decrease of $488 from 2020 for the average escrow amount. In 2021, FSS participants continued their work with the embedded financial coach and 22 participants saw an average increase in their credit score by 54 points. 17 participants grew their net worth by an average of $10,405. Five of these participants went from a negative or zero net worth. Two of the 13 graduates purchased homes, utilizing escrow funds for down payments, relocation costs and furnishing their new homes. This number dropped from 2020 as it reflects the tight housing market which is driving up home prices.

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 (decrease) by not having escrow errors.	936 hours	78 hours	0 hours	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).	$9,231	$21,060	$11,724	Not 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	$1,602	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	83 households	54 households	85 households	Met
	54%	35%	56%	Met
2) Employed Part Time	28 households	61 households	35 households	Not met
	18%	40%	23%	Not met
3) Enrolled in an Educational Program	20 households	38 households	32 households	Not met
	13%	25%	21%	Not met
4) Enrolled in a Job Training Program	35 households	31 households	27 households	Not met
	23%	20%	18%	Not met
5) Unemployed	40 households	8 households	102 households	Not met
	26%	5%	67%	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	22 participants or 14% 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	159 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)	$728	Not 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)	$504 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). Percentage of FSS graduates with market rent burden less than 50%.	Exited or graduated FSS with market rent burden <=50%: NA Average market rent burden (all FSS): NA	50% of exiting or graduating work-able households will have market rent burden <=50%	Exited or graduated FSS with market rent burden <=50%: 100% (4 families) of FSS EOPs in 2021 Average market rent burden (FSS participants with earned income above $0): 58%	Met

Actual Non-Significant Changes: No changes or modifications were made to the MTW activity in 2021. However, THA initiated discussions with stakeholders to explore changes to its FSS program that may impact its program eligibility, length of its Contract of Participation, pay points, and types of services rendered by FSS staff in the future. We expect these changes to be determined between 2022-2023.

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 2021.

Challenges in Achieving Benchmarks and Possible Strategies: There have been challenges achieving the prescribed benchmarks as the expensive housing market, increase in living expenses, and employment impact as a result of COVID-19 have only exacerbated these difficulties. In response, THA is currently exploring a possible FSS design to better meet the needs of clients and overcome programmatic barriers to graduation. We expect these changes to be determined between 2022-2023.

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: The program is aimed at developing a savings habit among students and their families and improving academic achievement, graduation rates, college preparation and enrollment. New Salishan is THA's largest community. It is a HOPE VI redevelopment that created a mixed-income community of 1,350 renter and homeowner households on an award-winning design.

At the start of 2021 THA's CSA Program contained following elements, however, it should be noted the program shifted mid-year as described in the Activity update.

Elementary School Stage: When a Salishan student enrolls in elementary school, THA will open a savings account in his or her name. THA will remain the account custodian. THA will make an initial $50 deposit into the account. THA will match the family's deposit into the account up to $400 per year. This match will continue through 5th grade.

Middle School through High School Stage: When students reach 6th grade the match stops. Instead, the student and a counselor will devise a plan with milestones from then until high school graduation and enrollment in college. *E.g.*: improved attendance; improved Grade Point Average; enrolling in the College Bound Scholarship Program; taking the PSAT, SAT and ACT; taking college preparatory courses; applying to college; filling out the FAFSA; getting into college; graduating from high school and starting college. Upon the student reaching each milestone, THA will deposit more money into the account up to $700 per year.

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 more than 205 students and has partnered with the state's 529 program to expand college-savings capabilities to low-income families.

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

Since its launch, the program has enrolled more than 205 students, brought financial education to 1,425 students and has managed to partner with the state's 529 program to expand college-savings capabilities to low-income families.

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	$500 average account balance	Met

Actual Non-Significant Changes: THA adjusted the program in 2021 which includes different criteria for program eligibility, rules for earning CSA dollars, and outlines how participants can maximize the earnings available through THA.

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

Actual Significant Changes: No significant changes were made to this MTW activity in 2021.

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 re-certifications 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	In Progress
SS#3 Number of households enrolled in an educational program (receiving financial aid) as a %	0%	5% (increase from baseline)	TBD	In Progress

Update: THA has updated its processes and began implementing this policy in 2020. THA has biennial and triennial recertification cycles and would likely see the full impact of this activity after one full recertification cycle. As explained in the *Actual Changes to Metrics/Data Collection section*, THA cannot report on interim outcomes for 2021 due to limitations within our administrative data system that we are in the process of resolving with a data system transition.

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2021.

Actual Changes to Metrics/Data Collection: THA initiated a process that sought to track the number of households enrolled in an educational program and received financial aid; however, THA has experienced limitations with its administrative data system. THA will transition to a new vendor in 2022-2023 that will better serve our data needs. As we begin the data system transition, THA will review its capabilities to determine the relevance and viability of reporting on these measures continuously.

Actual Significant Changes: No significant changes were made to this MTW activity in 2021 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 ensures that families could afford to move into the unit when they come to the top of the waiting list. It would also reduce the number of unit turndowns THA receives. For those moving into THA properties, in order to receive assistance through the Security Deposit Assistance Program (SDAP), the household must be at/or below 30% AMI.

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

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

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

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 and 2021, THA was unable to offer security deposit assistance for voucher holders due to lack of funding. However, THA secured funds to operationalize this program again in 2022.

Renters Readiness Certification continues to be well utilized. In 2021, 258 community members participated in virtual Renters Readiness Certification classes with 40 of those completing all three classes and getting a certificate. Beginning in 2020 and in continuation throughout the COVID-19 pandemic, the Landlord Advisory Group quickly became a space to share resources and collectively problem-solve issues facing the industry. For example, 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 their lack of access to federal resources. In these advisory group meetings landlord partners discussed setting up payment plans and the ability to reduce the amount of rent owed to tenants. They also discussed key strategies for 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.

Finally, members of THA's Landlord Advisory Group started planning a landlord education program that launched in 2021. The City of Tacoma, Landlord Tenant and Fair Housing Coordinator are involved in the planning process. As a result, THA conducted trainings and outreach to educate landlords about changes to local and state laws and to connect them to resources to help with rent delinquencies. Please note 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	40 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	In progress

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2021.

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 2021.

Challenges in Achieving Benchmarks and Possible Strategies: While there are no outcomes to report this year for CE#4, we expect this figure to increase in upcoming reporting years since THA's Security Deposit Assistance Program will resume in 2022.

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: Following 2020, a year in which inspection operations were severely impacted by the pandemic, THA began to resume inspections in 2021 and make progress on the backlog. In 2021, we conducted more than 3,000 inspections including facilitating owner self-certifications of over 700 units. THA utilized remote capabilities such as virtual inspections and receiving documentation and paperwork online. THA is developing clearer guidelines to landlords and staff regarding the allowance of landlords to provide evidence (outside of physical re-inspection) that fail items, which are outside of THA's prescribed 'life-threatening' category, have been cured. It should be noted that THA 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.

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 (TBD) (in dollars)	20% decrease from baseline (in dollars)	200 hours	In progress

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 (TBD)	20% decrease from baseline (in hours)	$5,995	In progress

Actual Non-Significant Changes: No changes or modifications to the MTW activity were made in 2021.

Actual Changes to Metrics/Data Collection: Given capacity limitations due to COVID-19 that severely impacted our inspection schedule and methods for in-person inspection, THA is reviewing its data and will establish a new baseline and benchmark that that is appropriate for 2021 forward.

Actual Significant Changes:

Emergency Operations: During the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

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

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

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
In accordance with the requirements of this report, THA has submitted our unaudited information in the prescribed FDS file format through the Financial Assessment System – PHA. The audited FDS will be submitted by September 30, 2022.
Actual Use of MTW Single Fund Flexibility
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: • THA is focusing on housing, employment-related services, and other case management activities that will help families achieve their individual goals. Its Client Support and Empowerment Department also assists tenants with housing stability services. • THA is entering into community partnerships to form new programs and wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, social emotional learning. • THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA's administrative data system as THA seeks to transition to a new vendor in 2022-2023. THA is also making investments to ensure data is aligned in our reporting and visualization capabilities to provide meaningful insight into THA's quality of housing and services. • THA is analyzing its administrative overhead and 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 utilizes its single source MTW funds to obtain land, in addition to existing properties, which is vital for future development of affordable housing in Tacoma.

• THA is partnering with local agencies to create locally designed, non-traditional housing programs. The programs are funded by THA but administered by community partners.

Local Asset Management Plan	
Did the MTW PHA allocate costs within the statue 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

Washington State auditors completed an accountability audit of THA in November 2021 for which there were no findings.

External stakeholders (funders and investors) completed accountability audits of several THA properties throughout 2021 for which there were minor findings and all corrections were acceptable in the following properties:

- Bay Terrace Phase II
- Arlington
- The Rise
- Renew Tacoma

THA compliance staff commenced systematic internal audits in 2021 to ensure programmatic compliance for household income, supporting documentation, household composition, and other eligibility criteria. This included compliance audits for the following properties and programs:

- The Arlington and the Rise properties in THA's portfolio
- Audits for THA's 3rd party managed properties
- Audits for Tax Credit properties.
- Audits for seven of THA's Property Based Subsidy properties

MTW Statutory Requirement

On behalf of the Tacoma Housing Authority, I certify that the agency has met the three statutory requirements of the MTW program in Fiscal Year 2021. This is certification that the agency has met the three 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 2021, 92% of all households were at or below 50% AMI.

Certification of Statutory Compliance 2011			Certification of Statutory Compliance 2021		
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	89%	11%
3	92%	8%	3	86%	14%
4	93%	7%	4	88%	12%
5	93%	7%	5	84%	16%
6	96%	4%	6	85%	15%
7	97%	3%	7	91%	9%
8+	93%	7%	8+	80%	20%

2) Continuing to assist substantially the same total number of eligible low-income families who 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	509	**4,647**
2021 Households Served	5	4,126	545	**4,676**

[i] 104 units public housing were torn down at Bay Terrace in 2013.
[ii] THA received 103 TPV vouchers between July and October 2012.
[iii] In November 2019 THA converted 324 public housing units to RAD-PBVs.
[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.

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%
2021	50%	19%	13%	7%	6%	2%	2%	100%

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Executive Director

MTW Energy Performance Contract (EPC) Flexibility Data

This section does not apply.

Additional Appendix Items

Appendix A: Local Asset Management Plan
Appendix B: Methodology
Appendix C: THA's Strategic Objectives
Appendix D: THA's Emergency Operations
Appendix E: Assessment of the Housing Opportunity Program

Appendix A: LAMP

A. Background and Introduction

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

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

B. Guiding Principles

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

C. Description of Asset-Based Operations

Overview of Organizational Structure

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

Figure 1: Organizational Structure

Description of 2021 Plan

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

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

Asset and Compliance Management

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

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

Project-Level Reporting

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

Maintenance Operations

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

Acquisition of Goods

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

Acquisition of Services

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

D. Strategic Asset Planning

THA's Asset Management Committee

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

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

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

E. Cost Approach

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

THA developed this approach for the following reasons:

1. It allows the agency to easily see the costs directly related to the day-to-day operations of a property or program and determine whether the management of that cost center can support itself. Staff managing the programs and properties will be able to easily discern all related administrative and shared costs. Managers will negotiate if costs are determined unreasonable or if the AMP or program cannot support the proposed fees.

2. One of the goals of the MTW program is to increase administrative efficiency. By charging these costs out as a fee, it will be easier in the future to identify the administrative efficiencies at the program/project level and the indirect costs that support them. The tax credit entity fees paid to THA is based on a % of their Operating Income and is distributed to the various support areas within THA.

Activity Areas

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

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

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

Program Support Center

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

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

Direct Costs

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

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

Table 1: Direct Costs

Indirect Costs (Program Support Fees)

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

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

Project Support Fee

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

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

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

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

Table 2: Administrative Support Fee Components

Cost Centers

Property Management

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

Rental Assistance

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

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

Client Support and Empowerment (CSE)

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

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

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

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

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

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

Real Estate Development

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

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

Other Considerations

Personnel

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

Rent

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

Differences – HUD Asset Management vs. THA Local Asset Management

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

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

Program Support Allocation Detail - The following chart is based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2021

Program Support Center Allocation Detail

Table 3: Total units & Program Support unit equivalencies

Program Support Center Unit Equivalencies - 2021 Projected					
Cost Center	**Funding Source**	**CAH (MTW) Unit Equivalent**	**Tax Credit (MTW) Unit Equivalent**	**Business Activities (Non-MTW) Unit Equivalent**	**Total Units**
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV	150			150
	Hillside Terrace TPV	103			103
	Wedgewood TPV	48			48
	Tahoma House TPV	5			5
	FUP Vouchers			125	125
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			217	217
Rental Assistance: RAD Vouchers	RTH RAD Vouchers	456			Prop Mgt
	Bay Terrace 1 RAD Vouchers	26			Prop Mgt
	Hillside Terrace RAD Vouchers	33			Prop Mgt
	Salishan RAD units	290			Prop Mgt
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		46
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		456
	Arlington Youth Housing		58		58
	Court F (Rise at 19th)		64		64
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
Property Management: Local Fund Units	Salishan 7			91	91
3rd Party Managed - 50 % equivalency	Highland Crest -			36.5	73
	James Center North			15	30
	New Look		24		48

	Outrigger Apts.			24.5	49
	Prairie Oaks			7.5	15
Potential Purchase	Redwood Apts - 215 Units				
	Pine Tree Apts - 60 Units				
	Conifer Apts - 32 Units				
	Total Units/Unit Equivalents	***4,654***	***1,348***	***766***	***6,070***
Real Estate Development	THA MTW Support including CFP	227.75			228
	THA as Developer			683.25	683
	RED unit equivalents (15% of total units)	*227.75*	*0*	*683.25*	
	Total Unit Equivalents	***4,882***	***1,348***	***1,449***	***7,679***
	Program Support Center Equivalencies (% of All Units)	***63.57%***	***17.56%***	***18.87%***	*100%*

Appendix 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.

Appendix D: THA's Emergency Operations

During the COVID-19 pandemic, THA wanted to account for temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. As a result of the pandemic and the state and local emergency declaration, THA temporarily utilized the following activities in 2021:

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

- **Removed 90-day and 20% rule for Interims:** For households with a Section 8 voucher, their rent is based on their income. During normal operations, we only process an interim (change in their rent) if they have lost at least 20% of their household income and that decrease is expected to last more than 90-days. We propose to remove those requirements so that families can find relief during a crisis.
    - *Related Activity: 8. Local Interim Processing and Verification Policies (HCV/PH)*
- **Deferred HQS Inspections**: Inspections require in-home visits and can require more than one trip to a single residence. During a time of crisis when needed, we would defer regular and quality control HQS inspections to the household's next scheduled inspection date. This means that THA may accept a landlord's self-certification that the unit meets HQS or putting off these inspections until we have recovered from the crisis or until the next regular inspection is due, whichever is sooner. For quality assurance (QA) purposes and to retain program integrity, THA would increase its QA inspections and run targeted inspections on units with past of frequent HQS deficiencies.
    - *Related Activity: 25. Modify HQS*

Appendix E. Assessment of the Housing Opportunity Program

December 2021

EXECUTIVE SUMMARY

Over the course of 2021, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

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

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

Leasing

Overall, HCV households showed greater success securing housing than HOP households (82% compared to 64%). Though changes in the rental market have led to lower lease up rates for participants in both programs, HCV households have generally maintained greater lease up rates. However, extremely low-income households (those earning 30% of the area median income or less) with a HOP voucher were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional voucher subsidy.

When comparing lease up outcomes by program and race/ethnicity, rates were somewhat similar for white and Black, Indigenous, and people of color (BIPOC) headed households. Yet, BIPOC households participating in CHAP and CHOP were less successful at securing housing than white households. Additionally, as the market has become more competitive over time, BIPOC households using a HOP voucher have increasingly been unsuccessful at leasing up compared to white shoppers.

Income

HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. A narrower analysis of work-able households housed in 2012-2014 and exited in 2018-2020, found that 85% of HCV households increased their income compared to just 60% of HOP households. The average HCV household's income increased nearly 200% while HOP household's income only increased by 33%.

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP.

Program Exits

PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP and HCV households that exited between 2018 and 2020 to determine the circumstances of clients' exits. The likelihood of HCV households exiting under positive circumstances is double that of HOP households. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits. Only 20% of HOP households exit due to reaching the 5-year time limit. Achieving self-sufficiency (reaching >80% AMI) appears to be as common as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

Rent Burden

Despite HOP households having a higher income than HCV households at entry, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely while on HOP than HCV. CHAP and CHOP households face greater current rent burdens than clients on other programs.

HOP households are more likely to exit with a severe market rent burden than HCV households (77% compared to 60%). Further, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA's voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP (18% compared to 9%). Across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

Racial Equity Impact

Across nearly all demographic groups, households experience increased success on the Housing Choice Voucher. Most significantly, the disparities that are observed in the HOP program are often reduced, if not entirely reversed, when compared to the HCV population. For instance, while both BIPOC and white households have greater lease up success on HCV, the disparity in lease up rates is half what it is on HOP (a difference of 3 percentages points compared to 7 percentage points).

Recommendations

The data leads the PIE department to recommend moving HOP households to the tiered income-based subsidy model used for HCV. This change would benefit two thirds of current HOP households, increasing their housing assistance payment by $211/month ($200 median increase). Those that experience a reduction in their rental assistance will pay an average of $166 more/month ($123 median decrease).

Additionally, we recommend eliminating the time limit on assistance while maintaining administrative efficiencies that have worked well for HOP.

INTRODUCTION

In June 2020, in response to the COVID-19 pandemic and its subsequent economic impacts, the Tacoma Housing Authority (THA) suspended time limits through the end of 2020 for its four time-limited, tenant-based rental assistance programs. As the pandemic continued to take its toll on the local community, the agency decided to extend this moratorium through 2021. Throughout this same time, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three of these time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
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4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The general Housing Choice Voucher (HCV) population was used as a comparison group when data was available.[5]

Following this analysis, PIE provides recommendations for program changes that aim to increase household stability and positive housing outcomes. The recommendations in this report will address the HOP program more generally, with specific CHAP and CHOP program recommendations presented separately in the appendices. First, PIE situates this investigation within the background and context within which the program operates.

BACKGROUND AND CONTEXT

The Development of the HOP Subsidy

The HOP subsidy model was developed in 2013 with the intent to serve more households with a slightly shallower subsidy. At that time, THA was facing budget constraints. Many housing authorities were freezing vouchers, but THA wanted to find a way to continue to serve our households and serve more households with less.

To accomplish this goal, THA went from offering an income-based subsidy to a fixed subsidy model. The HOP subsidy would cover 50% of the payment standard, leaving the household to cover the remaining rent portion. Traditional Housing Choice Vouchers (previously known as Section 8 vouchers) limited a

5 The HCV comparison population was smaller than the HOP population as data on households who entered before 2012 was not readily available. The work-able HCV population was small, limiting PIE's ability to draw conclusions about disaggregated data, especially when disaggregated by race.

household's share of rent to 30% of their monthly income. The housing authority would cover the remaining rent balance.

The aim of the HOP subsidy model is to "thin the soup" and serve more households in return. At the onset of the program, it was estimated that the average household on HOP would spend roughly 34% of their income on rent – slightly above those on the traditional voucher program (which aims for around 30%), but not so much as to cause a significant rent burden.

The flat subsidy is also a way to lessen any confusion for households, landlords, and staff by simplifying the subsidy amount. Landlords and tenants are not subject to fluctuations in THA's payments as a household's income changes. Households know exactly how much THA would contribute to their rent amount once they were accepted to the program. The households can determine for themselves how much they could afford with THA's assistance already set and defined. The fixed subsidy also allows households to increase their income without having to face an increase in their portion of the rent payment. However, it also means they are responsible for their portion of the rent if they lose income.

Additionally, since the subsidy is fixed based on household size at entry, it also meant that clients do not have to undergo the standard annual recertification and verification of income. Recertifications on HOP are less invasive and require less documentation than the traditional voucher – saving time for both the client and THA staff.

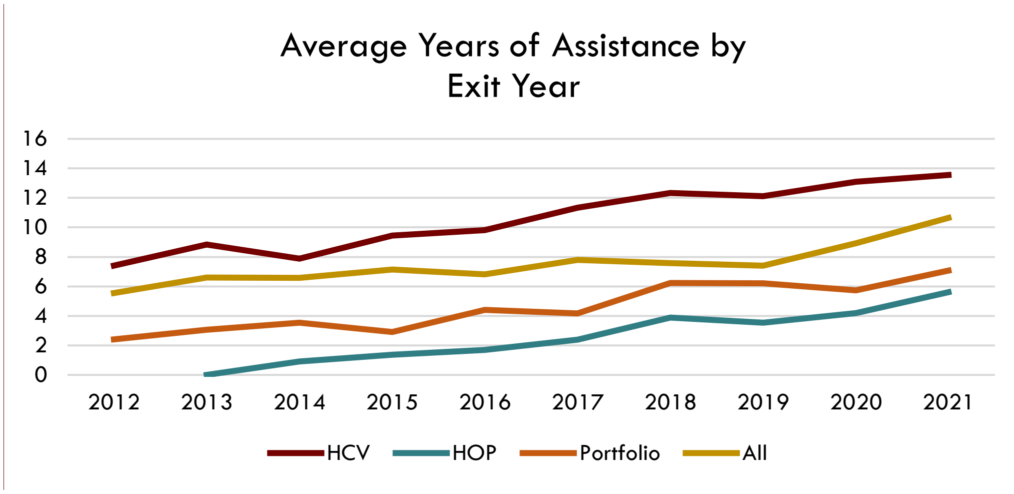
Further, households that are work-able (not elderly or disabled) have a five-year time limit on the program. The time limit is intended to serve two purposes: 1) motivate households to increase their earnings in preparation for the end of their housing assistance, and 2) limit the time on assistance to create more frequent turnover so that households on the waitlist get a turn at receiving rental assistance.

The model has been expanded to serve two populations in addition to new HCV households: community college students experiencing housing insecurity and homelessness and families and foster youth involved in the family court system.

Housing Opportunity Program	Housing Choice Voucher
Fixed Subsidy THA pays 50% of the payment standard. The household pays the **remaining housing costs**.	**Income-based Assistance** The household pays **~30% of income** on rent. THA pays the remaining housing costs.
Voucher Size Based on 2 people per bedroom. Adjusted if household size **decreases**. Does not adjust if household size increases.	**Voucher Size** Based on 2 people per bedroom. Adjusted if a household size **decreases** OR **increases**.
Time Limit No time limit for **elderly/disabled** households. 5-year limit for **work-able** households.	**Time Limit** No time limit for **all** households.
Utility Allowance None.	**Utility Allowance** Factored into subsidy.
Changes in Income The subsidy amount **will not change** if a household's income changes.	**Changes in Income** When income increases, the subsidy amount decreases at the household's next re-certification (every 2-3 years). The subsidy will increase if there is a loss of income.

The HOP Subsidy Today

Since the program was developed in 2013, Tacoma's housing market has become increasingly out of reach for low-income households. A low vacancy rate, in-migration of higher wage earners, and gentrification are driving this trend. Meanwhile, wages among low-income workers have not kept pace with these growing housing costs. Between 2016 and 2019, the median rent in Tacoma increased by 21% while median renter income increased by just 12%.[6] The National Low Income Housing Coalition reported that a minimum wage worker in Pierce County had to work 80 hours a week to afford the fair market rent for a two-bedroom unit in 2020. The impact of these changes can be seen in the following chart. Across both the HOP and HCV voucher programs and the THA portfolio, time on assistance has increased across the board for work-able households.



Specifically, in recent years, exiting HCV households received assistance 30% longer than they were prior to 2018. Portfolio tenants at our family properties remained in their units for nearly twice as long as tenants that exited in previous years. The increased time on HOP, shown in the chart on the following page, is to be expected as the program was being implemented and enforcement of the time limit has been halted during COVID. While the average time is different between programs (and a worthwhile topic for future exploration), the overall trend across programs stresses the importance of how local market conditions and access to unsubsidized affordable housing impact length of assistance.

This situation has only been exacerbated by the COVID-19 pandemic. According to Opportunity Insights, employment rates among Pierce County workers in the bottom wage quartile decreased by 33.3% between January and April 2020.[7] As of December 2020, nearly a quarter of renter households making

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6 Root Policy Research, 2020. https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/D2%20Packet%20-%20Home%20In%20Tacoma%20Project%20(11-18-20).pdf

7 Opportunity Insights, 2021. https://www.tracktherecovery.org/.

less than $25,000/year reported being behind on their rent.[8] Fortunately, government has stepped in to respond to the economic devastation wrought by the pandemic. State and national government instituted eviction moratoria. Congress passed a series of emergency relief bills culminating most recently in the American Rescue Plan Act, which provides a historic investment in new federal housing resources. Finally, the new administration is contemplating universal voucher coverage for qualifying households. Currently, only about a quarter of households who qualify for housing assistance receive it.

A challenging economic outlook for low-income renters in combination with new and deep investment in housing resources require THA take a renewed look at the HOP subsidy model. In addition, eviction moratoria are expiring, allowing landlords to increase rents and bring legal action if renters cannot keep up with the cost of housing and do not qualify for or have exhausted their assistance[9]. HOP households will shoulder 100% of the rent increases whereas HCV households would continue to pay an affordable rent based on their income. This challenging situation adds urgency to this issue.

The following sections look at how current and past HOP participants fare compared to the HCV population. The analysis focuses on four main areas: lease up success, changes in income while on THA assistance, circumstances around program exit, and rent burden at exit. Following the analysis, the final sections detail which demographic groups most benefit from HOP and the financial impacts of eliminating the flat subsidy model.

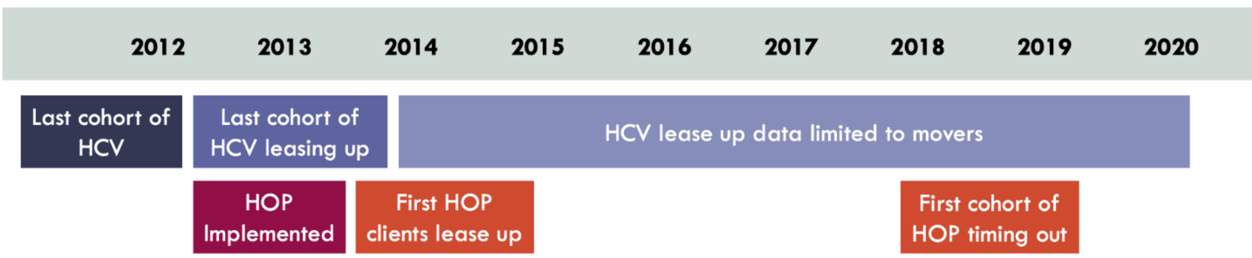
8 Joint Center for Housing Studies, 2021. https://www.jchs.harvard.edu/blog/interactive-tool-illustrates-disparate-economic-impacts-pandemic

9 Rental assistance programs often require that the household demonstrate that COVID has had a direct impact on their employment/wages. Clients whose employment has not been impacted, but simply cannot afford their rent should it increase, will not be deemed eligible for COVID-related rental assistance.

A NOTE ABOUT DATA

THA stopped issuing Housing Choice Vouchers when HOP was implemented. Additionally, the move to Open Door, THA's administrative database, resulted in limited access to data prior to 2012. To ensure sample populations were comparable when looking at entry and exit data, PIE staff had to limit the analysis to the final cohort of HCV participants. These participants were issued a voucher in 2012 and, if successful leasing up, were housed between 2012-14. While this limits the sample set, it does provide a group that we can compare early HOP households to. Both groups entered at roughly the same time and when we look at household that exit at roughly the same time we can control for outside factors that may impact household outcomes. This is especially important since the rental landscape has changed dramatically over the last five years.

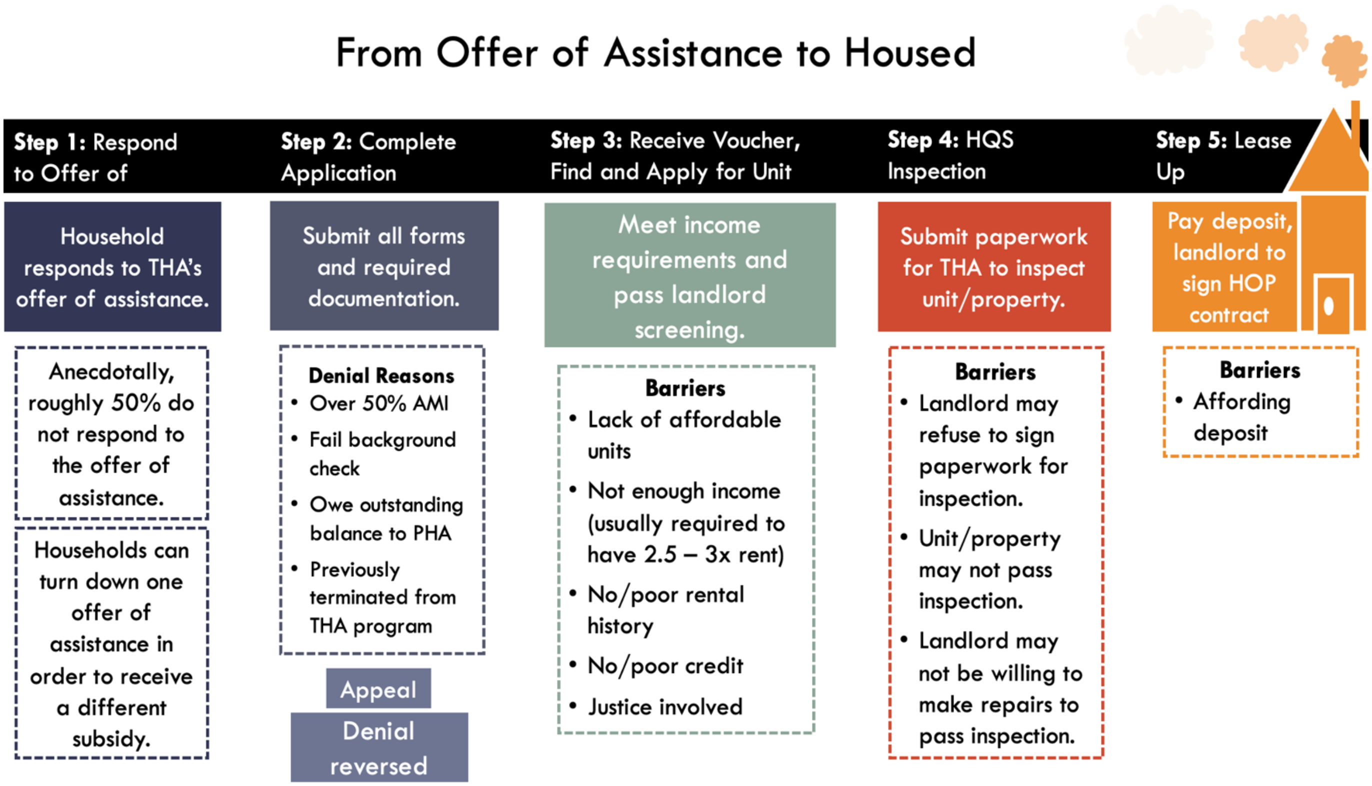
Households moving with an HCV were included in the lease up analysis to see if and how shopping with an income-based subsidy compared to shopping with a fixed subsidy as the rental market became more competitive.



Additionally, HOP data is presented in two ways. Participants in CHAP and CHOP make up nearly 20% of the households receiving a HOP subsidy. However, these are special programs with additional program requirements. Many charts will present the combined HOP data and include a section that separates out CHAP and CHOP from HOP. Additional findings and discussion about CHAP and CHOP are presented in Appendices A and B.

LEASING

All households that receive a HOP or HCV subsidy go through the same process once pulled from the waitlist. Receiving an offer of assistance does not always guarantee that a household will be able to find and secure affordable housing. The following graphic details the process and the barriers that may prevent households from moving forward to the next step.

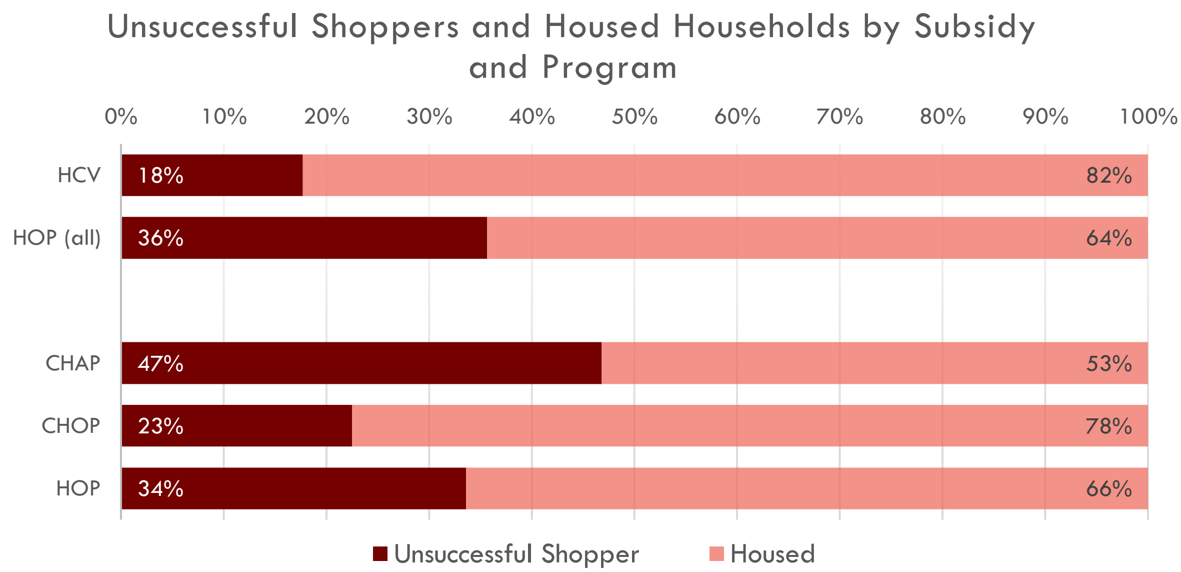


It is important to note that the barriers listed under Step 3 (find and apply for a unit) are additional screening criteria set by private landlords. THA does not have control over how strict the landlord is in defining screening criteria or what level of income they require of tenants to income qualify for the unit.

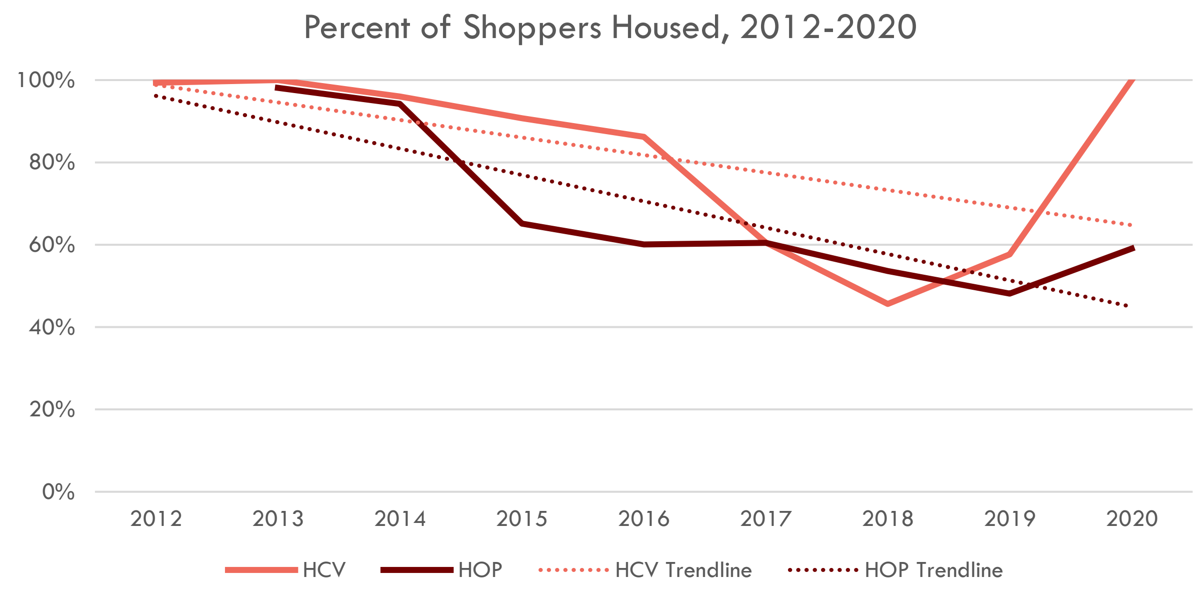
To understand if HOP participants encounter greater barriers leasing up than HCV participants, PIE analyzed lease-up data for all households that were provided a shopping voucher between 2012 and 2020. The data in this section includes new admissions *as well as movers* (this allows us to see how HCV compares to HOP as the rental market became more competitive). When shopping for housing, households are given 90 days. If they are unsuccessful, they may apply for an additional 120-day extension. If they are unable to secure housing in that time, they are defined as an unsuccessful shopper.

HCV households had a greater likelihood of securing housing than HOP households.

The vast majority (82%) of HCV households were successful in leasing a unit compared to 64% of HOP households. Participants in the College Housing Assistance Program (CHAP) were the least likely to have success using their voucher.



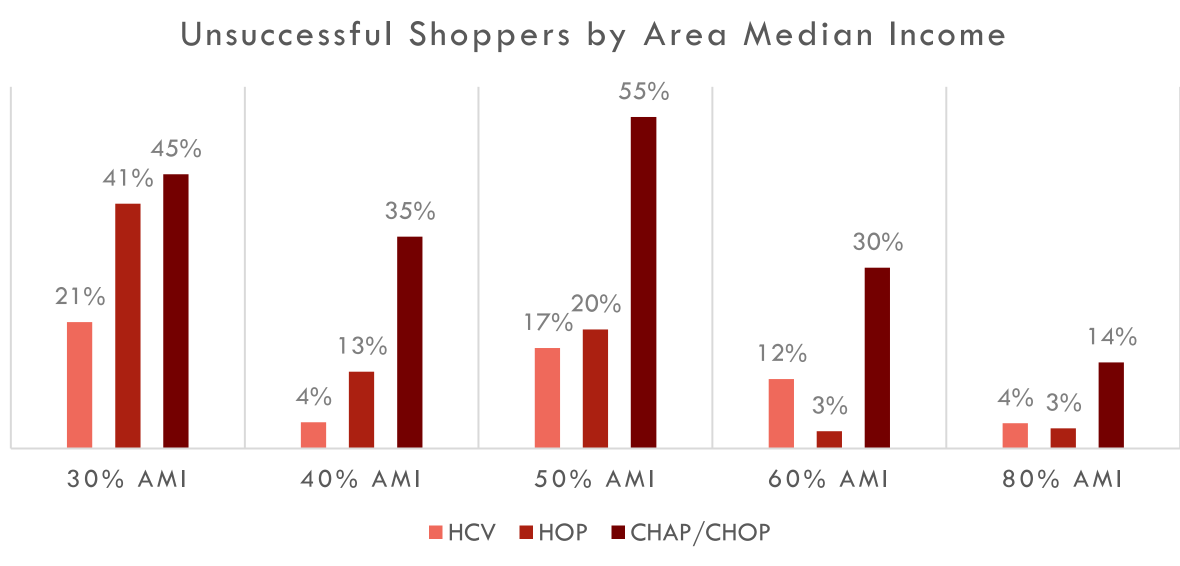
Additionally, when analyzing how shoppers have fared over time, it is clear that changes in the rental market have hurt participants in both programs. However, HCV households have generally maintained greater lease up rates when compared to HOP households.



Extremely low-income households with a HOP voucher were least successful in securing a unit.

Extremely low-income households (those earning 30% of the area median income or less) with a HOP voucher were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional HCV. This finding is important as households at or below 30% AMI make up nearly three quarters of our voucher recipients.

Shoppers in special programs CHAP and CHOP are consistently less likely to lease up with a shopping voucher across all income levels.



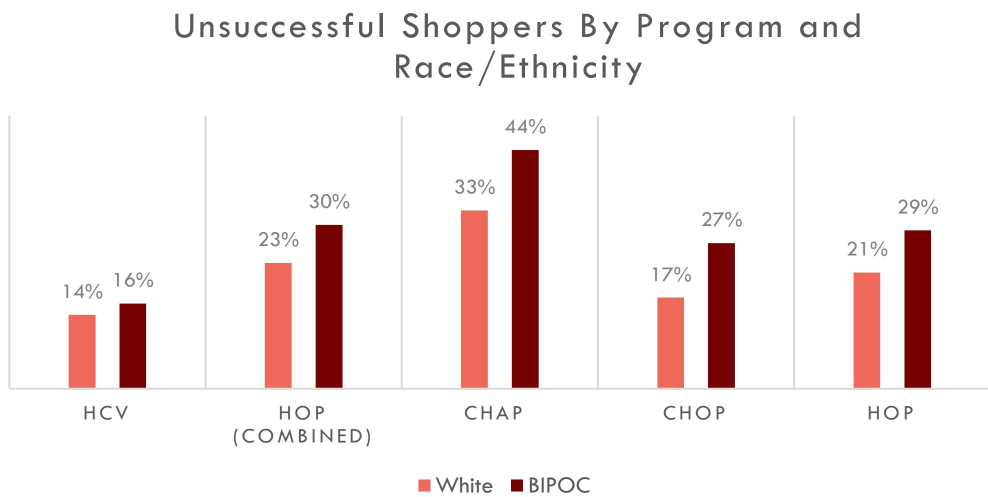
These findings can best be explained when we consider what it takes for a household to meet private landlords' screening criteria. Most often, landlords require that a household make 2.5-3 times their portion of the rent to income qualify. The scenarios on the following page demonstrate three common circumstances for THA clients: lack of employment (Scenario A), living on a fixed income (Scenario B), and being at 20% area median income (this represents the average household that qualified for a two-bedroom unit and was issued a voucher between 2018 and 2020).

The following scenarios assume that the contract rent is the same as the current payment standards. Voucher size is based on two heartbeats per room. Tenant rent for the HCV program is based on 30% of the household's monthly income (THA also has a minimum rent amount, which is why Scenario A shows $75 in rent). The tenant portion of the rent for HOP is 50% of the payment standard.

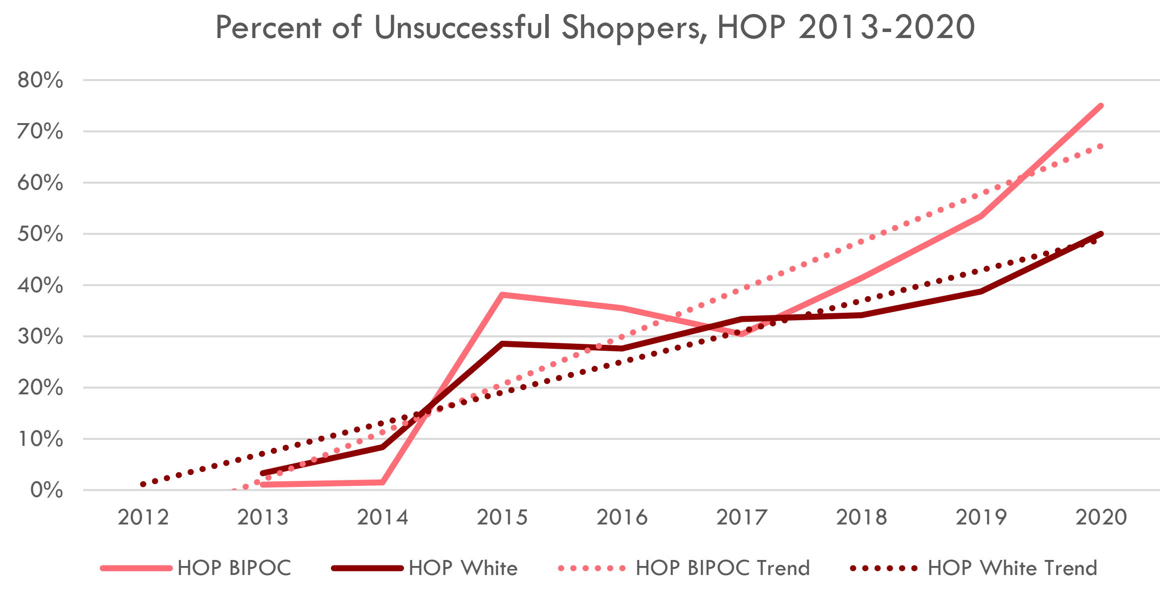
Household Characteristics	Scenario A: Unemployed couple with an infant. The family qualifies for a 2-bedroom payment standard.		Scenario B: Single elderly individual on fixed $791/mo SSI payment. They qualify for a 1-bedroom payment standard.		Scenario C: Single parent with three children, working 25 hrs/week for $15. The family qualifies for a 2-bedroom payment standard.	
1. Annual Household Income	$0		$9,492		$19,500	
2. Voucher Size	2		1		2	
3. Payment Standard/Contract Rent	$1,484		$1,162		$1,484	
Subsidy Program	**HOP**	**HCV**	**HOP**	**HCV**	**HOP**	**HCV**
4. Rent based on 30% of income		$75		$237		$487
5. Rent based on 50% of payment standard	$742		$581		$742	
6. Portion of monthly income spent on rent	>100%		73%	30%	46%	30%

Black, Indigenous, and people of color (BIPOC)-headed households are less likely to lease up than white households, but the disparity is less for HCV households.

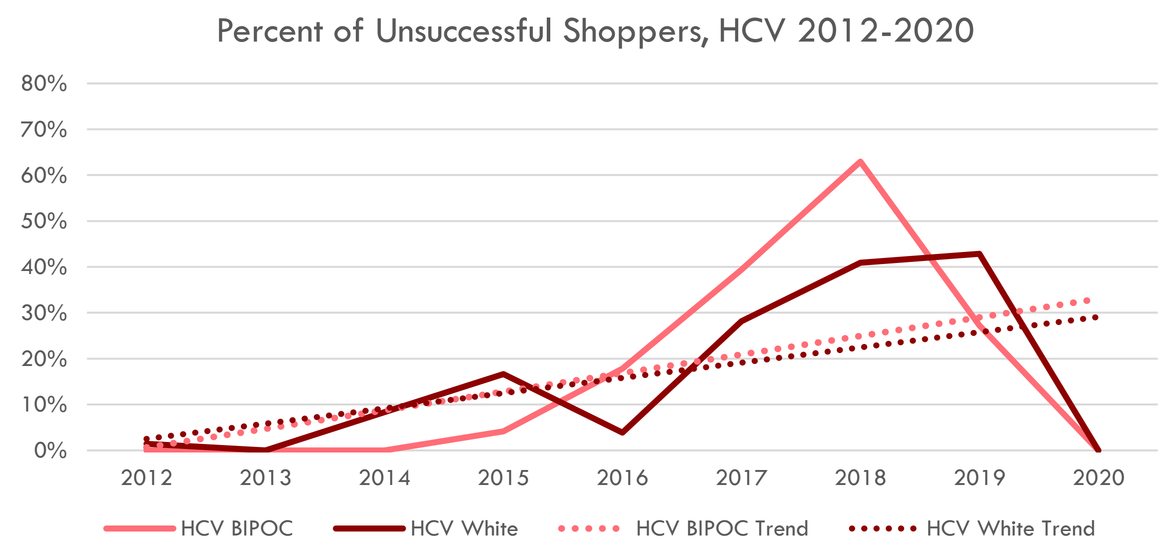
When comparing lease up outcomes by program and race/ethnicity, there is a disparity between white households and BIPOC households across all programs. However, the disparities are worse on those programs using a HOP subsidy. Regarding HCV, BIPOC households have lower lease-up rates than white households, but the difference is two percentage points as opposed to seven.



Additionally, as the market has become more competitive over time, the rates of unsuccessful shoppers have increased. However, BIPOC households shopping with a HOP subsidy been most negatively impacted.



In comparison, though HCV shoppers have also experienced an increase in people not leasing up, the trends do not demonstrate the disparate impact that we observe with HOP.



Regardless of how shopping data is disaggregated, nearly all demographic groups have greater lease up success on HCV compared to HOP.

Lease Up Success by Demographics	HCV		HOP	
	% Housed	N	% Housed	N
All clients	**82%**	486	64%	1498
Female	**81%**	383	68%	1122
Male	**88%**	101	55%	376
BIPOC	**84%**	250	70%	721
White	**87%**	200	77%	312
BIPOC - Female	**84%**	200	74%	539
White - Female	**84%**	155	78%	237
BIPOC - Male	**88%**	49	58%	182
White - Male	**98%**	44	75%	75
African American/Black	**86%**	168	76%	340
American Indian/Alaska Native	71%	7	71%	17
Asian American	**100%**	14	83%	40
Multiple Races	**100%**	13	58%	76
Native Hawaiian/Pacific Islander	**74%**	19	67%	30
White	**85%**	226	79%	403
Unknown/Did not disclose	46%	39	**47%**	592
Hispanic (race not disclosed)	**67%**	3	43%	127
Hispanic White	73%	26	**86%**	91
Hispanic BIPOC	**88%**	8	86%	59
Non-Hispanic White	**87%**	200	77%	312
Non-Hispanic BIPOC	**86%**	213	75%	398
30% AMI	**79%**	353	58%	1127
40% AMI	**96%**	46	83%	186
50% AMI	**83%**	36	73%	101
60% AMI	88%	26	**91%**	45
80% AMI	**96%**	24	95%	37

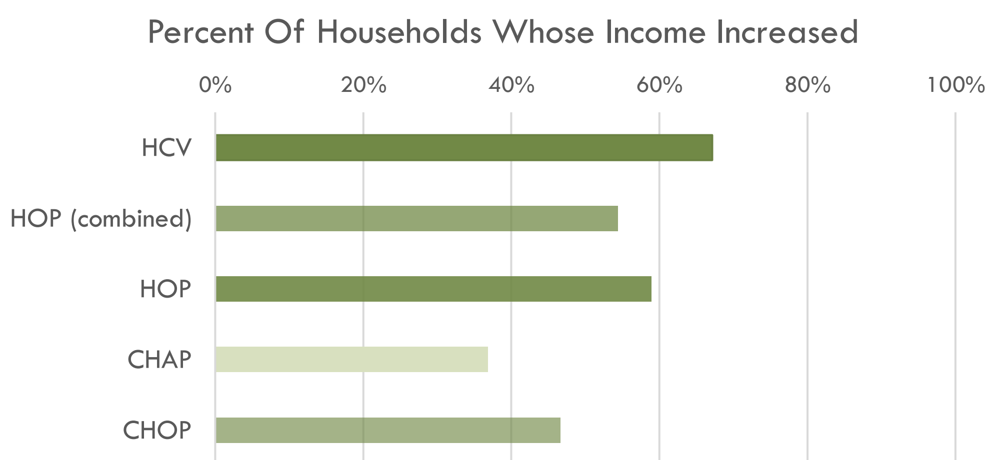
INCOME

A commonly stated goal of the HOP subsidy model is to incentivize increasing one's wages. To assess if the program has been successful in achieving this aim, PIE staff analyzed income changes among households that received a subsidy in 2012 or later and exited between 2012 and 2020.[10] By including 2012, PIE is able to observe income changes among the most recent cohort of HCV recipients who entered the program before HOP was implemented in 2013.

While this creates somewhat of a comparable comparison group, it is important to note that HOP households who secure housing have a higher income than HCV households – their median income is 127% of the HCV median income. This difference is likely a reflection of the flat subsidy model, which, as addressed in the previous section, has less buying power for lower income households. As a result, extremely low-income households are more likely to be underrepresented in HOP's population.

HCV households demonstrate a greater chance of increasing their income than HOP.

Overall, HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. CHAP and CHOP participants had the lowest proportion of households that experienced an increase in their income.



10 Income data is not available for households that entered prior to 2012.

Work-able households were more likely to increase their incomes on HCV than HOP.

To understand how work-able clients' income changed while on the program, PIE staff looked at the last cohort of households to receive standard HCV assistance (those housed in 2012-2013). Their incomes were then compared to HOP households that entered in 2013-2014. The analysis focused on the households that exited between 2018-2020 from these two cohorts. This narrower analysis was an attempt to capture a snapshot of income changes over a given period for people receiving a similar length of assistance.

Markedly, 85% of work-able HCV households increased their income while receiving assistance compared to just 60% of work-able HOP households. Further, the average HCV household increased their income by nearly 200% while HOP households only increased their income by 33%. Though the sample sizes are small, at 90% significance, the difference is considered significant.

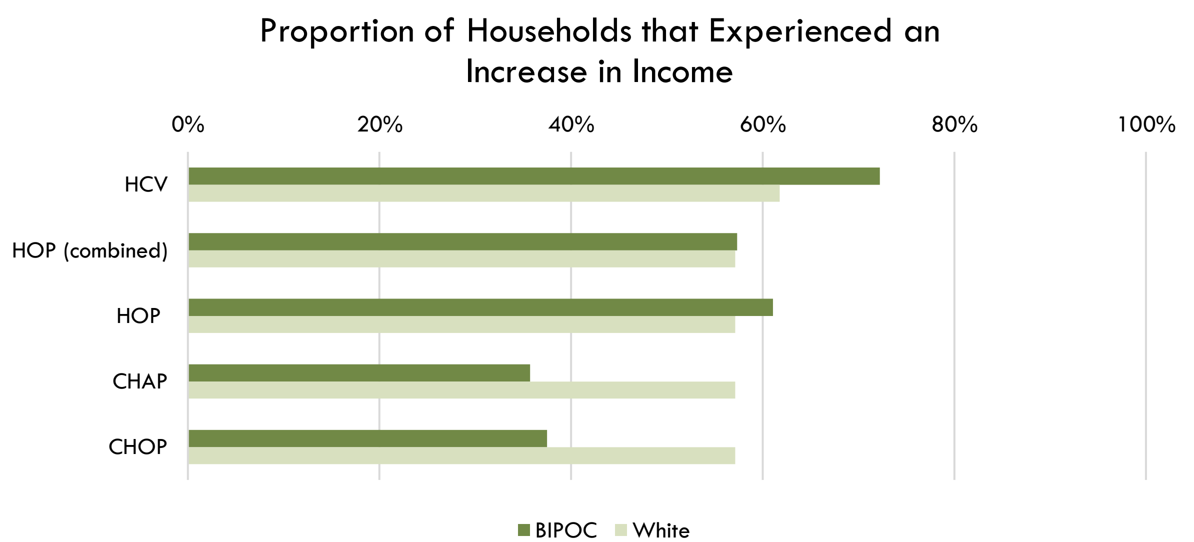
	Avg length of assistance	Avg HH Size	Income Measure	Income at Entry	Income at Exit	Change in Income	% of HH with increased income
HCV (n=13[11]) *Housed 2012-13* *Exited 2018-20*	6.1	3.2	Average	$11,610	$33,976	$22,366 (+192%)	85%
			Median	$10,836	$31,512	$19,139 (+176%)	
HOP (n=65[12]) *Housed 2013-14* *Exited 2018-20*	4.6	2.6	Average	$16,402	$21,876	$5,474 (+33%)	60%
			Median	$16,884	$19,800	$2,993 (+18%)	

[11] 86 work-able households entered 2012-13. 57 have since exited (66%). 23% of those exits occurred between 2018-20 (15% of the total work-able households that entered in 2012-13).

[12] This excludes CHAP and CHOP. 149 work-able households entered 2013-2014. 135 have since exited (90%). 48% of the exits occurred between 2018-20 (44% of the total work-able households that entered 2013-14).

The proportion of white households that experienced an increase in income held steady across all programs, whereas BIPOC households on HOP's special programs were least likely to experience an increase in income.

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP. This may reflect more stringent program requirements that have unintended and disproportionate negative impacts on people of color. While part of the HOP program, CHAP and CHOP are addressed separately and in more detail in Appendix A and B.



Across nearly all groups, HCV participants have a higher likelihood of having increased their income by the time they exit from assistance.

In general, HCV households had a greater likelihood of experiencing income gains than HOP households. When disaggregated by demographic characteristics and program type, this trend holds true. This was also true in the 2018 HOP Evaluation where HCV households admitted in 2012 increased their earnings by 90% by 2017 while 2013 HOP household wages increased by only 45% over that same period. Further, households served through THA's unique HOP subsidy program, CHOP and CHAP, saw income decreases.

Proportion of Households who Increased their Income	HCV		HOP	
	% Increased Income	N	% Increased Income	N
All clients	**67%**	70	54%	406
Female	**64%**	53	53%	328
Male	**76%**	17	62%	78
BIPOC	**72%**	36	57%	239
White	**62%**	34	57%	114
BIPOC - Female	**72%**	29	54%	191
White - Female	54%	24	**56%**	93
BIPOC - Male	71%	7	71%	48
White - Male	**80%**	10	62%	21
African American/Black	**60%**	20	57%	130
American Indian/Alaska Native	50%	2	**56%**	11
Asian American	**100%**	4	73%	9
Multiple Races	**100%**	4	64%	22
Native Hawaiian/Pacific Islander	**100%**	2	71%	7
White	**63%**	38	57%	142
Unknown/Did not disclose			40%	85
Hispanic White	**75%**	4	67%	27
Hispanic BIPOC	50%	2	**57%**	30
Hispanic (race not disclosed)			47%	30
Non-Hispanic White	**62%**	34	58%	152
Non-Hispanic BIPOC	**73%**	30	57%	112
Non-Hispanic (race not disclosed)			36%	55
Elderly/Disabled	63%	19	**68%**	50
Elderly/Disabled or Near-Elderly			68%	28
Near Elderly	**75%**	8	48%	42
Work Able/Not Working	**69%**	13	33%	103

Work Able/Working	**67%**	30	62%	183

PROGRAM EXITS

To further understand program efficacy, PIE analyzed the timing and nature of HOP household exits. According to administrative data, over three quarters of work-able HOP households exit before reaching the 5-year time limit. This finding calls for a deeper analysis into the reasons why households decided to give up or lose their voucher.

Unfortunately, exit reason is an inconsistent and unreliable field in Open Door. To address this challenge, PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP households that exited between 2018 and 2020. Nearly 300 HCV households also exited between 2018 and 2020. 50% (n=145) of those households were also reviewed to determine the circumstances of their exits. The analysis was limited to 2018-20 to better understand if and how recent changes in Tacoma's housing market have impacted clients and their experiences.

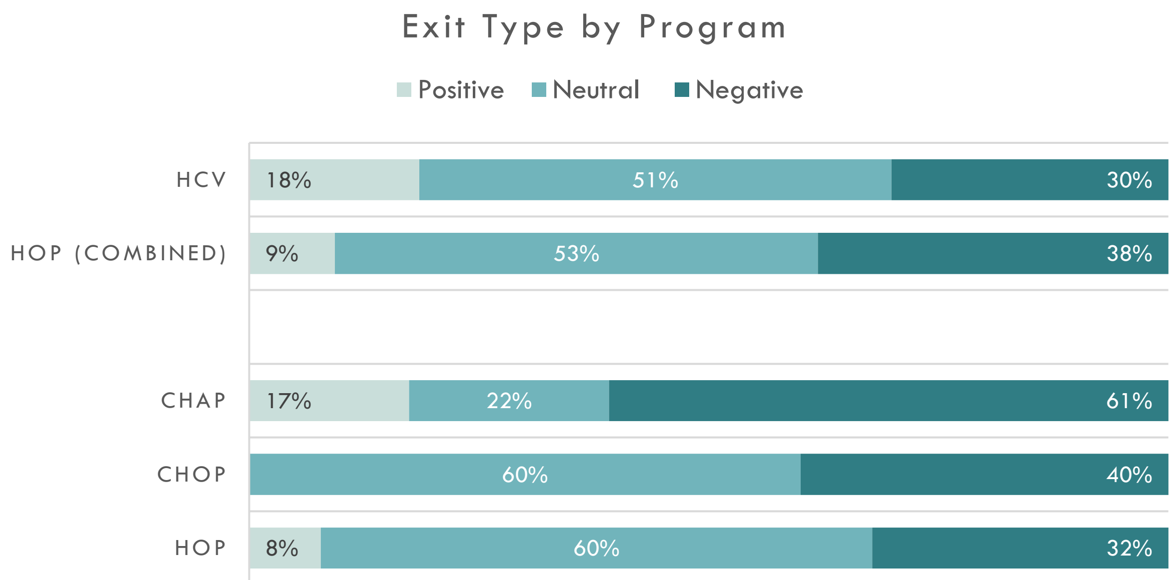
Program	Number of Records Reviewed
HCV	145
CHAP	23
CHOP	5
HOP	92
Total	**265**

Using the account notes, PIE summarized the households' exit reasons and categorized their exit as positive, neutral, or negative. The table below outlines which types of exits fall into each category.

Positive	Neutral	Negative
• Over-income • Self-sufficient • Purchased a home • Graduated (CHAP)	• Reached time limit • Admin error • Self-terminated (no reason provided) • Accepted other subsidized housing • Death	• Termination (eviction, failure to comply with program obligations, etc.) • Loss of eligibility • Received notice to vacate/move • Voucher expired before finding another unit

HOP households have higher rates of negative exits.

Though the numbers are lower than THA may desire, the likelihood of HCV households exiting under positive circumstances is double that of HOP households. Of all HOP households, CHAP participants are more likely to experience a positive exit. This is due in part because graduation is considered a positive exit and is only applicable to CHAP. Despite higher positive exits, CHAP participants were nearly twice as likely as other HOP households to have their housing assistance end for negative reasons – likely due to more stringent program requirements. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits.



HCV households have a greater likelihood of exiting due to self-sufficiency.

Even though reaching the time limit is the most common reason for HOP exits, it only applies to about 20% of all exits. For the remaining 80% of exits, PIE's review of account notes uncovered a wide variety of reasons why HOP households exit early. Unfortunately, achieving self-sufficiency (reaching >80% AMI) appears to be as common a reason as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

HOP Exit Reasons	% of exits between 2018-2020	HCV Exit Reasons	% of exits between 2018-2020
Time limit	19%	Death	21%
Moved out (no reason)/Self terminate	17%	Termination/Loss of Subsidy	19%
Expired shopping voucher	14%	**Self-sufficient**	**18%**
No longer eligible	10%	Self-Termination	13%
Termination/Loss of Subsidy	7%	Voucher Expiration	12%
Moved to other subsidized housing	7%	Moved (out of state, in with family, assisted living)	11%
Death	6%	Unknown	5%

Evicted	6%	Eviction	1%
Over income/Self-sufficient	**6%**	Purchased a home	1%
Graduated	3%		
Admin error	3%		
Moved, new unit won't take voucher	2%		
Unknown	2%		

Across nearly all groups, HCV participants have a greater likelihood of exiting assistance under positive circumstances.

The HOP subsidy model was created to allow more households to be given a chance to find housing with a voucher and for households on the waitlist to be served sooner. Further, one of THA's stated goals is to deliver housing assistance that is transformative and temporary. The exit data compiled and analyzed for this report suggests that while the assistance provided through HOP is temporary, it is unclear just how transforming it has been for current and past households.

Exit Types	HCV		HOP	
	Positive	Negative	Positive	Negative
All clients	**18%**	**30%**	8%	**32%**
Female	**20%**	32%	7%	32%
Male	**13%**	25%	10%	**33%**
BIPOC	**20%**	32%	7%	32%
White	**13%**	25%	10%	**33%**
BIPOC - Female	**24%**	33%	12%	**40%**
White - Female	**12%**	**29%**	0%	20%
BIPOC - Male	12%	**29%**	**13%**	27%
White - Male	14%	14%	0%	**67%**
African American/Black	**22%**	32%	10%	**40%**
American Indian/Alaska Native	0%	**100%**	0%	0%
Asian American	**21%**	14%		
Multiple Races	**25%**	**50%**	0%	0%
Native Hawaiian/Pacific Islander	**33%**	33%	0%	**100%**
White	**15%**	**27%**	9%	22%
Unknown/Did not disclose			**5%**	33%
Hispanic White	29%	**29%**	**33%**	11%
Hispanic BIPOC	**38%**	**25%**	0%	0%
Hispanic (race not disclosed)			8%	42%
Non-Hispanic White	**13%**	**27%**	0%	23%
Non-Hispanic BIPOC	**20%**	33%	9%	**45%**
Non-Hispanic (race not disclosed)			0%	29%
Not Single Parent	**18%**	28%	8%	**32%**
Single Parent	**22%**	**38%**	8%	33%

RENT BURDEN

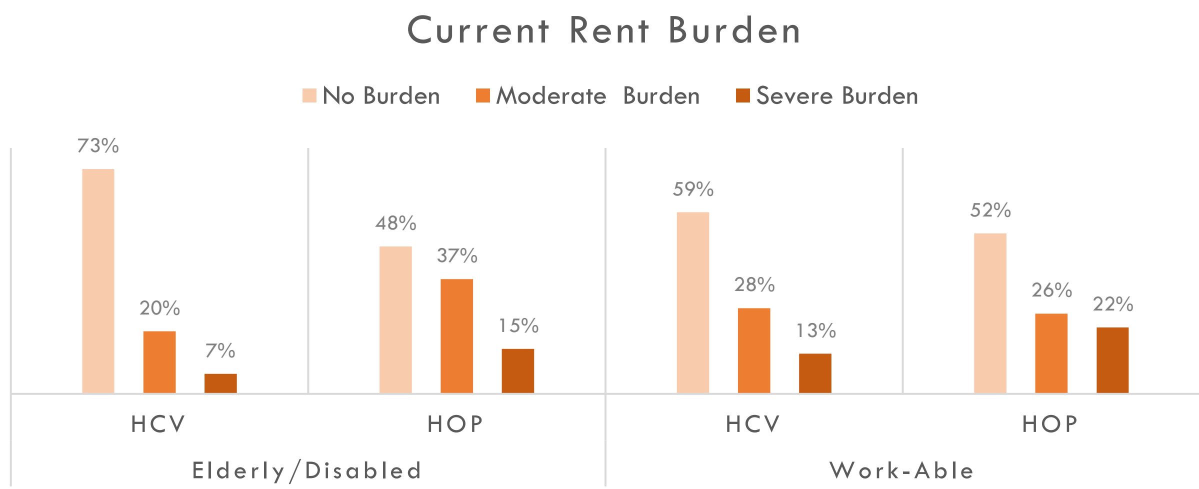
The HOP subsidy model's central hypothesis is that time limits and flat subsidies incentivize work-able households to increase their earnings so they can afford private market rent once their assistance expires. The previous sections have shown that HOP households do not drastically increase their income while on the program. Additionally, when HOP households exit, they often do so before their time limit is up and likely for reasons outside of their control or due to negative circumstances. To better understand how these households are expected to fare on the private market without THA assistance, PIE analyzed market rent burdens (i.e. the proportion of income a household spends on rent) for current and exited households. We follow this analysis with findings from the Late Rent program administered in late 2020, which provided insights into which households were struggling to pay rent, even while receiving a subsidy.

The average rent burden calculations do not include households with $0 income. To more accurately represent how households fare in Tacoma's rental market, rent burdens are categorized as not burdened (a household pays 30% or less of their income on rent), moderately burdened (a household spends 31-50% of the income on rent), or severely burdened (more than 50% of a household's income is spent on rent).

Current HOP households face a greater rent burden on assistance than HCV households.

Despite HOP households having a higher income than HCV households at entry, roughly half are currently experiencing moderate or severe rent burdens while receiving assistance.[13] The HOP subsidy was designed to "thin the soup" by creating a slight increase in rent burden in order for more families to be served. The original HOP proposal estimated that the average rent burden would be only a few percentage points higher than the average HCV rent burden. However, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely on HOP than HCV.

13 In 2013 THA waived the 40% rule, allowing households to spend more than 40% of their income on rent in order to promote client choice and access to higher cost neighborhoods.



Current Rent Burden
No Burden
Moderate Burden
Severe Burden
73%
20%
7%
48%
37%
15%
59%
28%
13%
52%
26%
22%
HCV
HOP
HCV
HOP
Elderly/Disabled
Work-Able

Across all populations, HCV households are more likely to have lower rent burdens and less likely to experience severe rent burdens while receiving THA assistance.

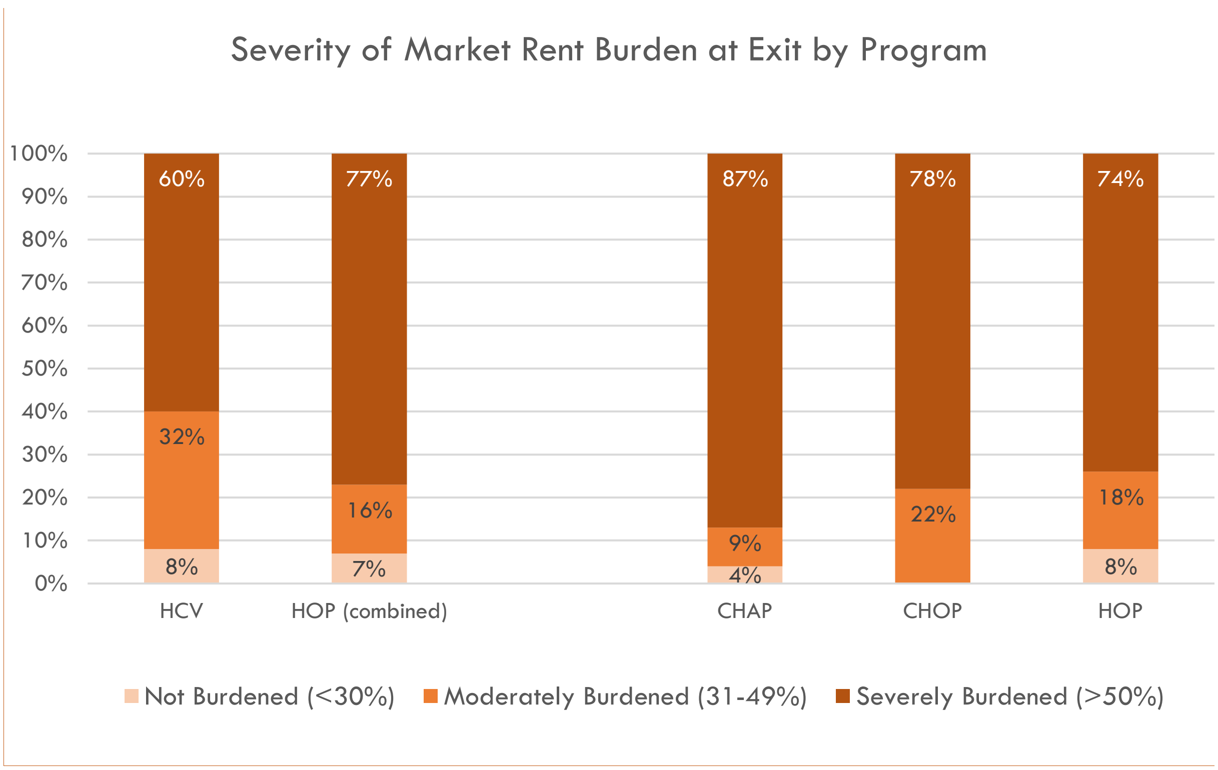
While HCV faces a slightly higher market rent burden, this data demonstrates that all households, regardless of subsidy program, face impossible rent amounts without THA's assistance.

Current Rent Burden	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	**66%**	**24%**	**10%**	**50%**	**33%**	**18%**
Female	**64%**	25%	**11%**	50%	32%	19%
Male	**74%**	20%	**6%**	50%	36%	14%
BIPOC	**64%**	25%	**11%**	49%	36%	15%
White	**72%**	23%	**5%**	55%	27%	18%
BIPOC - Female	**62%**	26%	**12%**	49%	36%	15%
White - Female	**69%**	25%	**6%**	55%	24%	21%
BIPOC - Male	**74%**	20%	**6%**	50%	36%	14%
White - Male	**80%**	17%	**3%**	55%	35%	10%
African American/Black	**64%**	24%	11%	33%	56%	11%
American Indian/Alaska Native	**70%**	25%	**5%**	51%	35%	14%
Asian American	**76%**	21%	**3%**	56%	28%	17%
Multiple Races	**63%**	28%	9%	44%	50%	**6%**
Native Hawaiian/Pacific Islander	**61%**	30%	**9%**	44%	11%	44%
White	**71%**	23%	**6%**	54%	27%	19%
Unknown/Did not disclose	**53%**	27%	**21%**	42%	36%	22%
Hispanic White	**64%**	24%	**12%**	48%	30%	22%
Hispanic BIPOC	**72%**	24%	**3%**	53%	13%	33%
Hispanic (race not disclosed)	**41%**	38%	22%	36%	55%	**9%**
Non-Hispanic White	**72%**	23%	**5%**	55%	27%	17%
Non-Hispanic BIPOC	**66%**	24%	**10%**	49%	37%	14%
Non-Hispanic (race not disclosed)	**59%**	24%	**17%**	38%	33%	29%
Not Single Parent	**68%**	23%	**9%**	50%	38%	13%
Single Parent Household	**59%**	28%	**12%**	50%	23%	26%

Elderly/Disabled	**73%**	20%	**7%**	48%	37%	15%
Work Able	**59%**	28%	**13%**	52%	26%	22%

HOP households were more likely to exit with a severe rent burden than HCV households.

2018-2020 exit data indicates that while HCV and HOP have similar rates of households exiting with a manageable low market rent burden, double the proportion of HCV households exit with a moderate rent burden than HOP households (32% compared to 16%). Across all programs, CHAP households exited with the highest rate of participants who were severely market rent burdened (87%). This is consistent with the findings in the previous sections – households exiting the HOP programs do not fare as well as households exiting HCV subsidy program and CHAP households appear to be the worse off than all other programs.



HOP households have higher rates of exiting with a severe market rent burden.

The vast majority of THA's households do not exit with manageable market rent burdens. However, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA's voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP. Further, across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

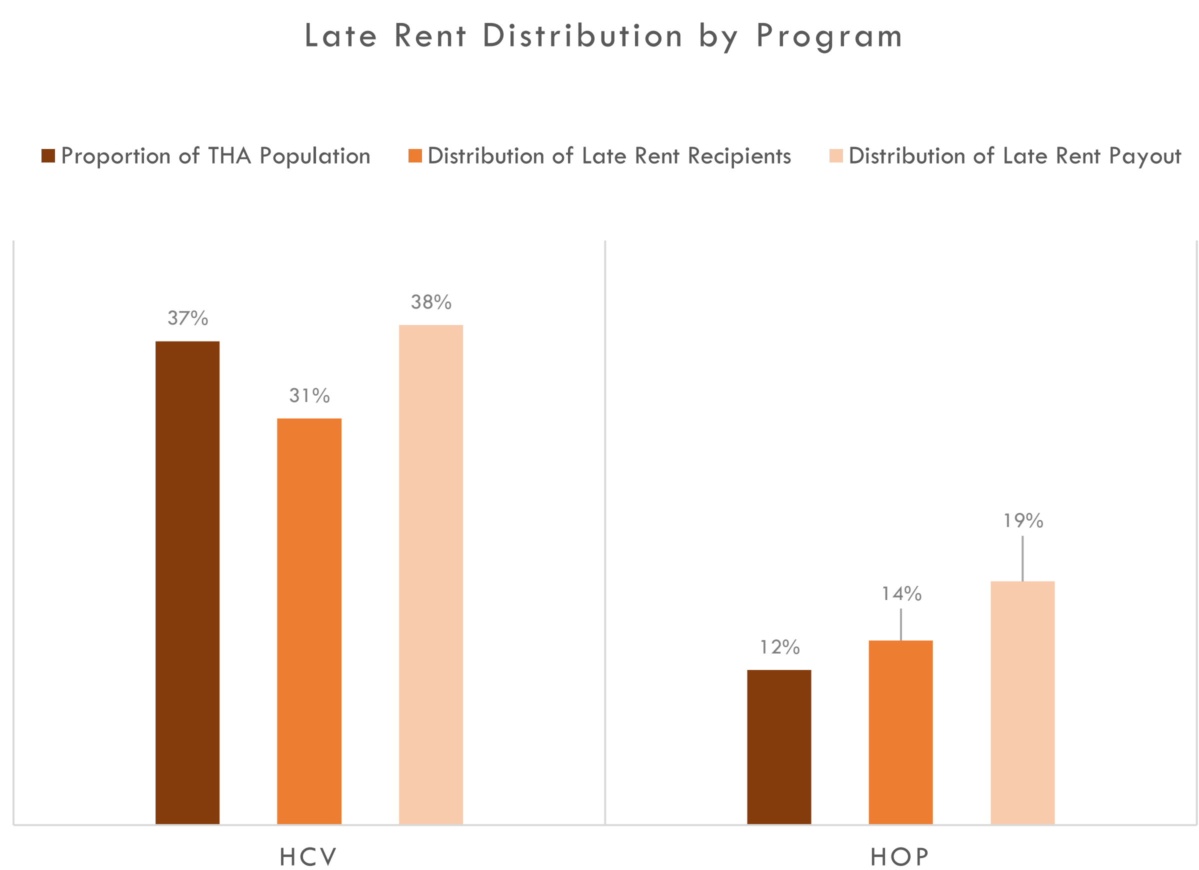
Rent Burden at Exit	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	**8%**	**32%**	**60%**	**8%**	**18%**	**74%**
Female	**11%**	26%	**63%**	8%	18%	74%
Male	0%	50%	**50%**	**9%**	15%	76%
BIPOC	**14%**	21%	**64%**	**10%**	17%	73%
White	0%	45%	**55%**	**5%**	16%	80%
BIPOC - Female	**18%**	18%	**64%**	9%	16%	75%
White - Female	0%	38%	**63%**	**6%**	21%	74%
BIPOC - Male	0%	33%	67%	**14%**	19%	67%
White - Male	0%	67%	**33%**	0%	0%	100%
African American/Black	**17%**	33%	**50%**	8%	17%	75%
American Indian/Alaska Native				0%	75%	25%
Asian American	0%	50%	50%	**50%**	0%	50%
Multiple Races	**50%**	0%	**50%**	0%	13%	88%
Native Hawaiian/Pacific Islander	0%	0%	100%	0%	0%	100%
White	0%	36%	**64%**	9%	18%	74%
Unknown/Did not disclose				7%	17%	76%
Hispanic White	0%	0%	100%	**25%**	25%	**50%**
Hispanic BIPOC	**20%**	30%	**50%**	11%	0%	89%
Hispanic (race not disclosed)				9%	9%	83%
Non-Hispanic White	0%	45%	**55%**	**5%**	16%	79%
Non-Hispanic BIPOC				6%	21%	73%
Non-Hispanic (race not disclosed)				7%	29%	64%
Not Single Parent	**12%**	35%	**53%**	11%	16%	73%
Single Parent Household	0%	25%	**75%**	**5%**	20%	76%

Elderly/Disabled	0%	0%	100%	0%	0%	100%
Work Able	**11%**	42%	**47%**	10%	22%	67%

HOP households were overrepresented in the Late Rent program.

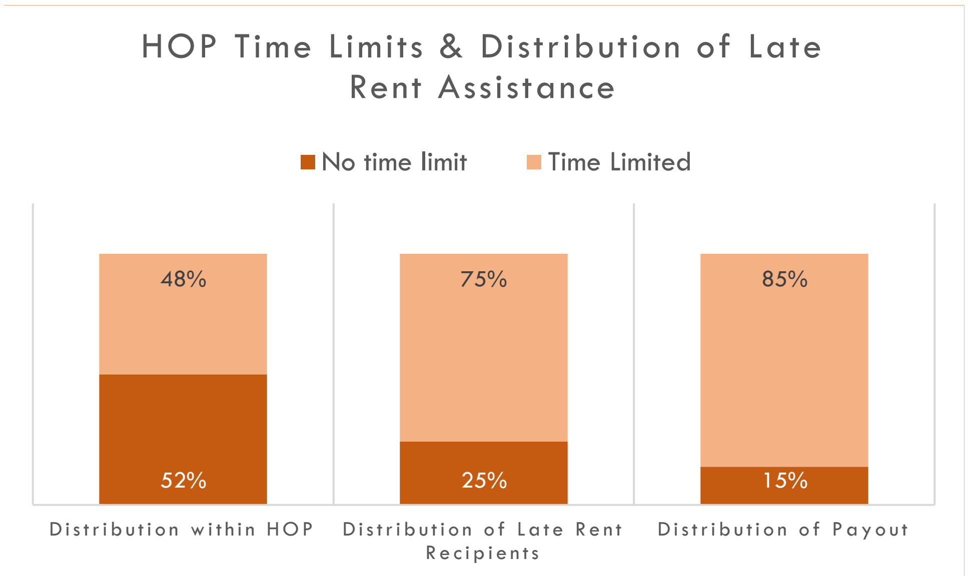
In November 2020, Pierce County initiated a Late Rent program to help tenants address late rent balances. THA administered the program for THA households. In total, 11.75% of THA clients (592 households) received up to three months of late rent assistance. This figure only represents clients that were served through THA and not another agency. PIE staff were able to compile data from the late rent project to shed light on which THA client populations were most impacted.

Distribution of Late Rent assistance was mostly reflective of how households are distributed across THA's programs. However, while HOP was overrepresented in the clients applying for assistance, HCV was underrepresented. HOP participants make up 12% of THA's population, they were 14% of the late rent recipients, but they received 19% of the total assistance paid out. However, even though HCV participants are 37% of THA's population, only 31% of the late rent assistance went to HCV clients.



HOP households that are subject to the time limit were overrepresented in the Late Rent program.

Nearly half of all HOP households are subject to time limits (meaning they do not qualify as elderly or disabled) yet these households represent 75% of HOP households that received late rent assistance. In terms of the amount of assistance provided to HOP households, a striking 85% was paid on behalf of households subject to time limits. It is very likely that this reflects COVID's impact on wage earners.



Across multiple measures (market rent burden and Late Rent Program assistance), HOP households appeared to be worse off than the HCV population. HOP households subject to time limits had the highest calculated market rent burden and received a disproportionate amount of Late Rent assistance, in terms of proportion of households and payout amount. These findings suggest that HOP households experience a higher level of instability and financial vulnerability, even though they enter the program with a higher average income than HCV households.

SUMMARY & DISCUSSION – HOP INTENT VS. OUTCOMES

THA's Moving to Work flexibility allows us to design and implement innovative programs to uncover if there are more effective and efficient ways to serve households in need of housing support. The Housing Opportunity Program is one of these innovations. The two main features that set HOP apart from HCV is the flat subsidy and time limit. HOP functions by giving everyone a little bit less with the intention to serve more. The time limit on assistance is one method to ensure THA can meet the goal of ensuring no one on our waitlist has to wait more than two years for assistance and that households in need of assistance get their turn on a THA program.

The goal of this report is to understand how the Housing Opportunity Program performs given the recent changes in the rental and economic landscape. Specifically, this report addresses which types of households are being effectively served by HOP and evaluates how effective HOP has been at fulfilling THA's mission:

> *The primary mission of the Tacoma Housing Authority is to provide high quality, affordable housing and supportive services to persons and families in need. We seek to do this in ways that also get two other things done. First, we want the households we serve to succeed, not just as tenants, but also, as our mission statement contemplates, as "parents, students, wage earners and builders of assets." If they are capable of working, we want their time on our programs to be transforming in those ways, and temporary. We want this certainly for grownups. We want this success emphatically for children and youth because we do not wish them to need our housing when they grow up. Second, we want to help our communities succeed, and to do so equitably, with a shared prosperity. We want their success to leave room for all types and incomes of households. We seek to do our part in making neighborhoods "attractive places to live, work, attend school, shop, and play", and to help Tacoma and Pierce County be "safe, vibrant, prosperous, attractive, and just." When these efforts work, they are a very good use of a housing dollar.*

Notable Outcomes & Implications

The findings presented throughout the report highlight a few areas where HOP does not appear to be meeting our mission in the ways described above. To start, fewer households succeed in terms of securing housing. While this may aid in working through the waitlist at a faster rate (for every person whose shopping voucher expires another person from the waitlist gets pulled for a voucher), the data tells us that the households that are most economically marginalized are those less likely to be served by HOP. While HOP has enabled THA to serve more households, unfortunately, it does not do so indiscriminately.

Secondly, data indicates that HOP households are less likely to increase their wages than HCV households. While this may seem counterintuitive, there are a few factors to consider. The income-based subsidy is responsive to a household's change in income. This stability may allow a client to take a pause and use the available support to train for, find, and secure higher wage employment rather than take the first opportunity available for fear of getting behind on bills. The income-based subsidy may also be more appealing to landlords. The security that comes in knowing that THA's subsidy can be adjusted should a family encounter unanticipated financial troubles, especially when there is not a time limit on assistance, would likely be more appealing to landlords – especially those local "mom and pop" landlords. These factors could increase chances of households being able to secure housing in areas with increased access to higher wage jobs, public transit, affordable childcare, etc.

Further, the time limit on HOP subsidies has been cited as the primary method used to help ensure households on the waitlist get a turn at assistance. It is undeniable that when we remove someone from our program or when someone is unsuccessful at leasing up with a voucher it creates an opportunity for someone else. However, the assumption that a voucher is a "golden ticket" and time limits will "spur people to strive" or "encourage families to increase their wages" is not supported by the data presented in this report. The HOP webpage states:

> *The goal is to help our participants achieve true self-sufficiency by assisting them with their housing needs for a specific term. This incentivizes our participants to focus on securing better employment and prepares them for a better future. Families receive notices at every annual recertification indicating the number of years remaining on their term-limited subsidy along with continuous referral services to a variety of available resources.*

While it was assumed that a time limit and flat subsidy would provide extra motivation for households to increase their earnings, and despite higher referrals to the case workers and resources provided by the Client Support and Empowerment department, the outcomes suggest this is not an issue of individual motivation but a reflection of an increasingly unaffordable rental market and stagnant wages. Further, it is worthwhile to note that programs in which housing is conditioned upon external factors, such as school enrollment, demonstrate significantly lower positive outcomes for BIPOC households.

HOP Benefits & Efficiencies

Though client outcomes do not match THA's original expectations, HOP has some proven successes regarding the administrative efficiencies that have been implemented with the program.

One significant benefit is that HOP allows for self-certification of income. There are specific instances where self-certification has proven accurate and efficient, such as for families with fixed incomes.

Another benefit of HOP, for the client, is that it permits alternative housing options. Specifically, a client can rent a room or lease from a relative in the following circumstances:

- A household cannot lease up because of poor credit
- A household would rely on the relative to help with childcare
- A household with poor rental history has remediated the root causes of for the bad rental history
- A household cannot lease because of poor criminal history that has shown proper rehabilitation

Given the competitive nature of Tacoma's rental market, these alternative housing options increase housing opportunities for households that face added barriers.

THA's MTW status allows us to test new ideas and implement new processes in the hopes of discovering ways to administer housing assistance that is more effective and efficient than traditional methods. The

HOP program has been a success in terms of the benefits discussed above. This innovation has given operations staff a different way of doing things that reduces the administrative burden on both the client and staff.

RECOMMENDATIONS

Across the board, households receiving HOP subsidy have had greater challenges leasing, smaller income gains, more negative exits, and higher rent burdens than households receiving a traditional income-based subsidy. While PIE cannot make causal claims about the program design (as the analysis did not include an experimental component), there was consistent correlation between negative household outcomes and HOP. The recommendations that follow are in response to those findings.

Recommendation 1: Transition HOP Households to an Income-Based Subsidy

Disproportionate outcomes around leasing, income gains, rent burden, and late rent assistance lead to the conclusion that traditional income-based subsidies are more stabilizing and beneficial to a household's trajectory. To start, a troubling amount of HOP households are never successful at leasing up (36% for HOP overall and almost half for CHAP), leading one to contemplate if the flat subsidy is not enough to make up the difference between a household's income and market rent. Or, are they effectively closed out of the market? Additionally, the surprising outcomes around income gains and the subsequent impact on market rent burden could indicate that there is something stabilizing about a subsidy that is responsive to a household's financial reality and allows a family to make progressive steps toward increased income and self-sufficiency. Finally, the Late Rent project provided an indication of current need among the various populations. HOP households, especially those subject to time limits, were overrepresented by proportion and by payout amount, indicating there is greater need and instability among this population.

To ensure households can attain and sustain housing, PIE recommends transitioning households to the tiered income-based model that we use for HCV. The tiered income model allows households to increase their wages without increasing their portion of rent until they reach the next income tier. The tenant portion of rent is based upon the lowest income amount for the tier in which they fall.

In formulating this recommendation, PIE staff determined that one third of the HOP voucher holders would receive a smaller housing assistance payment (HAP) as a result of transitioning to an income-based subsidy. Though initially surprising, this reflects the fact that extremely low-income households are least likely to secure housing with a HOP voucher. As a result, HOP households generally have a higher income when admitted to the program compared to HCV households.

The table below identifies the average and median HAP increase and decrease for HOP households.

	Average HAP Increase/Decrease	Median HAP Increase/Decrease
Households with a higher HOP HAP	-$166	-$123
Households with a higher HCV HAP	$211	$200

Additionally, looking across all groups currently assisted through HOP, the data in the following table suggests that the benefits are fairly equitable across all groups and the increase in HAP is greater on average than the average decrease. Not only do more households benefit from an income-based subsidy than they do HOP, but the average increase in assistance is consistently greater than the decrease is for those households who would experience a higher rent payment. When THA households were previously consulted on HOP, they expressed a willingness to receive less support in order for THA to assist more people. It's an incredibly admirable and generous outlook and we suspect public consult will reaffirm that households are willing to reduce their assistance amount if it means increasingly the likelihood of more positive outcomes for other households.

Impact of Conversion to Income-Based Subsidy	Household Whose Family Share Would Decrease			Households Whose Family Share Would Increase		
	%	n	Avg HAP Difference	%	n	Avg HAP Difference
All clients	**67%**	288	$211	33%	141	-$166
Female	**66%**	218	$218	34%	113	-$176
Male	**71%**	70	$189	29%	28	-$122
BIPOC	**68%**	124	$212	32%	58	-$155
White	**69%**	62	$200	31%	28	-$169
BIPOC - Female	**70%**	98	$218	30%	43	-$167
White - Female	**64%**	42	$216	36%	24	-$170
BIPOC - Male	**63%**	26	$190	37%	15	-$121
White - Male	**83%**	20	$165	17%	4	-$166
African American/Black	**75%**	67	$221	25%	22	-$141
American Indian/Alaska Native	**67%**	2	$364	33%	1	-$113
Asian American	**67%**	10	$125	33%	5	-$144
Multiple Races	47%	7	$250	**53%**	8	-$195
Native Hawaiian/Pacific Islander	**71%**	5	$192	59%	2	-$38
White	**63%**	73	$202	35%	40	-$169
Unknown/Did not disclose	**66%**	124	$213	34%	63	-$175
Hispanic White	48%	11	$212	**52%**	12	-$168
Hispanic BIPOC	**78%**	7	$268	22%	2	-$183
Hispanic (race not disclosed)	**73%**	22	$203	27%	8	-$176
Non-Hispanic White	**71%**	55	$201	29%	23	-$174
Non-Hispanic BIPOC	**73%**	80	$210	27%	29	-$154

Non-Hispanic (race not disclosed)	**64%**	68	$227	36%	39	-$158
Not Single Parent	**68%**	180	$199	32%	83	-$142
Single Parent Household	**65%**	108	$230	35%	58	-$199
Elderly/Disabled	**68%**	180	$199	32%	83	-$142
Work Able	**65%**	108	$230	35%	58	-$199

Recommendation 2: Eliminate Time Limits

The steep market rent burden coupled with the rate of Late Rent assistance requests show that HOP households, in particular those subject to time limits, are at extreme risk of losing their housing without THA's assistance. When HOP was initially proposed and THA consulted its landlord partners, many warned that a time limited voucher is not attractive to landlords and could serve as an obstacle for households who are trying to lease up with only a couple of years left on their voucher. Exit data appears to support this. The third most common reason HOP households exited early was that they faced circumstances where they needed to move and they were unable to lease up before their shopping voucher expired.

In addition, the hypothesis that the time limit encourages income gains does not hold true. The median change in income for work-able HCV households was more than five times that of HOP households. Further, HCV households were more likely to experience an increase in income (85% of the total work-able population) than HOP households (60%) between the time they entered the program and exited. When they do exit, HOP households were more likely to face a severe market rent burden than HCV households. Additionally, HOP households were as likely to exit for being over-income or for achieving self-sufficiency as they were to exit due to death or eviction. Finally, THA does not track households once they exit our programs, so it is unknown how many are able to secure housing on their own, how many enter the homelessness system, or how many move in with friends or family. The THA waitlist has only been open for households of three or more to apply since the first cohort of HOP would have reached their time limit. As such, we cannot determine how many households who have exited HOP would seek further assistance from THA.

The state's eviction moratorium helped many tenants avoid eviction due to an inability to pay rent due to lost wages. However, to avoid eviction, tenants must enter into a payment plan with landlords. It is unknown how many of voucher holders have entered into payments plans. Given the higher need for late rent assistance that we saw among time-limited HOP participants compared to HCV participants, it is reasonable to assume these households have a greater likelihood of having a payment plan in place. In some cases, these plans may be of a duration that extends beyond their time limited assistance. Further, entering into a payment plan also means that these households are paying a larger amount in rent than what THA has on record. Ending assistance while a household is midway through a repayment plan will likely cause additional financial and housing instability, stress, and potentially eviction.

Additionally, across all THA program we are seeing that households are staying longer on assistance. This is telling and a clear reflection of the increasingly competitive rental market and lack of affordable housing in Tacoma. THA's assistance is more important now than ever to ensure families can have adequate time to achieve economic stability. However, it should not be ignored that wages have not increased at the same rate as the cost of housing. Until (if) this changes, Public Housing Authorities' main purpose is to ensure low wage workers can obtain and maintain stable housing.

These troubling outcomes paired with the economic outlook for the region and country lead PIE to recommend that THA eliminate the time limit associated with HOP assistance. Though the time limit is intended to help ensure no one is on our waitlist without an offer of assistance for more than two years, the data has shown that 80% of HOP households are exiting the program for reasons other than the time limit. Extending the time limit is not the only factor impacting voucher turn over and the speed at which we serve the waitlist.

Related, serving our households on the waitlist is a topic that involves a myriad of factors beyond HOP's time limit. Future discussions regarding the households on our waitlist should take into consideration the impact that special programs, Choice Mobility, lease up support and success, as well as waitlist management have on the speed at which THA is able to work through the waitlist. Rental Assistance staff have shared that roughly half of the people on the waitlist never respond to an offer of assistance when their name has reached the top. Given the infrequency in which we open our waitlist and the use of a lottery to populate the list, it would be difficult to argue that the THA waitlist, as it currently stands, is a true and accurate reflection/measure of the need for housing assistance amongst our community members. In addition, we currently do not have an efficient way to track how many people on the waitlist turn down offers of one form of assistance for another[14] and how many are over income by the time an offer of assistance is extended. Lastly, we should not overlook the opportunities THA has taken advantage of to serve more households through avenues other than our waitlist, including recent allocations of new voucher subsidies.

While this recommendation reflects the evidence presented throughout this report, it is also supported by the findings in HUD's Family Options Study, a longitudinal, multi-site experimental study that allowed HUD to look at the impacts of different interventions for families experiencing homelessness. Housing Choice Vouchers with no services were compared to Rapid Rehousing with some services, and service intensive project based transitional housing. The study found that families offered a traditional HCV subsidy demonstrated greater success in terms of long-term housing stability, a reduction in intimate partner violence, psychological distress, food insecurity, and for children, a reduction in behavior problems, number of schools attended, and sleep problems.[15] A shift to income-based subsidies is also responsive to shifting national priorities and new investment in deep housing subsidy for qualifying households. The financial implications of these recommendations follow the recommendations.

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14 Households on the waitlist can turn down one offer of assistance in order to receive a different subsidy. For instance, if a household is offered a HOP voucher they can decline it in order to wait for a THA unit.

15 Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families, 2016

Recommendation 3: Halt Any Application of the HOP Subsidy to New Populations and Instead Offer Traditional Voucher Subsidies

While HOP serves diverse populations, the outcomes were consistent across households: leasing was a challenge, incomes did not increase as expected, and households exited with extreme rent burdens. However, CHAP participants experienced disproportionately negative outcomes compared to other HOP populations. This program, serving community college students experiencing housing insecurity and homelessness, also has strict eligibility requirements that could be contributing to this trend. Further recommendations for CHAP program changes, outside of the time limit and subsidy model, can be found in the appendix.

The findings presented in this report provide enough evidence to conclude that HOP is not producing the outcomes it was hoping to deliver. While PIE's investigation resulted in some more questions about the program, it has also affirmed that the model has not been effective to date and instead, resulted in negative unintended consequences for the households served. This is especially true when additional non-housing program requirements are a component.

Currently, there are two populations under consideration for HOP subsidy: households transitioning from the criminal justice system and households exiting Arlington Drive after one year of residence. The HOP subsidy should not be expanded to these households or any others. PIE instead recommends offering traditional voucher subsidies to these populations.

Recommendation 4: Retain Practices that Reduce Administrative Burdens

As a result of changing rental market conditions paired with stagnation of wages, HOP has not made the impact the agency anticipated. However, it has allowed us to try new approaches to how we carry out recertifications. PIE recommends further consultation with the Rental Assistance department to consider if and how some of the administrative efficiencies can be applied to the HCV program.

COST ANALYSIS

To understand the financial impact associated with these recommendations, PIE used current rental data from HOP households to convert their subsidy to HCV. This process involved identifying the appropriate income tier based on household size, adjusted annual income, and which utilities are covered by the landlord and tenant to determine the appropriate utility allowance based on their current residence and lease. This conversion was only carried out on households for which we have utility data. The resulting sample size was about 430 households, or 80% of current HOP (including CHAP and CHOP) households. The findings from those 80% are used to estimate the cost for all HOP, CHAP, and CHOP households.

COST OF TRANSITIONING TO AN INCOME-BASED SUBSIDY		
OPTION	ANNUAL COST	ADDITIONAL COST
Current Fixed Subsidy Program	$4,018,545	-
Option 1: Convert all tenants to income based	$4,579,170	$560,625 (14% increase)
Option 2: No harm - THA pays the higher of the two HAPs	$4,929,315	$910,770 (22% increase)

Converting all current HOP participants to an income-based subsidy would increase THA's housing assistance payment by nearly 15%, or $560,000 annually.

Since a third of households would experience a lower HAP if they were moved over to an income-based voucher, PIE also calculated the cost if we were to allow households to receive the highest HAP payment of the two subsidy options. If households can maintain their HOP subsidy as opposed to moving immediately to an income-based subsidy, it would cost THA just over 20%, or $900,000 more per year. However, THA would only bare this cost temporarily if these households were eventually moved over to an income-based subsidy.

While it is unlikely that a large portion of HOP households will suddenly move out of their current living situation in response to receiving an income-based voucher (data indicates the vast majority are not underhoused), it is worth highlighting that THA could anticipate an increase in the number of extremely low-income households served. As new clients enter the program, the likelihood that these households will have greater success in securing housing with a subsidy deeper than HOP increases. In turn, it's worth noting that the estimated HCV cost for the current HOP households may be lower than future costs. However, an increase in extremely low-income households would be an indicator that THA has made progress at ensuring all households, regardless of income level, have the same likelihood for lease up success.

CONCLUSION

Across all four areas explored in this report (leasing, income, program exits, and rent burden), HOP was associated with poorer household outcomes. This pattern is likely due to the compatibility of the program design (a flat subsidy and time limit) waning in response to external forces that have negatively impacted access and availability of affordable housing. When originally implemented in 2013, Tacoma's market still had pockets of affordability and the promise that households, if provided some limited resources and support, could progress, and eventually afford rent without THA assistance. An increasingly competitive and constrained rental market paired with the devastating economic impacts resulting from the pandemic, necessitate THA to reconsider if HOP is properly serving the need. According to our analysis, it is not keeping pace with household need, in particular those with extremely low incomes. Fortunately, THA and its partners are positioned to address this need with the forthcoming additional housing resources committed by the federal government.

While it is the charge of MTW agencies to innovate and test new ways to serve more households, it is also our responsibility to pivot when those innovations are not producing the outcomes they were intended to produce. To ensure THA can continue to carry out its mission of providing high quality, stable, and sustainable housing, PIE encourages the Board to consider the recommendations put forth in this report and give its support to carry out a robust consultation with the public and THA's households.

APPENDIX A: CHAP

CHAP has recently undergone two third-party evaluations. Temple University's Hope Center has gathered preliminary findings on participants who applied to CHAP between 2017 and 2019. The Hope Center evaluation has shed light on how successful students are applying for the program and leasing up. Future reports will address the following portion of the program life cycle: if and how housing impacts academic outcomes and retention.

The second evaluation was conducted by BERK Consulting. This evaluation looked at all CHAP participants, including those using a property-based subsidy. The intent of this evaluation was to understand what additional barriers students face on the program and once housed. THA's hope with this evaluation was to gain insight into why a larger portion of students were having difficulty meeting and maintaining eligibility requirements.

The findings from the reports, as well as administrative data from TCC and THA, brought the following issues to our attention:

CHAP is not effectively serving the intended population.

The Hope Center's research uncovered that only one quarter of students who apply to CHAP end up securing housing. Most concerning, the students who do lease up are more likely to show stronger pre-existing navigational and academic skills, compared to those who do not lease up. Further, males and Black/African American students are least likely to secure housing.

Both the Hope Center evaluation and BERK report discussed the various challenges students reported facing in the search for housing. The following quotes from BERK's interviews help paint a picture of the challenges students face:

> *"I had to go out into the community and find a place that would A) accept me: homeless, with little income, poor credit, the wreckage of addiction, past evictions, and B) accept a voucher. This was a struggle. I hit a lot of 'nos.' It took a about 3 months."*
>
> *"Most places wouldn't accept the voucher. Even those that did required a certain credit score and income level if you don't have a cosigner, and those in CHAP are typically lacking those resources or they wouldn't be homeless. In fact, one place I applied to required that I have 3x rent in income on top of the amount of the voucher."*

In an effort to ease the barriers associated with finding housing, THA partnered with private developers to buy down rents to affordable levels for student. Yet, while rents are below market value, to income qualify students must demonstrate that they have an income of 2.5 – 3 times the rent amount and are able to pay a deposit of $500 to nearly $1,200, depending on the property. As a result, TCC has had difficulty referring students who are homeless to the property because many have incomes too low to income qualify. From April to November 2020, 16% of CHAP applicants at TCC reported $0 income and just over half of the applicants stated they were unemployed. While CHAP prioritizes serving the most vulnerable students through program policy, the reality is that students who are more financially secure, academically strong, and experienced/savvy at navigating bureaucracies are the ones that are actually being served while those most in need are left on the waiting list until they disenroll or secure employment. Much like the larger HOP findings, we see that the intended population is not always aligned with the population getting served.

CHAP participants are experiencing inequitable outcomes.

As mentioned in the previous section, the Hope Center evaluation found that Black/African American students were underrepresented in the number of students who were able to secure housing. In addition to disparities in becoming housed, the BERK evaluation identified that roughly 25% of participants exit the program early for not meeting eligibility requirements (drop in GPA, not maintaining fulltime enrollment, stopping out). However, as mentioned in the main report, PIE staff reviewed the account notes from a random sample of 50% (n=120) of HOP households that exited between 2018 and 2020. When the data was disaggregated by program, just over half of CHAP exits were a result of not maintaining eligibility.

CHAP Exit Reason	% of exits between 2018-2020
No longer eligible	52.17%
Graduated	17.39%
Moved out (no reason)/Self terminate	17.39%
Evicted	4.35%
Terminated	4.35%
Time limit	4.35%

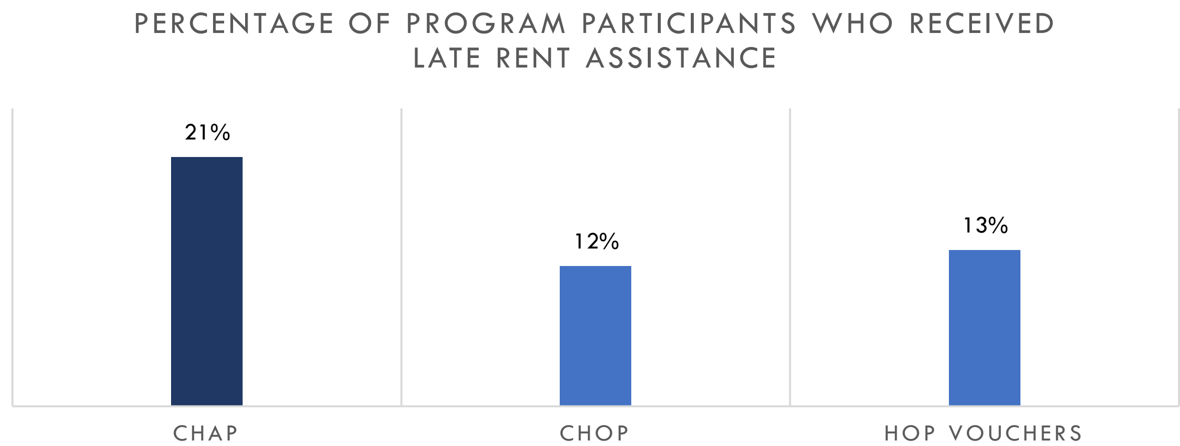
BERK's report indicated half of the students experiencing a negative exit were single parents. In fact, 26% of BERK's survey respondents who are the sole or primary caregiver for dependents struggle to meet CHAP eligibility every quarter – a rate that is nearly four times as high as students without dependents.

> *"CHAP was amazing – I was a single mother of two kids, struggling financially. But a lot of requirements were things I couldn't do like being enrolled full-time. With my learning disabilities, I can't be enrolled full-time, be a single mother, work full-time, and also get good grades. But financially, I needed to work full-time… …If I could have had financial support to guarantee that had I rent and bills paid, food on the table, and gas in the car, I could have stopped working and gone to school. Even if I had to go to school part-time, I could have focused on school full-time."*

When disaggregated by race and ethnicity, the data shows that the majority of students in every category are exited from the program due to negative reasons (no longer eligible).

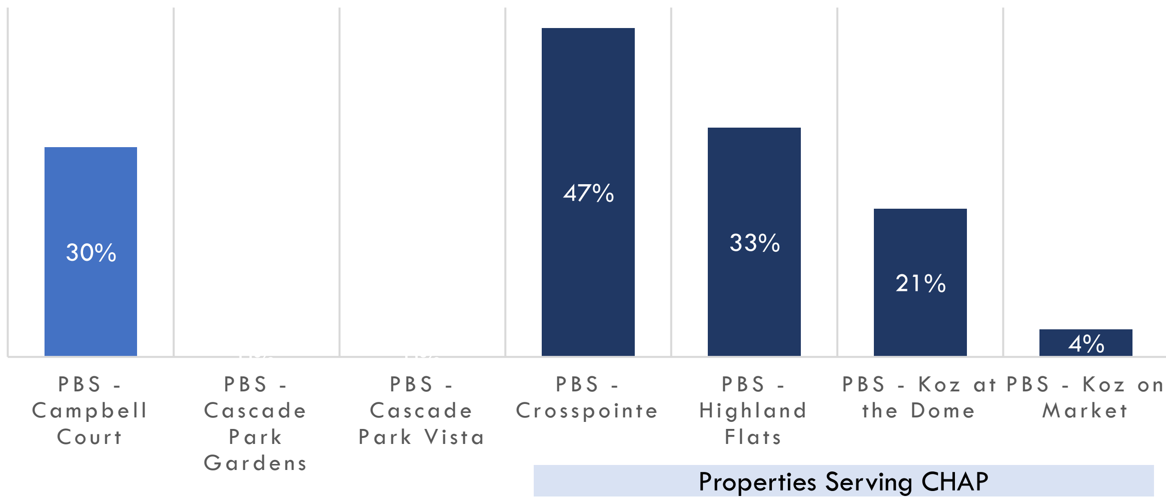
CHAP Exits	% Positive Exit	% Neutral Exit	% Negative Exit	N
All CHAP Voucher Holders	14%	20%	**66%**	*76*
Female	11%	21%	**67%**	*61*
Male	27%	13%	**60%**	*15*
BIPOC	17%	17%	**66%**	*29*
White	10%	10%	**81%**	*21*
Unknown/Did not disclose	15%	31%	**54%**	*26*
BIPOC - Female	13%	22%	**65%**	*23*
White - Female	6%	12%	**82%**	*17*
BIPOC - Male	33%	0%	**67%**	*6*
White - Male	25%	0%	**75%**	*4*
African American/Black	18%	24%	**59%**	*17*
American Indian/Alaska Native	0%	0%	**100%**	*2*
Asian American	0%	0%	**100%**	*1*
Native Hawaiian/Pacific Islander	0%	0%	**100%**	*1*
White	15%	11%	**74%**	*27*
Other/Multiple Races	0%	0%	**100%**	*1*
Unknown/Did not disclose	15%	30%	**56%**	*27*
Hispanic BIPOC	0%	50%	50%	*2*
Hispanic White	33%	17%	**50%**	*6*
Hispanic (race not disclosed)	0%	0%	**100%**	*1*
Non-Hispanic BIPOC	15%	15%	**70%**	*20*
Non-Hispanic White	6%	11%	**83%**	*18*
Non-Hispanic (race not disclosed)	0%	**67%**	33%	*3*
Not Single Parent	24%	18%	**59%**	*34*
Single Parent Household	7%	21%	**71%**	*42*
Average Income	$23,246	$10,459	$10,866	
Median Income	$21,958	$8,796	$8,526	

The data presented in the main body of this report demonstrates that CHAP participants are exiting the program worse off than most other households with a HOP voucher. They are more likely to experience a reduction in income while on the program (which may reflect the ability to reduce work hours in order to focus on school), have the highest rate of exiting with a severe market rent burden, and have the highest proportion of negative exits. Additionally, students using tenant-based vouchers were overrepresented in their need for late rent assistance in the fall of 2020 when compared to other THA households using the flat subsidy.



Even more surprising was that CHAP participants using the property-based subsidy had even higher rates of requests for late rent assistance. The property-based subsidy is a deeper subsidy than HOP in that THA pays more than 50% of the payment standard to ensure affordable rents. Despite receiving a deeper subsidy, CHAP participants still indicated a greater need for late rent support. Koz on Market was the only CHAP property with a low number of late rent requests. However, UW Tacoma has shared that during the initial lease up of that property verifying homeless or near-homeless status fell short. As a result, many residents of Koz on Market may not experience the same level of marginalization as those at the three other CHAP properties (it may also reflect differing student demographics, as Koz on Market primarily houses students from UW Tacoma).

PERCENT OF PBS CLIENTS WHO RECEIVED LATE RENT THROUGH THA OR ANOTHER PROVIDER



The data on CHAP outcomes is deeply concerning. CHAP is intended to ensure students' post-secondary success is not thwarted by homelessness and housing insecurity. Affordable housing would ideally allow them to reduce their non-school workload to give greater attention and time to completing their degree. However, reducing one's workload and income brings with it an exceptional level of risk as the data suggests. These participants are incredibly vulnerable to any negative change in circumstance, and it is unclear just how many participants have entered back into homelessness or disenrolled from college upon being removed from/exiting the program.

Knowing that CHAP is a program intending to serve students whose basic needs are not met, it is important to reflect on whether post-secondary enrollment requirements and academic-based performance metrics are fair and equitable measures of success. How can CHAP incentivize continued post-secondary enrollment and completion while at the same time not punish participants who struggle to make progress, especially student groups that have historically been marginalized in higher education? When students lose rental assistance for not maintaining eligibility, is the program unintentionally recreating the very problem that it is attempting to solve?

> *"My financial aid ran out before I got my degree. I could not financially continue school. I got kicked off the program, got behind, and ended back up in a hotel. THA wait lists weren't open. Some sort of collaboration there, resource, or guidance would have helped, like 'Here's what you do so you don't end up homeless again.'"*

Administrative Challenges

While CHAP eligibility requirements have been modified to allow for greater flexibility, they still require intensive tracking and reporting from the colleges. The education partners must rely on existing institutional data sources/practices which cannot be easily modified to meet the needs of CHAP reporting. Internal tracking at THA is further complicated by the fact that, in addition to 75 voucher holders, there are nearly 225 additional students spread across four properties. The data on the bulk of CHAP's participants is quite limited, occasionally inaccurate, and cannot be pulled in real time. For instance, determining the exact number of CHAP participants on a given day requires coordination between seven separate parties (two colleges, four properties, and THA) and would likely take nearly a week to compile.

Additionally, though originally envisioned to be a streamlined approach to providing subsidized housing, the PBS portion of the program has demanded a significant amount of administrative time and effort. Inaccurate reporting, landlord-tenant communication problems, safety, and referrals being made by institutions untrained on fair housing practices and landlord-tenant laws have required THA to get involved more than originally anticipated and have placed the college staff in unexpected positions where they serve as a mediator for landlords and tenants when issues arise.

Administering CHAP is complex, not only for internal THA operations but also the program staff at the colleges. TCC has one dedicated staff member to run CHAP. This staff person serves students who are currently housed, students on the waitlist, and students inquiring about the program (roughly 300 students total). UW Tacoma's Office of Student Support and Advocacy has one staff person and two social work interns serving nearly 400 students a year. CHAP participants make up about one quarter of the full case load as this office serves the entire campus and supports students with a variety of needs, not just housing.

Additionally, none of the program staff at the colleges have been formally trained on fair housing laws and local landlord tenant laws. THA does not have a process for onboarding partners and ensuring they are equipped to abide by these regulations and policies. We also do not have an auditing process in place to ensure screening and referral practices are compliant with fair housing guidelines, nor do we currently have the capacity to develop one. We should be mindful that shifting housing-related responsibilities to a non-housing institution bring with it some risk if adequate training and oversight is not provided or available.

It is not surprising that the education partners are concerned about program staffing and sustainability. Administering CHAP requires a unique and specialized skill set that is hard to come by and takes times to develop. Addressing this problem, the BERK evaluation included a recommendation to explore if there is a Coordinated Entry (CE)-connected service provider who could assist with program screening and referral to alleviate the colleges from the housing-specific responsibilities.

Recommendations

Recommendation 1: Convert the CHAP Tenant-Based Subsidy to an Income-Based Subsidy

Unlike THA's general voucher programs, CHAP gives priority to students who are homeless. It is important that we recognize this is a population that may not have enough financial stability to income qualify for PBS units or afford to rent on the private market with a fixed subsidy. It is also a population that has a greater likelihood of having experienced trauma and would benefit from more intensive supports. Lastly, as a population participating in post-secondary education, an income-based subsidy will reduce the need to balance school, work, and family or leave students relying on additional financial aid/private loans to make ends meet. As such and given what we know about HOP's lower lease up success for extremely low-income households, PIE recommends converting the CHAP HOP subsidy to a traditional income-based voucher.

Recommendation 2: Limit Vouchers to Homeless TCC Students

Should the voucher become an income-based subsidy, PIE staff recommend limiting vouchers to students who are currently homeless, using the definition that has already been established for CHAP:

Definition of homeless: A household that is:

- In an emergency shelter or in a transitional housing facility or living in a place not suitable for human habitation; or,
- Is a client of a case-management program serving the homeless; or,
- Has been discharged or is facing discharge from a public institution (e.g. incarceration, hospital, etc.) without a housing discharge plan; or,
- Is fleeing or attempting to flee domestic violence, has no other residence, and lacks the resources or support networks to obtain other permanent housing.

The previous and following recommendations help to address many of the concerns that THA and TCC were working through in trying to figure out how to better support students who are homeless and without income.

Recommendation 3: Designate Property Based Subsidies to Low-Income Students

If homeless students were able to access income-based vouchers, then PIE staff recommend designating the PBS units to housing insecure/low-income (Pell-eligible) students.

Over the last two years, the education partners have shared that PBS units are not as accessible to homeless students. To qualify for a PBS unit, students must be at or below the 30% AMI limit, but they also must have an income of two times the rent amount. For unemployed or low wage earners, this is a challenge. They are not financially secure enough to lease up. Therefore, an income-based voucher would best serve the most vulnerable population.

On the other hand, we have also received feedback that the definitions of homeless and near-homeless are not broad enough and do not serve students who are trying to avoid becoming homeless. For instance, a student must have documentation of a pending eviction to qualify as near-homeless, yet a student who is not yet evicted and trying to avoid eviction by finding a more affordable place to move to does not qualify to participate in CHAP.

Given these challenges, PIE staff recommend designating PBS units to Pell-eligible students at or below the 30% AMI limit. (Pell-eligibility controls for instances where a student is a dependent as eligibility is based on family income.)

Recommendation 4: Reproportion PBS Units to Better Serve Households with Children

The PBS model has greatly reduced the stress that students face shopping on the private market. However, the current stock of PBS units is largely made up of studios and one-bedroom apartments. Only 5.5% of PBS units are 2-bedroom. However, many of the people applying to CHAP are adult learners with families. Using TCC's screening application data, between now and March 2020 almost 40% of the homeless and near-homeless students applying to CHAP would qualify for two or more bedrooms.

PIE staff recommend reducing the number of subsidized studio units in order to increase the number of 2+ bedroom units with full amenities (as opposed to kitchenettes) to better serve families.

Recommendation 5: Maintain Time Limits, but Remove Non-Housing Related Program Requirements

> *"I didn't qualify [for CHAP] because the nursing application was down. I had been out [of school] for three quarters […but] I am following my education plan exactly. The program was not there. I really had to fight to get the voucher."*
>
> *"I find myself taking extra time-consuming classes for the sake of credits that aren't beneficial."*

Though we think of post-secondary education as being composed of two and four-year degree programs, the reality is that most students do not complete a degree within that time. Nationally, the average time it takes to complete an Associate's Degree is roughly *five and half years*. This suggests many students stop out for a period and/or do not attend school full-time.

Providing a fixed time limit of 5 years that is free of non-housing related continued eligibility requirements would allow students greater flexibility to pursue a program on a timeline that best fits their needs and post-secondary/career goals while aligning with the national average time it takes to complete a two-year degree. This is especially important in terms of providing time and flexibility for homeless households to stabilize and experience the effects of the wraparound support provided by their post-secondary institution and/or additional external supports. Also, it would not punish someone who determines college is not the best/most affordable/attainable path for them given their life circumstances. Instead, it affords them some grace to find a path of best fit.

Further, given the inaccessible rental market, we see some students purposefully extending their post-secondary participation due to the fear that they will be unable to afford housing once exited from CHAP. This may impact the accumulation of student loan debt and delay entry into fulltime labor market participation.

Participation in job training and higher education should be *incentivized* rather than serve as a pre-requisite to having one's basic needs met. Through CHAP, post-secondary participation can serve as a method to accelerate access to affordable housing (bypassing the THA waitlist). Maintaining a time limit for the CHAP program reflects the purpose and responsibility of the post-secondary institution to ensure students of any background can obtain a post-secondary credential that will lead to a living wage job. Rather than punish participants for encountering disruptions in their post-secondary path by ending their assistance, this shifts some of the onus to the education partners. Ensuring participants are leaving the college with improved and marketable skills to participate (and succeed) in the labor market will help accelerate voucher/unit turnover. As a result, PIE staff recommend that THA no longer condition rental assistance on a person's postsecondary enrollment or success. Additionally, we recommend maintaining a 5-year time limit on assistance with vouchers and a limit of 4 lease renewals for property-based subsidies.

Conclusion

Together, these recommendations would simplify the administrative burden placed on the colleges and THA staff. These program changes would provide greater flexibility for students coming out of homelessness and put access to basic needs ahead of post-secondary success. They create a path to housing for students with little to no income as well as increased opportunities for students with larger households. Lastly, it calls for greater investment by the post-secondary institutions to develop targeted re-engagement plans and career advising to ensure participants on the program are leaving the program not because of life circumstances that got in the way, but because they have earned a credential and secured entry into a long-term and meaningful career.

APPENDIX B: CHILDREN'S HOUSING OPPORTUNITY PROGRAM (CHOP)

In 2012, THA and Washington State Department of Children, Youth, and Families (DCYF) recognized there were not adequate Family Unification Program (FUP) vouchers to serve child welfare system-involved families in need of housing. In response, THA's board of commissioners committed some of its general federal housing dollars for a local FUP-like program called the Children's Housing Opportunity Program (CHOP). CHOP is intended to:

- Prevent the need for a child's foster care placement, i.e. serve families for whom the lack of adequate housing is a primary reason for the imminent placement of a family's child or children in out-of-home care.
- Facilitate a reasonably imminent reunification of a foster child with his or her family (generally within three to six months from the start of receiving housing assistance).

The primary differences between FUP and CHOP are the following:

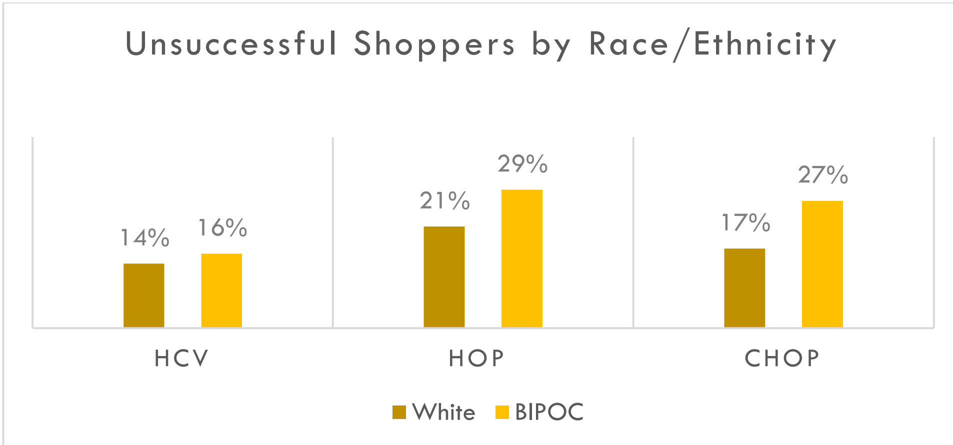
- The CHOP subsidy is a flat subsidy, like the other HOP programs, whereas FUP family vouchers are income-based.
- The length of CHOP assistance is limited to five years for workable families whereas FUP family assistance is not time limited.
- CHOP assistance is conditioned upon the household's cooperation with the DCYF's individualized service or family plan devised.
- CHOP assistance ends if parental rights are terminated.

THA funds twenty CHOP subsidies, all set aside for families.

CHOP participants are experiencing inequitable outcomes.

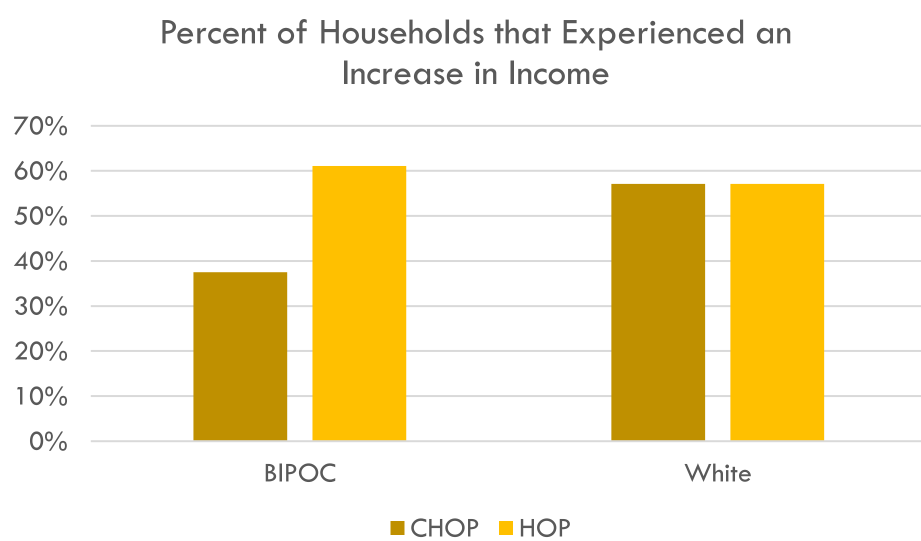
The following findings are presented in the main report and summarized here for ease of review. It is important to note that, due to the program's size, the number of CHOP households included in the analysis is small, 27 households. When broken out by demographic characteristics, the populations get even smaller. However, PIE is committed to disaggregating data by race and ethnicity, as a rule. Regardless of population size, the findings show correlations that should be considered in future programmatic decisions.

When comparing lease-up rates to the general HCV population, CHOP participants experience somewhat comparable outcomes with 78% of the population successfully leasing a unit compared to 82% of the HCV population. However, when disaggregated by race and ethnicity, PIE observed that BIPOC-headed households receiving assistance through CHOP were unsuccessful at securing a unit at three times the rate of white-headed households.



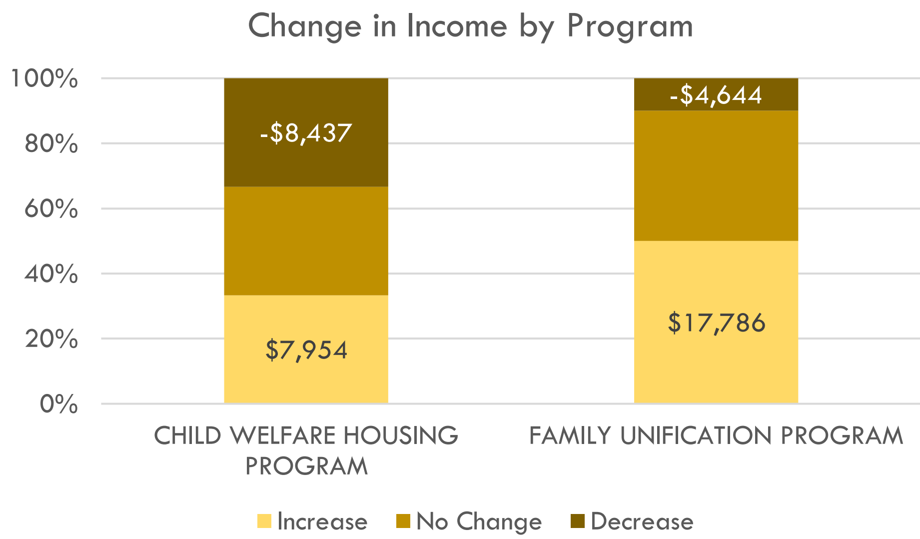
[16]

In terms of income gains, CHOP participants were among the lowest proportion of households that experienced an increase in income. In fact, CHOP households were more likely to have experienced an income *decrease* when compared to the general HOP and HCV populations. When disaggregated by race and ethnicity, PIE observed that BIPOC-headed CHOP households were less likely to experience an increase in income compared to their white counterparts on the program. These outcomes could be reflective of more stringent program requirements that have unintended and disproportionate negative impacts on people of color in addition to systemic barriers.

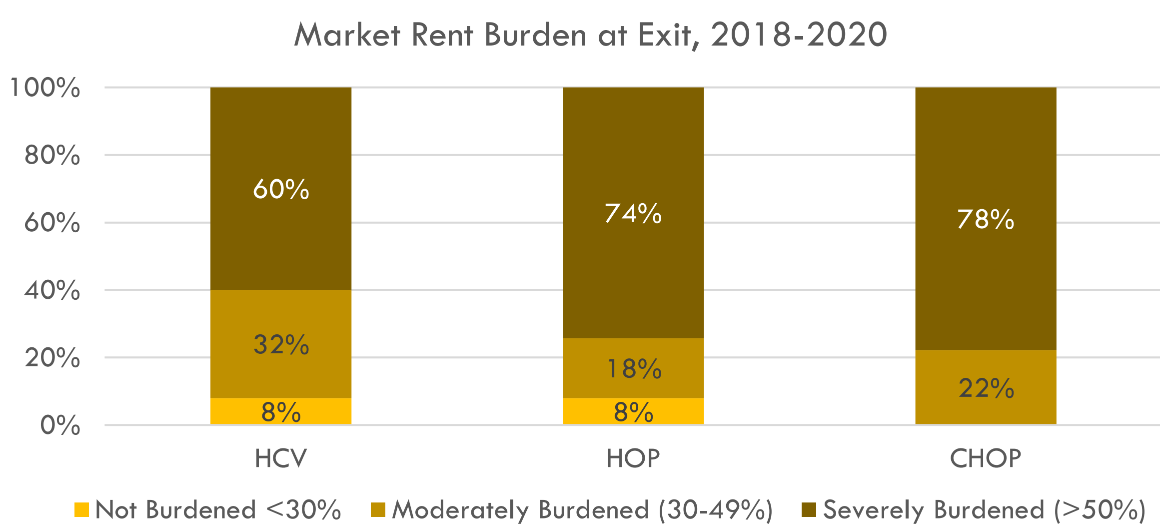


16 CHOP (n=27); HOP (n=889); HCV (n=450)

Comparing CHOP households that have exited to FUP households that have exited, the data shows that FUP households are more likely to experience an increase in income and their average income increase is more than double that of CHOP households.



Finally, CHOP households face greater rent burdens than clients receiving HCV or traditional HOP assistance. When it comes time for households to exit the program, 78% of CHOP participants face a severe market rent burden (paying more than 50% of their income on housing costs) compared to 60% of the general HCV population.



These findings are consistent with previous findings around leasing and income progression: CHOP households are presenting greater barriers and at a disproportionate rate.

Recommendations

Like the other HOP programs, CHOP is associated with poorer outcomes when compared to the traditional HCV program. Like CHAP, CHOP targets a special population facing multiple barriers to housing security and stability – families involved with the child welfare system in need of housing support. According to the shopping outcomes, CHOP households may not have enough financial stability to rent on the private market with a fixed subsidy. Further, they have likely experienced trauma and could benefit from deeper and more intensive supports. Finally, DCYF partners have communicated that CHOP is not a fit for all of the families they serve as many need deeper subsidies to successfully secure and maintain housing. For these reasons, PIE recommends shifting the flat CHOP subsidy to an income-based subsidy.

In terms of length of assistance and program requirements, PIE recommends further consultation with its DCYF partners on the particular needs and barriers they observe in their interactions with this client population. DCYF also administers FUP assistance and likely have observations about what can be gleaned from that program and applied to CHOP.

Additional recommendations may follow the community consultation period.