



TACOMA HOUSING AUTHORITY

# 2025 MOVING TO WORK PLAN



Draft Plan for Public Comment

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# Section I: Introduction

The work of affordable housing is anything but simple. For Tacoma Housing in particular, we're a housing provider, development and acquisition partner, land steward, landlord, service provider, funder, and so much more. In light of the many roles we play, the purpose that drives our work, even in 2025, is clear: it's to provide high quality affordable housing. It's also ensuring the families housed in our programs and the staff, service partners, contractors, and community stakeholders that interact with our agency are working together in community.

While there are inevitable uncertainties that come with the federal budget cycles and a tightening housing market that remains competitive, THA's focus on programs and policies that keep households stably housed while striving to remain cost effective is a constant balance that keeps us grounded and moving forward with intentionality. One example of this intentionality is a noteworthy investment in a new data system in 2024. After undergoing a major data conversion of our administrative system this last year—one which included an overhaul of our financial management, case management, and federal reporting system—THA staff and leadership remain energized going into 2025 to build out a robust infrastructure to ensure our reporting and dashboard capabilities can clearly demonstrate the effectiveness of our programs and work beyond mandatory reporting requirements. Additionally, this new data system is an opportunity to engage with households and build out a customer portal that provides accessible communication and outreach to clients while allowing additional methods to stay engaged with staff.

In 2025, we will also continue to work on delivering housing resources in the most efficient and responsive way by focusing on increasing voucher utilization and occupancy. We want to understand why households continue to choose THA's housing units and collect data to understand how we could continue to improve the management of our properties. We are also consistently striving to advance our navigation services, reduce programmatic barriers for households, and increase households leasing up in High Opportunity neighborhoods.

THA is currently on an exciting journey revisiting our long-term goals, vision, and mission to truly hone in on our identity as an agency and continue to clarify how, among the ever-complex environment to build, acquire, deliver, and preserve affordable housing opportunities, we can best serve our clients, low-income Tacomans seeking housing, and the broader community. We are looking forward to diving into innovative projects and evaluations in 2025 that can help illuminate how our MTW flexibilities, among new, long-awaited regulations like the HOMTA final rule, can and should be adapted to align with where we're striving to be as an agency providing high quality affordable housing into the future.



## 2025 SHORT- AND LONG-TERM GOALS & OBJECTIVES

*[Please note, at the time of public comment for the 2025 MTW Plan, THA's Leadership Team is finalizing its 2025 short-term and long-term goals. Below is a general overview of THA's new and renewed focus areas for its goals. THA will provide updated goals and their corresponding descriptions prior to THA's submission of the 2025 MTW Plan to HUD.]*

The strategic objectives identified below advance THA's mission to provide high-quality housing and supportive services to people with low incomes, with a focus on those facing the greatest marginalization.

THA embeds principles of diversity, equity, inclusion and belonging in its programs, culture, and priorities. With this foundation, THA has the following focus:

### FINANCIAL SUSTAINABILITY

- THA will maintain a debt-service coverage ratio of 1.3 or higher in its existing properties;
- Decrease the amount of MTW housing funds being spent on operational expenses;
- Increase unrestricted cash-flow;
- Limit expenses, including implementing strategies that help THA decrease individual line-item operating expenses, decrease overall growth rate of expenses, reduce number of insurance claims, and advocate for state and federal backed insurance options;
- Ensure recurring expenses are paid with recurring income;
- Use technology solutions to automate processes and increase efficiency; and
- Receive an S&P rating.

### INCREASE THE AMOUNT OF AVAILABLE HOUSING FOR LOW-INCOME FAMILIES

- THA will increase amount of affordable housing through development and partnerships;
- Increase the amount of housing that can be prioritized for voucher holders through THA acquisition and partnerships; and
- Rehabilitate and or refinance existing housing to improve quality of life for tenants and long-term viability of the property.

### INCREASE HOUSING ACCESS & STABILITY

- THA will achieve a 98% occupancy rate or higher in THA's managed portfolio by the end of 2025;
- Ensure the percentage of families with rent burdens over 30% stays below 40% across each bedroom size;
- Help secure \$1M in public funding for housing rehabilitation of THA housing in 2025;
- Decrease the amount of MTW housing funds being spent on operational expenses;
- Increase rent collection by ensuring outreach occurs with 100% of rent arrear referrals within one week;

- Mechanize a system for measuring customer satisfaction;
- Implement Microsoft Fabric to create comprehensive data systems to improve data management and data driven decision making;
- Complete a scan on services provided by community organizations and compare to the services provided by THA;
- Maintain THA’s MTW requirement to serve substantially the same number of customers;
- Increase pathways to homeownership; and
- Increase number of households renting in high opportunity areas.

### **THA WILL BE A GREAT EMPLOYER, CONTRACTOR, AND PARTNER**

- THA will increase the number of THA residents and low-income applicants hired into THA jobs;
- The racial, ethnic, and gender diversity of THA’s customers will be reflected in its staff and managers;
- THA will spend more money and/or contract with more businesses owned and operated by historically marginalized individuals; and
- THA will be a great place to work.

# Section II: General THA Operating Information

## A. HOUSING STOCK INFORMATION

### Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6+			Fully Accessible	Adaptable
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Total Public Housing Units to be Added in the Plan Year

N/A

### Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
N/A	0	N/A
	0	



### Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	# of PBV	RAD?	DESCRIPTION OF PROJECT
Lincoln District Senior Housing	20	No	PBV VASH
	<b>20</b>	<b>Planned Total Vouchers to be Newly Project-Based</b>	

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## Planned Existing Project Based Vouchers

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Arlington Youth Drive	58	Leased/Issued	No	Youth and Young Adult Housing
Bay Terrace 1	20	Leased/Issued	No	THA Family Housing
Bay Terrace 2	52	Leased/Issued	No	THA Family Housing
Bay Terrace – RAD	26	Leased/Issued	Yes	THA Family Housing
Eliza McCabe Townhomes	10	Leased/Issued	No	Mercy Housing Family Housing
Flett Meadows	13	Leased/Issued	No	LASA Family Housing
Guadalupe Vista	38	Leased/Issued	No	CCSWW Family Housing
Harborview Manor	154	Leased/Issued	No	Affordable Senior Housing
Hillside Gardens	8	Leased/Issued	No	THA Family Housing
Hillside Terrace 1500	12	Leased/Issued	No	THA Family Housing
Hillside RAD	33	Leased/Issued	Yes	THA Family Housing
Hillside 2	13	Leased/Issued	No	THA Family Housing
Hilltop Lofts	57	Leased/Issued	No	Permanent Supportive Housing

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Home at Last	30	Leased/Issued	No	YWCA Family Housing
KWA Project on 15 <sup>th</sup> and Tacoma Ave.	15	Leased/Issued	No	KWA PBV-VASH
Nativity House	50	Leased/Issued	No	CCSWW Permanent Supportive Housing for adults
New Tacoma Phase 2	8	Leased/Issued	No	Senior housing
Olympus Apts.	36	Leased/Issued	No	KWA affordable housing units at 60% AMI or below
Pacific Courtyards	23	Leased/Issued	No	MDC transitional family housing
Rialto Apts.	50	Leased/Issued	No	Pioneer Human Services (PHS) affordable housing units at 50% AMI or below
Salishan 1-7 <sup>1</sup>	340	Leased/Issued	No	THA Family Housing
Salishan RAD	290	Leased/Issued	Yes	THA Family Housing
Shiloh Project on S 13th and I St.	20	Leased/Issued	No	Shiloh PBV-VASH
St. Helens & Exley Apartments	26	Leased/Issued	No	PHS affordable housing units at 50% AMI or below
The Rise at 19 <sup>th</sup>	64	Leased/Issued	No	THA Family housing

<sup>1</sup> Please note: Salishan 7 never had public housing units and will not be found in PIC.

PROPERTY NAME	# of PBV	PLANNED STATUS AT END OF PLAN YEAR*	RAD?	DESCRIPTION OF PROJECT
Tyler Square	15	Leased/Issued	No	TRM Family Housing
Renew Tacoma Housing	456	Leased/Issued	Yes	THA Senior/Disabled Housing
PBV VASH	29	Leased/Issued	No	3rd party PBV VASH
	<b>1,946</b>	<b>Planned Total Existing Project-Based Vouchers</b>		

### Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

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

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
THA will seek to acquire existing housing in the market to preserve affordable housing to households earning up to 80% of the area median income (AMI).
THA has sold the last seven lots in Area 2B of Salishan. These lots were planned to be developed into market rate rentals. THA is working to get the site developed with prospective partners.
THA completed its RAD conversion of Salishan and Hillside properties in 2019. The disposition of its scattered site public housing through Section 32 has also been completed, except for one remaining unit. This unit is being leased to a large family. This will leave THA with 719 public housing units available for use under Faircloth. THA is considering placing Public Housing Faircloth units in new acquisitions and new developments and eventually converting these units to RAD.

## General Description of All Planned Capital Expenditures During the Plan Year

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

### GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR

In 2019, THA converted all but 5 units under the RAD. THA does not intend to close its PH ACC and will keep it open for the purpose of developing new PH units. THA will receive minimal Capital funds in 2025, yet has funds carried over from 2024 that will be reflected in the budget and will transfer to Operations.

THA may use Section 32 proceeds towards capital projects, including the possible resyndication of Hillside 2300 and Salishan 1-3, and development projects referenced under Activity # 16: *Creation and Preservation of Affordable Housing*. The funds would be used for activities eligible under HUD's requirements for section 32 (24 CFR 906.31(a)) which requires that a PHA "use any net proceeds of any sales under a homeownership program remaining after payment of all costs of the sale for purposes relating to low-income housing and in accordance with its PHA plan."

## B. LEASING INFORMATION

### Planned Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	60	5
MTW Housing Choice Vouchers (HCV) Utilized	47,349	3,946
Local, Non-Traditional: Tenant-Based^	895	75
Local, Non-Traditional: Property-Based^	5,772	481
Local, Non-Traditional: Homeownership^	0	0
<b>Planned Total Households Served</b>	<b>54,076</b>	<b>4,507</b>

\* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

\*\* "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year.

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

LOCAL, NON-TRADITIONAL CATEGORY	MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED*	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED*
<b>Tenant-Based</b>	Regional Approach for Special Purpose Housing/15	895	75
<b>Property-Based</b>	Creation & Preservation of Affordable Housing/16	5,772	481
<b>Homeownership</b>	N/A	0	0

\* The sum of the figures provided should match the totals provided for each local, non-traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

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## Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
<p><b>MTW Housing Choice Voucher/Portfolio</b></p>	<p>Increasing program attrition in THA’s HCV Program paired with a tightening rental market that makes leasing up in this current housing environment difficult has led to lower utilization rates than desired. THA addresses this issue by continuing to complete its payment standards analysis to ensure payment standards reflect current housing market trends. To lessen the barriers that low-income renters face in the market, THA has continued to invest in housing navigation and its landlord partnerships that lead to increased utilization of its highly valued housing assistance. The housing navigators continue to work one-on one with voucher holders, hold events at apartment complexes with landlord partners, and manage a centralized vacancy listing portal to make the housing search process as accessible as possible. Since 2018, THA has had approval from HUD to adopt a utilization target of 95% (95% Substantially the Same baseline) to account for THA’s funding and market challenges.<sup>2</sup></p> <p>For THA’s managed portfolio, THA has an agency-wide goal to achieve a 98% occupancy rate or higher, which we seek to achieve by reducing unit key-to-key leasing time and improving the quality of our housing operations based on feedback from our diverse customer base.</p> <p>THA leadership and operational departments closely monitor voucher utilization and occupancy rates on a regular basis.</p>

<sup>2</sup> For more details, please reference THA’s 2018 MTW Plan and BOC Resolution 2018-02-28.

<p><b>Local, Non-Traditional</b></p>	<p>For THA’s local, non-traditional housing program for RRH, Pierce County is responsible for allocating THA’s investment to local rapid rehousing service providers. THA anticipates serving less households in RRH in FY2025 than previous years due to various factors, all of which are being addressed with the County and closely monitored by THA. Starting in 2023, the County reported that the contracted service providers have been serving less households due to the nature of THA’s LNT RRH funding being braided with several other federal, state, and local funding sources administered by the County and lower levels of funding due to time-limited programs such as ESG-CV had inadvertent impacts on the total number of households served across Pierce County’s RRH programs. Additionally, unexpected challenges due to the difficult leasing environment for low-income households and lower budget utilization for newer housing agencies played factors to lower-than-anticipated utilization. The County has developed multiple strategies to work with housing and service providers to monitor utilization and mitigate these barriers.</p> <p>Despite serving less households due to lower budget utilization and less supplemental funding available, performance outcomes have remained steady for households served with THA’s LNT RRH investment. When looking at retention in permanent housing after program exit, housing lease-up times, and the percent of households who increased income and earned income, household outcomes have remained consistent and slightly increasing over the last three years. THA will work closely with Pierce County to monitor the contract amount and the number of households served and will respond accordingly.</p>
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## C. WAITING LIST INFORMATION

Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
<b>THA Consolidated Waitlist<sup>3</sup></b>	Other/ Consolidated waitlist for THA voucher programs and THA site-based waiting list	1,500	Closed	Yes

Please describe any duplication of applicants across waiting lists:

N/A

<sup>3</sup> Please note THA intends to adopt and operationalize several changes to its waitlist in 2025, which includes changing from a single, consolidated waitlist to holding separate waitlists for THA’s vouchers and portfolio units. As of mid-2024, these waitlist changes are still undergoing final implementation planning with operational departments. THA will provide an update on waitlist changes in the 2025 MTW Report.

## Planned Changes to Waiting List in the Plan Year

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

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST <sup>4</sup>
<p><b>THA Consolidated Waitlist</b></p>	<p>THA intends to adopt and operationalize several changes to its waitlist in 2025. This comes on the heels of an assessment completed in 2024 that demonstrated the need to make various improvements to THA’s waitlist, including the potential implementation of a separate waitlist for vouchers and portfolio units to allow families greater choice in where they live; enacting a continuously open waitlist in which applications are accepted at any time, but households would be required to check in regularly so the waitlist stays up-to-date based on those who are still interested; and randomly pulling from the waitlist vs. ranking people and pulling from the top of the list. Additionally, THA seeks to update its waitlist preferences to account for foster youth nearing the end of their time-limited assistance who are offered a voucher, households exiting PSH with an SRO voucher, and establishing caps on referrals from the homelessness system and from Medicaid-funded providers. These caps could increase or decrease depending on voucher utilization and vacancy rates. As of mid-2024, a thorough community consultation was conducted, and these waitlist changes are still undergoing final implementation planning with operational departments.</p>

<sup>4</sup> As of 2024, THA received approval to expand its outreach and marketing efforts to provide public notice of THA’s waitlist openings by utilizing digital advertising, social media, and search engine optimization (SEO) strategies as opposed to requiring public notice via a newspaper ad (flexibilities allowed per MTW Agreement Attachment C, Section, Subsection 4).

# Section III. Proposed MTW Activities

N/A

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# Section IV. Approved MTW Activities

## A. IMPLEMENTED ACTIVITIES

### 1. Extend Allowable Tenant Absences from Unit for Active Duty Soldiers

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

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

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity during the Plan year.

### 3. Local Project-Based Voucher Program

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

**Description:** This program introduced several changes to the way THA operates the project-based voucher program. They are as follows:

- **Remove caps on all project-based voucher allocations**  
Traditionally, HUD mandates that PHAs not spend more than twenty (20) percent of their Annual Budget Authority (ABA) toward Project Based Vouchers and PHAs are limited to project-basing up to 25 percent (25%) of units in a single development. HUD approved the exclusion of THA’s portfolio units from being counted towards the 20% cap and, in 2024, THA expanded this flexibility across all PBVs to remove complex tracking whether we are falling above or below the 20% threshold. In addition, in 2018, THA waived the per project cap for projects. Removing both PBV cap limitations enables THA to be more flexible with our funding for development projects & provide more deeply affordable units to low-income households.
- **Established a reasonable competitive process and contract terms for PBV assistance**  
THA established a reasonable competitive process and contract terms, including the length of the contract, for project-basing HCV assistance at units owned by for-profit or non-profit entities. Units must meet existing inspections standards (e.g., HQS, transitioning to NSPIRE), any standard developed by THA, and approved by HUD pursuant to the requirements of this Restated Agreement. Properties owned (whole and partial ownership interest) by THA will not need to go through a competitive process. This may include, but is not limited to, properties owned in fee by THA and leased to other entities and properties in which THA has a direct or indirect ownership interest (e.g., through ownership and/or control of an interest in the owner entity).
- **In-house inspections**  
THA conducts Housing Quality Standards (HQS) inspections (changing to NSPIRE) on units it owns or has interest in. In order to operate one, streamlined property management approach, THA also conducts HQS/NSPIRE inspections on the small number of Public Housing Units it owns.
- **Modified Choice Mobility options for non-RAD, PBV households**  
THA initially used this activity to waive the mobility option that allowed PBV tenants to automatically receive a tenant-based voucher after one year of occupancy. Once THA converted a majority of its PBV units to RAD-PBV, THA revised its Choice Mobility policies. The



RAD rules require THA to offer Choice Mobility vouchers to RAD-PBV tenants. In 2017, THA's board approved a revised version of this policy that made Choice Mobility available to *all* PBV tenants – given that certain criteria were met. PBV households that wish to exercise Choice Mobility must meet the following requirements: 1) in good status/no debts owed; 2) one-time use policy 3) receive pre-issuance counseling; 4) unpaid tenant charges that could result in termination of voucher assistance. THA grandfathered in anyone who had a PBV before October 1, 2011.

- **Streamline PBV program for units not managed by THA**

THA allows individual project owners to manage their own waiting lists and tenant selection criteria. The changes have allowed THA to streamline many parts of the project-based program that were inefficient or unfair to those on the waitlist. In terms of additional changes which streamline the PBV program for units not managed by THA, THA is continuing to explore the possibility of setting payment standards for 3rd party managed PBVs at LIHTC rent levels, as opposed to using THA's payment standards, when appropriate.

- **Expanded Allowable Housing Types**

Since 2011, THA has been authorized to expand the definition of eligible housing types to include transitional housing, cooperative housing, and shared housing. The flexibility allows THA to project-base units targeted for special populations, such as those exiting the criminal justice system, homelessness, or the foster care system.

- **Emergency Operations**

In 2021, HUD approved a proposal that allows THA to adjust operations and policies, as needed, during times of declared emergencies. See Appendix C: THA's Emergency Operations. During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff and residents, clients, and applicants.

### **Planned Non-Significant Changes:**

THA intends to maintain the following, previously approved MTW regulatory flexibilities, even after the updated implementation deadline for the HOTMA PBV Final Rule:

- Continue to remove caps on all project-based voucher allocations;
- Continue to conduct in-house inspections, ensuring units comply with new NSPIRE standards (Also see Activity 25 for reference); and
- Continue to allow individual project owners to manage their own waiting lists and tenant selection criteria.

Aside from the aforementioned MTW flexibilities, THA continues to assess all aspects of the regulations included in the HOTMA Final Rule along with seeking additional consult from subject matter experts to determine how to best comply before the implementation deadline. In doing so, THA is following HUD's instructions for updating the agency's policies and procedures for adopting HOTMA guidance, when applicable.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity in the Plan year.

## 5. Local Policies for Fixed-Income Households

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

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

- Annual recertifications are completed on a triennial schedule. THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.
- Eliminated the elderly/disabled deduction.
- Eliminated the dependent deduction.
- Eliminate medical deductions below \$2500.
- Implement 28.5% TTP to help offset the elimination in elderly/disabled deduction and simplification of medical expense allowances.
- Implement a tiered rent model based on adjusted income bands.
- Implement local verification policies as outlined in Activity 7.
- Implement a minimum rent of \$25 (and therefore eliminate utility allowance reimbursements).

THA's hardship policy for MTW-HCV households states that households may submit a written request for a hardship exemption if they are paying the minimum rent but are no longer able to do so due to financial hardship. For MTW elderly/disabled households they must meet one of the following requirements: (1) income changes will require household to pay more than 40% of their income as rent; or (2) household has zero income. THA's hardship policy also required households to obtain third-party documentation to show that they had applied for other hardship programs. THA recognized that this was an unnecessary burden for households and made it extremely difficult for those who income-qualified for a hardship to receive one. In 2020, THA revised its hardship policy to remove the third-party documentation requirements to make it easier and less burdensome for households to apply for hardship.

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix C: THA's Emergency Operations.

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes to this activity in the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** In FY2025, THA intends to conduct a robust evaluation of its rent calculation methods, assessing methods for how shares for total tenant payment (TTP), the housing assistance payment (HAP), and total family share are calculated and how utility allowances and deductions are considered for different types of households (e.g., fixed income vs. non-fixed income households; households who have \$0 income or not). Based on the evaluation results and its recommendations, THA may adopt some changes to its rent calculation methods which may or may not deviate from the new income calculation methods dictated by Section 102 of the HOTMA final rule. In the meantime, before the evaluation is completed, THA intends to continue exercising *some* of its current MTW flexibilities. These flexibilities include:

- Continuing to eliminate the elderly/disabled deduction and the dependent deduction and continuing to eliminate medical deductions below \$2500; as a result of the elimination of these deductions, THA will continue to implement 28.5% TTP until the rent calculation evaluation results conclude.

Should THA make changes to its rent calculation policies, thus impacting this activity and being deemed as a rent reform change, THA will submit an MTW plan amendment to seek HUD approval of the new policies.

Aside from the aforementioned MTW flexibilities, THA continues to assess all aspects of the regulations included in the HOTMA Final Rule along with seeking additional consult from subject matter experts to determine how to best comply before the implementation deadline. In doing so, THA will follow HUD's instructions for updating the agency's policies and procedures for adopting HOTMA guidance.

## 6. Local Policies for Non-Fixed-Income Households (Formerly Local Policies for Work-Able Households)<sup>5</sup>

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

**Description:** THA used this activity to implement rent reform for non-fixed income (formerly called work-able) households in its federally subsidized programs. Under this plan, households that are not on fixed income [see footnote 5] are subject to the following rent policy:

- Complete recertification reviews once every 2 years instead of every year (biennial recertifications) with no “off-year” COLA-related rent adjustments unless interim is triggered;<sup>6</sup>
- Eliminate dependent deduction;
- Eliminate medical deductions below \$2500 and implement bands;
- Implement 28.5% TTP to help offset the dependent deduction;
- Implement a tiered rent model based on adjusted income bands;
- Implement local verification policies as outlined in Activity 7;
- Implement minimum rent of \$75 (and therefore eliminate utility allowance reimbursements).

This above rent policy allows THA to streamline the process of rent calculations and annual reviews. THA has made changes to forms and documents in order to administer the rent reform program successfully and continues to see staff time and cost savings because of the biennial review schedule.

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<sup>5</sup> In the FY2025 Plan, THA is changing the Activity title to “Local Policies for Non-Fixed Income Households” so there is greater consistency for the terms THA staff are using for minimum rent determinations and determining recertification schedules (that is, whether households fall under fixed-income—defined as households in which all adult members are either elderly and/or disabled and at least 90% of total household income comes from a fixed source such as social security, SSI or a pension— or non-fixed-income).

<sup>6</sup> THA may institute policies that could require recertifications on an annual schedule for households with less than \$5,000 in income.

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

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants.

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes to this activity in the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** As stated under Activity #5, in FY2025, THA intends to conduct a robust evaluation of its rent calculation methods, assessing methods for how TTP, HAP, and Family Share are calculated and how utility allowances and deductions are considered for different types of households (e.g., fixed income vs. non-fixed income households; households who have \$0 income or not). Because some of the future recommendations may or may not follow the new income calculation methods and deductions as prescribed in Section 102 of the HOTMA final rule, THA intends to continue exercising *some* of its MTW flexibilities before the evaluation is completed. These flexibilities include:

- Continuing to eliminate the elderly/disabled deduction and the dependent deduction and continuing to eliminate medical deductions below \$2500; as a result of the elimination of these deductions, THA will continue to implement 28.5% TTP until the rent calculation evaluation results conclude.

Should THA make changes to its rent calculation policies, thus impacting this activity and being deemed as a rent reform change, THA will submit an MTW plan amendment to seek HUD approval of the new policies.

## 7. Local Income and Asset Verification Policy

**Description:** Since 2011, THA has implemented the following policies to streamline local income and asset verification processes:

- Allow tenants to self-certify assets valued at less than \$25,000.<sup>7</sup>
- Disregard income from assets valued at less than \$25,000.
- Eliminate earned income disallowance (EID).
- Exclude resident stipends up to \$500.
- Accept hand-carried third-party verifications and increase number of days verifications are valid up to 180 days.
- Extend the authorization of the HUD 9886 form.
- Accept hand-carried verifications.

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

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix C: THA's Emergency Operations.

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes for this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

**Planned Significant Changes:** As stated under Activities #5 and #6, in FY2025, THA intends to conduct a robust evaluation of its rent calculation methods, assessing methods for how TTP, HAP, and Family Share are calculated and how utility allowances and deductions are considered for

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<sup>7</sup> Once HOTMA can be implemented, meaning all PHAs are able to report HOTMA-compliant data within HUD's new Form 50058 and Housing Information Portal, THA will adopt new HOTMA guidelines that allow tenants to self-certify assets and disregard income from assets valued at less than \$50,000.



different types of households (e.g., fixed income vs. non-fixed income households; households who have \$0 income or not). Should THA make changes to its rent calculation policies, thus impacting this activity and being deemed as a rent reform change, THA will submit an MTW plan amendment to seek HUD approval of the new policies.

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

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

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

During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff, residents, clients, and applicants. In 2021, HUD approved changes that will allow THA to implement policy changes as needed during times of declared emergencies. See Appendix C: THA's Emergency Operations.

**Planned Non-Significant Changes:** THA intends to maintain the following, previously approved MTW regulatory flexibilities, even after the updated implementation deadline for the HOTMA (Section 102) final rule regulations::

- Continuing to process interim decreases only when a household's income loss is 20% or more. THA will continue its practice of no longer requiring an interim increase for every income increase reported.

Aside from the aforementioned MTW flexibilities, THA continues to assess all aspects of the regulations included in the HOTMA Final Rule along with seeking additional consult from subject matter experts to determine how to best comply before the implementation deadline. In doing so, THA will follow HUD's instructions for updating the agency's policies and procedures for adopting HOTMA guidance.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

## 11. Simplified Utility Allowance

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

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

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

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes to this activity for the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

**Planned Significant Changes:** As stated under previous activities, in FY2025, THA intends to conduct a robust evaluation of its rent calculation methods, assessing methods for how TTP, HAP, and Family Share are calculated and how utility allowances and deductions are considered for different types of households (e.g., fixed income vs. non-fixed income households; households who have \$0 income or not). Should THA make changes to its rent calculation policies, thus impacting this activity and being deemed as a rent reform change, THA will submit an MTW plan amendment to seek HUD approval of the new policies.

## 12. Local Port-Out Policy

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

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

**Planned Non-Significant Changes:** THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

## 15. Regional Approach for Special Purpose Housing

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

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

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

In late 2020, THA, Tacoma Public Schools (TPS), and Pierce County launched the Tacoma Schools Housing Assistance Program (TSHAP). TPS families identified as McKinney-Vento are referred to the contracted provider who engages them in a creative conversation to identify their needs and potential solutions to their housing challenges. Potential interventions include one-time prevention supports, diversion, or Rapid Rehousing, depending on a family’s particular needs. THA has sunset TSHAP at the completion of the contract term in December 2022. The partners continue to explore developing a permanent pathway for McKinney-Vento students and their families that leverages Pierce County’s existing emergency housing resources.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the metrics or data collection during the Plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

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## 16. Creation and Preservation of Affordable Housing

**Plan Year Approved, Implemented, Amended:** This activity was proposed in 2012 and implemented in 2012. This activity is to preserve and create affordable housing units under MTW. These units would be affordable housing units, not public housing and there will not require an operating subsidy. This activity was re-proposed in 2019 to include the use of MTW funds for Property-Based Rental Subsidies.

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

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

*Property-Based Subsidies:* In 2018, THA re-proposed the activity to utilize its flexibility to place property-based subsidies. Property-Based Rental Subsidies are contributions to properties that agree to make its units available at a rental price affordable to very low-income households. THA contracts with property owners who agree to these terms and in return THA would make contributions to the property based on a negotiated contract where the tenant contribution plus the subsidy would not exceed the market value of the unit based on a rent comparability study. Eligible unit and housing types include but are not limited to: shared housing, cooperative housing, transitional housing, high-rise buildings, hotels/motels, and tiny homes. THA has a goal of using property-based subsidies in up to 750 units.

*Development and Acquisition:* THA seeks to acquire existing rental housing in neighborhoods where THA does not have a strong presence to preserve housing affordability. Acquiring existing rental housing that is affordable to households earning 80% or less of the AMI is one of THA's rental housing preservation strategies. Under this activity THA is able to activate its broader use of funds ability so the agency could spend MTW dollars on construction and acquisition of affordable housing units. THA is leveraging its capacity as an MTW agency to pursue the following projects that are in THA's Real Estate Development pipeline, some of which may utilize MTW dollars:

- (1) Housing Hilltop – Housing Hilltop will provide 4-8 story buildings with a mix of retail and/or commercial space on the ground floor and a mix of very low income and workforce housing units (up to 60% of AMI) in a mix of bedroom



configurations. Most of the units will be 1 and 2-bedrooms although some larger sized units will also be included for large families. The four buildings will have some shared amenities and parking. The four parcels share an alley which THA plans to include as active space by doing creative alley activation projects to enhance the living experience for residents and to build community in the neighborhood. Financing would likely be a combination of THA unrestricted funds, private debt, and tax credits.

Phase I consisted of the development of 57 studio units of permanent supportive housing for individuals exiting homelessness. This project, referred to as Hilltop Lofts, was done with a local non-profit partner. Construction completed and the lease up process began at the end 2022. Phase II will be orientated toward low-income individuals and families in a mix of studio, 1-, 2- and 3-bedroom units, as THA will develop 231 affordable housing units. There will be 13,000 square feet of commercial retail space, including a 10,000 square foot performing arts and community gathering space in which THA will prioritize BIPOC-owned businesses to lease the spaces.

- (2) *1800 Hillside Terrace* (The Rise on 19<sup>th</sup>) – MTW funds were used to develop what is now referred to as the Rise on 19<sup>th</sup>, formerly Hillside Terrace. Phase I and II are completed and fully on-line. The Rise provides 64 units of deeply affordable housing for homeless individuals and small families, as well as people with disabilities and other low-income households.
- (3) *James Center North / Aviva Crossing* – THA acquired a 7-acre retail and commercial area that poses a good transit-oriented development opportunity. It is also directly across the street from the Tacoma Community College and close to transit, shopping, and entertainment. THA is working with local housing partners on the sale and development of affordable units in West Tacoma in which THA anticipates construction will begin in 2023 and 2024. These multifamily properties will offer a mix of commercial and retail space, along with market rate rental housing. It is anticipated that this development will add households sufficient to support the retail and commercial spaces, while offering a high quality, mixed income project that will add vitality to the neighborhood.
- (4) *1500 Block* - THA proposes to redevelop a property referred to as the 1500 Block. This property will be redeveloped with one and two-bedrooms that are conducive to low-income individuals and small households using LIHTC.

(5) *Intergenerational Housing (Hillsdale Heights)* – THA is exploring an intergenerational housing project that will serve a multigenerational community where children who have experienced trauma can receive love and care from kinship and adoptive parents and live in a community with seniors who by living there agree to be respite caregivers, honorary grandparents, and tutors to the families.

**Planned Non-Significant Changes:** THA does not anticipate any changes to this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the metrics or data collection during the Plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes to this activity for the Plan year.

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## 18. Elimination of the 40% Rule

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

**Description:** THA used this activity to waive the 40% cap on the percentage of income spent on rent. The goal is to allow for maximum resident choice in the voucher program and to substantially increase the participant's ability to understand the program and lease up more quickly. This activity has allowed more households in THA's voucher programs to lease units that they would have not had the opportunity to lease in the past. In addition, staff have saved time explaining the 40% rule to clients.

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes to this activity for the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the Plan year.

**Planned Significant Changes:** As stated under previous activities, in FY2025, THA intends to conduct a robust evaluation of its rent calculation methods, assessing methods for how TTP, HAP, and Family Share are calculated, including the review of policies when households are responsible for the extra cost associated with renting a unit above the payment standard (allowed by this MTW activity to waive the 40% cap). Should THA make changes to its rent calculation policies, thus impacting this activity and being deemed as a rent reform change, THA will submit an MTW plan amendment to seek HUD approval of the new policies.

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

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

**Description:** Through its MTW flexibility, THA modified the way we calculate escrow payments to be simpler and provide clearer guidelines for participating families. THA has designed a savings calculation method under which families may qualify for one or more pay points. Pay points will be calculated and credited at the end of the FSS contract term and only if the family provides credible and verifiable documentation that show they qualify for each of the pay point credit types. Clients have reported the escrow is motivating and easier to understand. THA has also seen staff time saved, and the time is now being spent on direct service. Below are examples of pay points:

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

In addition, THA has removed the requirement that households need to be off cash assistance for 12 consecutive months prior to program graduation as a determinant to access escrow funds.

**Planned Non-Significant Changes:** THA has been assessing its FSS program to better meet the needs of participants. In FY 2025, THA may explore changes to its pay points structure and broadening who is eligible to receive escrow. THA may also include additional changes to its FSS program that may impact its program eligibility or types of services rendered by FSS staff. No additional waivers are needed to implement these changes.

**Planned Changes to Metrics/Data Collection:** Beginning in the 2022 MTW Report, THA determined it would no longer report on the following measures due to the lack of relevance in THA's program operations and indications of program performance: CE # 1: Agency Cost Savings; CE # 2: Staff Time Savings; SS #4: Households Removed from Temporary Assistance for Needy Families (TANF). In FY2025, THA will no longer report on SS#3: Increase in Positive Outcomes in Employment Status, as this indicator has historically lacked the nuance to effectively demonstrate quality of services being provided in the FSS program. THA will continue to develop internal reporting metrics and benchmarks to ensure the FSS Program is meeting its intended goals of promoting financial self-sufficiency based on a household's desired goals.

**Planned Significant Changes:** THA does not anticipate any significant changes during the Plan year.

## 20. MTW Seed Grants

**Plan Year Approved, Implemented, Amended:** This activity was proposed in 2013 and implemented in 2013.

**Description:** THA proposed this activity so, if needed, the agency could provide seed grants to partner service agencies to increase capacity to serve THA households. The grants would be specific to helping non-fixed-income (work-able) households increase earned income and become self-sufficient. THA used this activity to provide three job skills and soft skills trainings for households in 2013. In 2025, THA would like to keep this activity in the implemented section of the plan to support future goals of increasing the number of customers and low-income Tacoma residents hired by THA and its partners and expanding opportunities for training and certifications so residents can be competitive in the current job market.

**Planned Non-Significant Changes:** THA will do more planning in 2025 focused on strategies to hire residents and increase access to certifications and training opportunities in collaboration with other service partners. These planning sessions may further clarify THA's strategies and goals related to this activity in 2025.

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

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

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

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

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

**Planned Non-Significant Changes:** THA intends to maintain the following regulatory flexibilities, even after the updated implementation deadline for the HOTMA (Section 102) Final Rule:

- Continuing to exclude 100 percent of a student's financial aid from the income calculation used to determine initial eligibility into THA programs and for a household's calculated income for re-certifications and interims. This includes all student financial aid, regardless of the source of the loan (on which the HOTMA final rule has put additional restrictions).

Aside from the aforementioned MTW flexibilities, THA continues to assess all aspects of the regulations included in the HOTMA Final Rule along with seeking additional consult from subject matter experts to determine how to best comply before the implementation deadline. In doing so, THA will follow HUD's instructions for updating the agency's policies and procedures for adopting HOTMA guidance.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes in the Plan year.

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

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

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

In addition to SDAP, THA modified the program in its 2019 Plan to expand the flexibility within this activity to include potential incentive programs to encourage property owner participation and retention in THA's rental assistance programs. THA may use its MTW authority to operationalize a landlord incentive program that includes benefits to landlords such as potential retention bonuses and establishing a vacancy loss and payment policy.

THA is using its MTW authority to implement additional programs and activities that will lead to increased participation and utilization of its highly valued housing assistance. THA has focused on developing strategic relationships with landlords to strengthen relationships and created a Landlord Engagement Specialist position to lead this work. In addition to cultivating stronger relationships with landlord partners for THA's voucher program, this position facilitates the gathering of the Landlord Advisory Board, which helps advise on numerous policy changes and industry issues throughout the year, and this position works with the City of Tacoma on Landlord Education program, a joint initiative between the City and THA which aims to educate landlords about changes to local and state laws and to connect them to resources to help with rent delinquencies. Additionally, the landlord engagement specialist helps lead the organization of the Annual Regional Landlord Symposium.

Beginning in 2022, THA has made investments towards housing navigation assistance for THA voucher holders. THA hired dedicated housing navigator positions, which are critical to managing the agency's in-house THA's Housing Provider Vacancy List, a web-based portal that centralizes the list of vacant units through THA's landlord partner network. Housing navigation assistance is provided to program participants who tend to have greater barriers, and the navigation support provides the tools, resources, and advocacy needed to lease-up faster in this tight rental



market. The housing navigators work with THA voucher holders one-on-one and hold events at apartment complexes with landlord partners intended to reach THA voucher holders and clients looking for homes.

**Planned Non-Significant Changes:** THA does not anticipate any non-significant changes in the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any modifications to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate any significant changes in the Plan year.

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## 25. Modify HQS<sup>8</sup>

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

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

1. In lieu of re-inspections for a failed HQS initial inspection, landlords may provide evidence that fail items that are outside of THA's prescribed 'life-threatening' category have been cured. THA clients may move into the unit quicker since they no longer have to wait for an additional inspection to be completed. Landlords are still required to cure fail items within 30 days and THA will still conduct annual HQS inspections and audit inspections for quality control.
2. To achieve staff time savings THA will accept a "Certificate of Occupancy" issued by the City of Tacoma in lieu of an initial inspection. Future annual HQS and audit inspections will still be completed to ensure quality control.
3. To further streamline THA's HQS processes, THA will negotiate its own contract rents and determine rent reasonableness. This is broadly applied to all THA owned, managed or subsidized units.
4. In lieu of an initial inspection completed by Rental Assistance HQS Inspection Staff, THA may accept "self-certified inspections" from Property Management staff for THA-Owned Units. Qualified and trained PM staff may certify that the unit has been inspected and that the property meet HUD and THA HQS inspection standards. These self-certifications would be documented through the submission of an HQS inspection check-list for each unit. Rental Assistance HQS Staff would then QA a certain percentage of these units, no less than 10%, each year. Eligible units are those owned by THA directly or in partnership with THA. Only units with construction dates after 1978 would be eligible for participation. During the QA process, should THA find any items that fail inspection, THA would require that all fail items be resolved just as we do with other standard inspection requirements. Furthermore, if less than 80% of inspections of the randomly selected QA inspections pass, THA would QA another sample and repeat the process as deemed necessary.

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<sup>8</sup> After the nationwide implementation of NSPIRE, this activity will be referred to as "Modify Local Inspections (HQS and NSPIRE)"

5. Pre-inspections could be allowed for any units that previously had an HCV tenant and/or for units owned by landlords that express interest in renting to a voucher holder. Pre-inspections could be good for 90 days. THA received HUD approval for, but not yet implemented, policies surrounding pre-inspections.
6. THA received approval for a triennial inspection schedule for its housing portfolio (units owned and managed by THA) to streamline the inspection process and reduce disruption to residents' lives. THA's Portfolio includes units layered with PBV assistance and LIHTC which both require regular inspections.
7. Additional flexibilities for which THA received approval by HUD, but have not yet implemented, include policies around self-certified initial inspections. Once implemented, THA would allow properties in good standing -- defined as units that have passed an inspection in the last 12 months-- to self-certify initial inspections. THA will continue to track, report, and provide QA audits on units up to 10% of the time for those units. No additional waivers are needed to implement these changes.

Finally, in 2021, HUD approved a proposal that allows THA to adjust operations and policies, as needed, during times of declared emergencies. See Appendix C: THA's Emergency Operations. During the COVID pandemic, HUD waived certain program requirements and rules that helped public housing authorities respond to the pandemic. Using MTW flexibility, THA has adopted similar waivers for future use during times of emergency that would significantly disrupt daily operations for THA staff and residents, clients, and applicants.

**Planned Non-Significant Changes:**

THA intends to continue exercising its previously approved MTW flexibilities listed under this inspections-related activity. Understanding that requirements have changed due to the rollout of NSPIRE, THA wants to ensure that HUD is aware that we intend to continue these practices. As of August 2024, THA has submitted two inquiries to the REAC Office and MTW Office to confirm that these flexibilities remain compliant under NSPIRE and are waiting to hear back. Per HUD guidance received by email to PHA executive directors on 9/5/2023, THA will continue to utilize these alternate inspection methods until HUD completes its review and THA hears a response.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to metrics and data collection.

**Planned Significant Changes:** THA does not anticipate any significant changes in the Plan year.

## 26. Local Homeownership Flexibilities

**Plan Year Approved, Implemented, Amended:** THA proposed this activity in 2024 and will implement this activity in 2025.

**Description:** THA received approval to implement flexibilities to its Homeownership Program that waives the 10- to 15-year time limit requirement for households that do not qualify as elderly or disabled to align with the term of the household’s mortgage loan.

Though THA stopped issuing homeownership vouchers in 2011, THA is looking to reinstate homeownership as a special housing option in the future; as part of this, THA wants to ensure components of its Homeownership Program are based on evidenced-based practices to increase homeownership access and keep participating households stable in their homes.

**Planned Non-Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

## 27. Local Payment Standards Policy

**Plan Year Approved, Implemented, Amended:** THA proposed and received approval for this activity in 2024. THA implemented most components of the activity in 2024. THA will fully implement the shared housing payment standard in 2025.

**Description:** This activity enables THA to operate a more localized payment standards policy that is responsive to the Tacoma housing market and brings THA's operational policies more in alignment based on other MTW flexibilities.

*Amended Calculation for Shared Housing Payment Standard & Rent Reasonableness Determination:*

THA will set the payment standard for shared housing at 80% of the payment standard for a unit of the same bedroom size. This formula, based on a percentage of the payment standard for a unit of the same bedroom size, is an alternative as opposed to following the HUD-prescribed shared housing calculation at §982.617(c). THA will regularly assess at which percentage this figure is based to ensure we are meeting the anticipated outcome of providing voucher holders interested in shared housing with affordable living options and doing so at rates commensurate to the general voucher population. For shared housing, utility allowances (UAs) will be calculated in a manner consistent to the HCV Program, but at a prorated rate of 80% from the amount identified in THA's tiered rent schedule for the appropriate bedroom size and income-level of the household.

Finally, as part of this flexibility, THA will update the rent reasonableness policy for shared housing. For shared housing situations, THA will conduct rent reasonableness determinations by this order of priority:

- A) Identifying comparables for available rooms found on 3rd party websites, including but not limited to the following:
- craigslist.org
  - facebook.com
  - Apartments.com
  - forrent.com
  - padmapper.com
  - Zillow.com; or
  - Another website with rental housing listing services for shared housing.

When option A is not available, due to not being able to identify enough units with a comparable proximity, unit type, or due to the legitimacy of listings (Note: THA staff have noted websites like Craigslist often have scams that have deterred identifying comparable rents), staff may opt for option B, which is:

B) Identifying comparable units that fall within 80% of the reasonable rent for a unit of the household's bedroom size. THA will utilize rent reasonableness methods as described in section 8-III.D of THA's Admin Plan to determine the reasonable rent for the household's bedroom size and will check that that the combined rent for all rooms rented by the household in the shared housing situation do not exceed 80% of reasonable rent for the bedroom size.

*Adjusting timelines to decrease in the payment standard amount during the HAP contract term:*

THA will adjust the timeline when household's updated Housing Assistance Payment (HAP) is adjusted as a result of a decreasing the payment standard during a HAP contract term. THA will have the decreased payment standard amount be effective for the household when THA provides given at least 12 months' notice to households. By waiving HUD's regulations at § 982.505(c)(3)(i) and providing at least 12 months' notification for households of this payment standard change after it has taken effect, this puts a reasonable timeline for the new HAP amounts to be implemented and considering the cost effectiveness of HAP funds.

*Expanding Range of Approved Payment Standards:*

THA will expand its range of approved payment standards so that they may fall between 80-120% of the HUD Fair Market Rents (FMRs) without seeking additional HUD approval, as would typically be the case under 24 CFR 982.503 (c) and (d).

**Planned Non-Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

**Planned Changes to Metrics/Data Collection:** THA does not anticipate any changes to the baselines or benchmarks during the plan year.

**Planned Significant Changes:** THA does not anticipate additional authorizations for this activity during the Plan year.

## B. NOT YET IMPLEMENTED ACTIVITIES

### 10. Special Program Vouchers:

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

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

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

## SECTION C. ACTIVITIES ON HOLD

N/A

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## SECTION D. CLOSED OUT ACTIVITIES

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

**4. Allow Transfers Between Public Housing and Voucher Waitlists** This activity was proposed and implemented in 2011. THA created transfers to make it easier for families to move to a unit that better meets their needs. Households on the public housing transfer list can be issued a voucher if there are no units that meet their needs. The activity has made it easier for reasonable accommodation clients to find units that meet their needs. THA’s portfolio is almost completely PBV, making this activity obsolete.

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

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

**14. Special Purpose Housing:** THA proposed this activity in 2012 and has not implemented it. The activity was meant to utilize public housing units to provide special purpose housing and improve quality of services or features for targeted populations. In partnership with agencies that provide social services, THA would make affordable housing available to households that would not be admitted to traditional public housing units. With this program, THA would sign a lease with partner agencies to use public housing units both for service-enriched transitional/short-term housing

and for office space for community activities and service delivery. The ability to designate public housing units for specific purposes and populations allows units to target populations with specific service and housing needs and specific purposes, such as homeless teens and young adults. Because of the RAD conversion, THA closed this activity in 2015.

**17. Housing Opportunity Program (HOP):** This activity was proposed and initially implemented in 2013, with additional program requirements added in a 2014 re-proposal. From 2013 – 2022, all new admissions to THA’s tenant-based voucher program received a fixed subsidy (HOP) as opposed to a subsidy based on income. The fixed subsidy was determined by the household size at admission and 50% of the current payment standard. Non-fixed-income (work-able) households were subject to five-year term limits, whereas elderly/disabled households may receive assistance indefinitely. Through the use of targeted funding, THA also provided a limited number of HOP subsidies to two programs: the College Housing Assistance Program (CHAP), in which THA partnered with the Tacoma Community College (TCC) to provide rental assistance to TCC’s population of homeless and near homeless students; and the Children’s Housing Opportunity Program (CHOP), in which THA partnered with the Department of Children, Youth and Families (DCYF) to provide rental assistance to families who needed housing to prevent or shorten their child’s foster care placement or to house a teenager aging out of foster care who otherwise would begin his or her adulthood in homelessness.

THA initially made the decision to feature fixed and time-limited subsidies for non-fixed-income (work-able) households with the intention of reaching more households. However, THA completed an assessment in 2021 of HOP participants and found that HOP participants had less positive outcomes than traditional HCV participants whose vouchers were income-based and not time-limited. Because of these results, the THA Board of Commissioners approved of the sunset of the Housing Opportunity Program effective May 2022. As of year-end 2023, all households who were originally issued HOP, CHAP, or CHOP subsidies successfully transferred to the HCV Program so THA closed this activity in the 2023 MTW Report.

**21. Children’s Savings Account:** This activity was proposed in the 2014 MTW plan and implemented in the fall of 2015 as a pilot within the Salishan community. To date, THA offers children’s savings accounts (CSAs) to the children living among all 12 of its managed properties. The program is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment. The program includes: A partnership with the Washington State 529 Guaranteed Education Tuition (GET) program, as well as post-secondary planning and navigation supports. THA is still operating the Children’s Savings Account Program, but under a larger asset building initiative, the Two Generational Program (2Gen). 2Gen provides targeted resources, programming, and staff support to participating children and adults for families that have a child attending middle school or high school. Wrap-around services include social-emotional supports, place-based educational programming, and direct support for families to build assets to improve their economic mobility.

Because THA is not utilizing any regulatory waivers to operationalize the Children’s Savings Account program, THA will close out the activity but continue reporting on CSA and its larger 2Gen initiative in *Section V: Planned Application of MTW Funding Flexibility*.

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# Section V: Sources and Uses of MTW Funds

## A. PLANNED APPLICATION OF MTW FUNDS

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated sources and amount of MTW funding for the Fiscal Year		
SOURCES		
FDS Line Item	FDS Line-Item Name	Dollar Amount
70500 (70300+70400)	Total Tenant Revenue	<i>To be determined, as THA's Finance Team is finalizing its 2025 budget. THA will provide the dollar amounts prior to THA's submission of the 2025 MTW Plan.</i>
70600	HUD PHA Operating Grants	
70610	Capital Grants	
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	
71100+72000	Interest Income	
71600	Gain or Loss on Sale of Capital Assets	
71200+71300+71310+71400+71500	Other Income	
70000	Total Revenue	

Estimated Sources of MTW Funding for the Fiscal Year		
PHAs shall provide the estimated uses and amount of MTW funding for the Fiscal Year		
USES		
FDS Line Item	FDS Line-Item Name	Dollar Amount
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	<i>To be determined, as THA's Finance Team is finalizing its 2025 budget. THA will provide the dollar amounts prior to THA's submission of the 2025 MTW Plan.</i>
91300+91310+92000	Management Fee Expense	
91810	Allocated Overhead	
92500 (92100+92200+92300+92400)	Total Tenant Services	
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	
93500+93700	Labor	
94000 (94100+94200+94300+94500)	Total Ordinary Maintenance	
95000 (95100+95200+95300+95500)	Total Protective Services	
96100 (96110+96120+96130+96140)	Total Insurance Premiums	
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	

97100+97200	Total Extraordinary Maintenance
97300+97350	Housing Assistance Payments + HAP Portability-In
97400	Depreciation Expense
97500+97600+97700+97800	All Other Expenses
90000	Total Expenses

**Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:**

*THA will update this section with the corresponding requirements prior to THA's final submission of the 2025 MTW Plan.*

## Planned Application of MTW Funding Flexibility

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Listed below are some of the specific ways in which THA plans to exercise its MTW flexibility:

- THA is continuing its work to assess the state of diversity, equity, inclusion, and belonging (DEIB) in its policies, practices, and programs. This work, a collaboration by THA leadership, staff, and THA's recently hired DEIB Strategic Advisor, aims to articulate a clear set of goals and draft an action plan with specific activities to advance DEIB at THA.
- 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 to make its processes less intrusive on people with fixed incomes such as the elderly and disabled, and to relieve families from some of the more burdensome requirements of annual certification. The new certification cycle started in 2013.
- THA is focusing on housing, employment-related services, and other case management activities that will move families towards self-sufficiency. Its Client Support and Empowerment Department also assists tenants that are facing challenges in successful tenancy.
- THA is entering into community partnerships to develop and continually improve programs and wraparound services, such as the 2Gen program, which utilizes cross-sector partnerships like the YMCA, KBTC and the Health Department to provide multi-generational mentorship programs, tutoring, social emotional learning. This also encompasses THA's Children's Matched Savings Account Program (formerly reported as Activity 21), which is aimed at developing a savings habit among students and their families and improving graduation rates, college and career preparation and enrollment.
- THA is making necessary technological enhancements that will benefit the organization and the residents. This includes investments in THA's administrative data system, including changes to its financial and case management systems. THA completed the vendor transition in 2024. Led by THA's Data Governance Committee and THA's IT department, THA is focusing on the development of a data warehouse which enables longitudinal analysis, the development of key performance metrics (KPI) dashboards, and reporting and visualization capabilities that provide meaningful insights into THA's quality of housing and services.
- 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 is using its MTW funds to help the agency achieve its goal to ‘make THA a great place to work’ and ensure staff are paid a housing wage. This includes shifting the maintenance staff home cost center to THA-MTW funds.
- THA is using its MTW funds to support and make improvements to the community facilities of its properties, including the Bay Terrace Community Facility.
- THA included an activity in its 2012 amended plan that allows the agency to activate the MTW single fund flexibility to support the development and preservation of affordable housing. THA utilizes its single source MTW funds to obtain land, in addition to existing properties, which is vital for future development of affordable housing in Tacoma.
- THA is partnering with local agencies in the community to create local non-traditional housing programs and services. The programs are funded by THA but run by partnering agencies.
- THA is focusing on eviction prevention efforts to help keep residents who are at-risk of eviction housed. This includes the hiring of an eviction prevention specialist and working with the Client, Support and Empowerment Department staff to engage with residents on late rent and entering into affordable repayment agreements and connecting households with eviction prevention resources available at the County.
- THA is reassessing its contracting procedures and investing in staff support to ensure equitable contracting and procurement standards are being followed. THA seeks to increase contracts with minority and women-owned business enterprises (MWBE). THA is also focusing on equitable hiring and ensuring there is adequate staff capacity to help accomplish our goal of increasing the number of customers and low-income Tacoma residents hired by THA and its partners (aligned with Section 3 efforts).
- THA plans to use MTW Single Fund Flexibility to supplement RAD rents, beginning in FY 2025. As explained under *Section VI. C: Planned and Ongoing Evaluations*, THA continues to advocate and identify additional means by which our programs can be financially sustainable. Because the HUD funding THA receives equates to approximately half the value of one unit HUD has calculated for the remainder of our MTW vouchers in the market, THA must subsidize the RAD HAP above HUD funding with its MTW funds.



# Planned Application of PHA Unspent Fund and HCV Funding

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*THA will update this section with the corresponding requirements prior to THA's final submission of the 2025 MTW Plan.*

## Local Asset Management Plan

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Is the PHA allocating costs within statute?

or

No

Is the PHA implementing a local asset management plan (LAMP)?

Yes

or

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes

or

# Rental Assistance Demonstration (RAD) Participation

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## Description of RAD Participation

RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION
<ul style="list-style-type: none"><li>• In April 2016, THA closed on the conversion of 456 units. Rehab on those units was completed on 12/31/2017.</li><li>• Between October 2019 and December 2019, THA closed on the conversion of 323 additional units. This was a transition in which no new Capital Financing was involved.</li><li>• THA's original significant RAD amendment was submitted to HUD 7/27/2015 and was approved on 9/14/2015.</li></ul>

**Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.**

No

**If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?**

N/A

# Section VI: Administrative

## A. BOARD RESOLUTION AND CERTIFICATION OF COMPLIANCE

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*THA will update this section with the corresponding requirements prior to THA's final submission of the 2025 MTW Plan.*

## B. DOCUMENTATION OF PUBLIC PROCESS

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*Please Note: THA is undergoing the public comment and public hearing process currently with this 2025 Draft MTW Plan.*

## C. PLANNED AND ONGOING EVALUATIONS

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THA's Department of Policy, Improvement, and Evaluation (PIE) continually monitors its programs, conducts analyses to inform agency-wide decisions, and evaluates strategies that improve its service delivery. In 2025, THA's PIE department, in conjunction with operational departments, will support the following work:

**Operational Improvements:** THA will continue working closely with IT to plan for THA's technology conversion, including extensive data cleaning and transformation. Efforts will be largely focused on building the data capacity and infrastructure needed to carry out rigorous evaluation and analyses in the future. THA will also continue to monitor and adjust practices for its waitlist management and policies, implementation of the FSS Program and new MTW activities being implemented such as THA's new Homeownership Program flexibilities and alternative payment standards for shared housing. THA will also develop an organizational performance measurement system, using a suite of tools from Microsoft's business intelligence software, to develop key performance metrics (KPI) dashboards of its short- and long-term goals.

**Payment Standards Analysis:** THA's PIE department completes an in-depth annual review and mid-year check-in of its payment standards to ensure they are meeting the needs of participants. THA piloted new methods to conduct its payment standards analysis beginning in 2022 in which THA was able to procure access to an extensive third-party dataset, thereby allowing THA to fine tune its payment standards and adjust to the local market in response to changing market conditions. THA will continue to conduct its annual and mid-year reviews in the 2025 plan year. Additionally, THA is interested in assessing the feasibility of implementing Small Area FMRs within Tacoma.

**Evaluating the Effectiveness of THA's Rent Calculation:** THA intends to conduct an evaluation of its rent calculation methods, assessing methods for how TTP, HAP, and Family Share are calculated and how utility allowances and deductions are considered for different types of households (e.g., fixed income vs. non-fixed income households; households who have \$0 income or not). The evaluation seeks to compare THA's current policies, HUD's new HOTMA section 102 and 104 policies, and scenario planning if THA were to adopt a hybrid approach of no longer utilizing some of its MTW flexibilities (e.g., deciding to reinstate the elderly/disabled and dependent deduction), while deciding to alter or keep certain flexibilities (e.g., changing the streamlined utility allowance schedule, or maintaining THA's 28.5% TTP policy, respectively). This evaluation comes as the new HOTMA Final Rule presents an opportunity for THA to understand what policies could benefit households and help keep them stably housed by following HUD's new regulations, while also maintaining THA's MTW goal for maintaining cost effectiveness in its programs.

**Exploring Solutions to Maintain THA’s Quality of Housing and Services:** THA continues to advocate and identify additional means by which our programs can be financially sustainable. THA is exploring options to supplement RAD rents, for which the HUD Operating Cost Adjustment Factors (OCAFs) have historically been underfunded in the Tacoma/Pierce County region. This underfunding is due to THA being an early adopter of RAD and the formula used at the time THA converted most of its PH stock to RAD was insufficient since it was set at a prorated amount. In THA’s case, for example, the agency's RAD units were funded at 51% of our MTW units (\$548 vs \$1,081 for HAP) in 2023. Additionally, this adds strain to our statutory requirement to serve substantially the same (StS) number of households as THA’s RAD units are still counted within the StS denominator on a 1:1 basis even though the HUD funding we receive equates to approximately half the value of one unit. THA continues to strive to identify potential solutions with HUD and industry partners, be it through using MTW funding to supplement the proration or utilizing MTW regulatory flexibilities, to rectify this long-standing issue.

## D. LOBBYING DISCLOSURES

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*THA will update this section with the corresponding requirements prior to THA's final submission of the 2025 MTW Plan.*

# Appendix A: Letter of Consistency

*THA will update this section with the corresponding requirements prior to THA's final submission of the 2025 MTW Plan.*

# Appendix B: LAMP

## A. Background and Introduction

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

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

## B. Guiding Principles

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



## C. Description of Asset-Based Operations

### *Overview of Organizational Structure*

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

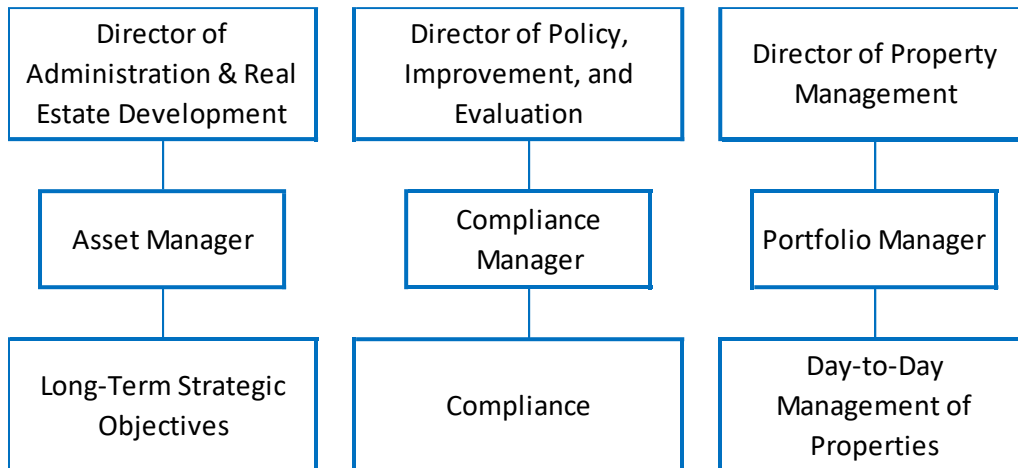


Figure 1: Organizational Structure

### *Description of 2024 Plan*

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

The other management group, Portfolio East, is responsible for managing our Salishan properties (seven), consisting of 631 units. As Salishan is in one geographical area, a centralized management team manages those properties. Our Arlington Youth Housing property (58 units) is also included in Portfolio East. Beginning in 2023, an additional Portfolio Manager position was added so that each portfolio has a Portfolio Manager.

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

While the Property Management Department oversees the day-to-day operations of the properties, THA's Asset Management & Real Estate Development (AMRED) and Policy, Improvement & Evaluation (PIE) departments oversee the long-term strategic objectives of the properties. Having the Asset Management and Compliance functions within these departments 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 these departments are the following responsibilities:

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

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

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

### ***Maintenance Operations***

In accordance with HUD Asset Management guidance, THA instituted a decentralized maintenance program in 2008. During 2011, THA realized efficiencies in the maintenance of its Salishan properties by assigning maintenance personnel to the entire Salishan portfolio rather than each of the individual projects. We continually review our practices and how they work and update our approach when needed. We have a Facilities Manager whose responsibility it is to oversee the overall maintenance of our properties. We currently have two Maintenance supervisors and five Maintenance Specialist-Leads with more technical abilities who assist other Maintenance Specialists and oversee repairs and work orders. In 2023, THA's portfolio was broken into four zones, each having a Maintenance Specialist-Lead and several Maintenance Specialists. In 2018, we also instituted a unit turn team concept, which consists of 5 staff, including a lead, whose specific responsibility is to turn vacant units within all of our properties. The goal is to reduce costs by having a dedicated team and using less contract maintenance. It is important to note that when working in a unit, the maintenance personnel are charged directly to the property they are working in.

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

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

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

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

## **D. Strategic Asset Planning**

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

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

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

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

## **E. Cost Approach**

THA's current cost approach is to charge all direct costs related to day-to-day operations to the specific property or program fund and to charge all indirect costs to a central fund (see "Program Support Center" below). The PSC would then earn fees that they charge to the programs they support. Client Support and Empowerment expenses that benefit THA's Affordable Housing properties will be charged out to a direct grant or the Moving to Work program. For purposes of this Cost Approach, properties refer to ones that THA owns or manages, and the term program refers to the Rental Assistance and Moving to Work programs administered by THA. By the end of 2019, all but five Public Housing units had transitioned to RAD units. The five units consists of a single-family home owned by THA (AMP6), and four units in our Hillside 1500 tax credit entity. It is important to note we currently manage the majority of our properties in our Tax Credit entities, and follow the guidelines set forth by this LAMP.

THA developed this approach for the following reasons:

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

### ***Activity Areas***

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

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

THA decided to separate MTW activities into Conventional Affordable Housing within the THA entity and Tax Credit Management. This allows the agency to see how much it costs to manage its Tax Credit Portfolio versus its other affordable housing programs. THA considers our Special Purpose Vouchers, Real Estate Development, and grants funded by Non-Federal funds as non-MTW activities with the revenues and expenses falling 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.

Table 3 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.

**Table 1: Direct Costs**

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

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

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

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

### **Administrative Support Fee**

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

- Executive Department
- Purchasing
- Asset Management
- Human Resources Department
- Client Support and Empowerment
- Accounting and Financial Services
- Real Estate Management and Improvement and Capital Fund Monitoring
- Information Technology
- Reasonable Accommodations
- Policy, Improvement and Evaluation
- Compliance
- Elderly services coordinator

There will be two separate rates, one for Rental Assistance programs and one for managed housing units. The fee charged to Rental Assistance will be charged to all Rental Assistance Baseline units (MTW Vouchers, FUP, NHT, VASH, etc.) Our MTW vouchers (other than RAD) and Mod Rehab properties will be charged based on our MTW baseline regardless of occupancy. RAD and our special programs (FHP, NHT, VASH) will all be charged based on occupancy. Table 2 below shows how these fees are derived. For Rental Assistance, THA had been using the HUD prescribed Management Fee, but has started deviating based on an improved understanding of the costs required from the different departments to support the program for Rental Assistance. The Property Management units we manage are almost exclusively Tax Credit properties and their fees are based upon an agreed upon % with our Tax Credit partners and investors in their respective Operating Agreements. We do make decisions as to how we will break those fees down once they are received at THA. THA will reserve the right to use any available excess operating subsidy remaining in any remaining Tax Credit AMP to cover deficits in the Tax Credit PSC. Fees that would be allocated out (leasing, Elderly Services coordinator, IT) are charged as part of the fee in order not to have any expenses allocated out that property managers do not have any control over.

When we transitioned our PH units to RAD, we also built in a \$250 per unit per year fee for Client Support by our THA staff. It is separate from the administrative support fee and is recorded as revenue by our Client Support and Empowerment department to defray the cost of supporting our managed property clients. This fee indicates the level of support THA has made to help ensure the successful tenancy of our clients.

**Table 2: Administrative Support Fee Components**

Administrative Support Fee Components		
Fee	Rental Assistance	Tax Credit
Management Fee		
Executive	\$2.00	\$2.00
Human Resources	\$1.75	\$2.25
PM Overhead (including rent)	\$2.75	Remaining
Bookkeeping Fee	\$6.00	\$21.50
Asset Management Fee	\$0.00	\$7.50
Compliance/PIE	\$2.00	\$5.00
IT Fee	\$8.00	\$12.00
Community Services	\$4.50	\$2.50
Leasing Support	\$0.00	\$1.50
<b>Total Fee:</b>	<b>\$27.00</b>	<b>\$54.25</b>

## **Cost Centers**

### Property Management

Property Management uses of funds includes the Direct Costs and Project Support Fees for all of the properties managed by THA. The primary source of funds for Property Management includes Tenant Revenue, Housing Assistance Payments, 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), SRO, Project-Based Vouchers, FUP, FYI, EHV, VASH, NHT, Mainstream 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. Table 3 below shows the unit equivalencies for THA. These equivalencies are also the basis of THA's allocation scheme for Program Support Fees.

### Client Support and Empowerment (CSE)

The Client Support and Empowerment department supports all THA's Affordable Housing clientele and assists families to move to Self Sufficiency. Additionally, THA has received several grants that provide funding for a variety of services to its clients. Most of these grants do not come with coverage of administrative overhead. None of the income or expenses for direct grants will be part of the MTW program, but overhead costs not reimbursed by the grants will.

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

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



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

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

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

### Real Estate Development

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

Based on historic and projected activities, the agency estimates that Development activities make up approximately 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. THA is continually on the lookout for how to increase the affordable housing portfolio, and if opportunities arise, THA intends to use its MTW flexibility for development and rehab of affordable housing units.

### **Other Considerations**

#### Personnel

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

#### Rent

THA's main office houses the agency's administrative support staff, the Rental Assistance Department and the Asset Management & Real Estate Development Department. We used to break out rent

separately as a line item in the budget and charge the different areas. This is now included in our Management Fee calculations.

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

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

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

**Program Support Allocation Detail** - The following chart is based on the information in place at the time of the plan. There may be some changes in property that will impact the actual information in 2024.

**Program Support Center Allocation Detail**

**Table 3: Total units & Program Support unit equivalencies**

Program Support Center Unit Equivalencies - 2024 Projected					
Cost Center	Funding Source	CAH (MTW) Unit Equiv.	Tax Credit (MTW) Unit Equiv.	Business Activities (Non-MTW) Unit Equiv.	Total Units
Rental Assistance	Mod Rehab SR0003			30	30
	Mod Rehab SR0002			41	41
	Section 8 Vouchers	3,543			3,543
	Life Manor TPV Vouchers- Roll into MTW 07/01/12	150			150
	Hillside Terrace Relocation Vouchers	103			103
	Wedgewood - 50 Units managed UMS*	48			48
	New Fair Choice HCV - 2022	20			20
	Tahoma House	6			6
	EHV			135	135
	FUP Vouchers			125	125
	FYI Vouchers			75	75
	Mainstream Vouchers			78	78
	NHT Vouchers			100	100
	VASH Vouchers			267	267
RAD Vouchers	RTH RAD Vouchers	456			Prop Mgt
	Bay Terrace 1 RAD Vouchers	26			Prop Mgt
	Hillside Terrace RAD Vouchers	33			Prop Mgt
	Salishan RAD units	290			Prop Mgt
	Salishan 7			91	91
PH Units-THA	AMP 6	1			1
Property Management: Tax Credit Partnerships	Hillside Terrace 1-2		46		46
	Hillside Terrace 1500 Blk		16		16
	Bay Terrace		70		70
	Bay Terrace 2		74		74
	Renew Tacoma Housing		456		456
	Arlington Youth Housing		58		58
	Court F (Rise at 19th)		64		64
	Salishan 1		90		90
	Salishan 2		90		90
	Salishan 3		90		90
	Salishan 4		90		90
	Salishan 5		90		90
	Salishan 6		90		90
3rd Party Managed - 75 % equivalency	Highland Crest			54.75	73
	James Center North			22.5	30
	Alberta J Canada		36		48
	North Highland			26.25	35
	Outrigger Apts.			36.75	49
	Prairie Oaks			11.25	15
<b>Totals</b>		<b>4,676</b>	<b>1,360</b>	<b>1,094</b>	<b>6,387</b>

Real Estate Development	THA MTW Support	64		64
	THA as Developer			575
	<i>Development Unit Equivalentents - 10% of Total Units</i>	64	0	575
	<b>Total Units/Unit Equivalentents - Agency</b>	<b>4,740</b>	<b>1,360</b>	<b>1,669</b>
<b>Program Support Center Equivalentencies (% of All Unit Equivalentencies)</b>		<b>61.01%</b>	<b>17.51%</b>	<b>21.48%</b>

# Appendix C: THA's Emergency Operations

As learned through the COVID-19 pandemic THA may need to implement temporary changes to its activities to ensure continuity of operations and respond to the needs of THA staff, participants, and the general public. Emergency Operations may be implemented as needed when an emergency has been declared under national, state, local or Executive order. During that time, THA may use any of the following strategies to respond to the needs of the agency and our clients. They will be implemented as needed and as temporary activities under times of duress. MTW authorizations are provided at the end of this appendix in the *MTW Authorization of Emergency Operations Matrix*.

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

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

## MTW Authorization of Emergency Operations Matrix

Emergency Operation Type	Relevant THA MTW Activities	MTW Authorization (THA Standard MTW Agreement)	Reference to MTW Operations Notice - Appendix I, as applicable	Additional Notes
<b>Defer end of participation dates</b>	<ul style="list-style-type: none"> <li>• 3. <i>Local Project-Based Voucher Program;</i></li> <li>• 17. <i>Housing Opportunity Program (HOP)</i></li> </ul>	Standard MTW Agreement: Attachment C Section D.2.a. and D.2.d.	7. Term-Limited Assistance. Term-Limited Assistance (HCV) HUD states “the agency [THA] is authorized to implement term limits for families residing in public housing or receiving voucher assistance.” (Main description, waiver 7)	THA is authorized to limit term assistance and abides by activity rules during normal operations. During emergency operations THA will amend the time limitation requirement to make it less restrictive for clients by deferring the end of participation.
<b>Extend regular recertification due date</b>	<ul style="list-style-type: none"> <li>• 5. <i>Local Policies for Fixed-Income Households;</i></li> <li>• 6. <i>Local Policies for Non-Fixed-Income (Work-Able) Households</i></li> </ul>	Standard MTW Agreement: Attachment C Sections C.4 and D.1.c.	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets. HUD states “the agency [THA] may establish an alternative reexamination schedule for households.”	During emergency operations THA will alter its recertification schedule, as allowed through the MTW authorization.
<b>Implement emergency verification policies</b>	<ul style="list-style-type: none"> <li>• 5. <i>Local Policies for Fixed-Income Households;</i></li> <li>• 6. <i>Local Policies for Non-Fixed-Income (Work-Able) Households;</i></li> <li>• 7. <i>Local Income and Asset Verification Policy;</i></li> </ul>	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b	3. Reexaminations: Alternative Reexamination Schedule for Households and Self-Certification of Assets HUD states “the agency [THA] is authorized to implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act	Per the Standard MTW Agreement, THA is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements. As required by HUD in the 1996 MTW Statute, THA will continue to determine the initial eligibility of the

	<ul style="list-style-type: none"> <li>• 8. <i>Local Interim Processing and Verification Policies (HCV/PH)</i></li> </ul>		and its implementing regulations... MTW agencies must continue to determine the initial eligibility of the family in accordance with provisions of 24 CFR 5.609.”	family in accordance with HUD’s <a href="#">PIH Notice 2018-18</a> and any subsequent guidance that supersedes.
<b>Remove 90-day and 20% rule requirements</b>	<ul style="list-style-type: none"> <li>• 8. <i>Local Interim Processing and Verification Policies (HCV/PH)</i></li> </ul>	Standard MTW Agreement: Attachment C Section C.4, C.11, D.1.c, D.2.a, D.3.a, and D.3.b.	This refers to providing flexibility for a THA-imposed activity, not provided in Appendix I.	THA is authorized to define its own reexamination standards, payment standards and rent levels for tenant-based assistance during normal operations. During emergency operations THA will make its policy less restrictive for clients.
<b>Defer HQS Inspections</b>	<ul style="list-style-type: none"> <li>• 25. <i>Modify HQS</i></li> </ul>	MTW Authorization: Attachment C, Section D.5	5. Housing Quality Standards (HQS).d. Alternative Inspection Schedules (HCV. HUD allows PHAs “to develop flexibilities around an HQS inspection’s timing and frequency, the independent-entity requirement, and penalties for failing an HQS inspection...”	HUD provides PHAs the ability to set its own schedule for timing and frequency, which includes the flexibilities THA is seeking to establish. Furthermore, these provisions are included in the MTW Standard MTW Agreement.