

# Moving to Work

## ANNUAL PLAN

FY 2016

### TACOMA HOUSING AUTHORITY

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## TABLE OF CONTENTS

<b>SECTION I: INTRODUCTION AND OVERVIEW</b>	<b>3</b>
<b>SECTION II: GENERAL THA OPERATING INFORMATION</b>	<b>10</b>
<b>SECTION III: PROPOSED MTW ACTIVITIES</b>	<b>16</b>
<b>SECTION IV: APPROVED MTW ACTIVITIES</b>	<b>18</b>
<b>SECTION V: SOURCES AND USES</b>	<b>54</b>
<b>SECTION VI: ADMINISTRATIVE</b>	<b>58</b>
<b>VI.A: BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE</b>	<b>59</b>
<b>APPENDICES</b>	<b>70</b>
<b>APPENDIX A: REPLACEMENT HOUSING FACTOR PLAN (RHF PLAN)</b>	<b>71</b>
<b>APPENDIX B: LOCAL ASSET MANAGEMENT PLAN</b>	<b>75</b>
<b>APPENDIX C: LETTER OF CONSISTENCY</b>	<b>92</b>
<b>APPENDIX D: COMMITMENT TO MTW RESERVES</b>	<b>93</b>
<b>APPENDIX E: THA'S EDUCATION PROJECT</b>	<b>98</b>

## SECTION I: INTRODUCTION AND OVERVIEW

### LONG TERM GOALS

Near the end of 2015, THA celebrates its 75<sup>th</sup> anniversary. This year offers a chance to celebrate and to reflect on the agency's endeavors, accomplishments and experiences. In 2016, THA will remain focus on its long-term vision for its city. THA's Board of Commissioner has stated it clearly:

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

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

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

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

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

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

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

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

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

#### 1. *Housing and Supportive Services*

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

To meet this objective THA will:

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

## 2. *Housing and Real Estate Development*

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

To meet this objective, THA will:

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

## 3. *Property Management*

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

To meet this objective, THA will:

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

#### 4. *Financially Sustainable Operations*

*THA seeks to be more financially sustaining.*

To meet this objective, THA will:

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

#### 5. *Environmental Responsibility*

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

To meet this objective, THA will:

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

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

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

To meet this objective, THA will:

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

## 7. Administration

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

To meet this objective, THA will:

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

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

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

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

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

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

- **Real Estate Development:** THA is able to invest MTW dollars to build or buy new housing. Over the next five years, THA plans to add an average of 70 new housing units per year. This investment is important especially as Tacoma’s rental market becomes less and less affordable making vouchers less effective. This investment also allows THA to (i) bring affordable housing to higher opportunity parts of the market that would be unaffordable or inaccessible even with a voucher; (ii) invest in depressed parts of the market that need the investment and embolden others to invest.
- **Property Management:** THA has used MTW dollars to maintain its public housing portfolio. This investment is also critical. That portfolio is valuable. It serves THA’s neediest households, including those who would not do well in the private rental market even with a voucher, such as disabled persons, seniors, households coming from trauma and those who do not speak English. THA and its talented and multi-lingual staff are very good landlords to such tenants. This use of MTW dollars is also how THA can bring investments to neighborhoods that need it and to spur their development in ways that benefit all their residents.
- **Financially Sustainable Operations:** The addition of affordable housing units to the portfolio will increase the agency assets. It will also add new income streams to the agency.
- **Environmental Responsibility:** THA achieved Certified LEED Gold Bay Terrace Phase I development that we developed using MTW dollars is.
- **Advocacy:** MTW has allowed THA to develop and test new ideas using its federal flexibility. These programs have added value to the Tacoma community and benefitted the customers we serve. We have been able to share these experiences with a wide national audience.
- **Administration:** THA has greatly simplified how it verifies household income and assets for the purpose of calculating rent.

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

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

## SHORT TERM GOALS

THA remains ambitious and 2016 will be no different. In 2016, we will complete a portfolio-wide Rental Assistance Demonstration (RAD) conversion, a software conversion and further rent reform planning. All of these activities will serve our long-term strategic planning.

### *RAD*

This conversion directly links to THA's mission: *THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.* THA's RAD conversion will have a huge impact on the agency, THA's tenants and the community. THA will no longer have housing funded with public housing dollars. Instead, those same housing units will carry private debt as well as federal subsidy. With this additional income, THA will complete over \$40 million in repairs and upgrades to give these housing units a longer life. These capital investments will provide THA's tenants higher quality housing and local neighborhoods with a clear sense of investment in the community. With long-term operating investments, we will fund a higher level of on-site supportive services to help THA's tenants succeed. THA undertakes this RAD conversion with HUD's encouragement. THA appreciates HUD's support. THA looks forward to HUD's accompanying help to insure that RAD does not undermine MTW flexibility.

### *Software Conversion*

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

### *Rent Reform*

Finally, 2016 will be our planning year for program-wide rent reform. We have set a research agenda that will allow us to study what types of environments, rent structures and service interventions best help people succeed as parents, students and wage earners. With this information, THA will work with its customers, staff and stakeholders to propose agency-wide rent reform that will help THA serve more households, help households increase their self-sufficiency, increase mobility and lessen the administrative burden of using federal subsidies.

Overall, THA has a collection of activities that meet the MTW program goals of spending federal dollars more efficiently, helping residents find employment and become self-sufficient, and increasing housing choices for low-income persons, especially those in crisis and those not well served by HUD's mainline programs in our local markets.

**SECTION II: GENERAL THA OPERATING INFORMATION**

<b>(II) General Housing Authority Operating Information</b>											
<b>Annual MTW Plan</b>											
<b>II.1.Plan.HousingStock</b>											
<b>A. MTW Plan: Housing Stock Information</b>											
<b>Planned New Public Housing Units to be Added During the Fiscal Year</b>											
AMP Name and Number	Bedroom Size							Total Units	Population Type *	# of UFAS Units	
	0	1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
N/A	0	0	0	0	0	0	0	0	N/A	0	0
<b>Total Public Housing Units to be Added</b>								0			
* Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other											
If Other, please describe: <input type="text" value="Description of 'other' population type served"/>											

<b>Planned Public Housing Units to be Removed During the Fiscal Year</b>		
PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
WA005000006 Scattered Sites	34	Section 32 Disposition
All Public Housing*	809	Rental Assistance Demonstration
N/A	0	N/A
N/A		
<b>Total Number of Units to be Removed</b>	843	

New Housing Choice Vouchers to be Project-Based During the Fiscal Year			
Property Name	Anticipated Number of New Vouchers to be Project-Based *	Description of Project	
Bay Terrace Phase II	52*	Bay Terrace Phase II is a 74-unit new development which is the second phase of Tacoma Housing Authority's (THA) reinvestment in the city's Hilltop neighborhood. Combined with the 70-unit phase I development creates 144 new units which replace 81 units of deteriorated, substandard public housing that was previously located on this site.	
All Public Housing**	809	THA will complete its RAD conversion in two phases during the 2016 Fiscal Year. The first phase will convert all of THA's seven senior buildings and two family properties; this will total 456 units. The remaining 353 units will convert to RAD in a second phase scheduled for early 2016.	
N/A	0	N/A	
N/A	0	N/A	
Anticipated Total New Vouchers to be Project-Based	52**	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	1,536
		Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	16,589

\* Unit Breakdown of the 52 PBVs scheduled to be added in **Fiscal Year 2017:**

Unit Type	No. of Units	Median Income Set Aside
ONE BDRM, 1 BATH	13	30%
ONE BDRM, 1 BATH	10	40%
TWO BDRM, 1 BATH	10	30%
TWO BDRM, 1 BATH	9	40%
THREE BDRM, 2 BATH	7	30%
THREE BDRM, 2 BATH	3	40%

\*\***ALL Public Housing includes the following PIC Development Numbers and Names:**

- |   |                               |
|---|-------------------------------|
| WA005000007 Hillside I                  | WA005000001 K Street          |
| WA005000008 Hillside II                 | WA005000001 G Street          |
| WA005000009 Hillside Terrace 1500 Block | WA005000001 Wilson 77         |
| WA005000010 Salishan One                | WA005000002 Fawcett 30        |
| WA005000011 Salishan Two                | WA005000002 Wright 58         |
| WA005000012 Salishan Three              | WA005000002 6th Ave           |
| WA005000013 Salishan Four               | WA005000003 Ludwig            |
| WA005000014 Salishan Five               | WA005000003 Bergerson Terrace |
| WA005000015 Salishan Six                | WA005000003 Dixon Village     |

**Other Changes to the Housing Stock Anticipated During the Fiscal Year**

THA anticipates that some RAD PBV units will be offline during the fiscal year for rehabilitation. THA has applied a ten percent vacancy rate to the anticipated total number of project based vouchers committed and leased at the end of the fiscal year.

THA may assume a new Project Based Rental Assistance contract for its newly acquired New Look Apartments. If this new funding source is secured, THA will not renew the Project Based Voucher contract that currently provides rental assistance to the tenants in this property.

THA is in the process of purchasing a 49 unit project which has and will continue to have no subsidy attached. The units will be available at market rate rents without income limits.

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

**General Description of All Planned Capital Fund Expenditures During the Plan Year**

THA plans to have all capital funds expended when we transition our Public Housing units to RAD. The current plan is to have the conversion completed by the end of 2015. If this occurs, there will be no remaining funds to draw down in 2016. Otherwise, all capital funds will be drawn down at the time of conversion in 2016.

**II.2.Plan.Leasing**

**B. MTW Plan: Leasing Information**

**Planned Number of Households Served at the End of the Fiscal Year**

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/Leased***
Federal MTW Public Housing Units to be Leased	0	0
Federal MTW Voucher (HCV) Units to be Utilized	4,424	53,089
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	24	288
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	130	1560
<b>Total Households Projected to be Served</b>	<b>4578</b>	<b>54937.2</b>

\* Calculated by dividing the planned number of unit months occupied/leased by 12.

\*\* In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.

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

**Reporting Compliance with Statutory MTW Requirements**

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

THA is currently in compliance with the three statutory MTW requirements.

**Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions**

Housing Program	Description of Anticipated Leasing Issues and Possible Solutions
Housing Choice Voucher (including HOP and PBVs)	THA's conversion of its public housing to project based vouchers through RAD may require THA to offer exit vouchers to households affected by the conversion. This may cause delays in pulling households from THA's HOP waitlist. It also may cause delays in leasing the project based voucher units as households transition from THA low income housing to tenant based assistance. We may also have unleased PBV units as RAD units are taken offline for rehabilitation. THA has applied a ten percent vacancy rate to the anticipated total number of planned PBV households to be served at the end of the fiscal year.
Local, Non Traditional Programs	THA currently invests into two local non-traditional programs that are administered through Pierce County. The county is responsible for allocating THA's investment to local housing service providers. The amount of this investment is scheduled to increase in 2016. Depending on the capacity of the county and local providers to allocate and utilize these funds, there may be issues related to fully utilizing the allocated amount. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will plan accordingly for unused funds.
N/A	N/A

**II.3.Plan.WaitList**

**C. MTW Plan: Wait List Information**

**Wait List Information Projected for the Beginning of the Fiscal Year**

Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Low Income Housing (THA RAD units)	Site Based	8,173	Open	Yes
Housing Opportunity Program (Federal MTW Housing Choice Voucher Program)	Community Wide	1,208	Closed	No
Nativity House (Federal MTW Housing Choice Voucher Program)	Program Specific	15	Closed	Yes
College Housing Assistance Program (Federal MTW Housing Choice Voucher Program)	Program Specific	7	Closed	Yes
Rapid Rehousing- Families (Tenant-Based Local, Non-Traditional MTW Housing Assistance Program)	Community Wide	1,363	Open	Yes
Rapid Rehousing- Youth (Tenant-Based Local, Non-Traditional MTW Housing Assistance Program)	Community Wide	353	Open	Yes
Bay Terrace (non-PH, non-PBV units, non-traditional MTW housing units)	NA	NA	NA	NA

Rows for additional waiting lists may be added, if needed.

\* **Select Housing Program** : Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

\*\* **Select Wait List Types** : Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

\*\*\* For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

N/A
N/A
N/A

If Local, Non-Traditional Housing Program, please describe:

Rapid Rehousing- Families is a Tenant-Based Local, Non-Traditional MTW Housing Assistance Program being operated in conjunction with Pierce County. It serves homeless or near homeless households with children in Tacoma and Pierce County.
Rapid Rehousing- Youth is a Tenant-Based Local, Non-Traditional MTW Housing Assistance Program operated in conjunction with Pierce County. This program serves homeless or near homeless youth in Tacoma and Pierce County.
Bay Terrace contains non-PH, non-PBV units, non-traditional, MTW funded tax credit units. Applicants apply as units become available and are housed on a first-come fist-serve basis.

If Other Wait List Type, please describe:

N/A
N/A
N/A

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

THA is considering the following changes to its waitlist: (1) THA may limit the number of units a housing applicant can turn down without good cause before being removed from all THA site based waitlists. (2) THA is considering making changes to its income targeting policies. THA might begin targeting higher income households in its subsidized tax credit units where units are set aside for 40-60% AMI households. (3) THA is also considering eliminating our site based waitlists and allowing for referrals from other housing programs into vacancies and/or marketing units as vacancies occur.
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### SECTION III: PROPOSED MTW ACTIVITIES

THA has devised multiple program proposals for fiscal year 2016. None of the proposals will require further MTW flexibilities not already covered in existing activity authorizations. For the purposes of this annual MTW Plan, THA has provided details regarding new program endeavors as an expansion or modification to the appropriate existing activity in Section IV of this Plan.

THA proposed the following activity to HUD in its 2015 MTW Plan. The MTW Office has reviewed the following activity and has no substantive concerns regarding the expansion of the Housing Opportunity Program (HOP) in light of a funding emergency. The activity will not be implemented unless approved through a plan amendment following the amendment process outlined in THA's MTW Agreement as well as the associated rent reform impact analysis.

#### 25. Alternative Method for Reacting to Insufficient Funding Activity

**Description of MTW activity:**

Current regulations allow housing authorities to terminate HAP contracts in the event of insufficient funding. THA would amend its Administrative Plan to allow the agency to implement immediate MTW rent reform in the form of the Housing Opportunity Program (HOP) as an alternative to terminating households. THA has never terminated any family from its programs for lack of funding. It does not wish to start.

Specifically, THA would amend the *Insufficient Funding* portion of its Administrative Plan to allow for immediate MTW rent reform. THA would also amend its Administrative Plan to reflect the methodology it would use to determine insufficient funding. Based on the adopted methodology, THA would conduct an impact analysis to determine the necessary program cuts. Before implementation of any new rent reform, THA would go through the public consultation process to reflect the expansion of the HOP activity.

This revision would allow THA to continue to serve the same number of households every year, despite funding cuts. THA would report on the number of households that did not have to be removed from programs as number of housing units preserved.

**Relation to statutory objective:**

This activity will allow THA to increase/preserve housing choices for families that might otherwise lose their rental assistance.

**Anticipated impact:**

THA projects that this activity will allow THA to continue to serve the same number of families and maintain financial stability without terminating families.

**Anticipated schedule:**

THA will implement this activity upon approval from HUD.

**Baselines, Benchmarks and Benchmarks:** THA has chosen the following metrics out of the HUD standard metrics menu. Baseline data would be determined based on the level of any funding shortfall. Benchmark and outcome data would reflect the current number of households served at the time of the funding cut.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmarks Achieved?
HC # 2: Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). If unit reach a specific type of household, give that type in this box.	TBD	TBD	TBD	TBD

**Data Source:**

THA would report on the number of families that did not have to be removed from programs as number of housing units preserved. This would be tracked with our VisualHomes software.

**Agency’s Board approval of policy:**

This policy will go to the board at the September 2014 board meeting.

**Description of Authorization or Regulation Waived:**

TBD: pending guidance from HUD and the MTW Office.

**Impact Analysis:**

THA has conducted multiple impact analyses to analyze the conversion of all work-able HCV program participants to HOP. Most recently, THA looked at this conversion on multiple timelines. The first analysis shows the potential impacts of converting all households to HOP on a single day. The subsequent analysis conveys the potential impacts of converting households during the month of a household’s recertification month.

If THA exercised this alternative reaction to insufficient funding, it would conduct additional impact analyses. The number of households to be affected by this activity is dependent upon the amount of the budget shortfall.

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## SECTION IV: APPROVED MTW ACTIVITIES

### A. Implemented Activities:

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

- Allow a previously assisted households returning from deployment to request reinstatement within 90 days from the date they return from deployment.

**Status Update:** THA has not needed to exercise this flexibility since 2010 but, since Tacoma is home to one the nation's largest military bases, THA wants to be ready if this issue arises again.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to baselines or benchmarks during the plan year:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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## 2. – Tacoma Public Schools Special Housing Program (formerly McCarver Elementary Project):

This activity was proposed and implemented in the 2011 MTW Plan. THA used the flexibility provided under Moving to Work status to pilot an innovative rental assistance program in partnership with Tacoma Public Schools. The rental assistance program is designed to assist families at McCarver Elementary School and to help transform the school. Among its many challenges, McCarver Elementary had a very high student turnover rate. For the 2007- 2008 school year, the school's student population had a turnover rate of 121%; in prior years, the turnover rate was as high as 179%. This population is transient because of family homelessness, a high poverty level in the school (96%), and the attendant housing insecurity. McCarver has more homeless students than any other elementary schools in Tacoma, the region and possibly the state.

THA used its MTW authority to provide rental assistance for eligible students and their families at McCarver for the duration of their enrollment at the school. THA began by serving 50 families with a plan to assess the results on stability and educational outcomes. THA believes that increased housing stability will show in better school performance.

The initiative has five elements: (i) the rental assistance to homeless families with children enrolled at McCarver. The assistance lasts for as long as the children remain at McCarver, with a maximum five years; (ii) parental commitment to keep their children enrolled at McCarver, support their children's education by getting them to school on time every day, reading to them, making time and space for homework, attending every student-parent-teacher conference and PTA meetings, and investing in the parents' own education and employment prospects; (iii) close case worker support from THA to help the parents fulfill these commitments; (iv) an investment in the school by the Tacoma Public School District to make the school worthy of the commitment we ask the parents to make. In particular, the School district has invested the considerable funds and effort to make McCarver an International Baccalaureate Primary Years Program that raises student and faculty standards for the entire school; (v) third party evaluation tracking an array of metrics (paid for by the Bill & Melinda Gates Foundation.)

Throughout their participation in the project, a family's compliance with program requirements are monitored by a case worker assigned to them. If a family has difficulty meeting the requirements, the case worker provides additional support. Should THA determine the family to be unable or unwilling to comply with the requirements, THA can terminate their participation.

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**Other Metrics:** Other metrics beyond those HUD asks us to track are at the core of the initiative. They show in the attached third party evaluation report. The transient rate at the school is down to 74%. The reading scores of the cohort children has increased 15%. By one measure 61% of them are reading on grade level up from a baseline of 36% by that same measure; by another measure 41% of them are reading on grade level with no baseline.

**Status Update:** Based upon these encouraging metrics, THA and Tacoma Public Schools (TPS) have made two decisions. First, starting in September 2015 they will turn the program at McCarver from a pilot to a regular offering of the school. Second, starting in September 2016, they will begin its expansion to other elementary schools in Tacoma with ruinous student transient rates because of family homelessness. TPS will identify those schools. Also in 2016, TPS will take over funding the salaries for the case managers in all schools.

THA and TPS will spend 2015-2016 reviewing the design details of the program, including the rent structure. It has become evident that the rent structure is not serving all families well. In year four, when families were expected to pay 60% of the market value rent, a majority were unable to make the required payments. They have received hardship exceptions allowing them to pay much less. In the interim while THA reviews the issue, THA has changed the rent structure to an income based model already in use at THA. This would have household rent calculations set on THA's current rent reform model of the traditional Section 8 program. This means that household rent will be based on 28.5% of the household income.

**Modifications to the activity during the plan year:** In 2016, the program will be expanded to at least one additional elementary school within Tacoma Public Schools and perhaps a third.

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**Modifications to baselines or benchmarks during the plan year:** In THA's 2014 Report, THA proposed to begin reporting on this activity following the third party evaluation schedule. This schedule conforms to the traditional school year calendar which more accurately reflects one program year for participating households. This means that the metrics for this activity will be populated using the data retrieved from the third party evaluations and annual report metrics will reflect the prior school year. For example, THA's 2015 report would contain metrics from the 2014-15 school year.

THA will no longer report on the following metrics for this activity:

- SS#2 Increase in household savings: This metric combats the goals of THA's activity that authorizes the agency to have more lenient asset verification policies.
- SS#4 Households Removed from TANF: Program staff has found that households participating in the Tacoma Public Schools Special Housing Program are more likely to need TANF than to be prepared to no longer receive the assistance. Staff is charged with identifying households that are not receiving TANF to determine their eligibility and/or need for the assistance.

In preparation for the expansion of this program to a second elementary school in 2016, THA reset the baselines and benchmarks assuming that 15 current participating households will remain in the program for the 2016-17 school year and that there will be no more than 85 new households likely to be unemployed and with zero earned income. THA will reset baselines according to actual household information in the 2017 Plan. The following metrics reflect this calculation:

- SS #1: Increase in Household Income
- SS #3: Increase in Positive Outcomes in Employment Status
- SS #5: Households Assisted by Services that Increase Self Sufficiency
- HC #5: Increase in Resident Mobility

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THA has also adjusted the baseline data for CE#4, SS#6 and SS#8. The explanations for those changes are as follows:

- **HC#4 Increase in Resources Leveraged:** THA reset the baseline to reflect the planned TPS contribution to funding two case manager positions. THA will report TPS's contribution annually and baselines and benchmarks will reflect the expected contribution to such positions.
- **SS#8 Households Transitioned to Self-Sufficiency:** THA reset the baseline to reflect the number of households that have transitioned to self-sufficiency in this program to date. THA will set five year benchmarks since the program is intended to serve households through a child's elementary school education.
- **SS#6 Reducing per Unit Subsidy Costs for Participating Households:** THA reset the baseline based on the average HAP for participating households during the 2013-14 school year. THA will reassess the baseline according to actual HAP amounts in the 2017 Plan and will determine an appropriate benchmark based on that information. For now, the benchmark will be based on the average HAP for households participating in the traditional voucher program.

**Additional Authorizations:** This activity was approved in THA's 2011 MTW Plan before PIH Notice 2011-45 was issued outlining the guidelines for local non-traditional (LNT) programs. Currently, the authorizations cited include Attachment C Section C.2., C.10., D.1.b, and D.3.b. THA has use of funds authorization for this activity as outlined in Attachment D. Since McCarver is not technically an LNT program, as it is administered by THA, we believe that additional voucher authorizations should be cited. THA and the MTW office do not consider these additional authorizations as grounds to re-propose the activity since the additional authorizations are not the result of a recent program change. [The following page contains](#) ~~Below is~~ a table outlining the current authorizations as well as the additional authorizations THA interprets to be necessary.

Current Authorizations	Additional Authorizations
<b>Att. C.</b> Section C.2: Local Preference and Admissions and Continued Occupancy Policies and Procedures	<b>Att. C.</b> Section D.1.a: Term and Content of HAP Section D.1.c: Reexamination Schedule Section D.1.f: Property Eligibility Criteria Section D.1.g: Portability Policies
Section C. 10: Special Admissions and Occupancy Policies for Certain Public Housing Communities	Section D.2.a: Implement Any Reasonable Policy to Establish Payment Standards, Rents or Subsidy Levels  Section D.2.d: Term limits
Section D.1.b: Term and Content of HAP Contracts	Section D.3.a: Income qualifications for participation
Section D. 3.b: Income Verification Policies	Section D.4: Waiting List Policies
<b>Att. D:</b> Use of MTW Funds	

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**3. Local Project Based Voucher Program:** THA proposed this activity in 2011. THA implemented parts of the program in 2011, and to date, it has implemented most of the activity except that THA has not yet exceeded the cap on PBVs in its own developments. This program introduced several changes to the way THA will operate the project based voucher program . They are as follows:

- THA removed the cap on project based vouchers for its own developments. That will allow THA to finance more developments in the future.
- THA waived the mobility option that allows PBV tenants to automatically receive a tenant-based voucher after one year of occupancy.
- 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.
- THA began conducting Housing Quality Standards (HQS) inspections on units it owns or has interest in.

The changes have allowed THA to streamline many parts of the project based program that were inefficient or unfair to those on the waitlist.

**Status Update:** THA project based units in 2013 using the new method for the first time. THA is inspecting its own PBV units and removed the exit voucher option in 2011. THA completed an RFP to issue new vouchers in 2014 and they went into effect in late 2014. **Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to baselines or benchmarks during the plan year:** THA has been working with HUD to implement new standard metrics for this activity. THA has changed the benchmark in 2016 for the following metrics:

- CE#1 Agency Cost Savings: Since THA has added 20 PBVs to its portfolio through the development of Bay Terrace, the cost of completing inspections in PBVs has risen. The benchmark has been revised to reflect that increase.
- CE#2 Staff Time Savings: Since THA did not inspect its own PBV units prior to implementation of this activity, the agency has not seen staff time savings. Rather, more staff time is required from inspectors in order to complete the task in-house. The

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benchmark reflects the current number of THA owned PBV units apart from the expected increase in this number once THA's portfolio is fully converted to RAD.

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THA has not yet set baselines and benchmarks for the following metrics:

- **CE#3 Decrease in Error Rate of Task Execution:** THA is requesting more time to fully analyze the error rate metric. Post implementation of this activity, THA did find that outside inspectors were not failing units as often as in-house inspectors. This leads staff to believe that there has been a decrease in error rate but, THA needs to identify a reasonable process for comparing the error rate pre and post implementation of this activity.
- **HC#4 Displacement Prevention:** THA has not exceeded the cap of PBVs in its own developments. THA will begin to report on this metric once the cap has been surpassed.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**4. Allow transfers between public housing and voucher waitlists:** This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. The policy combines the public housing transfer list and the list of HCV movers who are having difficulties finding a unit that meets their needs on the private rental market. Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. Voucher holders may be transferred into a public housing unit if they cannot find a unit on the market that meets their needs.

**Status Update:** The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA is continuing to look into ways to help clients on our transfer list find units that better meet their needs.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to baselines or benchmarks during the plan year:** THA has worked with HUD to implement HUD standard metrics and does not expect to modify the baseline or benchmarks for this activity during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**5. Local Policies for Fixed Income Households:** THA proposed and implemented this activity in 2012. THA used local policies to implement rent reform for fixed income households in 2012. This plan applies to households in which all adult members are either elderly or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI, or pension. These households are subject to the following rent policy:

- Complete recertification reviews once every 3 years instead of every year (triennial recertifications) with no “off-year” COLA-related rent adjustments unless interim is triggered
- Eliminate elderly/disabled deduction;
- Eliminate dependent deduction;
- Eliminate medical deductions below \$2500 and implement bands
- Implement 28.5% TTP to help offset the elimination in the 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 minimum rent of \$25 (and therefore eliminate utility allowance reimbursements)

The above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. Each time a HUD form was altered, all OMB numbers were removed and the form became a THA document. THA will use a local form for the HUD Supplement to Application for Federally Assisted Housing. THA has also extended its local release replacing the HUD form 9986 to 48 months. THA also uses tax credit forms in lieu of HUD forms when there is duplication.

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**Status Update:** The activity has allowed THA to save staff time because the reviews per year have been cut by over 50% for the activity population. THA is doing triennial reviews for this population. The number of reviews completed in 2014 increased to 972 from 526 the prior year. THA staff is discussing the potential cause of such a sharp increase and will provide an update in the 2015 Report.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to baselines or benchmarks during the plan year:** CE#5 Increase in Agency Rental Revenue requires additional analysis to populate baseline and benchmark data. THA will continue to be reported but THA does not expect to see an increase in any continued savings as it cannot predict the total number of households that might fall under this rent calculation that will also qualify for a minimum rent payment of \$25.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**6. Local Policies for Work-Able Households:** This activity was proposed and implemented in 2012. Local policies for work-able households are very similar to the fixed income activity with minor differences. 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).

This above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA is not running off year reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully. Each time a HUD form was altered, all OMB numbers were removed and the form became a THA document. THA will use a local form for the HUD Supplement to Application for Federally Assisted Housing THA has extended its local release replacing the HUD form 9986 to 48 months. THA also uses tax credit forms in lieu of HUD forms when there is duplication.

**Status Update:** THA continues to see staff time and cost savings because of the biennial review schedule. Minimum rents were scheduled to increase to \$125 for this population in 2015 but did not. They are scheduled to increase in 2016 instead.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to implement standard metrics for this activity. Changes to the baselines and/or benchmarks to this activity’s metrics are as follows:

- **CE#5 Increase in Agency Rental Revenue:** In order to populate baseline and benchmark data for this metric, THA must undergo further analysis.
- **SS#4 Households Removed from TANF:** According to VisualHomes data, 304 households were received TANF in 2014. THA has revised the benchmark for this metric to more accurately reflect current households receiving TANF.

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**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**7. Local Income and Asset Verification Policy:** THA proposed and implemented this activity in 2011. 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.
- Accepted hand carried verifications.

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

**Status Update:** The activity has been successful and THA has seen 100% time and cost savings most years. THA will give a full report on metrics in the 2015 MTW report.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to implement new standard metrics. THA has revised the benchmark for CE#3 Decrease in Error Rate of Task Execution to reflect the trend of 100% cost and time savings. Zero percent was chosen as a benchmark because of the improbable need for asset verification in the future.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**8. Local Interim Policy:** THA proposed and implemented this activity in 2011 to streamline the interim review process. THA limited the number of interims a household can have over a period of time. Households also have to meet a 20% threshold before an interim will be processed.

**Status Update:** THA has found some of the rules of the program are hurting efficiency and are burdensome on residents. Since 2013, THA has not required an interim increase if a household has had an interim decrease in between recertifications. THA will keep the 20% rule because it has been the major factor in the reduction of interims processed. THA will no longer require the residents to prove that a job loss will last longer than 90 days before processing a qualifying interim. This requirement has been both an administrative burden and a burden on clients trying to process an interim decrease.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** Due to the increase in interims in 2014 likely because of THA's online interim system, THA may consider revising the calculation for determining agency cost and staff time savings to more accurately reflect the additional time savings from the online process. THA must first properly evaluate the cause for the increase in interims.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**11. Local Utility Allowance Schedule:** THA proposed and implemented this activity in 2011. This activity streamlined the utility allowance credit given to housing choice voucher and public housing clients. Utility allowances varied by building type, bedroom size, and type of fuel/energy used. These variables resulted in numerous possible utility allowance combinations that are difficult to explain to property owners and clients, and often result in methodological misunderstandings. In addition, HUD determined that incorrectly calculated utility allowances are one of the most common rent calculation errors in the country.

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.

**Status Update:** THA continues to see staff time saved each year because of this activity. THA may raise utility allowances in 2016 after thorough review and analysis of current utility rates scheduled for later in 2015.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has revised the benchmark for CE#3 Decrease in Error Rate of Task Execution to reflect the current error rate. Zero percent was chosen as a benchmark because of the improbability of errors in task execution in the future. THA proposed removing CE#5 Increase in Agency Rental Revenue from the required metrics for this activity. THA does not expect to see an increase in rental revenue as a result of this activity nor is it able to collect the relevant data in order to calculate the metric.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**12. Local Policy on Port Outs:** THA proposed and implemented this activity in 2012. THA put limits on outgoing portability except for households that need to move out of the jurisdiction due to reasonable accommodation, employment, situations covered underneath the Violence Against Women Act (VAWA), and education. THA also allows a family to port-out if the receiving housing authority absorbs the voucher. The policy intends to cut back on the number of invaluable housing dollars leaving Tacoma and to cut back on the burden of administrating port outs.

**Status Update:** THA has no changes to the activity. The activity has been successful in reducing the total number of port outs each year.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines and benchmarks during the plan year:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**15. Regional Approach for Special Purpose Housing:** THA proposed this activity in 2012 and implemented it in 2013. Under this activity THA has used the competitive funding process established by the local government jurisdiction (Pierce County Consortium) to award THA funds/resources for sponsor based housing. THA has committed MTW dollars to be awarded through the locally established funding cycle. This allows THA to “pool” resources with the local jurisdiction to meet the local needs as prioritized through city and or county planning processes. The pooling of resources has allowed THA to serve homeless and “at risk” of being homeless adults, unaccompanied youth, and families in the Tacoma/Pierce County area. Without the ability to operate these Local Non-Traditional programs, THA would not be able to serve these households when they need housing assistance the most. THA is using this activity to fund an unaccompanied youth housing program and to add funds to the rapid rehousing program supporting households with children for the area.

**Status Update:** THA has successfully continued serving households through this activity in 2014. 117 households were served in plan year 2014. THA has been working with partnering agencies to increase that number in 2015 and will continue to do so in 2016. THA will increase the amount of dollars from \$650,000 in 2014 to \$900,000 for the rapid rehousing family project and will maintain the amount of \$288,000 for the unaccompanied youth project in plan year 2016.

**Modifications to the activity during the plan year:** THA would like to expand its use of this activity by investing in the local homeless prevention system to serve households that need short-term rental assistance to avoid eviction. This would be similar to THA’s investment in the Pierce County Rapid Rehousing and Youth Housing systems by having a third party administer these funds. It would allow THA to serve more new households each month while investing in part of the continuum of care (the range of housing options available to low-income households in Pierce County), which does not currently receive much investment.

THA believes that this investment would allow THA to better serve households who need immediate assistance in order to prevent eviction. These services are not available in Pierce County and would allow THA to lessen the number of households facing homelessness due to eviction.

THA may consider delaying implementation of its investment into prevention services because of various high level projects already underway within the agency. THA would provide HUD with status updates through the Report and Plan to convey the agency’s plan for development and implementation.

**Modifications to the baselines or benchmarks during the plan year:** THA has revised the benchmarks for SS#5 Households Assisted by Services that Increase Self-Sufficiency, HC#1 Additional Units of Housing Made Available and HC#5 Increase in Resident Mobility to better reflect the increased dollar investment. Program capacity issues were considered while revising the benchmarks.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**16. Creation and Preservation of Affordable Housing:** This activity was proposed in 2012 and implemented in 2012. This initiative allows THA to use its MTW funds to provide low-income families the opportunity to reside in safe, decent, and sanitary housing while paying affordable rents. The affordable housing units may be any bedroom size and will be located within the City of Tacoma. They may be acquired or created by THA to be rented to families at or below 80% AMI. THA intends to allow eligible low-income families to reside in the units, including those that may be receiving Section 8 rental assistance. This activity falls under PIH Notice 2011-45. The broader uses of funds authority under MTW makes this initiative possible as HCV funds can be used to serve a greater number of families residing within the City of Tacoma. These units may house both families who are MTW Housing Choice Voucher participants and families who are not currently receiving other types of rental assistance.

**Status Update:** This MTW activity allowed THA to activate its broader uses of funds ability so the agency could spend MTW dollars on the construction and acquisition of affordable housing units. This activity was used in 2012 to help with the development of Bay Terrace, formerly Hillside Terrace. Phase I came online in 2014. Phase II for Bay Terrace is scheduled to come online in 2017 with acquisitions beginning this year. The Bay Terrace units coming online under this activity will be a mix of project based units and affordable units that do not have a subsidy attached. THA will use unrestricted funds to fill any funding gaps in the affordable units that will be in the project.

The development will provide 74 newly constructed units which will be comprised of thirty (30) 1BR, twenty-nine (29) 2BR and fifteen (15) 3BR units serving households with annual incomes between 30% and 60% of AMI. Rents for all of the units at 40% of median income or below will be subsidized with Project Based subsidies provided by THA; the remaining twenty-two (22) units will be unsubsidized tax credit units.

In 2016, THA may use this flexibility to preserve units through the RAD conversion.

THA has committed MTW dollars to buy the managing member interest at an LIHTC property comprised of 52 units for seniors called New Look. The units are currently subsidized by Project Based Section 8. THA used to \$1.2 million MTW dollars to buy the managing member's interest, complete capital repairs and to repay the existing loan on the project. In 2016, THA may consider acquiring the remaining ninety-nine percent interest when the initial tax credit compliance period expires. This property has an additional 22 year tax credit compliance period that extends past the initial compliance period.

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The following projects are in THA's Real Estate Development pipeline:

*Hilltop Lofts Development*

This new development located in the Hilltop neighborhood of Downtown Tacoma and is planned for a 2019 construction completion date. This site at the corner of Martin Luther King Way and Brazill Street is located in the very center of the rapidly changing area. With its close proximity to downtown and the hospitals, its many current and future mass transit options, and the neighborhood's colorful history as an artist community, a multi-family mixed use building aimed at the young workforce of Tacoma would serve as a catalyst for growth and development of Hilltop.

The 12,000 sf of land is provided by the City of Tacoma. The objective for this site is to provide a 6-story building with a mix of retail and live/work units on the ground floor and workforce housing (60% of adjusted median income in Tacoma) on the five floors above. The residential portion will consist of a 40-60 units with a mix of 1 and 2 bedroom units and shared indoor and outdoor amenity spaces for residents. THA is evaluating the addition of an adjacent property for the potential to increase the number of affordable housing units. Financing would be a combination of THA, local, state and tax credits program sources.

*Hope Lights Project*

This new development is planned to be located on approximately 7 acres of vacant land currently owned by THA. In conjunction with the Many Lights Foundation, the program will serve a multigenerational community where traumatized children receive love and care from kinship and adoptive parents and live in a community with seniors as grandparents and tutors. 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.

The \$25 million project will provide approximately 90 units of affordable housing of which, 52 units of 1 to 4 bedroom units will be dedicated to the multigenerational community. Currently, construction completion is scheduled for year 2020.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA worked with HUD to implement standard metrics for this activity and does not anticipate any changes to the baselines during the plan year. The benchmarks for HC #1 Additional units of Housing Made Available and HC #5 Increase in Resident Mobility have been revised to reflect the total number of units expected to be created through this activity in the next one-two years.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

**17. Housing Opportunity Program (HOP):** THA proposed this activity in the 2013 MTW plan and implemented it in 2013. THA re-proposed HOP in the 2014 plan because of changes to the program that required additional authorizations. These changes included allowing for longer voucher times and flexibility in lease requirements, allowing participants to self-certify their income during the review process and allowing participants to lease up in shared housing units or to rent from relatives. Program requirements were also re-proposed in the 2014 plan. The changes included that applicants must be at or below 50% AMI to qualify, the age of elderly was defined as 57 for HOP only, and that participants will income out once they reach 80% AMI and will receive 90 days of continued assistance.

All new admissions to the tenant-based voucher program receive a HOP voucher. A HOP voucher 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. Senior/disabled households do not have a time limit. HOP households would have annual reexaminations so THA can monitor the earned income and compare it to its other programs. There will be no interim exams allowed in this program. THA will not permit port outs for this program except for domestic violence issues covered by VAWA and Reasonable Accommodations. The goal of the program is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term. An example of the fixed subsidy is below:

SUBSIDY AMOUNT					
Voucher Size (Bedrooms)	1	2	3	4	5
Proposed MTW Subsidy Amount (50% of payment standards)	390	\$492	\$725	\$871	\$1,002

**Additional HUD Standard Metrics:**

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	25	TBD in 2016	TBD in 2016

CE # 4: Increase in Resources Leveraged				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Amount of funds leveraged in dollars (increased).	\$0	\$22,000	TBD in 2016	TBD in 2016

**Status Update:** THA implemented the activity in 2013 and the results of the program have been mixed. Lease up rates continue to exceed 80% but HOP household average earned income decreased from 2013 to 2014. THA has not yet had a chance to analyze what is causing this trend. One potential cause is the increased number of households that began program participation in 2014. As the number of households goes up, the average income naturally decreases. THA will likely start tracking HOP households based on their program start year and as cohorts. THA will discuss this internally throughout the year and in 2016. During this time, THA will also analyze whether HOP provides meaningful subsidy to the lowest income households by analyzing the incomes of households that were issued vouchers but were unable to lease up. In 2014, THA revised its payment standards. The revisions are reflected in the table of HOP subsidy amount above.

**Modifications to the activity during the plan year:** THA will implement preferences on the HOP waitlist in order to reach capacity in programs where THA provides HOP subsidies and the partnering agency provides case management and supportive services. Currently, these programs include the 25 housing subsidies for the College Housing Assistance Program (time-limited voucher for homeless college students) and the 25 housing subsidies for the Children’s Housing Opportunity Program (a time-limited voucher for homeless families where children have been placed in foster care and young adults aging out of foster care). Both programs use the HOP rent calculation and MTW authorizations but have slightly modified time limits and case management requirements. Implementation of these preferences and program requirements went through public notification and Board approval when THA amended its Administrative Plan for these preferences.

THA and the Tacoma Community College (TCC) are contemplating the expansion of households served under the College Housing Assistance Program in 2016. Over 140 qualified individuals applied to partake in this program. THA and TCC believe that this is an indicator of the need for housing assistance for individuals attending college.

THA is also proposing a rental assistance program that would provide McKinney Vento liaisons within Tacoma schools with the ability to refer households to THA’s Housing Opportunity Program. Households would receive rental assistance from THA but would not be targeted for case management services, as our McCarver Project provides. One goal would be to evaluate whether case management makes a difference.

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Additionally, THA would like to better understand if providing homeless households with children rental assistance alone is enough to lower school mobility rates, increased testing scores and increased earned income for work able households. THA anticipates that this activity will stabilize homeless households that have children in Tacoma Public Schools and that the students will be able to remain in the same school. This program will inform policy choices related to case management.

Both programs would be dedicated voucher programs, where THA commits no supportive services but contributes to overall program success by providing stable, affordable housing.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to implement new standard metrics for this activity. THA will no longer report on the following metrics:

- **SS#2 Increase in Household Savings:** This metric combats the goals of THA's activity "Local Income and Asset Verification" that authorizes the agency to have more lenient asset verification policies.
- **SS#7 Increase in Agency Rental Revenue:** The goals of this program do not include an increase in tenant rental share, the program offers a fixed subsidy that is not dependent on income.

To more accurately reflect the current work able households participating in HOP and to plan for projected households coming on to the program in 2016, THA revised the baselines and benchmarks for the following metrics:

- **SS#1 Increase in Earned Income:** The baseline now reflects the average earned income of all work able households in 2014. The benchmark was revised to reflect the original average earned income of participating households.
- **SS#3 Increase in Positive Outcomes in Employment Status:** The baselines for this metric were revised to reflect the number of households in each category during the 2014 plan year. The benchmarks were revised to reflect the expected number of work able households that will enter the program during the 2016 plan year. THA expects to bring on 200 households to the program in 2016 and predicts that 60% (based on current percentage of participating households) of those households will be deemed work able.
- **SS#5 Households Assisted by Service that Increase Self Sufficiency:** The benchmark for this metric was revised to reflect ten percent of participating work able households.

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THA has set a benchmark of “zero” for the following metrics:

- **SS#8 Households Transitioned to Self Sufficiency:** Since this is a five year time limited program currently in its third year, THA does not expect to see households transitioning to self-sufficiency in 2016.
- **CE # 3 Decrease in Error Rate of task Execution:** The rent calculation for this activity is set up to be error proof. THA expects that the error rate will remain at zero percent.

THA plans to report on the following metrics in its 2015 Report but has not yet had the opportunity to establish baselines and benchmarks:

- **CE#1 Agency Cost Savings:** A more meaningful staff time survey is necessary to establish a baseline and a benchmark for this metric.
- **CE#2 Staff Time Savings:** A more meaningful staff time survey is necessary to establish a baseline and a benchmark for this metric.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**18. Elimination of the 40% Rule:** This activity was proposed in the 2013 MTW Plan and implemented in 2013. THA used this activity to waive the 40% cap on the percentage of income spent on rent. Our 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. THA has observed that the voucher program has been extremely confusing for participants. Despite using multiple tools to simplify the process, many participants leave the voucher briefing unsure about how to apply the information as they begin their search. As a result, the number of calls THA fields during the lease up process is high. THA wants participants to be confident about their choices in the housing market.

**Status Update:** THA implemented this activity in 2013. The change has led to staff time savings and has made it easier for clients to understand the leasing program. THA has seen an increase in the number of households that use this flexibility. In 2014, 190 households spent more than 40% of their income on rent. Full details of how many residents exercise this option in 2015 will be given in the 2015 MTW Report.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to determine the appropriate metric for this activity and does not anticipate any changes to the baseline or benchmark during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**19. Modification of the Family Self Sufficiency Program:** This activity was proposed in the 2013 Plan and implemented in 2013. THA modified the way the FSS program handles the escrow payments. THA changed the escrow calculations to simplify the process and to provide clearer motivation and guidelines for participating families.

THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Below is an example of pay points:

- \$2,000 Maintain 32 hours/week employment for a minimum of 6 consecutive months
- \$1,000 Complete ESL classes; Levels 1-5, \$200 per level
- \$100 Receive certificate of successful completion of financial literacy
- \$3,000 Complete educational goal such as a GED, degree from an accredited school/college, vocational certificate, etc. Maximum escrow credit for achieving educational goals is \$3000 per family.
- \$500: 0-6 months vocational training certificate
- \$750: 7-12 months vocational training certificate
- \$1,000: 13-24 months vocational training certificate
- \$1,500-Associate degree
- \$2,000-Bachelor's degree

**Status Update:** The activity was successfully implemented in 2013. 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. In 2014, ten households graduated from the FSS program and six households were able to purchase a home. The average earned income for households participating in FSS in 2014 was \$15,404. This number continues to incrementally increase annually.

**Modifications to the activity during the plan year:** THA may consider revisions to the pay point schedule in order to ensure that all households participating in FSS are eligible to try to achieve any pay point. For example, one pay point allows households to earn \$1,000 for completing five levels of ESL. Not all participants require ESL. THA may consider offering an equivalent pay point for households that do not require ESL.

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**Modifications to the baselines or benchmarks during the plan year:** THA has made the following changes to the baselines and/or benchmarks for the following metrics:

- SS#1 Increased in Household Earned Income: The benchmark was revised to reflect the average earned income of participating households in 2014.
- SS#3 Increase in Positive Outcomes in Employment Status: THA plans to reset the benchmarks for this metric later in 2015 and will provide an update in the 2015 report.
- SS#4 Households Removed from TANF: The benchmark was revised to reflect the households that are nearing the ability to no longer require TANF assistance. Since that is a requirement of graduating from the FSS program, THA will not report households that are no longer on TANF because the household has reached the end of their time limit.
- SS#6 Reducing per unit Subsidy Costs for Participating Households: THA established a baseline for this new metric based on 2014 data. The benchmark is set as an incremental decrease for the first year. THA will reassess this benchmark in 2016.
- SS#7 Increase in Agency Rental Revenue: THA is beginning the required analysis to populate the baseline and benchmark data for this metric. THA will provide full metric details in its 2015 MTW Report.
- SS#8 Households Transitioned to Self-Sufficiency: THA revised the benchmark for this metric to reflect the number of households expected to graduate from the FSS program in 2016.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**20. MTW Seed Grants:** This activity was proposed in 2013 and implemented in 2013. THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping work-able households increase earned income and become self-sufficient.

**Status Update:** THA used this activity to provide three (3) job skills and soft skills trainings for work-able households in 2013. In THA's 2014 MTW Report, this activity was moved to the "on hold" section of the report because it was not used in 2014. THA does not have specific goals for this activity in 2016 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. THA will report any use of this activity in its 2015 and 2016 Reports, otherwise, the activity will be marked as "on hold" if it is not used.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to implement new standard metrics for this activity and does not anticipate any changes to the baselines or benchmarks during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**21. Children's Savings Account (formerly Local Asset Building Activity):** This activity was proposed in the 2014 MTW plan and will be implemented in the fall of 2015. THA plans to offer children's savings accounts (CSAs) to the children of New Salishan from kindergarten through high school. 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.

THA's CSA Program will have the following elements:

*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 5<sup>th</sup> grade.

*Middle School through High School Stage:* When students reach 6<sup>th</sup> 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.

An example of pay points is on the following page.

**Proposed Menu of Incentives for 6<sup>th</sup> grade Students**

	<b>1ST SEMESTER</b>	<b>2ND SEMESTER</b>	<b>VALUE</b>
<b>ATTENDANCE</b>			
	Maintain perfect attendance	Maintain perfect attendance	\$ 150.00
	Less than 5 full day absences with zero unexcused	Less than 5 full day absences with zero unexcused	\$ 100.00
<b>ACADEMIC PREPARATION</b>			
	Organization Skills	Organization Skills	\$ 100.00
	Time Management	Time Management	
<b>GPA</b>			
	Maintain a cumulative G.P.A of 3.7 or better	Maintain a cumulative G.P.A of 3.7 or better	\$ 200.00
	Maintain a cumulative G.P.A of 2.7-3.6	Maintain a cumulative G.P.A of 2.7-3.6	\$ 150.00
	Maintain a cumulative G.P.A of 2.0-2.6	Maintain a cumulative G.P.A of 2.0-2.6	\$ 100.00
<b>EXTRACURRICULAR ACTIVITY</b>			
	Participate in a college prep program, sport or club at your school	Participate in a college prep program, sport or club at your school	\$ 60.00
<b>FINANCIAL LITERACY</b>			
	Complete Junior Achievement Curriculum		\$ 60.00
<b>EXPLORING CAREERS</b>			
	TBD	TBD	\$ 30.00
<b>COMMUNITY SERVICE</b>			
	TBD	TBD	\$ 25.00
<b>BACK TO SCHOOL BONUS</b>			
	Back to school bonus opportunities are designed to keep you engaged with your success plan over the summer. Details about the opportunity will be sent to students in the spring!		\$ 75.00
<b>Maximum Payment Total</b>			<b>\$ 700.00</b>

When fully in place, these two programs will serve 760 children in cohorts covering 13 grades.

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Experience and research strongly suggest that even modest balances in such accounts greatly increase the prospects that a student will attend college. For this reason, THA undertakes these efforts as part of its Education Project.

THA plans this effort in collaboration with Tacoma Public Schools (TPS), Corporation for Enterprise Development (CFED), initial funding from the Bill & Melinda Gates Foundation, CFED and the Bamford Foundation, and the collaboration of banking and social service partners in Tacoma. Further funding will determine the scope and schedule for this initiative.

**Status Update:** THA plans to launch the CSA program in September of 2015. THA will provide a full update in the 2015 and 2016 MTW Reports.

**Modification to the activity during the plan year:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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**24. Local Security and Utility Deposit Program:** This activity was proposed in the 2014 MTW plan and is on schedule to be implemented this fall. The activity proposed to start a security deposit and utility deposit assistance program that would be open to all THA applicants/residents who are in need of assistance in order to move into a unit. THA realizes it is very difficult when a households name comes to the top of a waitlist and the applicant does not have the resources to pay the security deposit. This program will ensure that families in need can afford to move into the unit when their name is called and will reduce the number of unit turndowns THA receives.

**Status Update:** The terms of the program are under development and must be set into THA policy before implementation. This activity will be implemented in fall 2015. The dollars devoted to this program will aim to help households pay their security deposits receiving subsidy through the College Housing Assistance Program and the Tacoma Public Schools Special Housing Project. In order to leverage the budgeted amount and to reduce the number of unit turn downs THA receives, THA may decide to waive security deposits for households who come to the top of the waiting list that also apply for security deposit assistance in a THA owned unit.

**Modifications to the activity during the plan year:** THA does not anticipate any changes to this activity during the Plan year.

**Modifications to the baselines or benchmarks during the plan year:** THA has worked with HUD to implement standard metrics for this activity. The benchmark was set based on the allocated \$20,000 for the program assuming that security deposits may average to \$1,000/household.

**Additional Authorizations:** THA does not anticipate additional authorizations for this activity during the Plan year.

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

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

**Implementation Description:** This activity was proposed in 2011 but not yet implemented. The initial idea was to establish a Special Program Voucher program similar to the project-based voucher program. Vouchers were to be awarded to service partners for a special purpose or a special program. The service partners would be responsible for designing the program. This includes selecting households for the program, establishing program guidelines and eligibility criteria, length of time a household would be eligible for a voucher, level of assistance provided to each household, etc. THA would then oversee the administration of these vouchers through an annual reporting and/or audit process.

**Status Update:** This activity was proposed before the parameters notice. THA now proposed any new activity that is not directly operated by our agency as a separate local non-traditional program activity. No activities are being operated under this activity as of now. There is not a timeline in place to use this activity.

**Modifications to the activity since approval:** THA does not anticipate any changes to this activity during the Plan year.

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

**Implementation Description:** This activity was proposed in the 2014 MTW plan and has not yet been implemented. The purpose of the activity is to further encourage self-sufficiency among participants and streamline administrative processes; THA will modify the administration of the full-time student deduction by excluding 100 percent of a student's financial aid.

**Status Update:** THA will implement this activity upon conversion to its new software system. Current system constraints have made implementation difficult. THA tentatively expects the new software to be up and running by mid next-year. THA will provide full details on this activity in the 2016 Report if the activity is implemented.

**Modifications to the activity since approval:** THA does not anticipate any changes to this activity during the Plan year.

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**C. On Hold Activities:** N/A

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## D. Closed Out Activities:

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

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

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

**SECTION V: SOURCES AND USES**

V.1.Plan.Sources and Uses of MTW Funds		
A. MTW Plan: Sources and Uses of MTW Funds		
Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.		
Sources		
FDS Line Item	FDS Line Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	\$ 1,365,000.00
70600	HUD PHA Operating Grants	\$ 39,275,000.00
70610	Capital Grants	\$ 1,500,000.00
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	\$ 3,200,000.00
71100+72000	Interest Income	\$ 51,000.00
71600	Gain or Loss on Sale of Capital Assets	\$ -
71200+71300+71310+71400+71500	Other Income	\$ 145,000.00
70000	Total Revenue	\$ 45,536,000.00

Estimated Uses of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.		
Uses		
FDS Line Item	FDS Line Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	\$ 7,770,000.00
91300+91310+92000	Management Fee Expense	\$ 2,300,000.00
91810	Allocated Overhead	\$ -
92500 (92100+92200+92300+92400)	Total Tenant Services	\$ 787,000.00
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	\$ 563,000.00
93500+93700	Labor	\$ 696,000.00
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	\$ 962,000.00
95000 (95100+95200+95300+95500)	Total Protective Services	\$ 143,000.00
96100 (96110+96120+96130+96140)	Total insurance Premiums	\$ 150,000.00
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	\$ 1,090,000.00
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	\$ 112,000.00
97100+97200	Total Extraordinary Maintenance	\$ 475,000.00
97300+97350	Housing Assistance Payments + HAP Portability-In	\$ 28,400,000.00
97400	Depreciation Expense	\$ 2,350,000.00
97500+97600+97700+97800	All Other Expenses	\$ -
90000	<b>Total Expenses</b>	<b>\$ 45,798,000.00</b>

### Describe the Activities that Will Use Only MTW Single Fund Flexibility

THA combined its Public Housing Operating subsidies, Public Housing Capital Funds and its Section 8 Housing Choice Voucher Program assistance into a single authority-wide funding source (MTW Funds). Public Housing Capital Funds will still be subject to the obligation and expenditure deadlines and requirements provided in section 9(j) of the 1937 Act despite the fact that they are combined into a single fund.

THA uses this single funding source to fund Public Housing operations, the Public Housing Capital Fund and the Housing Choice Voucher programs in order to carry out the mission of the MTW Demonstration Program through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act. Below are listed some of the specific ways in which THA plans to exercise the Single-Fund Flexibility:

- THA is making changes to relieve the administrative burden on both the agency and the tenants by creating a more streamlined approach to both the certification process and inspections. THA intends its processes to be less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Community Services area also assists tenants that are facing challenges in successful tenancy.
- THA is going into the fifth year of its Education program. It has various elements and initiatives. One has THA providing rental assistance to homeless households with children who attend a school with an exceptionally high level of turnover to help stabilize the student population. THA believes this approach will help to improve educational outcomes, add stability to the neighborhood, and create a better learning environment for the community as a whole.
- THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA is in the midst of making necessary technological enhancements that will benefit the organization and the residents.
- THA is analyzing its administrative overhead and charge expenses directly to the programs whenever possible. The agency is charging administrative or previously allocated costs to a Program Support Center for each of its three activity areas as identified in the Local Asset Management Plan, along with a Community Services Central fund to track expenses associated with those functions.
- THA wrote an activity in its 2012 amended plan that allows the agency to activate the single fund flexibility and to spend MTW money on the development, and preservation of affordable housing.
- THA is partnering with local agencies in the community to create local non-traditional housing programs. The programs are funded by THA but run by partnering agencies in the community.



**SECTION VI: ADMINISTRATIVE**

## VI.A: BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE



### TACOMA HOUSING AUTHORITY

#### RESOLUTION 2015-9-23 (3)

**DATE:** September 23, 2015  
**TO:** Board of Commissioners  
**FROM:** Michael Mirra, Executive Director  
**RE:** Approval of THA's 2016 Moving to Work Plan

#### Background

This resolution would approve the 2016 Moving to Work (MTW) plan that THA must submit to HUD each year. The plan is where THA proposes new activities to meet the statutory goals of the MTW program:

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

Staff has consulted with present clients and community partners. All THA staff had a chance to offer views. Based upon that consultation and other factors, we propose no new activities for FY 2016 that requires HUD approval. Instead, we will consider this year a "housekeeping" one focusing on our present initiatives.

#### Proposed programs

##### 1. Prevention Dollars

THA would like to expand the use of the MTW activity that authorizes the agency's investment into Pierce County's rapid rehousing program. THA would do this by investing in the local homeless prevention system to serve households that need short-term rental assistance to avoid eviction. This program would be administered similarly to THA's investment in the Pierce County Rapid Rehousing and Youth Housing systems by having a third party administer these funds. It would allow THA to serve more new households each month while investing in part of the continuum of care (the range of housing options available to low-income households in Pierce County), which does not currently receive much investment.

THA believes that this investment would allow THA to better serve households who need immediate assistance in order to prevent eviction. These services are not available in Pierce County and would allow THA to lessen the number of households facing homelessness due to eviction.

THA may consider delaying implementation of its investment into prevention services because of various high-level projects already underway within the agency. THA would provide HUD with status updates through the Report and Plan to convey the agency's plan for development and implementation.

## **2. Preferences for Special Programs on the HOP Waitlist**

THA will implement preferences on the Housing Opportunity Program (HOP) waitlist in order to reach capacity in programs where THA provides HOP subsidies and the partnering agency provides case management and/or supportive services. Currently, these programs include the 20 housing subsidies for the College Housing Assistance Program (time-limited voucher for homeless college students) and the 25 housing subsidies for the Children's Housing Opportunity Program (a time-limited voucher for homeless families where children have been placed in foster care and young adults aging out of foster care). Both programs use the HOP rent calculation and MTW authorizations but have slightly modified time limits and case management requirements. Implementation of these preferences and program requirements went through public notification and Board approval when THA amended its Administrative Plan for these preferences. The following programs are being proposed in THA's 2016 MTW Plan under the Housing Opportunity Program activity. Dedicated HOP subsidies would be filled using the same waitlist method outlined above.

### **2.1 McKinney Vento Liaison Project**

THA is proposing a rental assistance program that would provide McKinney Vento liaisons within Tacoma schools with the ability to refer households to THA's Housing Opportunity Program. Households would receive rental assistance from THA but they would not receive case management services from THA. One goal of the project would be to evaluate the degree to which mandatory case management is a tool for best practices in stabilizing households.

Additionally, THA would like to better understand if providing homeless households with children rental assistance is enough to evoke similar lessened school mobility rates, increased testing scores and increased earned income for work able households. THA anticipates that this activity will stabilize homeless households that have children in Tacoma Public Schools and that the students will be able to remain in the same school. This program will inform policy choices related to case management.

### **2.2 Women 2 Work**

By the end of 2016, THA will analyze whether to deploy an additional HOP preference for 25 households participating in Goodwill's Women 2 Work program. Women 2 Work is a new program being developed by Goodwill for implementation this autumn. It is funded by the Kellogg Foundation as a national

learning initiative. Goodwill is one of seven agencies funded, and the only participant west of the Mississippi.

The program aims to move 140 women of color from unemployment to living-wage work within the next two and a half years. Participants must be currently unemployed, low-income, and have children less than eight years of age enrolled in preschool or other educational daycare. Participants will gain professional certification in jobs identified as locally needed. Goodwill will provide intensive case management and some other support services, working in collaboration with local community and vocational colleges. It will also work closely with early education providers. Given the eligibility parameters, instability in housing is likely for some participants. The program would work as a two-generation intervention emphasizing living wage employment, early childhood education and provider partnerships.

Any adopted changes that are approved by the board and HUD will be updated in THA's Administrative Plan.

The draft plan can be viewed by clicking this link: [THA Draft 2016 MTW Plan](#)

#### **Community and Staff Consultation**

During the planning process, there has been a wide range of community and staff input. There were staff brainstorming sessions and feedback from those meetings. After receiving approval from the Cabinet to go through the public hearing process, THA has taken the following actions to receive feedback:

- Staff planning sessions on June 15<sup>th</sup> and 19<sup>th</sup>
- Direct mailings to all THA residents and applicants informing them of the plan, public hearings and options for submitting feedback
- Public Hearing for current residents and all interested parties on August 10<sup>th</sup>
- Public Hearing for applicants and all interested parties on August 19<sup>th</sup>

Feedback from staff, program participants, and advocates has been mostly supportive of the proposed programs. A full list of public comments is included in the draft plan on THA's website.

#### **Recommendation**

Approve Resolution 2015-9-23 (3) authorizing THA Executive Director to submit the Housing Authority of the City of Tacoma's Fiscal Year 2016 Moving to Work (MTW) Plan.



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2015-9-23 (3) (Approval of THA's 2016 Moving to Work Plan)

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

#### **Board Resolution to Accompany the Annual Moving to Work Plan<sup>1</sup>**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning 2015, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3. The PHA certifies that the Board of Directors have reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.

18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the City of Tacoma  
**PHA Name**

WA005  
**PHA Number/HA Code**

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

Stanley Rumbaugh  
**Name of Authorized Official**

Chair  
**Title**

  
**Signature**

\_\_\_\_\_  
**September 23, 2015**

\*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

## **VI:B: Public Hearing Notice and Evidence of Community and Resident Communication:**

The Tacoma Housing Authority (THA) will open the public comment period for the 2016 Moving to Work (MTW) Plan and the associated changes to the Administrative Plan.

*Residents, program participants, landlords, those on the waitlist and members of the public may submit comments on the proposed changes. The 30-day comment period begins on August 1, 2015 (8:00 a.m.) and ends August 31, 2015 (5:00 p.m.); all comments must be received by 5:00 p.m. on August 31, 2015.*

Please attend to offer your views on the following item:

**2016 MTW Plan:** There are no new activities this year. However, THA welcomes your views on our general policy choices.

The draft plan can be viewed at: <http://www.tacomahousing.net/content/moving-work-0>

### **Mail, Email or Call-in Comments**

**To:** Tacoma Housing Authority  
Sheryl Stansell  
902 S. L Street  
Tacoma, WA 98405  
[sstansell@tacomahousing.org](mailto:sstansell@tacomahousing.org)  
(253) 448-2795

THA will hold one public comment hearing to receive both oral and written comments on the proposed plan. This hearing is not an appointment. It is not mandatory that you attend. The date, time, and location of the hearing are provided below:

**Date:** August 10, 2015  
**Time** 6 p.m.  
**Location:** Bay Terrace Community Center  
2550 South G St.  
Tacoma, WA 98404

**Please call Sheryl Stansell at (253) 448-2795 if you need any reasonable accommodations or interpreters.**

The following postcard was sent to all households currently receiving assistance from THA as well as all households on THA's waiting lists:

**You're invited to learn about Tacoma Housing Authority's Moving to Work program!**

**When:** August 10, 6-7:30 PM  
**Where:** Bay Terrace Community Center  
 2550 S G Street, Tacoma, WA 98405  
**Contact:** Sheryl Stansell, (253) 448-2795

**What is "Moving to Work"?** This program lets Tacoma Housing Authority try new ways to serve people and the community. You can visit our website to learn about the changes we have made and what we are proposing. Go to [www.tacomahousing.net/content/moving-work-0](http://www.tacomahousing.net/content/moving-work-0).

We welcome your views and suggestions.

Please attend to offer your views on the following items:

- **2016 MTW Plan:** There are no new activities this year. However, THA welcomes your views on our general policy choices.
- **2015 MTW Plan Amendment:** THA proposes changes to certify compliance with the Rental Assistance Demonstration (RAD) requirements. RAD is HUD's program allowing THA to change how it finances public housing.

**Tacoma Housing Authority is having a Birthday Party!**

**On Aug. 22, 2015, join Tacoma Housing Authority (THA) at the Hilltop Street Fair for THA's 75th birthday party!**

For more info, go to <http://tinyurl.com/qagcrq2>

**WHERE:** Outside of THA's 902 South L St. administrative building  
**WHEN:** August 22 from 11:30 to 1 PM (speakers start at Noon)

Activities will include remarks by community leaders and others. They will reflect on THA's 75 years of housing and community development work in Tacoma. They will look ahead to THA's future and how it will continue to serve our communities. We will have light snacks and music. After the program, you can linger for the Hilltop Street Fair! THA staff will be in People's Park to talk about THA's programs and services. *Plus, the street fest will have great food, music and family fun throughout the neighborhood.*

**NEED A RIDE?** Contact Carlena Allen, (253) 448-2785; [callen@tacomahousing.org](mailto:callen@tacomahousing.org)

In total, twenty (20) people attended the public hearings.

**Public Comments Received – Aug 1<sup>st</sup> through Aug 31<sup>st</sup> 2015 – 2016 Plan**

SOURCE OF COMMENT	QUESTION/COMMENT	THA RESPONSE
Waitlist Applicant	You will still have housing for people on the waitlist but will offer different forms of housing services through other programs?	That is correct; the programs proposed have the potential to serve households before people on THA’s waiting lists.
Waitlist Applicant	Is it more difficult to build affordable housing now?	Yes, HUD does not fund public housing at the same levels that it used to, making it more difficult to build affordable housing.
Waitlist Applicant	Will tax credits make it more difficult for low income people to secure housing?	All households served within THA housing have to be making below 80% AML.
Waitlist Applicant	Where do you find out that the waitlist is open?	THA tries to publicize as much as possible when it opens its waitlist. THA places ads in the local newspapers as well as social media sites and reaches out to our various partners in Tacoma and Pierce County.
Public Housing Resident	What is moving to work?	It is a HUD program that gives the Housing Authority flexibility in the way it spends its money.
Public Housing Resident	If we are unable to work do we have to?	No. The MTW program only encourages self-sufficiency programming for work able families.
Public Housing Resident	Do you have to already receive assistance from THA to get help through the Homeless prevention Dollars?	This program hasn’t started yet, but you would not need to be a THA resident to receive this assistance.
Public Housing Resident	Do our rents raise because THA is an MTW Housing Authority and has flexibility to spend money?	No, THA does not raise rents because it is an MTW agency. However, THA would be able to develop programs with its MTW flexibility which raise rents for certain households. It would have to go through a public comment period and be approved by HUD.

**VI:C: Description of any planned or ongoing PHA directed evaluations of the demonstration for the overall MTW program or any specific MTW activities, if applicable:**

- McCarver Evaluation (submitted separately)
- THA is in the process of selecting a third party evaluator for its Children's Savings Account activity. Evaluation is planned to span three years. THA will provide an update on THA's third party selection in its 2017 MTW Plan.

**VI.D: Capital Funds Documents:** Electronic copies will be submitted in a separate email because of HUD mailbox limitations.

## APPENDICES

Appendix A: RHF Plan

Appendix B: Local Asset Management Plan

Appendix C: Letter of Consistency

Appendix D: Commitment to MTW Reserves

Appendix E: THA's Education Project

## APPENDIX A: REPLACEMENT HOUSING FACTOR PLAN (RHF PLAN)

THA was a successful RAD applicant in 2015. All RAD conversions are planned for completion in 2015. In the event that some conversions are not final by the end of 2015, THA will provide an updated RHF Plan in its 2015 Report.

THA has received first increment RHF funds as a result of the disposition of 512 public housing units at the Salishan site, 104 units at Hillside Terrace 2500/1800 blocks and 38 PH units at Hillside Terrace 2300 Block. THA began receiving the first increment of RHF funds in 2004. THA is utilizing a portion of these funds to repay a Capital Funding Financing Plan Bond that was used to assist with the financing of the rebuilding of the Salishan neighborhood. THA plans to utilize the remaining RHF funds pursuant to Option 3 of THA's MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years, and be eligible for the second increment of RHF funds. THA will use RHF funds on affordable housing.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005501-10	\$1,337,436	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan(57 units) Year 1 out of 5
WA19R005501-11	\$734,132	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan(57 units) Year 2 out of 5
WA19R005501-12	(Estimated) \$659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan(57 units) Year 3 out of 5
WA19R005501-13	(Estimated) \$119,643	Salishan(57 units) Year 4 out of 5
WA19R005501-14	(Estimated) \$337,939	Salishan(57 units) Year 5 out of 5 Hillside Terrace 2500/1800 (104 units) Year 1 out of 5
WA19R005501-15	(Estimated) \$218,296	Hillside Terrace 2500/1800 (104 units) Year 2 out of 5
WA19R005501-16	(Estimated) \$218,296	Hillside Terrace 2500/1800 (104 units) Year 3 out of 5
WA19R005501-17	(Estimated) \$218,296	Hillside Terrace 2500/1800 (104 units) Year 4 out of 5
WA19R005501-17	(Estimated) \$218,296	Hillside Terrace 2500/1800 (104 units) Year 5 out of 5
1st Increment before deductions	\$4,061,420	

Minus CFFP Bond Payment	\$1,082,341	
Final Total 1st Increment	\$2,979,079	

This funding will be used to fill gaps in financing as needed to develop affordable housing units at the in Tacoma, Washington. THA will ensure that the requisite number of affordable housing units required under the “Proportionality Test” will be developed.

It is THA’s understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for these funds will be October 2016 and the disbursement date will be October 2018.

Second Increment Funding

THA has received second increment Replacement Housing Factor (RHF) funds as a result of the disposition of 38 public housing units at Hillside Terrace 2300 Block and 512 public housing units at Salishan. THA plans to utilize these RHF funds pursuant to Option 3 of THA’s MTW Agreement. THA intends to combine RHF funds into the MTW Block Grant. THA intends to accumulate the RHF grants for up to five years. The RHF funds will be used on affordable housing.

The subject grants are:

Grant Number	Amount	Project-Increment
WA19R005502-10	\$99,262.84	Hillside Terrace (14 units) Year 2 out of 5 Hillside Terrace (24 units)Year 1 out of 5
WA19R005502-11	\$551,768	Hillside Terrace (14 units) Year 3 out of 5 Hillside Terrace (24 units)Year 2 out of 5 Salishan (198 units) Year 1 out of 5
WA19R005502-12	\$495,364	Hillside Terrace (14 units) Year 4 out of 5 Hillside Terrace (24 units)Year 3 out of 5 Salishan (198 units) Year 2 out of 5
WA19R005502-13	(Estimate) \$1,034,807	Hillside Terrace (14 units) Year 5 out of 5 Hillside Terrace (24 units)Year 4 out of 5 Salishan (198 units) Year 3 out of 5 Salishan (29 units) Year 1 out of 5 Salishan (191 units) Year 1 out of 5 Salishan (37 units) Year 1 out of 5
WA19R005502-14	(Estimate) \$1,005,421	Hillside Terrace (24 units)Year 5 out of 5 Salishan (198 units) Year 4 out of 5 Salishan (29 units) year 2 out of 5 Salishan (191 units) Year 2 out of 5 Salishan (37 units) Year 2 out of 5
WA19R005502-15	(Estimate) \$1,074,688	Salishan (198 units) Year 5 out of 5 Salishan (29 units) Year 3 out of 5 Salishan (191 units) Year 3 out of 5 Salishan (37 units) Year 3 out of 5 Salishan (57 units) Year 1 out of 5
WA19R005502-16	(Estimate) \$659,086	Salishan (29 units) Year 4 out of 5 Salishan (191 units) Year 4 out of 5 Salishan (37 units) Year 4 out of 5 Salishan (57 units) Year 2 out of 5
WA19R005502-17	(Estimate) \$659,086	Salishan (29 units) Year 5 out of 5 Salishan (191 units) Year 5 out of 5 Salishan (37 units) Year 5 out of 5 Salishan (57 units) year 3 out of 5
WA19R005502-18	(Estimate) \$119,643	Salishan (57 units) Year 4 out of 5
WA19R005502-19	(Estimate) \$119,643	Salishan (57 units) Year 5 out of 5
2nd Increment before deductions	\$5,818,762.00	
Minus CFFP Bond Payment	\$2,015,062	
<b>Final Total 2nd Increment</b>	<b>\$3,803,700.</b>	

THA will ensure that the requisite number of affordable housing units required under the “Proportionality test” will be developed.

It is THA’s understanding from the information posted on the HUD Capital Fund webpage that the obligation end date for grant numbers WA19R005502-10 through WA19R005502-14 is October 2016. The disbursement end date will be October 2018. The obligation end date for grant numbers WA19R005502-15 through WA19R005502-19 is October 2021. The disbursement end date will be October 2023. THA will develop new units in accordance with the requirements found in THA’s MTW Agreement and will meet the newly established obligation and disbursement deadlines

THA confirms its RHF Amendment was submitted to HUD on March 1<sup>st</sup> 2012. THA is in compliance with the obligation and expenditure deadlines on all of its Capital Fund Grants and is current on its LOCCS reporting. THA understands that it must obtain a firm commitment of substantial additional funds other than public housing funds to meet the leverage requirement. When the leveraged funds are secured, THA will submit written documentation confirming the funding.

## APPENDIX B: LOCAL ASSET MANAGEMENT PLAN

*THA was a successful RAD applicant in 2015. All RAD conversions are planned for completion in 2015. In the event that some conversions are not final by the end of 2015, this Local Asset Management Plan will govern.*

### A. Background and Introduction

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

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

### B. Guiding Principles

The City of Tacoma established the Tacoma Housing Authority under State of Washington enabling legislation in 1940 through resolution. The resolution states that the City formed the Housing Authority to address a “shortage of safe and sanitary dwelling accommodations in the City of Tacoma, Washington available to persons of low-income at rentals they can afford.”

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

### C. Description of Asset-Based Operations

#### Overview of Organizational Structure

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

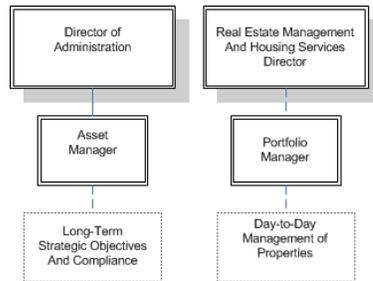


Figure 1: Organizational Structure

#### Description of 2015 Plan

THA's 2011 LAMP described a distinction between the method in which it managed its "conventional" AMPs and the Salishan portfolio. THA decided to manage these areas differently in order to capitalize on the efficiencies of managing Salishan as a larger property.

THA restructured its entire portfolio in 2012 in order to achieve the operational efficiencies desired in Salishan. Rather than managing different types of properties in the same AMP, THA changed its management groupings into Elderly/Disabled properties and Family properties. The agency has already grouped its Salishan properties into a centralized management group rather than managing seven Salishan properties as separate entities. THA has made the same conversion for its Hillside Terrace properties. A Portfolio Manager oversees all of THA's managed properties, including Public Housing, Local Fund, and Tax Credit Properties. The chart below shows this management structure.

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

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

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

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

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

#### ***Maintenance Operations***

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio, rather than each of the individual projects. In 2012, the agency changed its model to apply these efficiencies to the rest of its portfolio, wherever possible. In the new model, there are two separate teams of maintenance personnel, one that is centralized and one that is based at a specific grouping of properties. During 2014, THA changed the model again in order to gain more efficiencies in Maintenance Operations.

During 2014, THA eliminated the centralized maintenance team concept, and re-assigned the entire maintenance staff to fall under the purview of the Maintenance Supervisor. We now have 4 zones that are staffed based on geographical location, with each zone having a maintenance lead to both direct, oversee, and assist in ensuring the team is meeting it's objectives in completion of the maintenance work. The administrative time for staff will be charged out on as an allocation based on the projects in the zone they are located, while the time worked performed in a unit will be charged directly to the project the unit is located. If necessary, a team member from one zone can be assigned to work on a unit in a different zone. That time will be charged to the property the unit is located.

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

THA has been operating under a decentralized purchasing model for the acquisition of goods. We are going to a more hybrid method where goods are primarily ordered by site staff for unit turns. We have hired a supply chain analyst to assist with distribution of supplies and ensuring that goods are available to move forward on both unit turns and work orders without disruption to the sites. THA is in the process of making that transition and will monitor its success.

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

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

## **D. Strategic Asset Planning**

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

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

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

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

## **E. Cost Approach**

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific project or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Community Service expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, the term project refers to any property or AMP that THA manages and the term program refers to the Rental Assistance and Moving to Work programs administered by THA.

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 project 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.

### ***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 Public Housing and Local Fund Properties. 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
- Real Estate Management and Housing Services Director
- Accounting and Financial Services
- Real Estate Development Director and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Leasing Staff and expenses Elderly Services Coordinator

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc), and the fee charged to Property Management will be charged to all managed housing units, regardless of occupancy status. 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. On the Managed housing side, THA will use the HUD Management Fee schedule as the base amount. 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.

Project Support Fee			
Fee	Rental Assistance	Property Management -Senior	Property Mgt - Family
HUD-Prescribed Management Fee (33.3% of prescribed fee for PM)	\$12.00	\$47.91	\$47.91
Bookkeeping Fee	\$6.00	\$7.50	\$7.50
HUD-Prescribed Asset Management Fee	\$0.00	\$10.00	\$10.00
IT Fee (maintained by IT, but previously charged out as allocated direct charge)	\$2.00	\$6.00	\$6.00
Elderly Service Coordinator Fee		\$16.83	
Leasing Support	\$2.45	\$7.40	\$7.40
<b>Total Fee:</b>	<b>\$22.45</b>	<b>\$95.64</b>	<b>\$71.41</b>

**Table 2: Administrative Support Fee Components**

For THA's tax credit properties, the agency receives management fees per the entity's operating agreement. THA will reserve the right to use any available excess operating subsidy remaining in the Tax Credit AMP (AMPs 7-16) to cover deficits in the Tax Credit PSC.

### **Cost Centers**

#### Property Management

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

#### Rental Assistance

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

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

Rental Assistance Unit Equivalencies		
CAH (MTW)	Units Supported	Percentage
Section 8	3543	84.92%
TPV Vouchers	253	6.06%
Non-MTW	Units Supported	Percentage
SRO	81	1.94%
FUP	50	1.20%
VASH	145	3.48%
NHT	100	2.40%

**Table 3: Rental Assistance Unit Equivalencies**

### Community Services

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

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

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

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

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

- Costs for both our Education Initiative and Asset Building Programs that are not covered by grant funds would be paid out of MTW funds.

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

#### Development

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

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

#### **Other Considerations**

##### Personnel

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

Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. All areas not considered administrative support pay rent for the space used in the main office. The amount of rent charged to each area is determined by the number of square feet occupied in the main office. The per square foot charged to each area is determined by adding up all of the costs to operate the main office and dividing by the total occupied square feet. For FY2015, each area will be charged \$24.24 per square foot per year to occupy the main office. The following chart gives the breakdown of these charges.

Annual Rent Paid by Program for Main Office Space (\$24.24 / Sq Ft)					
Area	Sq. Ft at Main Office	CAH Activity (MTW)	Tax Credit Activity (MTW)	Business Activity (Non-MTW)	TOTALS
Rental Assistance	4,300	\$91,724	\$0	\$12,508	\$105,952
Real Estate Development	1,500	\$12,362	\$0	\$23,998	\$36,360
<b>Total</b>	<b>5,800</b>	<b>\$104,086</b>	<b>\$0</b>	<b>\$37,108</b>	<b>\$140,592</b>

Table 4 Annual Rent Paid by Program for Main Office Space

All rental revenue and the expense to operate the main office reside in the MTW Program Support Center (PSC). The chart below provides the cost details used to determine rent amounts for FY2015.

Rent Fund 005 Program Support Center	
Income	FY2015 Budget
Rental Income	\$140,600
<b>Total Income</b>	\$140,600
<b>Expenses</b>	
Depreciation	\$164,700
Maintenance Salaries	\$35,000
Maintenance Benefits	\$11,500
Maintenance Contracts	\$50,000
Maintenance Materials	\$6,000
Utilities	\$42,200
Security	\$7,200
Property Insurance	\$5,500
<b>Total Expenses</b>	\$322,100
<b>Net Income (Loss)</b>	(\$181,500)

Table 5: Rental Income and Building Expenses

Since the expenses relate to both the administrative staff that reside within the main office building and the areas identified above that pay rent to the PSC, there will always be a loss in the Business Activities PSC. Commencing 2015, we will no longer charge rent to the Property Management units.

#### **F. 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 returned to using the standard Fee for Service as prescribed by HUD as its base fee. In addition to the fee, there are certain expenses (IT, Leasing, and Elderly service coordinator )that could have been allocated out to the projects, but as these expenses are not under the control of the Property Manager we included in the fee structure charged out to the properties.
2. Under this plan, THA renamed its Central Office Cost Center (COCC) to the Program Support Center (PSC) and split it into the three different activity areas. In addition, the PSC will track the program management salaries that cannot be directly attributed to a specific project or program, and therefore would be allocated. The fees will be received in the PSC where the costs that would have been allocated out reside.
3. HUD's rules limit the transfer of cash flow between projects, programs, and business activities. THA intends to use its MTW resources and regulatory flexibility to move its funds and project cash flow among projects that support affordable housing without limitation and to ensure that agency operations best meet THA's mission and serve the agency's low-income clientele.
4. In determining the units to use for the basis of the fee, THA chose to use total units, regardless of occupancy status. This differs from the HUD Asset Management model where Housing Authorities are only allowed to charge management and bookkeeping fees for occupied units in each AMP. THA chose to deviate from the rule for two reasons: 1) THA believes that charging a fee to an AMP for an unoccupied unit will serve as an incentive to the staff to get the unit leased because the AMP is paying a fee on a unit that is not receiving any revenue; and 2) doing so will allow both the AMPs and 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.

- G. **Charts** - These charts are based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2015.

**Unit Equivalencies**

All Property Management Units				
CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
AMP1	160	1	160	15.77%
AMP2	152	1	152	14.98%
AMP3	144	1	144	14.19%
AMP6	34	1	34	3.35%
				48.29%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	602	0.66	397.32	39.16%
				39.16%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
9 Homes	9	1	9	0.89%
North Shirley	1	1	1	0.10%
Stewart Court	58	1	58	5.72%
Wedgewood	0	1	0	0.00%
Salishan 7	90	0.66	59.4	5.85%
				12.56%
	1,250		1,015	100.00%

All REMHS Units - (Operations Coordinator/Compliance/Reasonable Accommodations)				
CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3796	0.33	1251	48.24%
AMP1	160	1	160	6.16%
AMP2	152	1	152	5.85%
AMP3	144	1	144	5.55%
AMP6	34	1	34	1.31%
				67.17%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties	602	1	602	23.18%
				23.18%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
SRO	81	0.25	20	0.78%
FUP	50	0.25	13	0.48%
NHT	100	0.25	25	0.96%
VASH	130	0.25	33	1.40%
9 Homes	9	1	9	0.35%
North Shirley	1	1	1	0.04%
Stewart Court	58	1	58	2.23%
Wedgewood	0	1	0	0.00%
Salishan 7	90	1	90	3.47%
				9.71%
	5,402		2,592	100.00%

<b>All REMHS Units (w/o Counting S8 Tax Credit Units Twice) - Leasing</b>				
<b>CAH (MTW)</b>	<b>Units Supported</b>	<b>Unit Factor</b>	<b>Factored Units</b>	<b>Percentage</b>
Section 8	3796	0.15	571	41.05%
AMP1	160	1	160	11.54%
AMP2	152	1	152	10.97%
AMP3	144	1	144	10.39%
AMP6	34	1	34	2.45%
				<b>76.41%</b>
<b>Tax Credit (MTW)</b>	<b>Units Supported</b>	<b>Unit Factor</b>	<b>Factored Units</b>	<b>Percentage</b>
Tax Credit Properties (PH)		1	327	23.59%
				<b>23.59%</b>
<b>Non-MTW</b>	<b>Units Supported</b>	<b>Unit Factor</b>	<b>Factored Units</b>	<b>Percentage</b>
9 Homes	9	0	0	0.00%
North Shirley	1	0	0	0.00%
Wedgewood	50	0	0	0.00%
Salishan 7	90	0	0	0.00%
				<b>0.00%</b>
			<b>1,386</b>	<b>100.00%</b>

**Table 6: Unit Equivalency Charts**

**Program Support Center Allocation Detail**

Program Support Center Unit Equivalencies					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SC0002			10	10
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers – Roll into MTW 07/01/13	103			103
	HUD FSS Grant	N/A			0
	FUP Vouchers			50	50
	NHT Vouchers			100	100
VASH Vouchers			145	145	
Property Management: Local Fund Units	N Shirley			1	1
	Alaska 9 Homes			9	9
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7			90	90
Property Management: Public Housing AMPs	AMP 1 - K.G & M	160			160
	AMP 2 - 6th Wright, Fawcett	152			152
	AMP 3, Dixon, BT, Lawrence	144			144
	AMP 4, Demo'd 2012	0			0
	AMP 6 - Scattered Sites	34			34
Property Management: Tax Credit Partnerships	Hillside Terrace		21		21
	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	<b>Total Units</b>	<b>4,286</b>	<b>672</b>	<b>476</b>	<b>5,434</b>
Development	THA MTW Support including CFP	277			277
	THA as Developer			538	538
	Unit Equivalents	277	0	538	815
	<b>Total Units/Unit Equivalents - 15% of Units</b>	<b>4,563</b>	<b>672</b>	<b>1,014</b>	<b>6,249</b>
<b>Program Support Center Equivalencies (% of All Units)</b>		<b>73.02%</b>	<b>10.75%</b>	<b>16.23%</b>	<b>100%</b>

\* Note that Wedgewood is managed by a third party, therefore the units are not factored into any of the accounting in THA's cost approach.

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**APPENDIX C: LETTER OF CONSISTENCY**



City of Tacoma  
Community and Economic Development Department

September 22, 2015

Sheryl Stansell, Analyst  
Tacoma Housing Authority  
902 South L  
Tacoma WA 98405

RE: Consistency with City of Tacoma's Consolidated Plan  
THA's Moving to Work Plan

Dear Sheryl:

You requested a determination of consistency with the City of Tacoma's *Consolidated Plan* and support for your proposed Moving to Work (MTW) Annual Plan for 2016. This plan would continue the Tacoma Housing Authority's (THA) initiatives, including creatively working with a region approach to address housing needs for homeless youth and utilize the flexibility offered under the Moving to Work program to service more households, including households that cannot access rental assistance through traditional means. Through their use of project-based vouchers, THA has been an invaluable partner in the development of affordable housing opportunities allowing for deeper subsidies in these projects to serve the lower income households.

This proposal is consistent with the City of Tacoma's *Consolidated Plan for Housing and Community Development 2015-2019*. This plan is dated May 5, 2015 and was approved by the U.S. Department of Housing & Urban Development (HUD) on July 22, 2015. It is the implementation document for the City's *Comprehensive Plan* and is administered by the City's Housing Division of the Community & Economic Development Department. Specifically, the *Consolidated Plan* places a high priority on not only preserving affordable housing opportunities, but also improving the quality of the housing available to low-income households.

If you have any additional questions or require additional information, please contact Cathy Morton at 253-591-5763, or via e-mail at [cmorton@cityoftacoma.org](mailto:cmorton@cityoftacoma.org).

Sincerely,

Martha Anderson  
Assistant Director

747 Market Street, Room 900 ■ Tacoma, Washington 98402-3793 ■ (253) 591-5364  
<http://www.cityoftacoma.org>

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#### **APPENDIX D: COMMITMENT TO MTW RESERVES**

In July 2013, Tacoma Housing Authority and HUD reached an agreement regarding a one-time funding adjustment of \$1.2 million. The letter memorializing this agreement is attached. THA has Board approval to use these dollars to fill any funding gaps for the 2<sup>nd</sup> phase of THA's Hillside Terrace redevelopment (to be named Bay Terrace Phase II). The Board resolution related to this commitment is also attached. Should THA have other sources of funds for this development, it may recommit the funds for another purpose after consulting with and obtaining approval from THA's Board of Commissioners. If THA makes any changes in commitments it will provide HUD with updates in the next MTW Plan or Report.

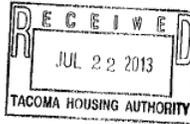
In 2013, HUD and THA discussed and resolved the appropriate funding level for the Section 8 Housing Choice Voucher program under THA's Moving to Work Agreement. The letter following describes the resolution. The board resolution following this letter approves THA's commitments to MTW reserves.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

ASSISTANT SECRETARY FOR  
PUBLIC AND INDIAN HOUSING

July 18, 2013



Michael Mirra  
Executive Director  
Tacoma Housing Authority  
902 South L Street, Suite 2A  
Tacoma, Washington 98405-4037

Dear Mr. Mirra:

For a number of months, HUD and the Tacoma Housing Authority ("THA") have been discussing the appropriate funding level for the Section 8 Housing Choice Voucher ("HCV") program under THA's Moving to Work ("MTW") Agreement. I am writing to confirm our mutual agreement on the resolution of that issue, as follows:

1. HUD will provide THA with a one-time HCV funding adjustment of \$1.2 million, in addition to funds already provided to THA. HUD will transfer those funds to THA's bank account as soon as THA accepts the terms of this letter;
2. The one-time adjustment will not be added to THA's baseline subsidy eligibility for purposes of future years' funding; and
3. HUD will deem the \$1.2 million to be obligated by THA, and not subject to a sweep of reserves, provided that THA describes in its MTW plan how the funds will be used and provides a schedule for spending them.

Thank you for working with us to reach this resolution. Please indicate your agreement by responding affirmatively to this letter as soon as possible.

Sincerely,

Sandra B. Henriquez  
Assistant Secretary

ACCEPTED:

DATE:

by   
Tacoma Housing Authority  
Michael Mirra, Executive Director

7.23.13

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2013-9-25 (6)

**Date:** September 25, 2013  
**To:** THA Board of Commissioners  
**From:** Michael Mirra  
Executive Director  
**Re:** MTW Reserve Commitment

#### Background

This resolution commits THA's MTW reserves for specified purposes. This commitment is necessary to better preserve those reserves for those purposes and protected from some sort of recapture or offset by HUD. Such a recapture or offset seems to be contemplated in some versions of the 2014 federal budget. On June 18, 2013 the House Appropriations Committee released its version of the Fiscal Year 2014 Transportation, Housing and Urban Development (THUD) funding bill. This version specifies that "...public housing agencies participating in the MTW demonstration shall be funded pursuant to their MTW agreements and shall be subject to the same pro rata adjustments under the previous provisos: Provided further, That the Secretary may offset public housing agencies' calendar year 2014 allocations by the excess amount of agencies' reserves as established by the Secretary; Provided further, That public housing agencies participating in the MTW demonstration shall also be subject to the offset, as determined by the Secretary, from the agencies' calendar year 2014 MTW funding allocation..."

This issue is related to our recent settlement with HUD of our dispute over HUD's "rebenchmarking" of our Section 8 funding. According to that settlement, we received \$1.2 million. The settlement makes clear that HUD shall deem the \$1.2 million to be committed by THA, and not subject to a sweep of reserves, provided that THA describes in its MTW plan how the funds will be used and provides a schedule for spending them.

For these reasons, this resolution commits our MTW reserves according to the attached Schedule of MTW Reserve Commitments. THA wishes to include this schedule in the 2014 MTW Plan along with a detailed narrative description of the reasons why this funding is needed and that THA reserves the right to shift monies between these line items as the need may arise. We believe this will allow for the flexibility required in predicting our future funding streams, while at the same protect our MTW reserves from an otherwise detrimental offset.

---

**Recommendation**

Approve Resolution 2013-9-25 (6) committing THA MTW reserves as identified in the attached Schedule of MTW Reserve Commitments and directing that this commitment be included in the 2014 MTW Plan.



## TACOMA HOUSING AUTHORITY

### RESOLUTION 2013-9-25 (6)

#### COMMITMENT OF MOVING TO WORK RESERVES

**Whereas**, HUD has identified that uncommitted MTW Reserves are subject to offset; and

**Whereas**, THA has MTW Reserves that are currently not specifically committed but are included in the Authority's plans for future capital and operational expenditures; and

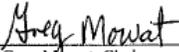
**Whereas**, the attached Schedule of MTW Reserve Commitments reflects the Authority's current plans for such capital and operational expenditures of MTW Reserves; and

**Whereas**, the Authority intends to include this Schedule of MTW Reserve Commitments in the 2014 MTW Plan including language that allows for shifting monies between the identified commitments.

**Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington that:**

1. The Board commits THA's MTW Reserves as outlined in the attached Schedule of MTW Reserve Commitments, subject to adjustment in future budgets and budget revisions.
2. The Board directs the Executive Director to include these MTW Reserve Commitments in the 2014 MTW Plan.

Approved: September 25, 2013

  
Greg Mowat, Chair

**Tacoma Housing Authority Schedule of MTW Reserve Commitments**

September 25, 2013

Planned Expenditure	Committed Funds	Planned Expenditure Date
2nd Phase of Hillside Terrace redevelopment project	\$ 2,420,000	12/31/2015
Renovation/Remodel of 2nd Floor of Administrative Building	\$ 700,000	12/31/2014
Renovation/Remodel of Salishan Family Investment Center	\$ 300,000	12/31/2014
RAD Conversion Costs - Capital Contributions to Projects	\$ 1,000,000	6/30/2015
Software Conversion for Unsupported/Obsolete ERP Software (Visual Homes)	\$ 600,000	6/30/2015
Education Projects - McCarver & Others	\$ 310,000	12/31/2015
Exigent Health & Safety Issues (Meth Remediation)	\$ 500,000	12/31/2014
<b>Total Committed Funds</b>	<b>\$ 5,830,000</b>	

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#### **APPENDIX E: THA'S EDUCATION PROJECT**

Initiative descriptions of THA's Education Project and the various components follow. The McCarver project description is not included as the most recent third-party evaluation is attached.

- 1. THA's Education Project**
- 2. Children's Savings Account**
- 3. College Housing Assistance Program**

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## THA's Education Project: A Summary

*Last Revised September 25, 2014*

### 1. PURPOSE OF THA'S EDUCATION PROJECT AND PROPOSITIONS TO TEST

THA's Education Project has two main purposes:

- it seeks to help the children it houses succeed in school;
- it seeks to promote the success of the schools serving low-income students.

THA seeks these outcomes for **three** reasons.

**First**, THA's strategic mission is to help people succeed not just as tenants but also as "parents, students, wage earners and builders of assets who can live without assistance." THA wants families to come to its housing and prosper. In this way, it wants their time with THA to be transforming and temporary. It wants this especially for the children. School success is part of this transformation.



**Second**, THA is a real estate and community developer. The financial and social success of its developments requires successful neighborhood schools.

**Third**, public schools face challenges that low-income and homeless children bring to the classroom. The schools cannot solve this without help. THA seeks to do its part.

The Education Project is an experiment to learn if a housing authority can so spend its housing dollars, not only to house families, but also to promote school outcomes for their children and to promote the success of schools that serve low-income children. THA begins this experiment surmising that it does have an influence to exercise. This surmise arises from facts that are true for most public housing authorities:

- Except for the school district and the public assistance agency, THA serves more poor children than any other organization in Tacoma. It houses about 1 of every 7 Tacoma public school students and about 1 out of every 4.5 low-income students;
- In serving these families, THA is already deep into their lives, as landlord, provider of highly regulated rental assistance, and provider of supportive services. This gives THA an influence over behavior and choices.
- THA owns communities that can be staging grounds for educational initiatives.
- THA resources can lever reforms and investments from schools districts and others.

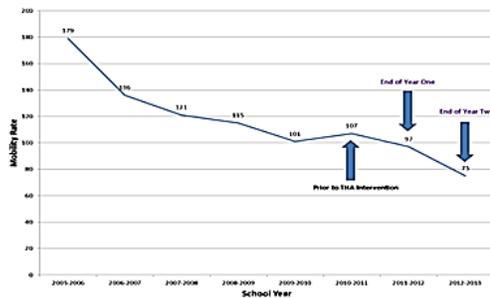
THA tries this experiment in full partnership with Tacoma Public Schools (TPS), Tacoma Community College and other service providers and funders. The results should be interesting to other public housing authorities, school districts and educational institutions. To learn more go to: [www.tacomahousing.org](http://www.tacomahousing.org)

**2. SOME ELEMENTS OF THA’s EDUCATION PROJECT**

There are many elements to THA’s Education Project. Some are underway. Others are in planning. Here is a short description of some of them:

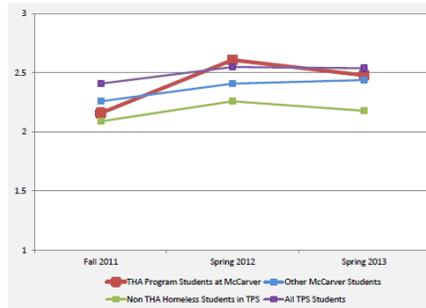
**2.1 THA’s McCarver Elementary School Housing Initiative (underway)**

The student population of McCarver Elementary School is the poorest in the region, possibly the state. It has more homeless students than any other elementary school in the region, possibly the state. It has the highest annual turnover rate of students. This rate has ranged in recent years up to 179%. This turnover results from homelessness, deep poverty and



the accompanying family challenges. THA and TPS’s initiative has five parts. (1) To help stabilize the school, THA provides rental assistance and individualized case management to 50 homeless McCarver families with children enrolled in kindergarten, first or second grade. Their 85 children

constitute a fifth of the school. This assistance starts by paying most of the rent and tapers down to zero after 5 years. (2) The Project asks the participating parents to commit to keep their children enrolled at McCarver. They commit to participate actively in their children’s schooling. They commit to invest in their own education and employment prospects. (3) THA and its service partners provide services to help the parents do all this. (4) TPS invested the considerable resources to bring the Primary Years International Baccalaureate Program to McCarver. (5) A third party evaluator tracks an array of outcomes. The outcomes from the first two years of the project (2011-2013) are promising: school annual mobility rate declined from 107% prior to THA’s



initiative down to 96% after the first year and down further to 75% after the second year. Reading scores for cohort children went up 22% in the first year, three times faster than comparable cohorts. In the second year, the cohort children retained those gains, performing above all other children at the school, and well above other homeless children in the district. 61% of them are reading on grade level. The mean earned income of the families doubled. THA and TPS are awaiting the third year of data. If it is as positive as they expect, they will

expand the program to scale, encompassing the other elementary schools in Tacoma with ruinous student transience rates due to homelessness and housing instability.

**2.2 THA’s College Bound Scholarship Enrollment Project** (underway)

THA seeks to sign up all of its 8<sup>th</sup> graders each year in Washington State’s College Bound Scholarship Program (CBS). CBS is a promise the state has made to every low-income child in the state: if he or she graduates from high school, with at least a 2.0 G.P.A., stays out of serious trouble and enrolls in a post-secondary program, the state will ensure that tuition is affordable. There is a catch. The student and the parent/guardian must sign up for it by the end of 8<sup>th</sup> grade. When the program began, nearly half the state’s eligible children missed this chance. THA started by adding the CBS application to the forms families fill out yearly as participants in its housing programs. Within 3 years THA reached 100% sign up rate:

<b>Students Enrolled in the Washington State College Bound Scholarship Program by the End of Eighth Grade*</b>					
	2008-2009	2009-2010	2010-2011	2011-2012	<b>2012-2013</b>
<b>Washington State</b>	55%	68%	75%	77%	<b>81%</b>
<b>Tacoma Public Schools</b>	77%	90%	Approx. 100%	Approx. 100%	<b>Approx. 100%</b>
<b>THA</b>	83%	91%	Approx. 100%	Approx. 100%	<b>Approx. 100%</b>

Recently, THA has folded its efforts into an aggressive citywide program that now enrolls virtually all Tacoma’s eligible 8<sup>th</sup> graders yearly.

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### 2.3 Asset Building Programs for the Children and Youth of Salishan (in planning)

Individual development accounts (IDA) for children increase their incidence of school success and college enrollment. They help a family get accustomed to saving, help unbanked families into mainstream banking and help a child and the family regard the future positively. Salishan is THA's largest community.

- *Matched Savings Program for the Children of Salishan*  
For each child attending Salishan's Lister Elementary School, THA will open an IDA. THA will match the family's deposits to \$400 each year through 5<sup>th</sup> grade. The schools will incorporate financial literacy curricula, which should be more effective since the children will have real money to contemplate.
- *Scholars' Incentive Program for the Youth of Salishan*  
THA will invite each Salishan youth attending First Creek Middle School to enroll in the Scholar's Incentive Program (SIP). A counselor and the student will devise an individualized plan taking the student from 6<sup>th</sup> grade through high school graduation, with academic milestones along the way, e.g, certain attendance rate, certain grade point average, taking challenging courses, taking the PSAT, SAT, and ACT, filling out the FAFSA, applying to a post-secondary program, graduating from high school, and enrolling in a post-secondary program. Upon hitting each milestone, the student will receive a small cash payment and a larger deposit into his or her IDA (up to \$700 per year). The account balance will grow as the student reaches successive milestones. Upon completing the journey, the student will receive the account balance for educational or training purposes.

### 2.4 Tacoma Community College Housing Project (underway)

Tacoma Community College (TCC) is the largest post-secondary institution in the Tacoma region. It is particularly accessible and welcoming to low income students, many of whom are the first in their family to attend college. A notable number of enrolled students are homeless. THA will provide them with rental assistance during their enrollment, conditioned upon adequate academic progress that TCC will judge.

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## 2.5 Educational Services in THA Communities (underway and in planning)

THA communities can be a good staging ground for important educational services. Like other services, educational services are more effective if they are available as a part of the local, walking neighborhood. For example, THA's community of New Salishan has Lister, Roosevelt and Blix elementary schools and First Creek Middle School either within its borders, next door or just down the street. Other educational services at THA properties include or will include:



- The Salishan Core will have a public library, a child care provider, and programming to take a youth or adult further in their education or training.
- THA's summer lunch and literacy program in three public housing sites
- Head Start program at THA's new Bay Terrace property
- computer labs at all family communities, with tutoring.
- mentoring and tutoring programs provided by community partners

## 2.6 Campaign of Expectations (underway and in planning)

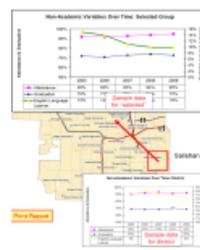
School success depends in part on what students feel people expect of them. A community can be a useful source of expectations. This is most likely in a discrete community of families that already identifies itself in positive ways. THA's housing communities provide that chance. For example, THA will seek to embed the expectation in New Salishan that its children shall read on grade level and graduate from high school. This campaign of expectations will include the following efforts:

- THA's College Bound Scholarship Enrollment Project
- make sure every THA student has a library card
- include educational expectations in THA's individual case management plans
- public educational campaigns and events, *e.g.*:
  - ~ "Reach Out and Read" program at all THA offices
  - ~ "Lights On for Study" campaign
  - ~ "Show Me the Math" campaign
  - ~ Read Across America on Dr. Seuss Day
  - ~ Free Books Program at all public housing sites
- celebrate graduations from elementary school, middle school and high school, and college send-offs.

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## 2.7 Data Collection and Performance Measures

THA tracks performance measures to assess its Education Project. THA's data sharing agreement with the Tacoma Public School District is critical for this purpose. This allows THA and the school district to track education outcomes of various populations, including all THA students, THA students in discrete THA communities or programs, THA students attending particular schools, and THA students by cohorts reflecting the time they spend in THA housing programs. The data system will compare them with populations of non-THA students in Tacoma.



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**CHILDREN's SAVINGS ACCOUNT**  
**for the CHILDREN of NEW SALISHAN, Tacoma, WA**  
**last revised September 14, 2015**

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**1. SUMMARY**

In the Fall of 2015, the Tacoma Housing Authority (THA), in partnership with Tacoma Public Schools (TPS), began offering children's savings accounts (CSAs) for the children of New Salishan. The CSA program will help its children expect that they will attend college, be ready for college, be able to pay for it, and feel that they belong when they go.

New Salishan is THA's largest and most diverse community. It is a HOPE VI mixed-income community of 1,350 renter and homeowner households on an award-winning neighborhood design. Lister Elementary School sits in the middle of Salishan; First Creek Middle School is next door.



THA's CSA will have two stages, an elementary school stage and a middle through high school stage. Both stages are linked to schools. The elementary school stage will encourage families to save for their children's education. When a Salishan student enrolls in kindergarten, THA will open a savings account in his or her name. THA will remain the account custodian and will control withdrawals. THA will deposit \$50 deposit into the account to get it started. THA will match the family's deposit into the account up to \$400 per

year. This match will last through fifth grade.

As companion goals, the program seeks to improve the financial literacy of the students and parents. Lister Elementary School will teach a highly regarded financial literacy curriculum. Parents will also receive financial training. The program will also help parents into the mainstream banking system. Financial training of this sort is more effective when the children and the parents have real money to contemplate, as the CSA will give them.

The next stage takes the student from 6th grade through high school. It is for students who live in Salishan and who enroll in 6<sup>th</sup> grade at First Creek Middle School. These 6th graders and their counselors will devise individualized plans to take the students through high school. The plan will set milestones along the way, largely of an academic nature. Upon hitting a milestone, the program will make a deposit into the account, up to \$700 per year.



Students who participate fully, with their families, from kindergarten through high school will accumulate a balance of \$9,700. The balance will be available only if a student graduates

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from high school and enrolls in a qualified post-secondary educational program, and then only for the costs of attendance, including housing. Students who do not complete the journey will forsake THA's contribution to the accounts. THA will use those unused amounts to fund future cohorts of students.

Research suggests that even modest balances in such accounts greatly increase the prospects that a student will attend college. In comparison with peers without accounts, they do better in school. They are more likely to expect to go to college. They are 3 times more likely to attend college. They are 4 times more likely to graduate. They score better on socio-emotional development indicators.

THA plans this effort in collaboration with Tacoma Public Schools (TPS), the Corporation for Enterprise Development (CFED), initial funding from the Bill & Melinda Gates Foundation, the Bamford Foundation, Heritage Bank, other funders and social service partners in Tacoma.

The Urban Institute as a third party evaluator will track medium and long-term metrics.

THA's fund raising is well underway. Further funding will determine the scope and schedule for this initiative's expansion

**2. LOW-INCOME STUDENTS AND THEIR EDUCATIONAL ATTAINMENT:  
THE PROBLEM IN TACOMA**

Tacoma Public Schools has made great strides in improving its rate of high school graduation. In addition to a high school diploma, however, post-secondary educational achievement is important for a person’s success. By this measure, Tacoma has work to do. This chart shows the problem:

<b>Tacoma Public Schools: Class of 2014</b>			
<b>Rates of High School Graduation and Post-Secondary Educational Program Enrollment</b>			
	High School Graduation Rate	Rate of Enrollment in Post-Secondary Educational or Training Programs*	
		High School Graduates	Aggregate Rate of Enrollment**
All Students	78.0%	46.5%	36.3%
Low-income	70.5%	41.8%	29.5%
African-American	73.8%	41.5%	30.6%
Asian	86.2%	60.3%	52.0%
Pacific Islander	68.6%	34.3%	23.5%
Hispanic	67.0%	33.7%	22.6 %
Multi-Racial	61.4%	29.2%	17.9%
Native American	68.2%	40.9%	27.9%

\* Rate at which before high school graduation a student submitted verification of enrollment in a post-secondary educational or training program.  
 \*\* Rate of verified post-secondary enrollment for all students, including those who did not graduate from high school with their class.

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Several barriers keep low-income students out of college

- Their rate of high school graduation is not high enough.
- Many do not expect to attend college. They do not expect college to be affordable. They do not expect to be ready for college. They may be uninformed about the possibilities. Or in other ways, they do not think college is for them.
- College may indeed be unaffordable. Students in Tacoma and Washington State, however, have an advantage. The College Bound Scholarship program of Washington insures that tuition will be affordable for eligible students up to the average cost of a public 4-year college. This is an enormous advantage. However, even with tuition covered in this way, low-income students usually cannot afford the non-tuition costs of attendance, primarily housing.

In all these ways, the main barrier to college is hopelessness, either realistic or imagined. THA's CSAs are intended to address them all.

### 3. CHILDREN'S SAVINGS ACCOUNTS GENERALLY

Children's savings accounts (CSAs) can greatly increase the prospects that children will attend college. CSA programs generally have the following features:

- The program establishes a bank account in the name of the participating child. A custodian organization controls the account.
- The program matches the family's deposits at a stated ratio and within limits. (THA's program for elementary school children will do this. Its program for middle and high school students will link program deposits to academic achievement.)
- The program limits withdrawals.
- The account balance is available only for specific purposes, generally education related.
- CSA programs often offer related services, such as financial literacy courses.

CSAs can serve four purposes. **First**, they help a child and a family save for college. **Second**, they help them get used to saving. **Third**, they can ease an unbanked family into mainstream financial services. **Fourth**, they allow a child and a family to think more positively about their future. In the case of Salishan, a CSA serves a **fifth** purpose. It will help unite that very diverse community.

Research suggests that even modest balances in such accounts greatly increase the prospects that a student will graduate from college. In comparison with peers without such accounts, they do better in school. They are more likely to expect to go to college. They are 3

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times more likely to attend. They are 4 times more likely to graduate. They score better on socio-emotional indicators.

THA relies on the expertise of the Corporation for Enterprise Development (CFED). CFED is the nation's premier source of expertise on CSAs. For more information about CSAs and CFED, go to [www.CFED.org](http://www.CFED.org).

#### 4. NEW SALISHAN

New Salishan is THA's largest community. It has about 1,350 households. About 1,000 of them are low-income households who rent their home from THA or its nonprofit partners; the remaining Salishan households are homeowners with a wide range of incomes. THA built New Salishan as a HOPE VI redevelopment of an old, worn out public housing community. It is now a walkable mixed-income community of apartments, townhomes and single-family homes, an elementary school, a middle school next door, a regional primary health clinic, neighborhood playgrounds, and community gardens, all on an award winning design and all wrapped by a 250-acre Swan Creek Park.

New Salishan is also the region's most diverse community. It is diverse by factors that in other parts of the housing market are segregating factors. At New Salishan, they are integrating factors: homeowner/-renter, race, income, language, national origin, ethnicity, age, and ability/disability. The challenge and the charm of New Salishan is to help this community live across these lines. A CSA program available to all its children will help do that.



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## 5. THA's CHILDREN SAVING ACCOUNTS FOR THE CHILDREN OF NEW SALISHAN: MAIN ELEMENTS

These are the main elements of THA's Children Savings Account program for the children of New Salishan:

### 5.1 Elementary School Children Savings Account Program: Kindergarten through 5<sup>th</sup> Grade

- The program will offer a CSA for every child that enrolls in kindergarten at Lister Elementary School regardless of whether or not the child lives in Salishan, and for every Salishan child enrolling in kindergarten at another Tacoma public school. This will serve children of both Salishan renters and Salishan homeowners.
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- The program will start each year with a kindergarten cohort. As funds allow, the goal is to cover all 6 grades within 6 years. Each grade will constitute a cohort of about 80 students. At full measure, this part of the program will serve about 480 elementary children at any one time.
  - The program will match deposits for each child up to \$400 per year through 5<sup>th</sup> grade. This contemplates a maximum annual program commitment per cohort of \$36,000. The maximum annual commitment for 6 elementary school cohorts would be \$196,000, assuming full participation and full family deposits for each child.
  - A student who starts at kindergarten and whose family participates fully, by the end of 5<sup>th</sup> grade, would have \$2,400 in family deposits and \$2,400 in program match deposits, for a total of \$4,800.
  - Lister Elementary School will incorporate a highly regarded financial literacy into the curricula. THA will offer financial training to the parents. This sort of instruction is most effective when the children and parents have real money to contemplate, as will be the case with the CSA accounts.
  - The match of funds ends after 5<sup>th</sup> grade. The child then moves to the next stage in 6<sup>th</sup> grade at First Creek Middle School.

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**5.2 Middle through High School Children’s Savings Account Program:  
6<sup>th</sup> Grade through High School**

- First Creek Middle School is adjacent to New Salishan.
- The CSA Program will enroll all New Salishan children at First Creek Middle School.
- A student will remain eligible for the CSA program even if he or she leaves First Creek for another middle school in Tacoma Public Schools.



- A student’s participation in the CSA program will remain active through high school graduation, as long as he or she continues in Tacoma Public Schools.
- The elementary school stage of the CSA program, which serves younger children, provides a deposit to match the family’s deposit. In contrast, the middle through high school stage of the CSA program provides no match. Instead, it rewards the student’s behavior and achievement, incentivizing academic performance and participation in college preparatory activities.

The program will match each Salishan student entering 6<sup>th</sup> grade at First Creek with a counselor. The counselor and the student will devise an individualized plan that takes the student from 6<sup>th</sup> grade through high school graduation and enrollment into a qualified post-secondary program. The plan will set academic milestones along the way for each year. These milestones may include: improving attendance, attaining a certain grade point average, enrolling in the College Bound Scholarship, taking college preparatory courses, taking the PSAT, SAT or ACT, applying to qualified post-secondary programs, getting accepted, filling out the FAFSA early, graduating from high school and then enrolling in a qualified post-secondary program.

- Upon achieving each milestone, the program will deposit money into the student’s CSA. The amount of the deposit will vary with the type of milestone. THA projects a maximum annual deposit for each student of \$700.
- After 7 years of such deposits, starting in 6<sup>th</sup> grade, a student who achieved fully would have a balance of \$4,900, **plus** any balance brought over from the elementary school CSA. That additional balance would be

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\$4,800 for a student whose family participated fully in the elementary school CSA, for a total of \$9,700 from kindergarten through high school.

- Once a student graduates from high school, the balance in the CSA will be available for post-secondary education or training purposes. A cohort student who fails to enroll in a qualified post-secondary program will forsake the program's contribution to his or her account. Those unused funds will then help fund future cohorts.
- At a maximum of \$700 per year, a cohort of 60 middle and high school students will cost a maximum of \$42,000. All 7 cohorts from 6th to 12th grades will cost a maximum of \$294,000 per year, assuming full participation and full achievement by all students.

### 5.3 College Bound Scholarship Enrollment Project

Washington's College Bound Scholarship Program (CBS) offers tuition for low-income students who (i) graduate from high school; (ii) with at least a 2.0 grade point average; (iii) stay out of serious trouble; and (iv) get admitted to an approved in-state post-secondary program. Students must enroll in the CBS by the end of their 8<sup>th</sup> grade year. Starting in school year 2008-2009, THA began an effort to enroll 100% of its 8<sup>th</sup> graders every year. THA accomplished that by 2010-2011 and in each year since then. For information on this successful enrollment effort, see [www.tacomahousing.org](http://www.tacomahousing.org). Also since that time, TPS has enrolled 100% of eligible 8<sup>th</sup> graders throughout the city.

All students enrolled in THA's CSA program will also enroll in the CBS. This is important. It means that the CSA account balances upon high school graduation will likely not be necessary for tuition if a student attends college in state. Instead, those balances will be available for the many non-tuition expenses that often make college attendance unaffordable to low-income students, *e.g.*, housing, food, transportation, books.

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#### 5.4 Educational and Family Support

Other elements of the THA experience will fortify the CSA programs' ability to influence school achievement:

- CFED reports that even low-income families are able and willing to save for their children given a favorable structure to do so. THA's families have the added advantage of living in housing that is affordable to their income. This will free up family income to better allow a family to save for college.
- New Salishan hosts a range of enrichment activities, including after school and summer programs.
- THA provides tailored support services to its families to minimize the Adverse Childhood Experiences (ACES) affecting children. These services help families achieve the stability, self-sufficiency, and increases in household income that will make the best use of CSA programs. THA's service model emphasizes trauma-informed care and strength-based intervention.
- THA knits educational and employment attainment into all of its service plans with families who receive its community services.

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## 5.5 Outcomes and Evaluation

THA has engaged the Urban Institute to track medium and long-range performance measures. THA will use the following performance measures of cohort students, all of which it will compare with the same measures for other TPS students and other TPS low-income students:

- performance on standardized reading and math tests in 5th grade;
- performance on standardized reading and math tests in 10th grade;
- high school graduation rates; (We will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs);
- rates of enrollment in post-secondary programs. (We will also compare these rates with College Bound Scholarship students who do not participate in the CSA programs);
- rates of graduation from post-secondary programs.

Non-academic performance measures:

- increase in mainline banking activity of participating families;
- increase in financial literacy for students and adult members of the household;
- more positive attitude toward saving for students and adults;
- more positive orientation toward future goals;
- other indicators of student behavior and engagement (*e.g.*, school discipline, participation in school clubs).

## 6. BUDGET

The two main program costs will be the expense of administration and the expense of the program deposits. Most administrative costs should not vary greatly with the number of cohorts served. This means we can increase the number of cohorts while only marginally increasing operational costs.

THA has resolved not to launch a cohort unless it has money committed to see the cohort through to high school graduation. THA's fund raising is well underway. THA presently has funding enough to support two cohorts (80 students) from kindergarten through grade 12 and one cohort (60 students) from grades 6-12. THA seeks to add one new kindergarten and one new 6<sup>th</sup> grade cohort each year until we have thirteen active cohorts spanning grades K - 12.

### Operational Budget – Annual Costs for Full Cohorts Covering K – 12 (60 students each grade))

Program Element	Cost
<b>Administrative Costs</b>	
Program Specialist (1.0 FTE)*	\$78,650
Program Manager (0.3 FTE)*	32,175
Program Director (0.1 FTE)*	14,300
THA Indirect	26,276
Training/Travel	17,500
Equipment/Materials	3,500
Third Party Evaluation	50,000
<b>Subtotal</b>	<b>\$225,801</b>
<b>CSA Deposits Costs</b> [assume 100% family deposits in the elementary school CSA and 100% student achievement in the SIP]	
Elementary CSA [initial deposits; up to \$400 per student per year]	\$196,000
Middle through High School CSA [up to \$700 per student per year]	294,000
<b>Subtotal</b>	<b>\$490,000</b>
<b>ANNUAL TOTAL**</b>	<b>\$715,801</b>

\* Staff positions include salary and benefits.

\*\* Assumes cohorts of 80 students in the K-5 stage and 60 students in the 7-12 stage of the program.

<b>Total Cost of Deposits for One Cohort's Journey through Program</b>	
Elementary School K – 5 <sup>th</sup>	\$196,000
Middle through High School 6 <sup>th</sup> – 12 <sup>th</sup>	\$294,000
Both Programs K – 12 <sup>th</sup>	\$490,000

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## 7. PARTNERSHIPS

Partnerships are essential to a successful CSA program. THA is fortunate in its partners:

### 7.1 Operations Partners

- *Tacoma Public Schools*  
TPS's collaboration, expertise and enthusiasm has been essential throughout THA's Education Project. For this CSA project, Lister Elementary and First Creek Middle School will be the main operational hubs. The CSA will follow students to high school. Most of them will attend Lincoln High School. We seek to add financial literacy instruction to the curricula of all these schools.
- *Corporation for Enterprise Development (CFED)*  
CFED is the nation's premier source of data and expertise on CSAs generally. THA consults closely with CFED.
- *Heritage Bank*  
Heritage Bank will manage the CSA program accounts. Heritage Bank has partnered with THA on a number of initiatives. Heritage has been THA's very capable and community-minded business bank for many years in a relationship that has served THA and Tacoma very well.
- *YMCA, Eagle Center at First Creek Middle School*  
Eagle Center staff will advise each middle school student to devise and monitor the individualized plan with academic milestones. This staff will also provide advising support, data collection and general program support for the middle through high school stage of the CSA program.

### 7.2 Funding Partners

- *The Bill and Melinda Gates Foundation*  
The Gates Foundation is providing \$350,000 to THA over a three-year period to develop and implement the Scholar Incentive Program and other initiatives. These dollars are for operational use only, and do not include funding for incentive payments.
- *Tacoma Housing Authority*  
THA is committing \$150,000 to directly fund incentive payments.
- *United Way of Pierce County*  
Beginning in 2014, United Way is providing about \$20,000 annually in a three year grant (\$60,000 total) to support early childhood development and adult navigation to vocational training.

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- *The Bamford Family Foundation*  
The Bamford Foundation is funding the first Lister Elementary School cohort.
  - *Other Funding Partners*  
THA has received a generous \$500,000 gift from an additional funder to fund an entire second cohort of students' journey from kindergarten through 12<sup>th</sup> grade. This is a challenge grant. It will become available when THA raises an equivalent amount from other sources by September 2016.

THA seeks the additional funding these programs will require.

## 8. THA's EDUCATION PROJECT

The CSA program is part of THA's Education Project. The Education Project has two main purposes:

- to help the children THA houses succeed in school;
- to promote the success of the schools serving all low-income children in Tacoma..

THA is interested in education for three reasons. **First**, THA's strategic mission is to house people in ways that help them succeed not just as tenants but also as "parents, students, wage earners and builders of assets who can live without assistance." THA wants families to come to its housing and prosper. In this way, it wants their time with THA to be transforming, and temporary. It wants this especially for the children. School success is part of this transformation.

**Second**, THA is a real estate and community developer. It develops properties and communities, some of them very large, like New Salishan. THA's mission is to make its properties and neighborhoods "attractive places to live, work, attend school, shop and play" and to help make Tacoma a place that low-income families experience that is "safe, vibrant, prosperous, attractive and just." All this requires successful schools.

**Third**, public schools face challenges that low-income and homeless children bring to the schoolhouse door. The schools cannot solve them without help. THA seeks to do its part.

THA began this project surmising that it does have an influence to exercise over educational outcomes. This surmise arises from facts that are likely true for most public housing authorities. They are certainly true in Tacoma:

- Except for the school district and the public assistance agency, THA serves more low-income children in Tacoma than any other organization. It houses about 1 out of every 7 Tacoma public school students and about 1 out of every 4.5 low-income public school students;

- 
- In serving them, THA is deep into the lives of their families, as landlord, as provider of highly regulated rental assistance or housing, and as provider of supportive services. This gives THA an influence over behavior and choices.
  - THA owns communities, some quite large, that can be staging grounds for educational initiatives, especially those that are more effective when focused on discrete communities and when part of the visible walking landscape.
  - THA resources can leverage investments from schools districts and others.

THA's Education Project comprises several elements and initiatives. *E.g.:*

- College Bound Scholarship Enrollment Project
- McCarver Elementary School Housing Program
- Tacoma Community College Housing Program
- Rapid rehousing for homeless families with children
- Rapid rehousing for homeless youth without families
- Head Start classrooms in THA communities
- Reach Out and Read bookshelves in all THA offices and community buildings

THA now adds its Children's Savings Account Program to its educational initiatives.

To learn more about THA's Education Project go to: [www.tacomahousing.org](http://www.tacomahousing.org)

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## Tacoma Community College Housing Assistance Program: A Summary

*(Last Revised September 11, 2015)*

In September 2014, Tacoma Housing Authority (THA) and Tacoma Community College (TCC) launched an innovative pilot program to house up to 25 homeless TCC students and their dependents during their TCC enrollment. As a condition of the assistance, students must make adequate academic progress toward a degree. The assistance lasts until graduation or 3 years, whichever occurs first. After one year, the program's preliminary outcomes are sufficiently encouraging to allow THA and TCC to consider the program's expansion.

### HOMELESS COLLEGE STUDENTS

TCC has a student population of nearly 14,000 students. It is the largest post-secondary educational institution in the South Puget Sound Region. In comparison to students of other institutions, TCC students are older, lower income, more likely to be parents, more likely to be working and more likely to be the first in their family to attend college. Almost half of TCC's students receive financial aid and 41% of these students receive need-based aid. Sixty-one percent (61%) are women and forty-one percent (41%) identify as a person of color. TCC is justifiably proud of the warm welcome it gives them. A TCC degree can transform their lives. On average, a student with a TCC associate degree earns \$34,559 per year, 53.5% more than the average earnings of high school graduate.



A preliminary TCC survey of the student population, revealed a great need for housing assistance. A notable number of students are homeless. The lack of housing or stable housing presents formidable barriers to academic success. The challenges are harder for homeless students who are also parents. Most homeless students drop out.

### THA - TCC HOUSING ASSISTANCE PROGRAM

In September 2014, THA and TCC launched a pilot program to address the problem of homelessness among TCC enrolled students. The program has these three main elements:

#### *Rental Assistance During Enrollment*

THA provides rental assistance to a TCC students and dependents who are homeless or at imminent risk of homelessness. TCC advertises the program, screens applicants, and maintains a waiting list. The college targets students in its workforce development program. (This program provides students with comprehensive case management to help them navigate careers. Completion Coaches identify barriers and provide resources for these students. TCC strives to build the work force development students as a cohort that provides its own peer-to-peer student support.) To be eligible for the THA housing assistance students must (1) be homeless or be at serious risk of homelessness (the program uses the McKinney-Vento definition of homeless), (2) meet the relevant THA rules concerning criminal history, lawful residency for at least one household member, and income eligibility. THA performs the background checks. THA inspects the rented housing to make sure it passes THA's Housing Quality Standards.

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The value of the rental assistance equals what THA's regular Housing Opportunity Program (HOP) would provide and is based on the size of the household. The average value is \$460.29 per month. Unless terminated earlier for failure to fulfill the conditions of the assistance, the rental assistance lasts until graduation or for 3 years, whatever occurs first.

#### *Expectations and Conditions of Participation*

Participating students, to remain eligible for the assistance, must: (i) remain enrolled in 12 or more academic credits and otherwise make adequate academic progress toward a degree (TCC tracks the adequacy of the student's progress); (2) maintain at least a 2.0 grade point average; (3) participate in support workshops on topics such as financial literacy.

#### *Performance Measures and Evaluation*

To judge the success of the pilot, THA and TCC have chosen the following performance measures in comparison to unassisted homeless enrolled students and TCC students generally:

- grade point average
- graduation rate
- post-graduation earnings

#### **RESULTS TO DATE**

The participating cohort of students has an average age of 35, 10 years older than the average age among all TCC students; 82% of the participating students are parents. With only a year of data, outcomes are preliminary. But they are promising:

- **95%** (21 out of 22) of participating students remain enrolled; in comparison, of the 146 eligible applicants the program could not serve, only **24%** (35 out of 146) remain enrolled;
- The GPA of the participating students is **3.05**; the average GPA of all TCC students, homeless or housed, is **2.96**.

#### **THA's EDUCATION PROJECT**

The THA-TCC Housing Assistance Program is part of THA's Education Project. It seeks ways to spend a housing dollar not only to house needy families but to get two other outcomes: help students succeed in school; promote the success of the Tacoma schools and educational institutions serving low-income students. When it works it becomes a very good use of a housing dollar. To learn more about THA and its Education Project go to

[www.tacomahousing.org](http://www.tacomahousing.org).