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**Tacoma Housing Authority** 

### **2013 MOVING TO WORK ANNUAL PLAN**







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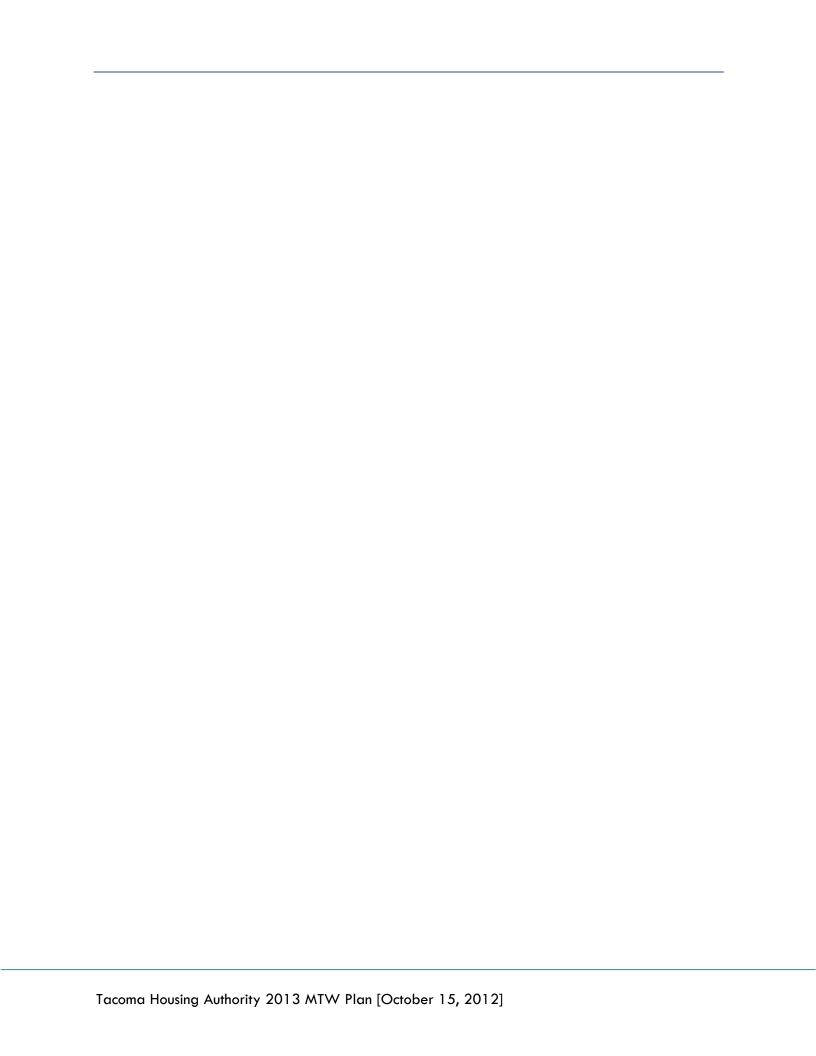
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#### **SECTION I: INTRODUCTION AND OVERVIEW**

#### Introduction

THA's vision, mission, and strategic objectives fall perfectly in line with the MTW demonstration project. The purposes of the MTW program are to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that accomplish the three primary MTW statutory objectives:

- Objective 1: Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Objective 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 assist people to obtain employment and become economically self-sufficient; and
- Objective 3: Increase housing choices for low-income families.

THA has mirrored these objectives as it sets its goals for the MTW program. Doing so will further the mission, shared by THA and the MTW statute, to create housing for people in need, to help them become self-sufficient and to get it done efficiently. This work will advance the day when, in the words of THA's vision statement, everyone will have an adequate home with the support they need to succeed as "parents, students, wage earners and neighbors."

#### **GOALS AND OBJECTIVES**

THA's MTW Goals

The MTW objectives for this demonstration project fit THA's strategic direction very well. THA understands the following shared goals:

- Goal 1: Increase THA's administrative efficiency; and
- Goal 2: Encourage economic self-sufficiency among THA's participants;
- Goal 3: Increase housing options for low-income households residing in THA's jurisdiction

Following is a brief summarization of each proposed initiative as a quick point of reference:

1. Housing Opportunity Program (HOP) - THA proposes to admit all new tenant based housing choice voucher participants to this time limited fixed subsidy program. THA will not call the program the housing choice voucher program but the Housing Opportunity Program. Senior/disabled households would be excluded from the time limits. Workable households would turn over their assistance after the five year term ends. THA would have a hardship policy for these households at the end of the program. The fixed subsidy would de-couple HAP assistance from income. Subsidy amounts will be 50% of the payment standard:

SUBSIDY AMOUNT					
Approved Unit Size	1	2	3	4	5
Proposed MTW Subsidy Amount (50% of payment standards)		486	709	798	921

- 2. **Provide Moving to Work Service Grants for service partners-** THA would provide grants to service agencies to assist THA families.
- 3. **Eliminate the 40% rule-** The 40% rule stops housing choice voucher households from initially leasing up if it would cost more than 40% of their income. Once a household is on the program, they can go as high as they want. The proposed change would leave the choice up to the client from the start.
- 4. Change the way the Family Self Sufficiency (FSS) Program is operated. The FSS program would eliminate escrows and allow families to earn money for meeting set out goals. Earning money would be de-coupled from income. There would be a ceiling on how much a family could earn in the FSS program. All new tenant based voucher FSS participants would be subsidized for five years with an expectation that they are self-sufficient at the end of the program.
- 5. Change the recertification cycle to triennials for Senior/Disabled population- This activity is being re-proposed from the 2011 plan. The only changes are to the recertification cycle.
- 6. **Increase minimum rents to \$75 for work-able households-** THA proposes to increase the minimum rents for all work-able households. Work-able populations could receive a hardship waiver from minimum rents if they met certain criteria. The activity is meant to:
  - Encourage work-able households to increase earned income
  - Encourage work-able households to work with community services in order to gain educational/job training skills
- 7. **Change the Interim Policy-** Currently a MTW household is limited to three interims within the recertification cycle. THA would change that number to two interims per recertification cycle. THA would also increase the percentage a household would need to achieve an interim decrease from 10% to 20% of adjusted income.

#### SECTION II: GENERAL THA OPERATING INFORMATION

#### **HOUSING STOCK INFORMATION**

- 1. Number of public housing units 817
- 2. Capital Fund Expenditures **\$526,080 or 31**% of Capital Funds on Hillside Terrace Community Center Building
- 3. New public housing units 0
- 4. Number of public housing units to be removed All THA units will be subject to testing for methamphetamine contamination. Units that are deemed to be contaminated will be taken offline for remediation/modernization. This will not be a permanent removal. The units will be placed in a vacant state until the problem is fixed.
- 5. Number of MTW HCV units authorized -3,693 (This number includes the tenant protection vouchers being converted to MTW vouchers in FY 2012)
- 6. Number of non-MTW HCV units authorized 465

Authorized Non-MTW	Vouchers
Program	Number of Units
Non-MTW Enhanced/Protection	104*
Mod Rehab	81
VASH	130
FUP	50
NED	100
Total:	465

<sup>\*</sup>These vouchers will be converted to MTW in one year

7. Number of HCV units to be project-based - None

#### **LEASING INFORMATION PLANNED**

- 1. Anticipated total number of MTW PH units leased in Plan year 817
- 2. Anticipated total number of non-MTW PH units leased in Plan year -0
- Anticipated total number of MTW HCV units leased in Plan year 3,693 (This number includes the enhanced and tenant protection vouchers converted to MTW during Fiscal Year 2012)
- 4. Anticipated total number of non-MTW HCV units leased in Plan year 465
- 5. THA historically has maintained a near 100% lease up rate in its voucher programs. For the:

Program	Issue	Plan
FUP	_	THA has worked with partners to
	referrals at a constant	increase the number of referrals.
	rate	
NED	Lack of availability of	THA has been working with DSHS
	proper units and lack	who refers participants for the
	of referrals impacted	NED program. THA is working
	NED utilization. The	with DSHS to look for housing
	tenants are not finding	opportunities that will match the
	accessible units.	NED population and believe this

		will increase utilization. THA has also engaged DSHS on increasing the number of referrals for the NED program in order to fully utilize the vouchers allocated.
VASH	A lack of referrals from partner agencies hindered VASH utilization. The VA did not hire a caseworker for several months after the funding was approved. The VA's lack of a caseworker led to a limited amount of referrals for the VASH program.	referrals coming to THA which we believe will increase the utilization. The VA now contracts caseworkers for the VASH program. This has helped

6. Optional: Number of project-based vouchers at start of plan year - 648

#### **WAITING LIST INFORMATION**

THA has a centralized waitlist for the Housing Choice Voucher Program. THA did institute a purge on the HCV waitlist in early 2012 and a lottery was run. THA switched to site based waitlist for its PH waitlist in early 2012.

The HCV waiting list currently contains 1003 families. The public housing waiting list currently contains 4562 families. THA expects the numbers on the public housing waitlist to increase throughout the year. The waitlist for public housing is open and will continue to be open. The waitlist for the HCV is closed. THA anticipates opening the waitlist in 2013. In order to have a more efficient opening, THA is working on making the application online.

THA chooses not to report in this section

### SECTION IV — LONG-TERM MTW PLAN (OPTIONAL)

THA has established four long-term goals for its MTW program that reflect both the MTW statutory objectives established by HUD and THA's priority for using its MTW flexibility in line with its own strategic objectives:

- Goal 1: Increase THA's administrative efficiency;
- Goal 2: Encourage economic self-sufficiency among THA's participants;
- Goal 3: Increase housing opportunities for low-income households residing in THA's jurisdiction; and,
- Goal 4: Monitor program effectiveness and performance through a "digital dashboard."

THA looks forward to determining effective uses of MTW authority for these purposes. Some notable examples of its plan appear below. Some of them seem replicable in other places or on a larger scale. When that is the case, we say so **in bold**.

Goal 1: Increase THA's Administrative Efficiency:

THA is eager to explore the full limits of MTW flexibility to make itself into a more efficient property manager and manager of programs. THA began its MTW career, for example, focused on reducing unnecessary annual certifications for senior or disabled households, and delinking annual inspections from annual recertifications so our inspectors can more efficiently cover the geographic spread of units. The fungibility of funds also gives THA more flexibility that has helped assign resources in a more efficient alignment to need. Over the longer term, THA will study the full range of leading edge strategies and systems. We are eager for such an assessment unencumbered by those HUD rules and reporting systems that do not always relate to a well-run property.

#### Goal 2: Encourage Self-Sufficiency among THA's Participants

The MTW statutory objective of economic self-sufficiency for assisted households nicely complements THA's view of supportive services for its residents and voucher families. THA provides supportive services that allow tenants to succeed as tenants. Yet, as its strategic directives contemplate for the non-disabled and non-elderly households with children, THA wants them also to succeed as "parents, students and wage earners." THA wants them to come into its housing programs and prosper so they can live without assistance. In this way, it wants its housing programs to be a transforming experience for them and for their time with us to be temporary. Supportive services make this transformation much more likely. In this way, THA regards itself as much more than a landlord.

THA's long term strategies to get this done include the following:

Regulatory reform for rent and definition of income

THA's proposed initial MTW plan included rent reforms for all MTW families. Over the longer term, THA expects that this search will continue with increasing refinement and increasingly widespread application. Although effective reforms of this sort must account for local factors, success in one place will be interesting in others. THA has certainly studied the experience of other MTW agencies. If THA is successful, other agencies will study our experience.

Supportive Services to Spur Economic Self-Sufficiency

THA seeks to provide supportive services to help families prosper. These efforts strive to keep people in school, get them back to school, get them into job training, teach them English, get job skills, find a job, keep a job, get their drivers' license, clean up their credit, save money, and buy a house. THA intends to explore how MTW status can get this done better and in a more sustained way.

THA, in particular, is interested in finding out if MTW is useful for two types of self-sufficiency initiatives. First, we hope That MTW will help THA finance the supportive services and staff these self-sufficiency efforts require. The fungibility of funds that it confers will help do this. If this works, it will be very interesting to that portion of the affordable housing industry that seeks to provide supportive services.

**Second,** THA seeks to better link its housing resources with the supportive services of other organizations. Such linkage makes both the housing and the services more effective. Such leveraging of effect makes these linkages a very good use of a housing dollar.

#### THA 's Education Project

THA's Education Project and THA's initial MTW plan to support that project are a very good example of how THA regards its mission and the MTW flexibility this mission requires. The goal of this project is to improve the educational outcomes of the children THA houses or whose families receive its rental assistance and to improve the outcomes of the public schools that serve THA communities. THA focuses on education for three main reasons. First, educational success is an important part of self-sufficiency and a meaningful life. Second, educational success is a good proxy for other important outcomes that are harder to measure. THA spends considerable time and effort assisting families address problems of drug or alcohol dependency, domestic abuse and other maladies. This work is important. But it is hard to tell if it is effective. Tracking educational outcomes can help. The family afflicted in these ways must be making some progress if its child's reading levels are improving. Third, the success of Tacoma's public schools is essential to the health of THA's communities. For example, THA owns and is building mixed-income communities. Their financial and social success requires them to attract middle income households whose incomes allow them to live elsewhere. Yet, even if these properties are lovely and well managed, middle income families will not move in or will not stay if the local public school is failing. For this reason, THA has a direct stake in the success of those schools.

THA's Education Project seeks to test three propositions that should be very interesting to HUD, other public housing authorities and other school districts:

 That THA, and other public housing authorities, in how it provides housing and supportive services to needy families, can improve educational outcomes for their children and the outcomes of the schools that serve its communities;

- That THA, and other public housing authorities, should find out the effective ways to do this;
- That THA should then embed these strategies into its normal program operations as part of the appropriate mission of an alert and engaged public housing authority.

THA believes that its Education Project will pioneer the effort to determine a PHA's role in spurring educational success of residents and of local schools. Any success will have obvious and crucial pertinence throughout the nation. PHAs may turn out to be singularly placed for such experiments. They have the physical communities that can be the staging ground for initiatives, especially those that are most successful if identified with a discrete community. They are already engaged in the lives of families in ways that give them an influence. They are stable and enduring organizations prepared for a long term effort.

By its Education Project, THA seeks to determine the influence it can have and to exercise it effectively.

The Education Project has many elements to it. Some do not require MTW status. Others require MTW flexibility and our initial MTW plan launched them. Here are three examples:

<u>Linking Housing Assistance with School Programs</u>: THA will determine whether it should or could expect its families to cooperate with their children's schooling as a condition of receiving housing assistance. Coupled with supportive services to help the families comply, such a linkage will help raise educational expectations generally. This can be an important contribution to educational success because expectations are critical.

Matching Housing Assistance with Academic Support Services and Scholarships: Several notable public and private efforts provide very valuable support to students in Tacoma's public schools. For example, the private College Success Foundation (CSF) provides mentoring and support to selected promising low-income high schoolers in each of Tacoma's five mainline high schools. The students chosen for this assistance are fortunate. Yet, a notable minority of them have serious housing problems that imperil their ability to comply with the program and receive its benefit. Providing housing assistance in such cases is a good use of a housing dollar because it leverages valuable academic services. The normal rules of the public housing or voucher programs do not make it an easy match for programs like CSF. For example, the wait list rules are difficult to adjust. The rules do not permit THA to limit the assistance to the duration of the student's participation in the education program and then to reassign the assistance to the next cohort of students. THA is looking forward to collaborating with organizations like CSF in designing its housing contribution to the success of participating students.

McCarver Elementary School Initiative: THA spent more than a year planning this innovative effort to reform a public elementary school. McCarver's student population is among the city's poorest. It has the most homeless students. In part because of these problems, more than 100% of its student population turns over during each school year. This instability greatly detracts from the prospects for good school outcomes. In this initiative, THA will provide rental assistance to 50 McCarver families who are homeless or at risk of homelessness. Their children comprise about a quarter of the school population. This assistance will last for as long as their children are enrolled in McCarver for a maximum of five years. Families also receive a wide array of supportive

service from nonprofit service providers. The parents of these families also commit to important efforts. They commit to participating fully in their children's education. This includes: making sure their children attend school every day and on time, providing their children with home work space and home work time every day, attending each parent-teacher-student conference, and participating actively in the PTA. The parents also commit to their own education and employment prospects. A robust range of services are available to help them do this. THA also had expectations of the school district. In response, the district has committed the investment to turn McCarver into an International Baccalaureate Primary Program. This will greatly raise standards for both teachers and students. THA has designed a detailed data and evaluation effort around this Initiative to track a variety of metrics. Funds from the Bill & Melinda Gates Foundation and local government support this initiative. PHAs from other parts of the country are watching to see our results.

Goal 3: Increase Housing Opportunities for Low-income Households Residing in THA's Jurisdiction

To meet this goal, THA plans to address the following issues and activities:

#### Serve More Households

Over the longer term, but starting right away, THA will seek to determine if the flexibility and efficiencies of MTW status will allow it to serve more households. Several examples of how this may work bear mention. First, saving administration costs of running the Housing Choice Voucher program may allow THA to transfer administrative funds to HAP funds to pay for more vouchers. Second, MTW fungability will allow THA to redirect savings in HAP expenditures to assist more families or to sustain public housing operations. These strategies should be available to other PHAs.

#### Increase Housing Supply

MTW status will allow THA to project base more vouchers. This is an important development strategy that allows THA and other nonprofit developers to finance the construction of new housing, to preserve existing affordable housing, and to ensure the long term affordability of both types. THA has used this to very good effect in Tacoma, e.g., Eliza McCabe Homes (Intercommunity Mercy Housing), Hillside Gardens (same), Guadalupe Vista (Catholic Community Services), Harbor View Manor (ABHOW), New Look Apartments (MLK Housing Development Association). Banks have learned how to lend against the long-term rental stream that a long term HAP contract denotes. This financing not only gets the housing built but makes it affordable to households down to zero income. It also locks in this deep affordability for a long time. Additionally, these arrangements usually leverage supportive services as well. In all these ways, project-basing is a very good use of a housing dollar and MTW will allow THA to do more of it. This use of project basing vouchers should also be applicable in other jurisdictions.

#### Increase housing throughout the continuum of need

THA is very interested in using its MTW status to provide housing and services along more parts of the housing continuum. Generally, THA has been focused on providing permanent housing to households headed by adults capable of living independently, perhaps with light assistance. THA is interested in better providing or arranging more intensive supportive services to serve a wider variety of needs.

The effort to do this elicits an important feature of how THA views supportive services generally. In general, there are two views of supportive services in the affordable housing industry. By one view, supportive services are a sideshow. They are interesting but, by this view, the housing provider has no particular role in providing them. According to this view, housing providers are primarily landlords. In contrast, THA, and most MTW agencies, have a different view. It goes like this: supportive services are a necessary companion to the housing they provide. Their necessity derives from whom we house, and why. We house some of our community's needlest households – seniors aging in place, disabled persons trying to live independently, and families coming from trauma, such as homelessness and domestic violence. These households need help to succeed as tenants.

THA provides considerable services for these purposes. It seeks to do more. MTW flexibility will make this easier to do in the following possible ways:

<u>Sustainable Source of Funding for Services</u>: THA looks forward to finding out if the financial flexibility and efficiencies that MTW allows will make it easier to fund supportive services within a building from the operating funds assigned to that building. As HUD realizes, regarding supportive services as an "above the line" expense for a building is the elusive ambition of all housing providers interested in supportive services. Perhaps MTW flexibility will make this more attainable. If MTW provides this ability to sustain supportive services then it would greatly interest many other PHAs.

Homeless Youth: Tacoma has a serious and growing problem of homelessness among unaccompanied youth. These youth are not with adults. They are not in foster care. They are not in school. They constitute a first rate child welfare disaster for our community. Using state funds, and in collaboration with service partners, THA participates in an "Independent Youth Program" that serves these youth. THA provides the rental assistance and partners provide the wrap around services. It is a very good model. However, the state funds are ending. Unfortunately, except for a limited number of FUP vouchers, THA's mainline federal housing resources are not well designed to be helpful in such programs. THA will be very interested in finding out if MTW flexibility will better equip THA to participate in a collaborative community response to this growing emergency. For example, using MTW flexibility, THA is participating with Washington State's child welfare agency to provide rental assistance to teenagers aging out of foster care and who would otherwise face homelessness. Most other cities see a significant population of homeless, unaccompanied youth. A successful model of intervention would interest many other PHAs.

<u>Disaster Relief</u>: THA had an interesting and frustrating experience during the Hurricane Katrina disaster that makes it eager for MTW flexibility so it can be more helpful with the next disaster. Hurricane Katrina caused the largest loss of housing from a single event in American history. Afterward, the South Puget Sound area received several hundred families from the Gulf Coast. THA helped to coordinate the effort to receive them. The FEMA assistance never proved very effective. THA, and other providers, filled in as best as their program rules permitted. THA wrote about the experience in a report: THA Review of Its Katrina Relief Plan 2006 (THA 2006). It is available at <a href="http://www.tacomahousing.org/about/reports.html">http://www.tacomahousing.org/about/reports.html</a>. As the report makes clear, although THA did help several dozen households, its federal rules were not flexible enough to respond effectively or quickly. THA means to find out how MTW will better equip its ability to respond to the next disaster. Whether PHAs can or should become sources of emergency

assistance in a mass disaster is a question that will surely recur with the next calamitous hurricane, earthquake or flood. Innovative answers should interest the entire PHA community.

<u>People Coming from Correctional or Psychiatric Institutions</u>: The Tacoma area has more than its full share of people discharged from correctional institutions and psychiatric institutions. (It is home to large correctional institutions, including the state's only women's prison. It is also home to the state's largest psychiatric hospital.). As HUD knows well, people discharged from these places have serious housing needs. They are also among the hardest to house. It is clear that the normal programmatic templates are not suited to the challenge. THA intends to examine its role in fulfilling this need. MTW flexibility will no doubt be very useful, especially in partnerships with service providers, rules of occupancy, and terms of assistance. Many successful models exist to effectively serve these difficult populations. It is a separate question on how mainline federal housing programs like public housing and the Housing Choice Voucher program could or should adapt to the purpose. Effective answers will be interesting and transferable to many other PHAs.

<u>Drug or Alcohol Dependent Adults</u>: People afflicted with drug or alcohol dependency present a housing challenge that also requires flexibility that MTW may provide.

Goal 4: Monitor Program Effectiveness and Performance through a "Digital Dashboard."

THA intends to design a digital dashboard to track the various performance measures it will chose for its strategic objectives and operations. We mention this separately because it will be a critical tool in assessing MTW effectiveness, as well as overall agency success. Even at this time, however, THA has a detailed list of metrics to track. Baselines have already been established for most activities and methods put in place to extract the required data from THA's various systems. THA recently entered into a new contract with the consultant who performed the impact analysis for the agency and part of the scope of work includes defining the logic required for the THA dashboard in order for THA move forward into the development phase.

The purpose of the digital dashboard is to place various performance measures and the results front and center. Some performance measures most pertinent to MTW will include changes in the following:

- Earned income among various work-able populations
- Savings rates
- Educational outcomes
- Number of households of various subpopulations served
- Various metrics indicating housing stability
- Per unit costs of operations
- Per voucher cost of operations
- Metrics of individual properties and portfolio aggregates (vacancy rates, unit turns, work orders, rent collections, turnover rates, maintenance expenses, etc.)

A successful dashboard will allow staff to see the "needle" or gauge change as they succeed or fail at their work. It will place the important measures prominently in view. This system will change department meetings, cabinet meetings and board meetings. The focus of these meetings

can then be where it belongs - on how we are doing and why or why not. This in turn will become a valuable source of data for program design — exactly what a creative MTW agency needs in order to make good use of MTW flexibility.

An effective digital dashboard should be applicable to nearly every other PHAs. They collect or should collect similar data. They should value similar performance measures. They share with all organizations a pressing need for a greater focus on outcomes.

#### SECTION V — PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

Proposed MTW Activities					
	Statutory Objective				
Proposed MTW Activity	Reduce Cost and Achieve Greater Cost Effectiveness	Encourage Self- Sufficiency	Increase Housing Choices		
Calendar Year 2013 (January 1, 201	13 to December 31 ,	2013)			
5. Re-proposed: Local Policies for Fixed Income Households (HCV/PH)	х				
6. Re-Proposed Local Policies for Work-Able Households (HCV/PH)	х	х			
8. Re-Proposed — Local Interim Processing and Verification Policies (HCV/PH)	х				
Housing Opportunity Program     (HOP)	Х	Х	Х		
2. Eliminate the 40% Rule	X		х		
3. Modify the FSS Program	х	Х			
4. MTW Seed Grants		Х	_		

# 5. Re-proposed: Local Policies for Fixed Income Households (HCV/PH): (See appendix G for explanation of populations this policy applies to).

#### **Description of MTW Activity:**

THA proposed this activity in its original plan. The only change THA would like to make is to have the recertifications for fixed income households triennially instead of biennially. The language for the original activity has been repeated below but with the changes mentioned above called out in bold and underline.

Under this plan 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 will be subject to the following rent policy:

- Complete recertification reviews once every <u>three</u> years instead of every year <u>(triennials</u> 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 so that allowable medical expenses between \$2500 and \$4999 would receive an allowance of \$2500; expenses between \$5000 and \$7499 would receive \$5000; and over \$7500 would receive \$7500. The 3% of gross income medical expense threshold would no longer be used.
- Implement 28.5% TTP to help offset the elimination in the elderly/disabled deduction and simplification of medical expense allowances. The 28.5% will be calculated off of a tiered rent model. The 28.5% is calculated from the lower end of each band.
- Implement local verification policies as outlined in Activity 9.
- Implement minimum rent of \$25 (and therefore eliminate utility allowance reimbursements)

Below is a summary of this initiative's components:

Modeling Components	2010	Proposed MTW (all yrs)
Rent calculation methodology	Standard	Tiered
TTP%	30.0%	28.5%
Minimum TTP	25.0%	0.0%
Minimum rent	\$25	\$25
Utility reimbursements	Yes	No
UA structure	HUD-based	Simplified
Bedroom definition for UAs	Actual unit size	Lower of voucher or unit
Elderly/disabled deduction	\$400	\$O
Dependent deduction	\$480	\$0
Childcare deduction	Yes	Yes
Deduction for child support paid	No	Yes
Medical deduction (traditional)	Yes - if >3% GI	Bands: \$2500 min
PH fixed rent	Yes	No
Recertification schedule	Annual	Triennial
Off-year COLA adjustments	n/a	Only if interim triggered

If a household is a fixed income household but less than 90% of household income comes from a fixed source, the household will fall underneath the work-able population.

#### Relation to Statutory Objective:

This activity will reduce costs and achieve greater cost effectiveness in federal expenditures. This activity will significantly streamline the recertification process for staff and make the process easier for residents to understand.

#### **Anticipated Impact:**

THA anticipates this activity will streamline existing income verification and rent calculation procedures; significantly reducing administrative time.

#### Anticipated Schedule:

THA implemented most parts of this activity in 2012. The triennials would be implemented in 2013.

#### Baselines, Benchmarks and Metrics:

THA has changed the metrics to match with HUD's proposed menu of standard metrics. This included the deletion of the Annual Section 8 subsidy and public housing rent roll for elderly disabled households. Those metrics did not tie into any of the three main MTW objectives. Metrics for staff time savings and other administrative savings remain but have been changed to match the standard metrics.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved
Dollars saved as a result of triennial recertifications (S8)	\$32,375 (\$0 saved baseline)	\$10,792	TBD	12/31/2013
Hours saved by going to a triennial recertifcation schedule (S8)	1375.4 (0 hours saved baseline)	458.5	TBD	12/31/2013
Decrease in unit cost (postage) related to mailing recertification documents (Section 8 only)	\$1,111	\$370	TBD	12/31/2013

# Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

Staff time to conduct recertifications will be tracked through assigning a value to the time it takes to process an annual, multiplied by the number of annuals completed. The dollar value is collected from the HR department. All information about the number of annual processed will come from the VisualHomes software system. All data will be transferred to a scorecard and kept in a centralized space in SharePoint.

#### **Description of Authorization or Regulation Waived:**

Standard MTW Agreement: Attachment C Sections C.4 and D.1.c.

#### Agency's Board approval of policy:

This policy was originally approved by the board at the August 24, 2011 meeting. The board re-approved this activity at the September 2012 board meeting.

#### Impact analysis on family contributions:

Most elderly/disabled households will benefit financially (and shelter burdens should decrease) from this policy as their rent will decrease under the tiered methodology and will not increase in the off-years.

- 137 elderly/disabled households (2%) are projected to see rent increases >\$50 in years 1-2 (127 Section 8 and 10 Public Housing).
- Average elderly/disabled household rent burden ((rent + utility allowance)/gross income) expected to decrease 1.3% in first year for Section 8 and 1.0% for Public Housing households.

#### Annual reevaluation of rent reform initiative:

THA has reviewed this activity and decided to use a triennial recertification instead of a biennial.

#### Criteria to be used to consider hardship cases:

All families negatively impacted by any of THA's MTW activities will fall under a single hardship policy. This policy and the hardship criteria are described at the end of Section V of this plan, Proposed MTW Activities. The hardship policy has been changed in a way that will benefit those who qualify. Please read the hardship policy for more details.

### 6. Re-Proposed Local Policies for Work-Able Households (HCV/PH): (See appendix G for explanation of populations this policy applies to).

#### Description of MTW activity:

This program will only apply to households admitted before HUD approval of THA's 2013 Annual MTW Plan. Anyone receiving tenant based-voucher assistance after that time will be admitted to the Housing Opportunity Program (HOP) described in new activity # 17. THA proposes to increase the minimum rents in 2013. The original plan had the minimum rents increasing in the 3<sup>rd</sup> year to \$50. THA is proposing to increase the minimum rents to \$75 in 2013. The minimum rent increase would take place at the next rent changing event with an effective date in 2013. THA will provide proper notice of rent increases. THA sent letters in the public hearing process to all THA households informing them of the increases in minimum rents. The original approved plan language is repeated below but with the changes called out in bold and underline. Minimum rents will be examined annually.

THA will implement local rent calculation policies for both the public housing and Housing Choice Voucher program for work-able households. THA will implement the following policies:

- Complete recertification reviews once every 2 years instead of every year (biennial recertification's) with no "off-year" rent adjustments unless interim is triggered.
- Eliminate elderly/disabled deduction.
- Eliminate dependent deduction.

- Implement TTP % of 28.5% of adjusted income. The 28.5% will be calculated off of a tiered rent model. The 28.5% is calculated from the lower end of each band.
- Implement local interim processing and verification policies as outlined in Activity 8.
- THA will examine the minimum rents every year and decide to if an increase is needed

#### Example:

Potential minimum rents	Year 1	Year 2
Work able member households	\$25	\$75

#### Table 1: Minimum Rents

- Utility allowance reimbursements would be eliminated upon implementation of minimum rents.
- At the time of initial implementation (January 1, 2012), households subject to the new minimum rents would be given 90 days' notice of their rent increase. THA will provide notice of the minimum rent increase both through public hearings and advanced rent change notices.
- Allow child support paid by adult household members to be included as an eligible expense.
- Fixed rents (public housing; <u>non-tax credit</u>) will be eliminated and these households will be transitioned onto the same MTW work-able rent calculation as other households.

#### Relation to statutory objective:

This activity serves the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures. It also addresses the MTW statutory objective to give incentives to families with children whose head of household is either working, seeking work, or is participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient. The activity uses a two tiered approach to helping families achieve self-sufficiency. 1. The tiered rent model gives incentives to a family to increase earned income because the rent is calculated at the lower end of the bands. 2. The minimum rents should act as a motivating factor for families to increase their earned income. THA will adjust the minimum rent over time upwards as needed after analysis is performed and a full public process is had. Any minimum rent increases would also be subject to the MTW approval process.

Below is a summary of this initiative's components:

Modeling Components	2010	Years 1	Years 2-	Year 5+
Rent calculation methodology	Standard	Tiered	Tiered	Tiered
TTP%	30.0%	28.5%	28.5%	28.5%
Minimum TTP	\$25	\$0	\$0	\$0

Minimum rent	n/a	\$25	\$75	\$100
Utility reimbursements	Yes	No	No	No
UA structure	HUD-based	Simplified	Simplified	Simplified
Bedroom definition for UAs	Unit	Lower of voucher or unit	Lower of voucher or unit	Lower of voucher or unit
Elderly/disabled deduction	\$400	\$0	\$0	\$0
Dependent deduction	\$480	\$0	\$0	\$0
Childcare deduction	Yes	Yes	Yes	Yes
Deduction for child support paid	No	Yes - all payments	Yes - all payments	Yes - all payments
PH fixed rent	Yes	No	No	No
Recertification schedule	Annual	Biennial	Biennial	Biennial

#### An example of a tiered rent table is below:

Household Income	0-1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Less than \$7,000	\$25	\$25	\$25	\$25	\$25
\$7,000 - \$7,999	\$25	\$25	\$25	\$25	\$25
\$8,000 - \$8,999	\$25	\$25	\$25	\$25	\$25
\$9,000 - \$9,999	\$44	\$25	\$25	\$25	\$25
\$10,000 - \$10,999	\$67	\$27	\$25	\$25	\$25
\$11,000 - \$11,999	\$91	\$51	\$25	\$25	\$25
\$12,000 - \$12,999	\$114	\$74	\$26	\$25	\$25
\$13,000 - \$13,999	\$137	\$97	\$49	\$25	\$25
\$14,000 - \$14,999	\$161	\$121	\$73	\$25	\$25
\$15,000 - \$17,499	\$184	\$144	\$96	\$35	\$25
\$17,500 - \$19,999	\$242	\$202	\$154	\$93	\$45
\$20,000 - \$24,999	\$301	\$261	\$213	\$152	\$104
\$25,000 - \$29,999	\$417	\$377	\$329	\$268	\$220
\$30,000 - \$34,999	\$534	\$494	\$446	\$385	\$337
\$35,000 - \$39,999	\$651	\$611	\$563	\$502	\$454
\$40,000 - \$44,999	\$767	\$727	\$679	\$618	\$570
\$45,000 - \$49,999	\$884	\$844	\$796	\$735	\$687
\$50,000 - \$54,999	\$1,001	\$961	\$913	\$852	\$804
\$55,000 - \$59,999	\$1,117	\$1,077	\$1,029	\$968	\$920
\$60,000 - \$64,999	\$1,234	\$1,194	\$1,146	\$1,085	\$1,037
\$65,000 - \$69,999	\$1,351	\$1,311	\$1,263	\$1,202	\$1,154
\$70,000 - \$74,999	\$1,467	\$1,427	\$1,379	\$1,318	\$1,270
\$75,000+	\$1,584	\$1,544	\$1,496	\$1,435	\$1,387

#### Anticipated impacts:

THA projects that this activity will significantly reduce staff time and other operating costs such as postage, copying, office equipment use, etc. THA also anticipates that the tiered rent and minimum rents will spur households towards self-sufficiency.

#### **Anticipated Schedule:**

THA has initiated most of the activities in 2012 and would implement the higher minimum rent in 2013.

#### Baselines, Benchmarks and Metrics:

THA has made changes to the metrics to align with the proposed HUD menu of standard metrics. THA has eliminated the metrics on annual Section 8 subsidy for work-able populations and public housing rent roll for work-able populations and replaced those numbers with standard metrics from the HUD menu.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmarks Achieved?
Average earned income of households as a result of tiered rent with minimum rents	\$9,231	5% increase annually	TBD	TBD
Dollars saved as a result of biennial recertifications	\$75,337 (\$0 saved baseline)	\$37,668.60	TBD	TBD
Staff hours saved as a result of biennial recertifications	4062 (0 hours saved baseline)	2031	TBD	TBD
Decrease in per unit cost to operate a unit as result of minimum rent increase	\$641	\$5 per unit decrease	TBD	TBD

#### Undesirable outcomes may include:

- ✓ Shelter burden may increase to the point where households are unable to pay the minimum rent.
- ✓ Shelter burden will be tracked for households that currently receive a utility reimbursement and/or have gross income less than \$5,000 and therefore may see a rent increase in excess of the proposed minimum rents.
- ✓ THA will see a slight increase in HAP (and decrease in rent roll) due to foregone rent resulting from the allowance of working family medical expenses and child support payment expenses. We do not expect this impact to be material and will monitor the number of claims; and if necessary alter the policy.
- ✓ Large families will see an impact from the elimination of the dependent deduction (even with the reduced TTP% offset) and therefore shelter burdens will also be monitored for households with four or more members.
- ✓ See comprehensive MTW hardship policy at the end of Section V.

### Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will track the metrics outlined above related to rent reform for the work-able population. This data is already tracked in either THA's existing systems or through its financial analysis activities (agency-related HAP and annuals processed). THA will take all data collected and keep it in a centralized scorecard.

#### Description of Authorization or Regulation Waived:

Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.

#### Agency's Board approval of policy:

This policy was approved by the board at the September 2012 board meeting.

#### Impact analysis on family contributions:

THA anticipates rent amounts and rent burdens to increase on work-able families in 2013. That does not take into account the increase in earned incomes that are expected but hard to predict.

#### Annual reevaluation of rent reform initiative:

THA has decided to increase the minimum rent in 2013.

#### Criteria to be used to consider hardship cases:

All families negatively impacted by any of THA's MTW activities will fall under a single hardship policy. This policy and the hardship criteria are described at the end of Section V of this plan, Proposed MTW Activities.

### 8. Re-Proposed — Local Interim Processing and Verification Policies (HCV/PH): (See appendix G for explanation of populations this policy applies to).

#### **Description of MTW Activity:**

THA proposes to change the interim policy that it put into place in late 2011. Most of the policy will be the same. THA proposes to change the percentage to get a decrease from 10% to 20% and the number of interims allowed biennially to two instead of three. The original approved language is repeated below but with the changes highlighted in bold and underline.

Rent Increases

THA will not perform interim increases in rent between regularly scheduled recertifications, except for:

- If an additional family member with income is added to the household
- Family Self-Sufficiency clients who wish to have their escrow payments increased;
- Families who have previously had an interim reduction in rent since their last recertification; and
- "Zero income" families reporting new income.

This "no increase" policy will encourage participants to maintain or increase earnings and save the amount that would have been charged due to an increase in rent.

#### Rent Reductions

Interim reductions in rent will be made, but limited to reduce administrative costs to THA and to provide incentives to employed families to remain employed. For households who are not elderly or disabled, interim adjustments will be limited as follows and require MTW flexibility:

 Households may only request an interim reduction up to <u>two</u> times between regularly scheduled recertification periods (every two years since all households will be on a biennial recertification cycle)

- The rent reduction will only be implemented if the adjusted income will decrease by <u>20%</u> or more;
- No reduction based upon loss of job will be processed until THA receives documentation of eligibility or ineligibility for unemployment benefits;
- Decreases in public assistance income that are the result of a finding of fraud or a failure to comply with work/school requirements will not be processed.
- New rent portion will only be processed if the decrease in income is expected to last for longer than ninety (90) days
- THA will apply payment standards at interim recertification's if the new payment standard is higher.

#### Relation to statutory objective:

This activity serves the MTW statutory objective to reduce costs and achieve greater effectiveness in federal expenditures.

#### **Anticipated impacts:**

THA projects that this activity will significantly reduce staff time and other operating costs such as postage. It will also reduce unnecessary intrusions into tenant privacy and pride because THA will not have to inquire with their employers and asset sources to verify private information and reveal to third parties that the tenant is receiving THA assistance.

#### **Anticipated Schedule:**

THA implemented most of the changes in 2011/2012. The changes to the percentages and number of interim decreases allowed would take effect in 2013.

#### Metrics, baselines and benchmarks:

THA has made changes to the metrics to track the total number of interims being processed a year. By using this metric, THA can track how many staff hours are being saved and assign a monetary value to that. The metrics below conform to the proposed HUD standard metrics menu.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved
Hours spent as a result of interim activity	1635 ( 0 hours saved baseline)	490	TBD	TBD
Dollars spent as a result of activity	\$33,354 (\$0 saved)	\$10,006	TBD	TBD

#### Data collection metrics and products:

THA has set up a report that tracts the number of interims. The information comes out of THA's VisualHomes database and is extracted using Crystal Reports. This information is transferred to a scorecard which allows THA to assign a time and dollar value to the number of interims being completed. Staff time to complete an interim comes from a staff time survey that will be updated

when needed. The cost of completing an interim comes from salary information from the HR department. The information will be updated annually.

#### Authorization cited

Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.

### 17. Housing Opportunity Program (HOP): (See appendix G for explanation of populations this policy applies to).

This program will only apply to households admitted after HUD approval of THA's 2013 Annual MTW Plan. Anyone receiving tenant based-voucher assistance after that time will be admitted to the Housing Opportunity Program (HOP) described in this activity.

THA proposes a new rent reform program for all new admissions to the tenant based program starting upon HUD approval of THA's 2013 Annual MTW Plan. The program will be a fixed subsidy time limited Housing Opportunity Program (HOP). All new admissions to the HOP program will be on a fixed subsidy. That includes senior/disabled households. Work-able households will have a five year time limit on their assistance. Senior/disabled households will not have the time limit applied. These 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 allow port outs for this program except for domestic violence issues covered by VAWA and Reasonable Accommodations. The goal is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term. This will incentivize our participants to focus on securing better employment and prepare them for a better future. Families will be given notices at every annual recertification indicating the number of years remaining on their term limited subsidy along with continuous referral services to a variety of available resources. THA will still report these households in PIC.

THA will be replacing many standard forms including the Voucher (OMB NO 2577-0169) and the Housing Assistance Payment Contract (HAP contract) with THA forms that will meet the needs of the new program. This list is not exhaustive and THA will change forms and documents as needed to efficiently administer this new subsidy program. If THA alters a HUD form, the agency will remove any OMB numbers or HUD language and change it to a THA form.

The time limits will be five years (for workable households only). The fixed subsidy will be set at 50% of the payment standards. (See below):

SUBSIDY AMOUNT					
Voucher Size	1	2	3	4	5
Proposed MTW Subsidy Amount (50% of payment standards)		486	709	798	921

#### Relation to Statutory Objective:

The activity addresses the MTW statutory objective to give incentives to families with children whose head 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. It will also allow THA to increase housing choice by issuing more vouchers than it

could previously. Not having complex rent calculations or interims will also be more administratively efficient.

#### **Anticipated Impact:**

The anticipated impact of this activity is an increase in participation in self-sufficiency activities by participants. The time limit of assistance will encourage families to get involved in many services referred by the Agency to aid in the path to self-sufficiency. This could result in participants seeking better employment or removing barriers to better opportunities. Some residents may use this as an opportunity to prepare themselves for home ownership by saving funds or repairing bad credit. THA anticipates it will help reduce costs and achieve greater cost effectiveness in federal expenditures because the subsidy will be fixed. That will eliminate the need for complex rent calculations. Because subsidies will be turned over more rapidly, THA anticipates serving more households off the waitlists in the future.

#### **Anticipated Schedule:**

THA anticipates implementing the program for all new admissions in January of 2013.

#### Baselines, Benchmarks, and Metrics:

THA proposes to use metrics from HUDS proposed standard metrics menu

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in average earned income	\$9,231	10% increase in earned income for workable households on Five Year program	TBD	TBD
Decrease in average time on waitlist	2.85 Years	2 Years by 2018- THA will report on these numbers every year	TBD	TBD
Number of households participating in job training activities	0	50% of all new admissions in the program	TBD	TBD
Hours saved on work-able recertifications	132 hours (0 hours saved baseline)	72 hours saved	TBD	TBD in 2013
Hours saved completing a fixed subsidy recertification	69 hours (0 hours saved baseline)	29 hours saved	TBD	TBD in 2013

### Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will use our VisualHomes software to extract the information to track these metrics. All information will be imported into a scorecard for easy access and recording.

#### **Description of Authorization or Regulation Waived:**

Attachment C (D) 2 (a) (d)

#### **Rent Reform initiative-**

- Board Approval-attached in appendices
- b. Impact analysis-attached in the appendices
- c. Annual Re-evaluation- An -evaluation of this policy will be completed on an annual basis
- d. Hardships-attached in the appendices (This hardship policy is separate from the hardship c policy being used for THAs original rent reform.)
- e. Transition Period- Effective for new-admissions to HCV program in 2013. This will not affect current residents.

### 18. Eliminate the 40% Rule: (See appendix G for explanation of populations this policy applies to).

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

THA has seen 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 heavy. We want participants to be confident about their choices in the market. Households that voluntarily rent over the 40% mark of their income will not qualify for a hardship.

#### **Relation to Statutory Objectives:**

This activity will reduce costs and achieve greater cost effectiveness in federal expenditures by reducing calls to Section 8 staff during the lease up period. The change will make it much easier to understand the lease up process. Increase housing choices for low-income households.

#### **Anticipated Impacts:**

THA anticipates that this will activity will:

- Increase housing choice
- Simplify the process for participants
- Decrease the amount of time it takes to locate and lease a unit

#### **Anticipated Schedule:**

THA anticipates it will meet these goals by the end of 2013

#### Baselines, Benchmarks, and Metrics:

THA has matched the metrics for this activity to HUDs proposed standard metrics menu.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved
Dollars saved as result of activity	\$612 (\$0 saved baseline)	\$0	TBD	TBD
Hours saved on explaining the 40% rule	30 (0 hours saved baseline)	0	TBD	TBD

# Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will use our VisualHomes database to pull information for this activity. THA will use staff time surveys to answer the questions regarding staff time savings and HR information to assign for the cost of staff. All information will be stored in a scorecard for easy accessibility and tracking.

#### Authorization(s) to Conduct the Activity:

MTW Agreement, Attachment C, Statement of Authorizations, Section: D.2.a.

#### 19. Modify the Family Self Sufficiency (FSS) Program:

THA proposes to modify the way the FSS program handles the escrow payments. THA would change the admissions process by doing the following:

- Not participating or dropping out of the FSS program would result in housing being terminated
- The FSS would be time limited (5 years) to match the five year assistance program that all tenant based new admissions would be coming onto.

The new escrow calculation methodology would be as follows:

As stated above, to support the full spectrum of self-sufficiency activities needed for a participant to become self-sufficient, THA has designed a savings calculation method in 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 showing they qualify for each of the pay point credit types. The maximum pay point credit and pay out at graduation will be \$8500 per family. Because pay points are calculated and credited at the end of the FSS contract term, interim withdraws will be eliminated.

Below is the description of the pay points and the amounts:

- 1. \$2,000 Maintain 32 hours/week employment for a minimum of 6 consecutive months
- 2. \$1,000 Complete ESL classes; Levels 1-5, \$200 per level
- 3. \$100 Receive certificate of successful completion of financial literacy
- 4. \$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
- \$3,000-Master's degree
- \$600-GED
- 5. \$1,000 By the end of Contract of Participation (COP) family has a minimum of \$2,000 in a savings account.
- 6. \$500 Receive health benefits from employer
- 7. \$200 Reinstate state driver's license and maintain for a minimum of 6 months
- 8. \$500 Purchase and maintain reliable transportation
- 9. \$500 Purchase and maintain liability car insurance for as long as family owns their car
- 10. \$200 Receive certificate of successful completion of parenting class
- 11. \$200 Obtain US citizenship
- 12. \$50 Complete an employment assessment
- 13. \$1,500 Earned income increases by 10% over the course of the COP
- 14. \$500 Decrease cash welfare assistance by 100% twelve months before COP ends
- 15. \$50 Successfully complete Homeownership class with certificate
- 16. \$2,000 Purchase a home
- 17. \$125 Personal Paypoint #1 from ITSP
- 18. \$125 Personal Paypoint #2 from ITSP

\$8,500 Maximum escrow pay out

(Total of paypoint list: \$13,550)

#### **Relation to Statutory Objective:**

This activity will help move work-able families towards self-sufficiency and increase the cost effectiveness of the program.

#### **Anticipated Impact:**

THA anticipates that the agency will achieve cost effectiveness by reducing the time spent in calculating escrow credit and servicing escrow accounts. Those hours saved and dollars saved will be captured in the metrics outlined below. The program will also increase self-sufficiency by setting out meaningful goals for the households to meet that will allow them to move towards being self-sufficient. The money earned will act as a motivating factor.

#### **Anticipated Schedule:**

THA anticipates it will meet these goals by the end of 2013

#### Baselines, Benchmarks, and Metrics:

THA has matched the metrics for this activity to HUDs proposed standard metrics menu.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Staff hours saved as a result of the activity	780 (0 hours saved baseline	78	TBD	TBD
Dollars saved as a result of this activity	\$15,826 (\$0	\$1583		

	saved baseline )			
Increase in average earned income of households as a result of this activity	\$9231	10% yearly increase	TBD	TBD
Enrolled in educational program	0	10	TBD	TBD
Enrolled in Job Training Program	0	20	TBD	TBD

### Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will use our VisualHomes database for pulling data. We will use Crystal Reports to extract the information. The Community Services Department will track the number of educational program and job training programs enrolled in and completed. All data pulled would be centralized in a scorecard.

#### **Description of Authorization or Regulation Waived:**

MTW Agreement, Attachment C, Statement of Authorizations, Section E.

#### 20. MTW SEED GRANTS

THA will provide seed grants to partner service agencies if needed to increase capacity to serve THA households. The grants would only be specific to helping work-able households increase earned income and becoming self-sufficient.

#### **Relation to Statutory Objectives:**

Help work able households move towards self-sufficiency.

#### **Anticipated Impact:**

THA anticipates that this activity will help the agency reach its goal of having work-able households increase their earned income and work towards self-sufficiency.

#### **Anticipated Schedule:**

THA would implement this activity in 2013. It is expected that partnerships and grants would be lined up throughout the year. The expectation is that THA would see an improvement in earned income of those households working with service providers within a year of the grants being set up.

#### Baselines, Benchmarks, and Metrics:

THA has matched the metrics for this activity to HUDs proposed standard metrics menu.

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Enrolled in educational program	(0)	20	TBD	TBD
Enrolled in Job Training Program	(0)	50	TBD	TBD
Increase in participants earned income	\$9231	10% increase	TBD	TBD

# Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:

THA will work with partners to have report that will show how many housing authority families receive services from the provider who receives the grant. All information will be centralized in a scorecard.

#### Authorization to Conduct the Activity:

MTW Agreement, Attachment C, Statement of Authorizations, Section: (B) 1. (b).iii

#### Changes to THA's Hardship Policy # 1

**THA's Hardship Policy:** THA created a hardship tracking system that automatically tracks the hardship when it is approved and also triggers an automatic email to community services to contact the family for services. THA has made changes to the hardship policy and it is mentioned below. The key changes are THA will lower any approved hardship to zero rent. The family still needs to qualify by shelter burden, but the new hardship amount will not be based on shelter burden as it was before. The result of this change will be a benefit to a family who receives a hardship and works with community services. Households that voluntarily rent a unit that is more than 40% of their income will not qualify for a hardship.

#### **Hardship Policy**

MTW Hardship Requirements:

#### **Elderly/Disabled Households**

Individuals in the Elderly/Disabled group must meet one of the following requirements:

- Changes will require household to pay more than 40% of their income as rent.
- Household has zero income.

If the aforementioned criteria are met, households must then provide documentation that applications have been submitted for all of the following, as applicable:

- Does the household qualify for low-income energy assistance through external agencies?
   Ineligibility would need to be documented by each of the agencies serving Pierce County,
   Washington (Metropolitan Development Council, Tacoma Public Utilities, and).
- For disabled households, has the household applied for social security?
- For households with children, has the household applied for child support?
- For households with children, has the household applied for TANF?
- For households with excessively high and/or ongoing medical expenses, has household applied for any relevant state assistance, assistance from providers, drug companies, etc.

#### **Work-Able Households**

Individuals in the Work-Able group must meet one of the following requirements:

- Changes will require household to pay more than 50% of their income as rent.
- Household has zero income.

If the aforementioned criteria are met, household must then provide documentation that applications have been submitted for all of the following, as applicable:

- Has the HH submitted an application through WorkSource?
- For households that recently lost earned income, has HH applied for unemployment?
- For disabled households, has HH applied for social security?
- For households with children, has the household applied for child support?
- For households with children, has HH applied for TANF?

During the hardship exemption period, the family's monthly rent portion will be reduced to zero. All work-able families who are approved for the hardship exemption will be transferred to a designated caseworker who will work with them and be the nexus between the families and the resident services to be provided by THA or its affiliates. The purpose of this caseworker will be to assist the families in regaining employment and/or receiving benefits for which they qualify. At the point the exemption ceases, the family will be responsible to pay their true rent portion or the minimum rent for the household, whichever is higher.

Medical expenses: If a family has extremely high medical expenses, the expenses deduction will be considered on a case by case basis in the form of a Reasonable Accommodation.

In extraordinary cases, the hardship review committee may make a final recommendation to the Executive Director, or designee, who will have final approval when circumstances call for a deviation from this policy. Possible remedies may include entry into the Elderly/Disabled population, a permanent hardship, or an extension of the existing hardship beyond the first 6-consecutive month period.

### SECTION VI — ONGOING MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

Activity Number	Initiative Description	Statutory Update	Plan Year	Status Update
1	Extend allowable tenant absences from unit for active duty soldiers- This activity ensures soldiers do not use their housing if deployed.	Encourage self sufficiency	2011	Implemented July 2011. THA has not had the need to use this activity as of yet. THA is tracking this metric with a scorecard.
2	McCarver Elementary School Project: Housing and Education- This activity matches housing assistance with families of a local school. The activity attempts to answer if housing stability can improve stability within a school and the performance of the student.	Increase housing choices for low income families, encourage self-sufficiency	2011	The McCarver Special Housing Program began accepting families in the fall of 2011. As of June 30, 2012, 45 families (69 McCarver students) were housed. Baseline data on the performance of students of participating families were collected in the fall of 2011. Most of the measures are reported annually by Tacoma Public Schools (TPS); therefore the first opportunity to measure the academic growth of the students will be upon the release of the spring 2012 data. These data will be made available by TPS in September 2012
3.	Local Project Based Voucher Program- This activity gives THA additional flexibilities in implementing its project-based voucher program.	Reduce costs and achieve greater cost effectiveness	2011	THA has implemented parts of this activity in 2011. THA stopped giving tenant based vouchers to those in project based units. THA has also started inspecting all of its project based units. THA is proposing to change the metrics for this activity to more closely align with the proposed HUD standard metrics menu. The metrics would be as follows: Number of affordable units created, dollars saved in HQS exams, and amount of leveraged dollars by project basing vouchers. THA requests to waive

Activity Number	Initiative Description	Statutory Update	Plan Year	Status Update
				reporting on sub-activities a-j in future plans and reports.
4	Allow Transfers Between Public Housing and Voucher lists- THA has made it easier for households to transfer between programs with this activity.	Increase housing choices	2011	Implemented in Spring 2012. THA has issued vouchers for households who could not be served in a reasonable amount of time with a traditional housing unit.
5	Local Policies for Fixed- Income Households(Re- proposed)- THA's rent reform activity which changes recertification cycles and makes the rent calculation simpler.	Reduce costs and achieve greater cost effectiveness	2011	Implemented in 2012. THA is asking to change recertification cycle for fixed income households in 2013 plan.
6	Local Policies for Work-Able Households Re-proposed)- THA's rent reform activity which changes recertification cycles and	Encourage self Sufficiency, Reduce costs and achieve greater cost effectiveness	2011	Implemented in 2012. Biennials will start in 2013. THA has instituted a caseload optimization to create a nearly perfect smooth distribution of recertifications to go along with the new cycle.

Activity Number	Initiative Description	Statutory Update	Plan Year	Status Update
	makes the rent calculation simpler. Also includes a minimum rent.			
7	Local Income and Asset Policies-Allowed THA to drastically reduce the asset verifications.	Reduce costs and achieve greater cost effectiveness	2011	Implemented July 2011. THA will change the following metrics to match more closely with the proposed HUD standard metrics. THA will track hours saved, EIVs completed, and dollars saved. THA will be able to fully report on all of these metrics in all reports in the future.
8	Local Interim Processing and Verification policies (Re- proposed)- Reduced the number of interims allowed and set a percentage cut off to allow a interim to be processed.	Reduce costs and achieve greater costs effectiveness	2011	Implemented in Late 2011. THA has re-proposed this activity in the proposed section of this plan. The metric changes are mentioned in that activity.
10	Special Program Vouchers- Allow THA to create programs outside of its traditional section 8 program.	Increase housing choices for low income households	2011	THA has not used the approval as of this writing, but is actively looking for opportunities partner with our service partners. THA may use activity 4 from the 2012 plan to identify a partner.
11	Simplified Utility Allowance- Changed the utility allowance schedule to a simple 3 step schedule.	Reduce costs and achieve greater cost effectiveness	2011	This activity has been successfully implemented in November of 2011. THA will now track hours saved and dollars saved as metrics. This will be fully reported on in the 2012 plan and beyond.
12	Local Policy for Port-Outs- Changed THA's	Reduce costs and achieve greater cost effectives	2012	This activity was implemented in February of 2012. THA requests to change the baseline number of port

Activity Number	Initiative Description	Statutory Update	Plan Year	Status Update
	policy on ports to only low those who are working, going to school or porting for an Reasonable accommodation or Domestic Violence to leave.			outs to 260 from 200. THA used a baseline number in July of 2011. THA had seven more months of port outs before the policy was implemented which drove the baseline higher. THA has also changed the metrics to match up with HUDs standard metrics. THA will track the number of port outs, the dollars saved by processing less port outs and the hours saved. The other metrics associated with the activity will no longer be reported on.
15	Regional Approach to MTW dollars: THA will use this activity to collaborate with the county and other agencies in addressing housing related needs in our area. THA will use the MTW report to give more information about any initiatives instituted under this activity.	Increase housing choices for low income households and reduce costs and achieve greater cost effectiveness	2012	THA is working with the county to begin using this program. THA will use MTW dollars to work with the county to fund rapid re-housing programs in the region. THA will increase the amount of funding to this program. THA will continue to look at the activity on a year to year basis but could greatly increase the amount of MTW funds contributed in future years. THA has also changed the metrics for this activity to match the HUD standard metrics. THA will track dollars leveraged, decrease in cost to operate unit, number of households receiving services aimed at promoting self-sufficiency and number of new units at created at or below 80% affordability. For now, these units will be rapid rehousing units aimed at homeless prevention.
16.	Creation and Preservation of Affordable Housing: THA will use this activity to increase the number of local non-traditional affordable units using MTW flexibility.	Increase Housing Choices	2012	THA has implemented this activity. The agency is using MTW funds on local-non-traditional affordable housing units in its Hillside Terrace development.

## Not Yet Implemented Activities

Activity Number	Descriptio n	Why on Hold	Update	Timeline	Changes/Modific ations
9.	Modified Housing Choice Voucher Inspection Process: This will allow THA the flexibility to implement an inspection schedule that eliminates inefficienci es but ensures safety of the unit.	City code updates	THA still plans to implement this activity after inspectors are bet THA would like to have the flexibility to implement biennial inspections without any restrictions.er trained on city code.	2013 or 2014	THA would like to have the flexibility to implement biennial inspections without any restrictions. Landlords and tenants will still have the ability to request interim inspections to ensure property condtion.
13	Local Blended Subsidy: This activity would allow THA to bring public housing subsidies off the shelf	THA is looking at increasing its baseline to see if this activity would then be feasible.	Unsure of when this activity could or would be implemented.	This activity has not been implemented. THA plans on going over its baseline of households served which will open up the possibility of using this activity in the future	None
14.	Special Purpose Housing:- THA would use this activity to use public housing units for	THA has not found a partner to use this activity with yet.	Still plan on using it in the future.	2013 or 2014	None

## ADMINISTRATIVE INFORMATION

special			
population	on		

## **Closed Out Activities**

Activity Number	Description	Why Closed	Year		
N/A					

## SECTION VII — SOURCES AND USES OF FUNDING

The Sources and Uses for this Moving to Work plan is an estimate based on information we currently have regarding the 2013 budgets. THA has based HUD funding on the pro-rations on the current year funding based on the continuing resolution currently in place. THA has adjusted the PH Subsidy pro-ration to 90% to correspond with HUD's attempt to more fully fund PH in 2013. THA adjusted the Section 8 Voucher amount to 98.5% of 2012 funding to adjust to it. Additionally, the figures are taken from where THA currently stands in the budget process. THA anticipates expense numbers being adjusted as we continue crafting the 2013 budget submission

A. List of Planned Sources	
Sources of MTW funds (from our budget)	Amount
HCV Housing Assistance Payments (includes payments for special programs)	\$32,672,000
HCV Administrative Fee @ 80%	\$2,450,000
Public Housing subsidy @ 90%	\$2,319,000
Public Housing rental income	\$1,272,000
Public Housing non-rental income	\$12,000
Public Housing Capital Fund (including RHF funds )	\$5,735,000
Interest income	\$40,000
Management Fee Income	\$3,075,000
Other Revenue Sources	
Family in Transition reimbursement for Staff	\$45,000
Port Out Admin Fees	\$10,000
Property Budget Income (Laundry facilities)	\$23,000
Fraud Recovery Reimbursement - Section 8	\$60,000
MTW Reserves	\$480,000
Total Sources	\$48,193,000

Uses of MTW funds	
HCV Housing Assistance Payments	\$29,345,000
Program administration	\$8,576,000
Utilities	\$560,00
Maintenance	\$1,385,00
Resident Service activities	\$926,00
Housing Related Capital Expenditures	\$4,555,00
RHF Bond Payments	\$442,00
Subsidy payments to Tax Credit Properties- Based on 2012 90% Pro-ration	\$860,00
Portability Out Admin Fee	\$90,00
Insurance	\$110,00

Security	\$131,000
Bad Debt expense	\$25,000
Payment in Lieu of Taxes	\$13,000
Document Management System hardware	\$30,000
THA Admin Building Renovations	\$350,000
Family Investment Center Renovations	\$300,000
Purchase of General Partnership Interest in Affordable Housing Project	\$375,000
Vehicle Replacement	\$120,000
Total Uses	\$48,193,000

Sources of State/Local Funds	Amount
State/Local funds to Assist in redeveloping Hillside Terrace	\$4,300,000
State/Local funds to Assist in development of 15 Lakewood units and Community	
enter for Homeless population	\$3,018,000
Washington State and City funds for Community Service Activites	\$123,000
otal Sources	\$7,441,000
Uses of State/Local funds	
State/Local funds to Assist in redeveloping Hillside Terrace	\$4,300,000

State/Local funds to Assist in redeveloping Hillside Terrace	\$4,300,000
State/Local funds to Assist in development of 15 Lakewood units and Community	
Center for Homeless population	\$3,018,000
Washington State and City funded Community Service Activites	\$123,000
Total Uses	\$7,441,000

C. Planned Sources and Uses of Program Support Center Funds	MTW PSC	ВА	Amount
Sources of Program Support Center Funds			
Management Fee Income	\$2,890,000	\$363,000	\$3,253,000
Capital Fund Program	\$902,000	\$0	\$902,000
Investment Income - Operating	\$40,000	\$8,000	\$48,000
Other income	\$0	\$43,000	\$43,000
Transfers to Cover Shortfall	623,000	\$136,000	759,000
Total Sources	\$4,455,000	\$550,000	\$5,005,000
Uses of Program Support Funds			
Administrative salaries & benefits	\$2,772,000	\$418,000	\$3,190,000
Travel & Training	\$122,000	\$20,000	\$142,000
Information Technology	\$263,000	\$54,000	\$317,000
Other administrative expenses	\$1,015,000	\$41,000	\$1,056,000
Utilities	\$56,000	\$0	\$56,000
Tenant Service Expenses	\$42,000	\$0	\$42,000
Maintenance Expenses	\$152,000	\$0	\$152,000

Security	\$22,000	\$0	\$22,000
Insurance	\$11,000	\$1 <i>7,</i> 000	\$28,000
Total Uses	\$4,455,000	\$550,000	\$5,005,000

## D. Cost Allocation and Fee-for-Service Approach

Effective with the 2011 plan, THA no longer allocates indirect expenses. Any expense that is not associated with a specific fund will be charged to the Program Support Center, or the central Community Services fund. Fees will then be charged out to projects in accordance to the Local Asset Management Plan as outlined in Appendix E. THA decided on this method as it provides the most transparency in financial reporting for operational managers. This structure makes it easier for managers to track costs they have direct control over, and encourages them to gain an understanding of the fees associated with operating their project or program. This model provides the manager with the information needed to make more effective operational decisions.

## E. Use of 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 it's 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 will begin January 1st 2013.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self sufficiency.
- THA is going into the second year of its Education program. THA is providing
  Housing Choice Vouchers to households with children who attend a school with an
  exceptionally high level of turnover to help stabilize the student population. THA
  believes this approach will help to improve educational out-comes, add stability to
  the neighborhood, and create a better learning environment for the community as
  a whole.
- THA is adjusting administrative staff as necessary to ensure that activities are in line with the agreement. THA may also make necessary technological enhance-

ments 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 completed the RHF Amendment to its MTW contract. This will allow THA to spend both increments of RHF funds on affordable housing and to block grant the money.
- 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.

## SECTION VIII — ADMINISTRATIVE INFORMATION

- A. Resolution signed by the Board of Commissioners: See Appendix A
- B. THA will use annual MTW Reports as its evaluation mechanism.
- C. Evidence of Community and Resident Participation: See Appendix B
- D. Impact Analysis: See Appendix C
- E. Updated RHF Plan: See Appendix D
- F. Updated Local Asset Management Plan: See Appendix E
- G. CFP Documents: Appendix F

## APPENDIX A: BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE



## TACOMA HOUSING AUTHORITY

## **RESOLUTION 2012-9-26 (1)**

DATE:

September 26, 2012

TO:

Board of Commissioners

FROM:

Michael Mirra, Executive Director

RE:

Approval of THA's 2013 Moving to Work Plan

Each year, THA proposes new MTW activities intended 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 gone through a robust community and staff consultation process that has led to eight (8) proposed activities for FY2013.

All activities outlined in the plan were covered in the August board study session that was held to discuss the proposed activities.

Highlights of the plan include:

- The Housing Opportunity Program (HOP) that limits time on the program for work-able families to five years and changes the subsidy structure to a fixed subsidy for all new admissions. This program will replace the Housing Choice Voucher waiting list; it will not impact Public Housing new admissions.
- Provide Moving to Work service grants for service partners.
- A Community enrichment activity that would enable THA to pursue endeavors such as a Children's Individual Development Accounts (IDA).
- Simplifying the leasing process in the Housing Choice Voucher program.
- Modifying the Family Self Sufficiency (FSS) program for Housing Choice Voucher and Public Housing.

- Interim rent reductions will only be processed if the adjusted income decreases by 20% and limited to two for Housing Choice Voucher and Public Housing participants.
- Changing the recertification cycle to triennials for senior/disabled population for the Housing Choice Voucher and Public Housing programs.
- Increase minimum rents to \$75 for work-able households for the Housing Choice Voucher and Public Housing programs.

Any adopted changes that are approved by the board and HUD will be updated in THA's policy documents the Administrative Plan (Section 8) and the Admissions and Continued Occupancy Policy (ACOP-Public Housing).

The draft plan can be found at:

http://www.tacomahousing.org/about/MTW/FY13 Annual Plan Draft.pdf

Section VII will continue to modified until the Plan submission due date on October 15, 2012. This is the Sources and Uses section of the plan and cannot be finalized without more clarity about the 2013 budget.

## **Community and Staff Consultation**

THA has spent most of the year planning for and preparing the annual 2013 Moving to Work (MTW) plan. During the planning process, there has been a wide range of community and staff input. There were three staff brainstorming sessions along with meetings with the Landlord Advisory Committee and the SAFE committee to gather ideas for potential activities. Based on feedback from those meetings, staff agreed to consider eight activities.. After receiving approval from the Cabinet to go through the public hearing process, THA has taken the following actions to receive additional feedback:

- Three additional staff feedback sessions.
- Meeting with Northwest Justice Project on June 6, 2012.
- Meeting with the Tacoma Area Coalition of Individuals with Disabilities (TACID) on June 13, 2012.
- Meeting with Pierce County Aging and Long Term Care on June 23, 2012.
- Direct mailings to all THA landlords, all waitlist households that would be affected by proposed changes and to all current THA residents.
- A focus group with households off of THA's 2012 Voucher waitlist who could be affected by proposed changes.
- Public Hearing for those who would be affected from the voucher waitlist on July 9, 2012.
- Public Hearing for those who would be affected from the voucher waitlist on July 12, 2012
- Public Hearing for landlords on July 18, 2012.
- Public Hearings for current residents and all interested parties on August 14, 2012.
- Public Hearings for current residents and all interested parties on August 16, 2012.
- Staff also held 11 public hearings at each public housing site in late August and September.

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

## Recommendation

Approve Resolution 2012-9-26 (1) authorizing the Executive Director to submit the attached draft Housing Authority of the City of Tacoma's Fiscal Year 2013 Moving to Work (MTW) Plan with the understanding that Section VII will continue to modified until the Plan submission due date on October 15, 2012.



## TACOMA HOUSING AUTHORITY

## **RESOLUTION 2012-9-26 (1)**

## **Annual Moving to Work Plan Certifications of Compliance**

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan Amendment

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other auth there is no Board of Commissioners, I approve the submission of the attached Annual Moving to Work Plan Amendment for the PHA fiscal year beginning 1/1/2013, hereinafter referred to as "the Plan", of which the 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 a 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 and conducted a public hearing to a invited public comment.
- 2. The Agency took into consideration public and resident comment 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 Amendment;
- 3. 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 Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- 4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local j implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintai these analyses and actions.
- 5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- 6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforce Requirements for Accessibility by the Physically Handicapped.
- 7. 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
- 8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

- 9. 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.
- 10. 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.
- 11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
- 13. 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.
- 14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 16. 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.).
- 17. 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.
- 18. 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.

PHA Name	PHA Number/HA Code
accompaniment herewith, is true and accur	ted herein, as well as any information provided in the rate. Warning: HUD will prosecute false claims and statements. ivil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)
Traine of Trainorized Official	The

THA BOARD OF COMMISSIONERS RESOLUTION 2012-09-26 (1)

Housing Authority of the City of Tacoma

## APPENDIX B: PUBLIC HEARING NOTICE AND EVIDENCE OF COMMUNITY AND RESIDENT PARTICIPATION

SOURCE OF COMMENT	DATE	2013 MTW Activity	Staff Response	Our Response
Staff	5/17/2012	Modifying FSS Program	Doesn't the IDA currently work like that?	They put money in, and we match it.
Staff	5/17/2012	Modifying FSS Program	If they accept this escrow change, who will manage it?	Community Service Staff
Staff	5/17/2012	Modifying FSS Program	Will there be any programs that will be specific to people who are just 'teetering on the edge' of public housing? Ex. Making 15 an hour, and lose child care assistance, what can we do to assist them through the process of being self-sufficient?	Buffer Service? Structured into service grant? Another 'FSS type' plan for such people?
Staff	5/17/2012	Time Limited Rental Assistance	What are we going to do to help people through this 5 year process?	Community Services (Career and Education)
Staff	5/17/2012	Providing MTW Service Grants	What will the community service model be to ensure that families are being provided the right services? What will 'community service' be coming up with?	There will be someone available to provide steps when the voucher program rolls out.
Staff	5/17/2012	Fixed Subsidy	What percentage of income will the one bedroom market rate be with the new payment standard?	We'll watch these numbers closely and adjust accordingly if needed.
Staff	5/17/2012	Time Limited Rental Assistance	What about families' transitioning from homelessness? Is 5 years enough? FIT program?	That's a different program and would not be affected by these changes.
Staff	5/17/2012	Time Limited Rental Assistance	There should not be time limits on senior/disabled. Lack of personal support.	THA is not going to put time limits on senior/disabled households.
SOURCE OF COMMENT	DATE	2013 MTW Activity	NW Justice Response: Steve Parsons & Jennifer Bell <i>Lawyers</i>	Our Response
Northwest Justice	6/6/2012	Time Limited Rental Assistance	Do we have stats providing people leaving due to income vs. terminations?	THA does not collect that information at this time.
Northwest Justice	6/6/2012	Time Limited Rental Assistance	Definition of "Work-Able"? Grievance Process?	The definition of work-able is in THA's Administrative and ACOP plans. Grievance Policy is also contained in those documents.
Northwest Justice	6/6/2012	Time Limited Rental Assistance	What about people currently disabled but without income and waiting on SSI?	A household would need to meet the definition of disabled to not have the time limits applied.
Northwest Justice	6/6/2012	Time Limited Rental Assistance	Ability to move from/to "work-able" status within 5 years?	If a household's status changes, they will be able to move from the work-able group to senior/disabled and vice versa during the five years

		1		
Northwest Justice	6/6/2012	Time Limited Rental Assistance	Should it be on income? What about families with disabled family members? (i.e. Single mother with disable child)	The definition of a senior/disabled household will have to be met in order to not have the time limits applied.
Northwest Justice	6/6/2012	Fixed Subsidy	Applied across the board? Should be different for senior/disabled.	Impact Analysis shows that the senior/disabled population will be less effected than the workable population.
Northwest Justice	6/6/2012	Fixed Subsidy	Very low income & senior/disabled should be excluded	THA is looking to create one new program where all subsidy
Northwest Justice	6/6/2012	Fixed Subsidy	Broke Amendment? - Can you bypass this?	Having a fixed subsidy is an allowable activity under the Moving to Work program. The MTW agreement is online at www.tacomahousing.org and can be viewed there.
Northwest Justice	6/6/2012	Fixed Subsidy	Fair Housing Issues?	THA will follow all fair housing rules and regulations in the implementation of any programs.
Northwest Justice	6/6/2012	Fixed Subsidy	What would be the result if existing residents were placed under new subsidies?	As a whole, the average rents would increase by less than \$100 for most voucher sizes. Senior/Disabled households would see less of an increase vs. workable.
Northwest Justice	6/6/2012	Fixed Subsidy	Emergency fund for people would lose jobs?	The subsidy would be fixed and not change during the course of the program.
Northwest Justice	6/6/2012	Fixed Subsidy	Create a system where people who cannot afford subsidy could continue assistance by actively searching out jobs.	THA will help with employment resources, but the subsidy will stay static and not change.
Northwest Justice	6/6/2012	Providing MTW Service Grants	Contribute to: Low-cost Day Care? Mental Health or Rehab clinics	THA would use this grant program on employment, education and credit counseling. The agency would consider other grants if a need arises.
Northwest Justice	6/6/2012	Community Enrichment	Could money be directed to fixed subsidy?	The money for any type of community enrichment activity would not
Northwest Justice	6/6/2012	Community Enrichment	How much \$ would be needed for a micro loan to actually assist?	THA is still looking into this.
Northwest Justice	6/6/2012	Community Enrichment	Any evidence in micro-loan programs?	THA is looking into this.
Northwest Justice	6/6/2012	Community Enrichment	Regulatory issues of providing loans? RCW 35?	THA is looking into this.
Northwest Justice	6/6/2012	Modifying FSS Program	Bypassing waitlist through referral? Ethical for people currently waiting?	THA has taken this out of the proposed activity.

Northwest	6/6/2012	\$75 Min	Definition of "Work-Able" needed.	THA has a senior/disabled definition in both of its policy
Justice	0/0/2012	Rent	Definition of Work-Able fleeded.	documents.
Northwest Justice	6/6/2012	Home Ownership Policy	Needs more specifics	This activity is not being used in the MTW plan this year.
Northwest Justice	6/6/2012	General	Any oversight into compliance with service providers?	THA would set out goals that would need to be met and providers would have to make monthly or quarterly reports to THA.
SOURCE OF COMMENT	DATE	2013 MTW Activity	TACID RESPONSE: Mary Beth Quinsey Housing & Employment Program Manager	Our Response
TACID	6/13/2012	Fixed Subsidy	Since many of our people rely on SSI as a main source of income, it may be difficult for people only getting \$694.	After looking at the rents of households with \$694, we can determine that flat subsidy would have those households paying very comparable rents.
TACID	6/13/2012	Fixed Subsidy	This would allow more control for budgeting. Makes sense and efficient.	
TACID	6/13/2012	Service Grants	With only having a PT Employment Specialist, access to more funds (through such grants); this would then allow for a FT position and better coverage.	THA will work through the funding process after reeving plan approval.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Landlord Response: Dan White Whitehouse Properties, LLC Northwest Quality Homes, LLC	Our Response
Landlord	6/21/2012	Fixed Subsidy	Landlords are comforted in knowing that they will always be paid as rent is adjusted due to income.	Landlords will be able to anticipate what the monthly payment from the housing authority will be long term. Proper tenant screening along with that knowledge will help ensure tenant and landlord success.
Landlord	6/21/2012	Fixed Subsidy	The added costs of Section 8 due to housing rules and administrative costs are balanced with income stability; with the new vouchers the incentive to accept new Section 8 clients will be eliminated.	Landlords will be able to anticipate what the monthly payment from the housing authority will be long term. There will no longer be rent changes that make it hard to anticipate who will be paying what month to month. All landlords will know the subsidy amount from the start and must determine if the voucher holder can make up the difference by screening them.

Landlord	6/21/2012	Fixed Subsidy	All of the conditions of these vouchers (should) be included in the landlord package as to identify the risks the landlord is taking and to differentiate a "new voucher" from an "old voucher".	THA will ensure all landlords know the difference between the programs and can tell a fixed subsidy household vs. an income based household.
Landlord	6/21/2012	Fixed Subsidy	Need to have a warning in place so a Landlord can identify what type of program the client is covered under.	The subsidy will NOT be a voucher and a landlord will be able to tell the difference between the subsidy types.
Landlord	6/21/2012	Fixed Subsidy	Under what criteria is a household "work able" and how does one move from one category to the other?	THA has policy documents that determine work able vs. senior disabled. The definitions are within those documents.
Landlord	6/21/2012	Fixed Subsidy	Under the fixed subsidy proposal only working families with a relatively high income could make this work.	THA will be able to serve more households with this program using a shallower subsidy. If a household increases their income, they will not have a rent increase allowing them to keep the increase of earned income.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Public Hearing: 7-9-2012	Our Response
Public	7/9/2012	5 Year Time Limit	Are people able to reapply after the 5 years?	Yes
Public	7/9/2012	5 Year Time Limit	What if people become disabled after entering program?	The household can have the five year time limit removed.
Public	7/9/2012	Home Ownership Policy	What about home ownership? Is there a 5 year limit?	No time limits currently. The proposed changes would allow for a down payment assistance plan with no monthly payment.
Public	7/9/2012	5 Year Time Limit	Is the Salishan community going to turn into only Senior/Disabled once the time limit is in place?	THA strives to maintain a comparable mix of households to when it entered the MTW program.
Public	7/9/2012	5 Year Time Limit (Waitlist)	Readjust the numbers people are assigned since the lottery, because people who are eligible should be in their own group.	The lottery function in the software does not allow for that.
Public	7/9/2012	5 Year Time Limit (Waitlist)	Why are 'we' still assigned the same lottery number after the purge?	You were assigned a random number. Only those who are eligible are pulled from the waitlist. That drastically decreases the total number of eligible households for the program.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Meeting with Pierce County and Aging and Long Term Care	Our Response

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Pierce County and Aging and Long Term Care	7/24/2012	Time limits	WHY GRANDFATHER CURRENT SECTION 8 CLIENTS?	We are not saying they will be grandfathered forever but it's easier to manage if we begin with all new admissions. Aiming for a January 1, 2013 date.
Pierce County and Aging and Long Term Care	7/25/2012		WHO DETERMINES WORK ABLE HOUSEHOLDS?	THA has policy documents that determine work able vs. senior disabled. The definitions are within those documents.
Pierce County and Aging and Long Term Care	7/26/2012		WHAT IF THEY LEAVE THE 5-YEAR PROGRAM?	If someone leaves before the five year time limit ends, they would be off the program. In order to go back on the program, they would need to reapply when the program is open and wait for their name to come to the top of the waitlist.
Pierce County and Aging and Long Term Care	7/27/2012		How long does it take once you're on the waitlist	The average time has been 5-7 years. THA believes these numbers will go down households begin timing off the program.
Pierce County and Aging and Long Term Care	7/28/2012		WHAT ABOUT MOVING TO DIFFERENT COUNTIES?	THA has a local policy on port outs that restricts who can port a voucher out. The same will hold true of the five year assistance program. A household will not be able to take their assistance out of the county unless they meet the criteria assigned.
Pierce County and Aging and Long Term Care	7/29/2012		WHAT IS THE BIGGEST BARRIER for your family's success?	Meaningful employment, daycare and transportation issues. THA will work with our households on removing these barriers during their five years.
Resident Phone Call	8/9/2012	MTW 2013	Will I have to get out in five years? I am a veteran	The five year program will not apply to you.

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Resident Email	8/13/2012	MTW 2012	Hi I am a single mother of three boys. I'm currently on Tacoma housing and I qualified for a two bedroom. It is hard cramming everything in a two-bedroom apartment. When there is four people living in it. My thought about that is if you can find anything within the price of the voucher you should be able to get any room size home. How many rooms shouldn't be an issue just the rent. I would love for that to change. I found nice three bedroom homes within my voucher price range but I couldn't get it because it was a three bedroom home.	If you find a unit within the proper price range of your voucher, you can lease up.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Public Hearing: 8-14-2012	Our Response
Public	8/14/2012	Triennials	Annuals need to be more precise and clear on dates and follow up.	We will follow up with staff.
Public	8/14/2012	Minimum Rents	Do we need to report income increases?	No, with the new triennial model, we will review at the time of recertification.
Public	8/14/2012	General	If MTW began in 2012, where is the money?	Went to community services and more vouchers.
Public	8/14/2012	General	Where can I see results of 2012 MTW report?	Have not yet put together current year report.
Public	8/14/2012	General	Are bands available to be viewed?	Online at the 2011 MTW Report.
Public	8/14/2012	General	Why review each year? (minimum rents)	Rather not have a set increasing schedule, so we may be able to adjust increases accordingly.
Public	8/14/2012	General	How do I get on Resident Advisory Board?	Notify Josh Crites via email regarding RAB.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Public Hearing: 8-16-2012	Our Response
Public	8/16/2012	Time limits	What if I'm on a project based voucher?	Current tenants will not be affected.

Public	8/16/2012	Time limits	What if I get offered a voucher, while I'm on a project based one?	Unless you accept the voucher, you will not be affected.
Public	8/16/2012	Voucher Size/Amoun t	Can I use a 1 Bd voucher towards a 2 Bd and pay the difference?	Yes, that's the reasoning for removing the 40% rule.
Public	8/16/2012	Annuals	Does the triennial/biennial change annual inspections?	Not at this time.
Public	8/16/2012	Time limits	What about a household with one senior/disabled and one workable?	Dependent on income.
SOURCE OF COMMENT	DATE	2013 MTW Activity	Public Hearing: 09/11/2012	Our Response
Public	9/11/2012	Flat Subsidy	That means that if your income goes up your rent doesn't go up?	That is correct for the proposed new HOP program.
Public	9/11/2012	Time Limits	So will they pay market rate after those 5 years? (Referring to time limited households)	The household can choose to stay in their unit at market rate if they would like to.
Public	9/11/2012	Flat Subsidy	If you are already on Section 8 you don't get that deal.(Referring to flat subsidies)	THA is currently not proposing to apply any of the new program rules to the current Section 8 population.
Public	9/11/2012	FSS	So for a person currently on the FSS program, you made a statement that there will be some changes to the program? I don't think that it's fair that I'm not at 5 years but I'm almost at it and there are changes? I'm almost done with my 5 years. I've got 2 years to go and I had to set goals already and I've already met most of them and I only have a few to go so it's not fair to make changes.	A current FSS household would keep all of the escrow they have earned up to the end of this year and still be able to earn additional escrow under the new model starting in 2013
Public	9/11/2012	Lottery	Are there still people in the lottery system that is still on the waiting list?	THA took all of the remaining persons on its voucher waitlist and put them into the lottery at the start of 2012. There are still households on that waitlist and they are being actively pulled.
Public	9/11/2012	Time limits	Does that include elderly, old people? Referring to time limits)	Senior and disabled households will not have time limits applied to them.
Public	9/11/2012	Rent question	Where I work is mandatory overtime. How can I tell them that I can't work the overtime because I have my review coming up?	THA does not recommend a household cut back on work to keep the rent lower. A household only pays 28.5% of household income towards rent

			I really have enjoyed the program and when I read the proposal, I was like "where is that meeting?" I only	and anything else is kept by the household. Increasing income allows a household to work towards becoming more self-sufficient which it a goal of THA.
Public	9/11/2012	Past MTW changes and FSS	have 1 goal to go and now they're going to change things. Especially when you don't know how it's going to change things. That's why I called my manager. You propose these changes in policy and we don't hear about them until the annual review and then it hits like a bombshell. They had this change about Moving to Work and no one told me that my rent would be based on my income but no one told me until my annual review when it was suddenly my rent went up \$300. And I'd been calling and calling and no one told me anything. I could have been warned and been prepared for the shock. My thing is about detailed communication. You have meetings and changes and not telling us the tenant. Now I'm afraid to go to my annual review because now I have a son in college and he's working but it's not much. Is that going to be taken into account?	THA has held multiple public hearings and sent out multiple mailers for any proposed MTW policy change. If a households rent went up dramatically in public housing, it would be because of an increase in income. For the FSS program, THA is proposing to allow all current households to keep any escrow earned so far and continue to earn additional escrow but under a pay point system.

Tacoma Housing Authority Moving to Work Plan Monday July 9, 2012 9:00 a.m. Project: Date:



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Project: Tacoma Housing Authority Moving to Work Plan Date: Monday July 9, 2012 9:00 a.m.

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Project: Tacoma Housing Authority Moving to Work Plan Date: Monday July 9, 2012 9:00 a.m.

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Project: Tacoma Housing Authority Moving to Work Plan Date: Monday July 9, 2012 9:00 a.m.



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Project: Tacoma Housing Authority Moving to Work Plan Date: Thursday July 12, 2012 6:00 p.m.



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Project: Tacoma Housing Authority Moving to Work Plan Date: Thursday July 12, 2012 6:00 p.m.



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Tacoma Housing Authority Moving to Work 2013 Hearings Tuesday, August 14th 1:00 p.m. Project: Date:



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Project: Tacoma Housing Authority Moving to Work 2013 Hearings Date: Tuesday, August 14th 1:00 p.m.



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## MTW Hearings

Tacoma Housing Authority Moving to Work 2013 Hearings Thursday, August 16th 6:00 p.m. Project: Date:

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# Moving to Work/Lease/Non-Smoking Public Meeting



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Project: Tacoma Housing Authority Moving to Work 2013 Hearings Date: Thursday, August 16th 6:00 p.m.



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# APPENDIX C: IMPACT ANALYSIS FOR FIVE YEAR ASSISTANCE PROGRAM

THA will implement a five year term limit with fixed subsidy, on housing assistance for applicants pulled from the Housing Opportunity Program (HOP) waiting list beginning on January 1, 2013. Fixed income households will be included in the fixed subsidy but not time limits. This activity matches well with THA's goal is to help our participants achieve true self sufficiency by assisting them with their housing needs for a specific term. This will incentivize our participants to focus on securing better employment, save for a home and prepare them for a better future. Families will be given notices at every annual recertification indicating the number of years remaining on their term limited subsidy and will be given resources and assistance to move them towards their goals.

#### Participant Impact -

The subsidy provided will be fixed and work-able households will be timed off the program after five years. The average number of years that current participants have been on our program is 8 years. The proposed fixed subsidy was calculated by looking at our current payment standards and the average HAPS by bedroom size. THA will use a shallower subsidy in order to issue more HOP subsidies. The table below shows our current payment standards, average HAPS for each voucher size and THA's proposed fixed subsidy. THA will monitor lease up rates, time of lease ups and use opportunity mapping to ensure households are able to find safe, decent and sanitary housing.

Voucher Size	1	2	3	4	5
Proposed MTW Subsidy Amount (50% of payment standards)	390	486	709	798	921
Average HAP currently	\$492	\$633	\$940	\$1,040	\$1,095
As a % of payment standard	63%	65%	66%	65%	60%
THA Payment Standards	\$780	\$973	\$1418	\$1596	\$1843

The five year term limit will create a sense of urgency in our participants and help them define their goals and work towards self-sufficiency. At the initial HOP subsidy briefing, THA will have employment/education partners present. All households who are receiving a HOP subsidy will have the opportunity to set an appointment with a local employment/education professional for an initial assessment before leaving. THA will also have other partnering employment agencies at the briefing to match families up with employment services. Families will find the unit search process simplified due to the fixed subsidy amounts. The fixed subsidy will eliminate the utility allowance and make it is simpler for households to know what subsidy they have. It also prepares them for future apartment searches and teaches them to budget and choose their unit wisely. THA will no longer refer to a voucher but use the term HOP subsidy. Households will be issued a document stating what the subsidy is for their housing search.

#### Agency Impact -

THA anticipates serving more families with our MTW funds as participants are termed out hence decreasing the wait time for assistance for the families on our waiting list. There is a

tremendous demand for assistance. THA will also be able to serve additional households because of the shallower subsidy being used in the Housing Opportunity Program. THA anticipates issuing 20 additional HOP subsidies each year in addition to the HOP subsidies that will be used to fill numbers due to attrition.

The fixed subsidy will also result in administrative efficiencies due to the reduction in staff hours spent on the recertification process. The annual income and other data will still be reported and EIV will be pulled..

#### Hardship Policy # 2-

A hardship policy has been established for work-able households of the Housing Opportunity Program that defines the circumstances under which households may request an extension to the term limit. Families that would like to request a term limit

extension need to apply eight months prior to the end of term. A committee will be established to review each request and the families will be provided an opportunity to present justification for their request. If approved by the committee, a three month extension may be granted to the family. Since there will not be time limits for senior/disabled households, there will be no hardship policy for that population.

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

THA has received first increment RHF funds as a result of the disposition of 512 public housing units at the Salishan site 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.

The subject grants are:

Grant Number	Amount	Project Increment
Grant Number	Amount	Project-Increment
		Salishan (198 units) Year 5 out of 5
	<b>4.</b> 00= 404	Salishan (29 units) Year 3 out of 5
WA19R005501-10	\$1,337,436	Salishan (191 units) Year 3 out of 5
		Salishan (37 units) Year 3 out of 5
		Salishan(57 units) Year 1 out of 5
		Salishan (29 units) Year 4 out of 5
WA19R005501-11	\$734,132	Salishan (191 units) Year 4 out of 5
WA19R003301-11	φ/ 34,132	Salishan (37 units) Year 4 out of 5
		Salishan(57 units) Year 2 out of 5
		Salishan (29 units) Year 5 out of 5
		Salishan (191 units) Year 5 out of 5
WA19R005501-12	(Estimated) \$659,086	Salishan (37 units) Year 5 out of 5
		Salishan (57 units) Year 3 out of 5
		, ,
\A/A 100005501 13	(Estimated)	Salishan(57 units) Year 4 out of 5
WA19R005501-13	\$337,939	Hillside Terrace 2500/1800 (104 units)
	·	Year 1 out of 5
\A/A 10000 E E O 1 1 4	(Estimated)	Salishan(57 units) Year 5 out of 5
WA19R005501-14	\$119,643	Hillside Terrace 2500/1800 (104 units)
	/F .: . I	Year 2 out of 5
WA19R005501-15	(Estimated)	Hillside Terrace 2500/1800 (104 units)
	\$218,296	Year 3 out of 5
WA19R005501-16	(Estimated)	Hillside Terrace 2500/1800 (104 units)
	\$218,296	Year 4 out of 5
WA19R005501-17	(Estimated)	Hillside Terrace 2500/1800 (104 units)
	\$218,296	Year 5 out of 5
1st Increment before	\$4,061,420	
deductions	<b>\$ .755 17 125</b>	
Minus CFFP Bond	\$1,082,341	
Payment	ψ1,002,0 <del>1</del> 1	
Final Total 1st	\$2,979,079	
Increment	Ψ <u>2</u> ,,,,,,,,,	

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 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

Grant Number	Amount	Project-Increment
WA19R005502-16	(Estimate) \$659 <b>,</b> 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	
Final Total 2nd Increment	\$3,803,700.	

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 E: LOCAL ASSET MANAGEMENT PLAN

#### 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 continue to use the same cost approach as described in the previous year's LAMP. This cost approach eliminates all current allocations and books 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 Real Estate Management and Housing Services (REMHS) 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.

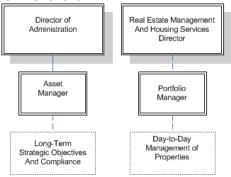


Figure 1: Organizational Structure

#### Description of 2013 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 achieved in Salishan. Rather than managing different types of properties in the same AMP, THA changed it's 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 it's 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 Division 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.

For each property grouping there are at least two maintenance personnel. The main functions of these maintenance personnel are to complete work orders and take care of the grounds at the properties assigned.

The centralized team is the "Go-To Team" and focuses on unit turns and fills in other needs at the site as they arrive. This team reports to a Maintenance Supervisor in charge of dispatching the team members to the appropriate site based on priority. The work of this team will be charged out to each property as a direct cost.

THA has made this change in it's maintenance practices in order to achieve a cost-effective balance of centralized, decentralized, and contracted maintenance. This hybrid approach shows THA's flexibility in finding the most effective balance of duties based on the needs of a specific property.

#### **Acquisition of Goods**

THA has a decentralized purchasing model for the acquisition of goods. Sites staff use a simple purchasing system that enables them to be able to purchase goods directly from their pool of vendors while still enabling management staff to track spending habits.

#### **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 monthly. 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:

- 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 hold negotiations if costs are
  determined unreasonable or if the AMP or program cannot support the proposed fees.
- 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.

	Program Support Center Unit Eq	uivalencies			
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Tota Unit
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	98			98
	HUD FSS Grant	N/A			0
	FUP Vouchers			50	50
	NHT Vouchers			100	100
	VASH Vouchers			130	130
Property Management:	N Shirley			1	1
Local Fund Units	Alaska 9 Homes			9	9
	Local Fund - Stewart Court			58	58
	Wedgewood - 50 Units managed UMS*			X	0
	Salishan 7			90	90
Property Management:	AMP 1 - K.G & M	160			160
Public Housing AMPs	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:	Hillside Terrace		21		21
Tax Credit Partnerships	Hillside Terrace 2		25		25
	Hillside Terrace 1500 Blk		16		16
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
	Total Uni	ts 4,281	602	519	5,402
Development	THA MTW Support including CFP	281			281
	THA as Developer			546	546
	Unit Equivalents	281	0	546	827
	Total Units/Unit Equivalents - 15% of Units	4,562	602	1,065	6,229
	Program Support Center Equivalencies (% of All Unit	3) 73.24%	9.66%	17.10%	100%

Table at 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	Administrative Support Fee, Management Support Fee, Community Services Support Fee
	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	Administrative Support Fee, Management Support Fee,
	HAP Expenses	
	Audit Costs	
	Administrative Costs	Includes postage, legal, office supplies, training and travel, mileage, professional services, and eviction costs

Table 2: 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
- Management Support Fee

#### Administrative Support Fee

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

- Executive Department
- Purchasing
- Asset Management (not 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

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 Property Management side, THA reduced the fee to 50% of the HUD Management Fee schedule, as much of the direct program supervision portion of the fee is included in the Management Support Fee. The Bookkeeping fee was increased to be more realistic of time spent by Finance staff in direct support of the Property Management Program. The same methodology was used for the IT Fee.

Administrative S	Support	Fee
Fee	Rental Assistance	Property Management
HUD-Prescribed Management Fee (20% blended admin fee @ 100% funding fo RA. HUD prescribed rate for PM)		\$23.225
Bookkeeping Fee	\$4.00	\$10.00
HUD-Prescribed Asset Management Fee	\$0.00	\$10.00
IT Fee (maintained by IT, but previously charged out as allocated direct charge)  Elderly Service Coordinator Fee	\$1.5	\$6.0
Total F	ee: \$18.00	\$49.23

**Table 3: 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 7-15) to cover deficits in the Tax Credit PSC.

#### Management Support Fee

The Management Support Fee will cover the costs of the services provided by the following centralized functions:

- Portfolio Manager
- Operations Coordinator
- Maintenance Supervisor
- Compliance Auditor

- Elderly Services Coordinator
- Portion of Civil Rights Compliance Officer and Reasonable Accommodation

Work Order Clerical Assistance

• Leasing Staff and Expenses

The fee is determined by taking the total amount budgeted for the staff in each category and charging it out on a per-unit-month (PUM) basis. The chart below shows how the fee is distributed across the three activity areas:

Management Support Fee Summary - Monthly									
Activity Area	Portfolio Management	Maintenance Supervisor & Work Order clerk	Operations Coordinator	Elderly/Disabled Service Coordinator:	Compliance Auditor:	Civil Rights Coord & Reasonable Accomodations Coordination:	Leasing	Total Fee (Monthly)	
CAH (MTW)	\$4,732	\$7 <b>,</b> 507	\$4,946	\$5,807	\$5,553	\$2,659	\$15,220	\$46,424	
Tax Credit (MTW)	\$3,837	\$2,596	\$1,710	\$0	\$1,920	\$919	\$2,59	\$13,841	
Business Activities (Non-MTW)	\$1,230	\$1,074	\$707	\$0	\$794	\$380	\$87	\$4,273	
Totals (PUM):	\$9,798	\$11,1 <i>77</i>	\$7,363	\$5,807	\$8,268	\$3,958	\$18,167	\$64,538	

**Table 3: Management Support Fee Summary** 

#### Summary

The diagram below summarizes how THA's costs will be distributed and tracked by activity area and how the Program Support Centers will earn fees charged to the programs.

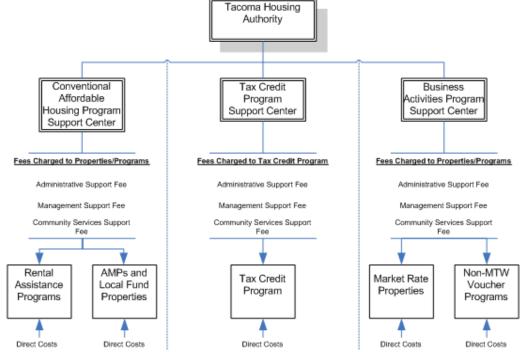


Figure 2: Program Summary Chart

#### Cost Centers

#### **Property Management**

Property Management uses of funds includes the Direct Costs and Program Support Fees for all of the properties managed by THA. The Property Management sources 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	85.33%						
TPV Vouchers	248	5.97%						
Non-MTW	Units Supported	Percentage						
Non-MTW	Units Supported	Percentage						
Non-MTW SRO	Units Supported	Percentage						

Table 4: 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. 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 are facing hardship and cannot meet minimum rent requirements; prepares them to succeed as tenants; and assists tenants in obtaining skills that allow them to become self-sufficient. This is an area THA prides itself in and believes it is a good way to utilize Moving to Work savings.

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.

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 Real Estate Management area must negotiate for the level of service it desires, 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 it's 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 Community Development Authority (CDA), 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 10% 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. No sources or uses are projected for new development activities in this year's plan, but if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

#### Other Considerations

#### Personnel

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

#### Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Division and the Real Estate Development Department. 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 FY2013, each area will be charged \$23.25 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 (\$3.25 / Sq Ft)									
Sq. Ft at CAH Activity Tax Credit Business Activity Area Main Office (MTW) Activity (MTW) (Non-MTW)									
Rental Assistance	4,307	\$88,121	\$0	\$12,017	\$100,138				
Real Estate Development	2,483	\$19,628	\$0	\$38,102	\$ <i>57,</i> 730				
Total	6,790	\$107,749	\$0	\$50,119	\$157,868				

Table 5: 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 on the next page gives the cost details used to determine rent amounts for FY2013.

Rent Fund 005 Program Support Center

Income	FY2013 Budget		
Rental Income	\$1 <i>57,</i> 868		
Total Income	\$137,888		
Expenses			
Depreciation	\$143,190		
Maintenance Salaries	\$30,000		
Maintenance Benefits	\$9,000		
Maintenance Contracts	\$50,000		
Maintenance Materials	\$6,000		
Utilities	\$37,720		
Security	\$21,700		
Property Insurance	\$4,320		
Total Expenses	\$301,930		
Net Income (Loss)	(\$144,062)		
Unit Equivalents for Units from Chart 3	2,716		
Rent Charge per unit	\$4.42		

Table 6: 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. This loss will be covered by charging it out areas at the per unit rate indicated in Table 6.

# 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 decided not to use the standard Fee for Service as prescribed by HUD. THA's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. In addition, the fee structure deviation will allow THA to recognize its deficit areas and devise new methods for covering the overhead. Under this structure, the Program Support Center will earn fees from the programs and properties for a blended Administrative Support Fee, and a Management Support Fee, The intention of expanding these fees is to allow the managers of our AMP's, Rental Assistance, and other direct program areas to determine how these areas are doing by looking at the direct costs under their control and easily identify the fees that are inserted into their area for administration or indirect costs. It also allows the agency to determine the profitability of the different support areas and see what changes may be needed in the administration of each of those areas.
- 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

# **Unit Equivalencies**

	All Property M	anagement Unit	s	
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	<b>Unit Factor</b>	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%

CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentag
Section 8	3791	0.33	1251	48.26%
AMP1	160	1	160	6.179
AMP2	152	1	152	5.86%
AMP3	144	1	144	5.56%
AMP6	34	1	34	1.319
				67.179
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentag
Tax Credit Properties	602	1	602	23.23
				23.23
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentag
SRO	81	0.25	20	0.77
FUP	50	0.25	13	0.50
NHT	100	0.25	25	0.969
VASH	130	0.25	33	1.27
9 Homes	9	1	9	0.35
North Shirley	1	1	1	0.049
Stewart Court	58	1	58	2.24
Wedgewood	0	1	0	0.00
Salishan 7	90	1	90	3.47
				9.60

CAH (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Section 8	3791	0.33	1251	60.20%
AMP1	160	1	160	7.70%
AMP2	152	1	152	7.31%
AMP3	144	1	144	6.93%
AMP6	34	1	34	1.64%
				83.78%
Tax Credit (MTW)	Units Supported	Unit Factor	Factored Units	Percentage
Tax Credit Properties (	PH)	1	327	15.74%
				15.74%
Non-MTW	Units Supported	Unit Factor	Factored Units	Percentage
9 Homes	9	1	9	0.43%
	1	1	1	0.05%
North Shirley			0	0.00%
,	50	0	U	0.007
Wedgewood	50 90	0 0	0	
North Shirley Wedgewood Stewart Court Salishan 7		ŭ	· ·	0.00%
Wedgewood Stewart Court	90	0	0	0.00% 0.00% 0.48%

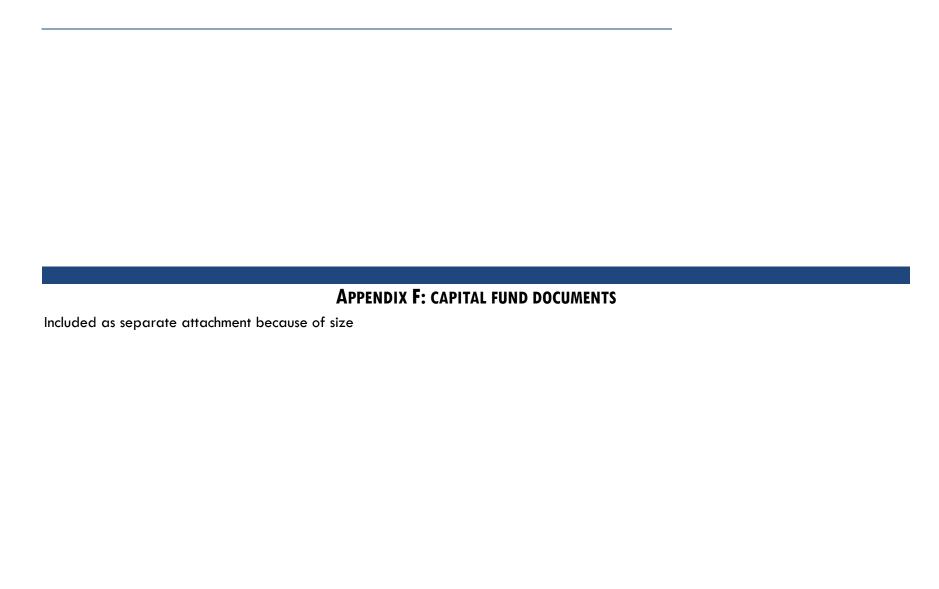
Table 7: Unit Equivalency Chart

# **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	98			98				
	HUD FSS Grant	N/A			0				
	FUP Vouchers			50	50				
	NHT Vouchers			100	100				
	VASH Vouchers			130	130				
Property Management:	N Shirley			1	1				
Local Fund Units	Alaska 9 Homes			9	9				
	Local Fund - Stewart Court			58	58				
	Wedgewood - 50 Units managed UMS*			X	0				
	Salishan 7			90	90				
Property Management:	AMP 1 - K.G & M	160			160				

	Program Support Center Equivalencies (% of All Units)	73.24%	9.66%	17.10%	100%
	Total Units/Unit Equivalents - 15% of Units	4,562	602	1,065	6,229
	Unit Equivalents	281	0	546	827
	THA as Developer			546	546
Development	THA MTW Support including CFP	281			281
	Total Units	4,281	602	519	5,402
	Salishan 6		90		90
	Salishan 5		90		90
	Salishan 4		90		90
	Salishan 3		90		90
	Salishan 2		90		90
	Salishan 1		90		90
	Hillside Terrace 1500 Blk		16		16
Tax Credit Partnerships	Hillside Terrace 2		25		25
Property Management:	Hillside Terrace		21		21
	AMP 6 - Scattered Sites	34			34
	AMP 4, Demo'd 2012	0			0
	AMP 3, Dixon, BT, Lawrence	144			144
Public Housing AMPs	AMP 2 - 6th Wright, Fawcett	152			152

Table 8: Program Support Center Allocation Detail



# **APPENDIX G: PROGRAM DIFFERENCES**

THA Program	Minimu m Rents	Utility Allowance s	40% Rule	Interim Policy	Fixed Subsidy	Time Limits	Recertifica tion Cycle	Port Policy	Hardship policy
Tenant Based admitted prior to FY2013 MTW Plan approval (work-able and non-fixed income senior/disabled)	\$75 at next annual starting in 01/13	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Biennial	MTW port policy	Hardship policy # 1
Tenant Based admitted prior to FY2013 MTW Plan approval (fixed income senior/disabled)	Will stay at \$25	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Triennial	MTW port policy	Hardship policy # 1
Housing Opportunity Program admitted after FY2013 MTW Plan approval (work-able)	No minimu m rents	No Utility Allowance	No longer applies effective 1/1/13	No interims	Yes (50% of payment standards)	Yes (five years)	Annual	No ports	Hardship policy # 2
Housing Opportunity admitted after FY2013 MTW Plan approval (all senior/disabled)	No minimu m rents	No Utility Allowance	No longer applies effective 1/1/13	No interims	Yes (50% of payment standards)	No	Annual	No ports	No hardship policy

HUD VASH	Minimu	MTW	40% rule	Regular	No	No	Biennial	No port	Hardship
(work-able and non-fixed income senior/disabled)	m rents capped at \$25	Utility Allowances	still applies	HUD interim policy applies				restrictions	policy # 1
HUD VASH (fixed income senior/disabled)	Minimu m rents capped at \$25	MTW Utility Allowances	40% rule still applies	Regular HUD interim policy applies	No	No	Triennial	No port restrictions	Hardship policy # 1
FUP (work-able and non-fixed income senior/disabled)	\$75 at next annual starting in 01/13	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Biennial	MTW port policy	Hardship policy # 1
FUP (fixed income senior/disabled)	Will stay at \$25	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Triennial	MTW port policy	Hardship policy # 1
NED	Will stay at \$25	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Triennial	MTW port policy	Hardship policy # 1
SRO	Not MTW	THA utility allowances	40% rule still. In effect	Not MTW	No	No	Annual	No port restrictions	Not MTW

Project Based Vouchers non tax credit (work-able and non-fixed income senior/disabled)	\$75 at next annual starting in 01/13	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Biennial	N/A	Hardship policy # 1
Project Based Vouchers non tax credit (fixed income senior/disabled)	Will stay at \$25	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Triennial	N/A	Hardship policy # 1
Project Based Vouchers Tax Credit (Salishan and Hillside Terrace) (work- able and non- fixed income senior/disabled)	\$75 at next annual starting in 01/13	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Annual	N/A	Hardship policy # 1
Project Based Vouchers Tax Credit (Salishan and Hillside Terrace) (fixed income senior/disabled)	\$25 Cap	MTW Utility Allowances	No longer applies effective 1/1/13	MTW interim policy applies (2 interims 20%)	No	No	Annual	N/A	Hardship policy # 1
Public Housing non-tax credit (fixed income senior/disabled)	Will stay at \$25	MTW Utility Allowances	Not Applicable	MTW interim policy applies (2 interims 20%)	No	No	Triennial	N/A	Hardship policy # 1

<b>Public Housing</b>	\$75 at	MTW	Not	MTW	No	No	Biennial	N/A	Hardship
Non-tax credit	next	Utility	Applicable	interim					Policy #1
(work-able and	annual	Allowance		policy					
non-fixed income	starting			applies (2					
senior/disabled)	in			interims					
	1/2013			20%)					
<b>Public Housing</b>	\$75 at	MTW	Not	MTW	No	No	Annual	N/A	Hardship
tax credit	next	Utility	Applicable	interim					policy # 1
Salishan/Hillside	annual	Allowances		policy					
Terrace (work-	starting			applies (2					
able and non-	in 01/13			interims					
fixed income				20%)					
senior/disabled)									
<b>Public Housing</b>	\$25 cap	MTW	Not	MTW	NO	NO	Annual	N/A	Hardship
tax credit		Utility	Applicable	interim					policy # 1
Salishan/Hillside		Allowance		policy					
Terrace (fixed				applies (2					
income				interims					
senior/disabled)				20%)					
McCarver	Escalati	MTW	No longer	MTW	No	No	Annual	N/A	McCarver
Program	ng rents	Utility	applies	interim					Hardship
_	(20%	Allowances	effective	policy					Policy
	yearly)		1/1/13	applies (2					
				interims					
				20%)					
Homeownership	\$75	MTW	No longer	MTW	No	No	Biennial	MTW Port	Hardship
(work-able and	minimu	utility	applies	interim				Policy	policy # 1
non-fixed income	m rents	allowances	effective	policy					
senior/disabled)	starting		1/1/13	applies (2					
,	1/13			interims					
				20%)					

Homeownership	Will	MTW	No longer	MTW	No	No	Triennial	MTW Port	Hardship
(fixed income	stay at	utility	applies	interim				Policy	policy # 1
senior/disabled)	\$25	allowances	effective	policy					
			1/1/13	applies (2					
				interims					
				20%)					

# **Appendix H HUD VASH APPROVALs**



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

OFFICE OF PUBLIC AND INDIAN HOUSING

DEC 1 9 2011

Mr. Josh Crites Planning and Policy Analyst Tacoma Housing Authority 902 South L Street, Suite 2A Tacoma, WA 98405-4037

Dear Mr. Crites:

On September 7, 2011, you submitted a request on behalf of the Tacoma Housing Authority (THA) to establish alternative requirements to Section i. of the *Implementation of the HUD-VA Supportive Housing Program* (Operating Requirements) published in the <u>Federal Register</u> on May 6, 2008. Section i. of the Operating Requirements states that HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers must be administered in accordance with the Operating Requirements and are not eligible for fungibility under MTW agreements. Also, HUD-VASH vouchers must be reported on separately from vouchers under the agency's MTW Agreement. This request included only two Moving to Work (MTW) provisions that affect the Housing Choice Voucher (HCV) program and was approved on September 21, 2011.

In your new request of September 22, 2011, THA requested to operate its HUD-VASH vouchers in accordance with all of the provisions of its MTW Agreement that apply to the HCV program to make the program easier to understand and use. In reviewing your request, the same standard was applied. HUD-VASH assistance must always be administered in accordance with the Operating Requirements, the statutory provisions governing this assistance (in particular, the requirements contained in the applicable Appropriations Act), and any other HUD-VASH voucher requirements (i.e., any supplemental requirements that are established in addition to those stated in the Operating Requirements). If a MTW Agreement provision is inconsistent with the HUD-VASH requirements, the latter requirements prevail with respect to administration of these vouchers.

It has been concluded that these MTW initiatives do not conflict with the HUD-VASH voucher requirements (particularly those involving eligibility, admission and continued assistance for HUD-VASH veterans). Given this determination, and the fact that these provisions should have no adverse impact on HUD-VASH families, THA may administer HUD-VASH vouchers under all of its MTW voucher provisions.

www.hud.gov

espanol.hud.gov

Please note that in accordance with Sections II.i. and III of the Operating Requirements, MTW agencies are required to use the regular form HUD-50058 for HUD-VASH families when reporting into the Public and Indian Housing Information Center (PIC), not the form HUD-50058 MTW. However, because THA will be operating its HUD-VASH program in accordance with its entire MTW Agreement, THA may report these families on the form HUD-50058 MTW since the rent calculations would be rejected on the regular form HUD-50058.

The approval to allow THA to administer its HUD-VASH vouchers in accordance with all of the provisions of its MTW Agreement does not extend to HUD-VASH program funding. HUD-VASH voucher funding is not eligible for fungibility and the funds must be accounted for in the Voucher Management System (VMS).

THA's HUD-VASH program will be monitored through PIC reporting, VMS and information provided by the Department of Veterans Affairs. HUD reserves the right to withdraw or modify this approval at any time if, in HUD's determination, the MTW alternative requirements are having a negative impact on the veterans receiving assistance under the HUD-VASH program.

Should you wish to discuss this matter further, please contact Phyllis Smelkinson, Housing Program Specialist, Housing Voucher Management and Operations Division, at (202) 402-4138.

Sincerely,

Milan M. Ozdinec

Deputy Assistant Secretary for

Public Housing and Voucher Programs