Seattle HOUSING AUTHORITY

Moving to Work

2013 Annual Report

Increasing self-sufficiency, housing choice, and efficiency through innovation

March 31, 2014

Seattle Housing Authority

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I. Introduction

This section provides an overview of the purpose and layout of this report and describes Seattle Housing Authority's short-term and long-term goals.

What is "Moving to Work"?

Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (HUD) demonstration program for housing authorities to design and test innovative, locally designed housing and self-sufficiency initiatives. The MTW program allows participating agencies to waive certain statutes and HUD regulations in order to increase housing choice for low-income families, encourage households to increase their self sufficiency, and improve operational cost effectiveness. Seattle Housing Authority's participation in the MTW program allows the agency to test new methods to improve housing services and to better meet local needs.

Fiscal year 2013 marked Seattle Housing Authority's fifteenth year as a MTW agency. Each year, Seattle Housing Authority adopts a plan that highlights MTW initiatives and other activities planned for the following fiscal year. At the end of the year, the agency creates the annual report to describe the year's accomplishments.

What is in this report?

The annual report describes Seattle Housing Authority's MTW activities and performance in 2013, in comparison to projections in the 2013 Annual Plan. The report follows the required outline established in Attachment B of the agency's MTW agreement with HUD:

Section I: Introduction provides an overview of Seattle Housing Authority's goals and objectives for 2013.

Section II: General Housing Authority Operating Information reports on housing stock, leasing, and waiting lists.

Section III: Proposed MTW Activities is included and left blank at HUD's direction. All of the activities proposed in the 2013 MTW Plan are reported on in Section IV as approved activities.

Section IV: Approved MTW Activities provides information detailing previously HUD-approved uses of MTW authority, including evaluation data and standard metrics regarding the effectiveness of different MTW activities.

Section V: Sources and Uses compares projected and actual revenue and expenses for Seattle Housing Authority in 2013.

Section VI: Administrative Information provides administrative information required by HUD.

Not all of Seattle Housing Authority's activities and programs are part of the MTW program. In previous annual MTW reports, we included information about both MTW and non-MTW activities. However, due to increasingly strict specifications from HUD about the contents and format of this report, this document now focuses on MTW activities alone. For more information about all of Seattle Housing Authority's programs, please see our website (www.seattlehousing.org) for agency-wide annual reports and our strategic plan.

MTW Goals and objectives

2013 was an important year for Seattle Housing Authority in many ways. The 2013 Annual Plan set MTW priorities for the year connected to the agency's ongoing focus on encouraging self sufficiency and promoting operational efficiency. Following is what happened in regard to those priorities during the year.

Promoting self sufficiency

In late 2013 Seattle Housing Authority launched a new short-term rental assistance pilot project in collaboration with community partners. The new program incorporates both one-time subsidies to prevent and reduce homelessness as well as short-term rental assistance paired with targeted services for families and young adults who are homeless or in danger of losing their housing.

Increasing efficiency

Seattle Housing Authority proposed three new MTW activities targeting cost effectiveness in 2013 and following is what happened during the year:

- An initiative to improve the efficiency of the waiting list for the Seattle Senior Housing Program (SSHP) was launched successfully.
- Seattle Housing Authority determined that conditions in 2013 did not require limitations to port outs, but will continue to monitor and reconsider whether this activity should be implemented based on the federal funding context and current number of port outs.
- After thorough discussion with community members and analysis, Seattle Housing Authority chose to partially implement the simplified utility assistance payments policy in the HOPE VI program. While the agency did not adopt a simplified calculation of the Utility Assistance Payment, the agency did implement a water and sewer utility allowance in the form of a maximum level of consumption rather than a rent reduction, as well as an incentive for conservative resource consumption. Changes in the allowance are applied at households' next regularly scheduled annual review or update.

Long-Term MTW Goals

Seattle Housing Authority continues to contemplate rent reform and in 2013 began a series of analyses and discussions with our Board, participants, community, and staff that will continue into 2014.

II. General Housing Authority Operating Information

This section provides an overview of Seattle Housing Authority's housing portfolio, leasing, and waiting list information.

Mission statement

The mission of the Seattle Housing Authority is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and self sufficiency for people with low incomes.

Agency overview

Seattle Housing Authority is a public corporation, providing affordable housing to more than 29,000 people in neighborhoods throughout the city of Seattle. Seattle Housing Authority operates a variety of programs that include agency operated housing, partner operated communities, and private rental housing.

Participants include more than 5,000 elderly individuals, 9,000 children, and 8,000 people with disabilities. At the end of 2013 85 percent of households had annual incomes below 30 percent of Area Median Income (AMI). Households' average income in 2013 was $13,573.

In keeping with our mission, Seattle Housing Authority supports a wide range of community services for residents, including employment services, case management, and youth activities.

Funding for the agency's activities comes from multiple sources including the HUD MTW Block Grant, special purpose HUD funds, other government grants, tenant rents, and revenues from other activities.

Housing stock information: units funded with the MTW Block Grant

The majority of Seattle Housing Authority's funding from HUD comes in the form of a block grant that combines the public housing operating fund, public housing capital fund, and MTW voucher funding into one funding source for Seattle Housing Authority to use to pursue its mission.

The following section focuses on Seattle Housing Authority's MTW-funded inventory. For information on all of Seattle Housing Authority's housing stock, regardless of funding type, see Appendix A.

Public housing units

The Low Income Public Housing program (also referred to as public housing or LIPH) included 6,295 units as of year end 2013. Public housing units are in high-rises (large apartment buildings), scattered sites (small apartment buildings and single family homes), and in communities at NewHolly, Lake City Court, Rainier Vista, High Point, and Yesler Terrace. HUD's MTW Block Grant provides funding to help

pay for operating costs exceeding rental income. Households typically pay 30 percent of their monthly income for rent and utilities. About 130 of these public housing units are utilized by service providers who provide transitional housing or services to residents. About 900 public housing units are part of the Seattle Senior Housing Program (further described in the following Local Housing section). Forty units receiving public housing subsidy through the agency are units owned by nonprofits and operated as traditional public housing.

Housing Choice Vouchers

The Housing Choice Voucher program is also commonly known as HCV or Section 8. The program is a public/private partnership that provides vouchers (housing subsidies) to low-income families for use in the private rental housing market. **At year end 2013, Seattle Housing Authority administered 9,134 vouchers funded through HUD's MTW Block Grant.**

Participants typically pay 30 to 40 percent of their household's monthly income for rent and utilities, depending on the unit that they choose. Voucher subsidies are provided through a variety of means including:

- Tenant-based (tenants can take their vouchers into the private rental market)
- Project-based (the subsidy stays with the unit, property, or defined set of properties)
- Program-based (MTW flexibility allows Seattle Housing Authority to provide unit-based subsidies that float within a group of units or properties)
- Provider-based (Seattle Housing Authority uses MTW flexibility to distribute subsidies through service providers so that they can master lease units and sublet to participants in need of highly-supportive housing)
- Agency-based (tenant-based vouchers distributed through selected partners)

Project-based Vouchers

Seattle Housing Authority awarded 132 project-based Housing Choice Vouchers in 2013, as well as 8 project-based Veterans Affairs Supportive Housing vouchers. These new project-based vouchers supported a variety of unique permanent supportive housing programs serving individuals and families in Seattle. For more information about the programs supported with new project-based vouchers, please see Appendix B.

New Housing Choice Vouchers that were Project-Based During the Fiscal Year

Property Name	Anticipated Number of New Vouchers to be Project-Based *	Actual Number of New Vouchers that were Project-Based	Description of Project
Aurora House	30	30	Combined Funders NOFA
Pat Williams Apartments	20	20	Combined Funders NOFA
Delridge Supportive Housing	60	0	Combined Funders NOFA
Patrick Place	25	40	Combined Funders NOFA
Earnestine Anderson Place	33	33	Combined Funders NOFA
Imani Village	8	8	City of Seattle RFP
Sand Point Family Housing	21	21	City of Seattle RFP
Emerald City Commons	12	12	City of Seattle RFP
Parker Apartments	8	8	City of Seattle RFP

Anticipated Total Number of New Vouchers to be Project-Based *	Actual Total Number of New Vouchers that were Project-Based
153	132

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year *	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year *
3,101	N/A

Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year
3,089	2,842

* From the Plan

The anticipated total number of project-based vouchers leased up or issued to a potential tenant at year end is not reported in the prior table because Seattle Housing Authority's 2013 Annual Plan was submitted in HUD's previously required format, which did not include this element.

Other Changes to the Housing Stock that Occurred During the Fiscal Year
40 units were demolished as part of Yesler Terrace redevelopment in 2013 and units throughout Seattle Housing Authority's portfolios were held for specific periods of time to accommodate relocating residents.
A few units at Leschi House were held off-line in order to prepare for the renovation of existing units and the development of an additional 34 units.

Other (non-MTW) housing

Seattle Housing Authority also administers units and vouchers that are funded through sources other than the MTW Block Grant.

Special Purpose Vouchers

Seattle Housing Authority administers vouchers for special purposes such as housing veterans and reunited families. These vouchers are often awarded competitively and funding is provided outside of the MTW Block Grant.

Section 8 New Construction

The agency has 130 locally-owned units that receive Section 8 New Construction funding. They serve people with extremely low incomes.

Moderate Rehab

Seattle Housing Authority administers HUD Section 8 Moderate Rehab funding for 759 units operated by partner nonprofits serving extremely low-income individuals.

Local housing

Local housing programs are operated outside of HUD's MTW Block Grant. They receive no operating subsidy except project-based vouchers in selected properties. Seattle Housing Authority may use MTW Block Grant funds for capital improvements in local housing properties serving low-income residents (as discussed further in Section IV, MTW Activity 20.A.01), however in such cases, the residents would be counted as local, non-traditional households. Other than this exception, Seattle Housing Authority's local housing portfolio is not equivalent to HUD's local non-traditional category.

Senior Housing

The Seattle Senior Housing Program (SSHP) was established by a 1981 Seattle bond issue. It includes 23 apartment buildings throughout the city, totaling nearly 1,000 units affordable to low-income elderly and disabled residents. In 2011 the agency added public housing subsidy to 894 of these units in order to keep rents affordable while addressing needed capital repairs. The agency used MTW authority to maintain the SSHP program's unique rules and procedures despite the introduction of public housing subsidy.

Remaining in the Seattle Senior Housing Program at year end were 100 units in the local housing portfolio without public housing subsidy. An additional 65 senior housing units are located in two buildings that are operated by partner nonprofits that offer unique services to their residents.

Tax Credit and Other Affordable Housing

Seattle Housing Authority operates approximately 1,500 units of unsubsidized housing in townhomes and small apartment complexes throughout Seattle, including low- and moderate-income rental housing in the agency's redeveloped family communities (NewHolly, Rainier Vista, and High Point). These units do not receive ongoing operating subsidy, with the exception of project-based housing choice vouchers in selected units.

Overview of Other Housing Owned and/or Managed by the PHA at Fiscal Year End

Housing Program *	Total Units	Overview of the Program
Tax Credit	735	Straight tax credit units between 50% and 60% AMI without unit-based MTW subsidy, owned by limited partnerships
Locally Funded	128	Units between 50% and 80% AMI. May have housing choice vouchers or no subsidies. Some units are leased to agencies that provide transitional housing.
Market Rate	300	Units with no income restrictions
Non-MTW HUD Funded	130	Locally owned units that receive Section 8 New Construction funding
Total Other Housing Owned and/or Managed	1407	

*** Select Housing Program from:** Tax-Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities, or Other.

If Other, please describe: N/A

Major capital activities

MTW Block Grant funds

Seattle Housing Authority made progress on a number of smaller-scale capital projects in public housing units, including elevator repairs within SSHP buildings and assorted projects addressing window replacements, floors, rot, appliances, fences, and roof replacements. Similar types of projects were completed for scattered sites units, with a focus on roof replacements, exterior siding replacements, and painting.

Seattle Housing Authority also leveraged more than $220,000 in City funding for energy efficiency projects in 2013, including the installation of heat pumps at Wildwood Glen.

General Description of Actual Capital Fund Expenditures During the Plan Year
The SHA annual capital program has several components. During 2013, as in most years, a significant portion of capital funds was dedicated to fixed capital bond repayments, capital staff salaries and benefits, and agency operating expense charges. The next largest expenditure related to the ongoing planning and implementation of the major redevelopment at Yesler Terrace. In 2013, we also completed state-mandated carbon monoxide detector installments at many of our developments. Each year we also undertake the planning and/or execution of several rehabilitation projects involving envelope work and major elevator repairs or replacements, and numerous exterior repairs such as painting, deck repairs, window repairs, siding repairs, fence repairs, mailbox replacements, and parking lot repairs. In 2013, we continued interior and exterior under the Uniform Federal Accessibility Standards (UFAS) modifications under our Voluntary Compliance Agreement. Finally, each year we set aside funds for minor repairs and replacements such as appliances, heaters, hot water tanks, and floors. We also do individual small interior repair/replacement projects such as carpet replacement, entryway repairs drain repairs, and security camera upgrades. Planning: For 2013, SHA continued major redevelopment planning activities at WA001000001 (Yesler Terrace), heating system replacement at WA001000009 (Jefferson Terrace), and roof replacement at WA001000023 (Westwood Heights). We did major work on an elevator replacement project at WA001000092 (Fremont Place). Carbon Monoxide Monitors: These monitors were installed at the following developments: WA001000001 (Yesler Terrace), WA001000009 (Jefferson Terrace), WA001000013 (Olive Ridge), WA001000015 (Bell Tower), WA001000023 (Westwood Heights), WA001000037 (Jackson Park Village), WA001000038 (Cedarvale Village), WA001000031 (Tri-Court), WA001000041 (Holly Court), WA001000046 (Ross Manor), WA001000095 (Bitter Lake Manor, Blakeley Manor, Nelson Manor, and Willis House), WA001000093 (Columbia Place and Wildwood Glen) WA001000094 (Gideon Mathews Gardens and Michaelson Manor). Exterior Work-Major Repairs and Replacements: The exterior work described above occurred in the following developments: WA001000009 (Jefferson Terrace), WA001000023 (Westwood Heights), WA001000031 (Tri-Court), WA001000037 (Jackson Park Village), WA001000041 (Holly Court), and WA001000050 through WA001000054 (various Scattered Sites properties), WA001000093 (Wildwood Glen), WA001000094 (Michaelson Manor and Gideon-Mathews Gardens), and WA001000095 (Bitter Lake-Blakeley-Nelson-Olmsted Manors and Willis House). UFAS: UFAS modifications were completed at WA001000051 (Scattered Sites Greenwood Ave 6-plex), WA001000053 (Scattered Sites at 9533 Palatine and 10557 Stone Avenue), and WA001000054 (Scattered Sites at 12516 22nd Avenue NE and 161 Etruria Street). Minor Repairs/Replacements and Small Interior Repairs: The minor repair activities occurred at the following developments during 2013: WA001000001 (Yesler Terrace), WA001000009 (Jefferson Terrace), WA001000013 (Olive Ridge), WA001000015 (Bell Tower), WA001000023 (Westwood Heights), WA001000031 (Tri-Court), WA001000037 (Jackson Park Village), WA001000038 (Cedarvale Village), WA001000041 (Holly Court), various Scattered Sites properties in WA001000050 through WA1000057, and various SSHP properties in WA001000092, WA001000093, and WA001000095.

Leasing information

Leasing rates were strong in 2013. **Seattle Housing Authority served 6,082 households in public housing as of year end, as well as 8,287 households with HCV vouchers.**

The following section focuses on "local non-traditional" households, a small subset of Seattle Housing Authority households that are served at least partially with MTW Block Grant funding but in a format different from the traditional public housing and Housing Choice Voucher programs. These households include, for example, people housed in programs operated by our community partners and the medical respite program. To learn more about leasing for all of Seattle Housing Authority's programs, please see Appendix A.

Actual Number of Households Served at the End of the Fiscal Year

Housing Program:	Number of Households Served*	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs **	N/A	95
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs **	N/A	0
Port-In Vouchers (not absorbed) ***	N/A	482
Total Projected and Actual Households Served	0	577

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

** In instances when a Local, Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

*** Excludes port-in VASH vouchers.

Housing Program:	Unit Months Occupied/Leased****	
	Planned	Actual
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs ***	N/A	1140
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs ***	N/A	0
Port-In Vouchers (not absorbed)	N/A	5,780
Total Projected and Annual Unit Months Occupied/Leased	0	6920

HUD's new requirements for MTW plans and reports had not yet been released when Seattle Housing Authority developed the annual 2013 MTW Plan and as a result the plan was created in the previous format, which did not include the current categories for projected local non-traditional housing categories.

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

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

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	N/A	0

Leasing issues

Across Seattle Housing Authority's portfolios, 2013 was a successful year. The competitive local rental market and the redevelopment of Yesler Terrace were the primary issues related to leasing, as described in the following table.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End	
Housing Program	**Description of Leasing Issues and Solutions**
Housing Choice Vouchers	It appears fewer households with HCV vouchers are able to lease within the currently highly competitive housing market than in prior years. Vacancy rates are very low in Seattle and King County, with most vacancy rates across locations and bedroom sizes at or under 5%. Market rate rent costs are high in Seattle and HCV participants are competing with families who can afford to pay market rate prices. Owners and landlords are not very flexible when it comes to renting to our participants and may be more likely to rent to families who can pay market rate prices. In response to the tight rental market we have increased the level of support we offer to participants as they navigate the Seattle rental market. We offer housing search assistance to all families who are issued and shopping with vouchers. HCV Housing Counselors are available to assist participants with their housing search by appointment and during weekly office hours with no appointment necessary.
Public Housing	Public housing occupancy rates were strong in 2013. While relocation efforts in support of the redevelopment of Yesler Terrace complicated leasing in some instances, public housing ocupancy rates remained high.

Compliance with MTW statutory requirements

MTW housing authorities are required to comply with a few key requirements: that they assist substantially the same number of households as would have been served without MTW participation, continue to serve mainly very low-income households, and maintain a comparable mix of households served by family size. Seattle Housing Authority continues to meet these requirements.

The following table shows the distribution of households served in local non-traditional programs by income category. These households represent only a small portion of the total households served by Seattle Housing Authority; however, they are called out here because HUD depends on data submitted to their standard information systems to verify compliance for public housing and HCV recipients. Seattle Housing Authority estimates that the overall percentage of MTW households served that were very low-income at year end was 96 percent.

Please note that local non-traditional is a relatively new category defined by HUD in 2011. Over the past two years Seattle Housing Authority has made every effort to determine which units within its existing stock fall within and outside of this category. Upon further review we believe that Seattle Housing Authority has previously included some units that do not belong in the local non-traditional category. As a result we are correcting our local, non-traditional household count by removing these units and tenants from the local, non-traditional counts from 2011 forward. These changes include:

- Units at Telemark Apartments, which were mistakenly construed to be local non-traditional housing due to housing assistance payments made to support tenant-based voucher holders.
- Units at Wedgewood Estates that benefited from bridge financing. However, MTW funds were never intended to be a permanent source of financing, and all MTW funds have been repaid with no MTW funds remaining in the project.
- HOPE VI straight tax credit units, which should not have been included as local non-traditional housing because investments in these properties were proportionate with Section 8 and Section 9 (HCV and public housing) units in the properties.

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income

HUD will verify compliance with the statutory objective of "assuring that at least 75 percent of the families assisted by the Agency are very low-income families" is being achieved by examining public housing and Housing Choice Voucher family characteristics as submitted into the PIC or its successor system utilizing current resident data at the end of the agency's fiscal year. The PHA will provide information on local, non-traditional families provided with housing assistance at the end of the PHA fiscal year, not reported in PIC or its successor system, in the following format:

Fiscal Year:	2011	2012	2013	2014	2015	2016	2017	2018
Total Number of Local, Non-Traditional MTW Households Assisted	**74**	**99**	**83**	**X**	**X**	**X**	**X**	**X**
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	**74**	**99**	**83**	**X**	**X**	**X**	**X**	**X**
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	**100%**	**100%**	**100%**	**X**	**X**	**X**	**X**	**X**

Note: SHA's local, non-traditional programs are short-term in nature. Participants in one of these programs, medical respite, typically stay about two weeks. Income information is not available for about 10% of these households. The program serves homeless individuals who otherwise could not be discharged from the hospital due to their lack of a safe place to heal/recover. Due to the nature of the program, we are categorizing these households as Very Low-Income.

The table on the following page looks at the current and historical number of households served by family size, to verify that Seattle Housing Authority is serving a comparable mix of households.

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

In order to demonstrate that the statutory objective of "maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration" is being achieved, the PHA will provide information in the following formats:

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA Entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW	Non-MTW Adjustments to the Distribution of Household Sizes *	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	3,317	1,535	785	5,637	51%
2 Person	967	1,041	79	2,087	19%
3 Person	590	824	0	1,414	13%
4 Person	423	529	0	952	9%
5 Person	223	259	0	482	4%
6+ Person	203	207	0	410	4%
Totals	5723	4395	864	10982	100%

Explanation for Baseline Adjustments to the Distribution of Household Sizes Utilized	**2011:** SHA added 894 units from its Seattle Senior Housing Portflio. Using average occupancy information for the most recent three years, the baseline was adjusted to show an increase of 785 1 Person Households and 79 2 Person Households. **Other Historical Adjustments:** Since beginning its MTW participation in 1999, SHA has done significant asset repositioning and made numerous non-MTW policy changes (such as occupancy standards); in addition the demographics and availability of other housing resources in Seattle community has changed. As HUD has not provided training on the new reporting requirements and because there is not necessarily a direct relationship in unit and policy changes and household size, SHA reserves the right to make further historical adjustments in future reports. **Data issues:** A little over 100 households are not included in the 1998 numbers due to missing historical data for a portion of Holly Park which was undergoing redevelopment at that time.

Mix of Family Sizes Served

	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Totals
Baseline Percentages of Household Sizes to be Maintained **	51%	19%	13%	9%	4%	4%	100%
Number of Households Served by Family Size this Fiscal Year ***	8,355	2,246	1,404	999	636	766	14406
Percentages of Households Served by Household Size this Fiscal Year ****	58%	16%	10%	7%	4%	5%	100%
Percentage Change	13%	-18%	-24%	-20%	1%	42%	

Justification and Explanation for Family Size Variations of Over 5% from the Baseline Percentages	As stated above, Seattle Housing Authority has undertaken significant asset repositioning since 1998. While there is not a one for one relationship between unit size and household size, the changes in household sizes served largely reflects the changes in public housing unit sizes. Excluding the SSHP units in the adjusted baseline above, the bedroom size distribution of our public housing stock has changed as follows: 0/1 bedroom +9%, 2 bedrooms -22%, 3 bedrooms 0%, 4 bedrooms +16%, and 5 bedrooms +64%. Our tenant-based housing choice voucher program does not consider household size when pulling families off of the waiting list and is, therefore, subject to changes outside of SHA's control such as community demographics.

Households transitioned to self sufficiency

Seattle Housing Authority strives to support participants in multiple ways as they transition to self sufficiency. For different households, self sufficiency may have different meanings. For the purpose of reporting within this report, Seattle Housing Authority has adopted two metrics: households whose primary source of income is wages and households who transition to unsubsidized housing.

Number of Households Transitioned To Self-Sufficiency by Fiscal Year End		
MTW Activity #5: Local Leases	659	Households whose primary source of income was wages
MTW Activity #8: Special Purpose Housing Use	99	Households who transitioned to unsubsidized housing
MTW Activity #10: Local Rent Policy	1,115	Households whose primary source of income was wages
MTW Activity #13: Homeownership and Graduation from Subsidy	18	Households who transitioned to unsubsidized housing
MTW Activity #18: Short-Term Assistance	0	Households who transitioned to unsubsidized housing
Households Duplicated Across Activities/Definitions	414	
ANNUAL TOTAL NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY	818	

Waiting list information

Waiting list strategies

Seattle Housing Authority's waiting list strategies vary to match the needs of different properties and housing programs. Applicants may be, and often are, on multiple waiting lists at the same time. For more information about the characteristics of households on the waiting lists, please see Appendix C.

Tenant-based housing choice vouchers

A single tenant-based voucher waiting list is maintained by Seattle Housing Authority. A list of applicants was established through a lottery in early 2013 and remained closed subsequently. During the year, Seattle Housing Authority issued vouchers off the waiting list.

Other housing choice vouchers

Each partner maintains a unique waiting list for voucher subsidy in the project-based, program-based, provider-based, and agency-based voucher programs.

Seattle Housing Authority-operated housing

Site-specific waiting lists are offered for all of Seattle Housing Authority's affordable housing properties. The waiting lists for senior housing and public housing are purged on an ongoing basis through the use of Save My Spot, a system that allows applicants to check in monthly by phone or computer to indicate their continued interest in housing opportunities with Seattle Housing Authority.

Please see the table on the following page for more information about waiting lists for Seattle Housing Authority's units and vouchers.

Wait List Information at Fiscal Year End				
Housing Program(s) *	**Wait List Type ****	**Number of Households on Wait List**	**Wait List Open, Partially Open or Closed *****	**Was the Wait List Opened During the Fiscal Year**
Federal MTW Public Housing Units (SHA Administered)	**Site-Based**	**7,722**	**Partially Open**	**Yes**
Federal MTW Public Housing Units (Service Agency Administered)	**Site-Based**	**236**	**Open**	**Yes**
Federal MTW Housing Choice Voucher Program (Tenant Based)	**Community-Wide**	**2,340**	**Closed**	**Yes**
Federal MTW Housing Choice Voucher Program (Project Based)	**Site-Based**	**9,363****	**Partially Open**	**Yes**

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

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

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

**** Not an unduplicated count.

For the Project-Based Federal MTW Housing Choice Program, the wait list was open for units at Oxford Apartments, A Place of Our Own, Casa Pacifica, Pantages Apartments, Broadway Crossing, Leighton Apartments, Traugott Terrace, Monica's Village, Dorothy Day, Bergan Place, Compass Cascade, Dekko Place, Council House, Community Psychiatric Clinic's 3 cluster, Alderbrook, 10th Ave NW, Holden Manor, Aridell Mitchell, Hilltop House, Colonial Gardens, Martin Court, Views at Madison, Emerald City Commons, Crestwood Place, Starliter, Muslim Housing Services, Park Place, Colwell, Haddon Hall, Nihonmachi Terrace, Sea-Mar Family Housing, Westwood Heights East, Kenyon House, and Avalon Place.

All public housing waiting lists administered by SHA were open except for Lake City Court.

If Local, Non-Traditional Program, please describe:

Households waiting for local non-traditional (service agency administered public housing) units were on the waiting list for a transitional housing program provided in scattered site public housing units through one of our partnering service agencies, Muslim Housing Services. The other providers operating housing within this category do not maintain a waiting list due to the design of their programs.

If Other Wait List Type, please describe:

N/A

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

N/A

III. Proposed MTW Activities: HUD approval requested

All proposed activities that are granted approval by HUD are reported on in Section IV as "Approved Activities."

IV. Ongoing MTW Activities: HUD approval previously granted

This section provides HUD-required information detailing previously HUD-approved uses of MTW authority, including evaluation criteria and specific waivers used.

Background

Every effort has been made to include all previously approved MTW activities. Any omissions are unintentional and should be considered continuously approved. If additional previously approved activities are discovered, the agency will add them to subsequent plans or reports.

It should be noted that throughout the first ten years of the MTW program, HUD requirements regarding how and when to seek approval for MTW activities fluctuated. Some MTW flexibilities were requested outside of the annual Plan (e.g. streamlined acquisition process) or were considered implicit (e.g. using MTW Block Grant funds to allow residents in local housing programs to participate in agency-sponsored social services). In other cases, Seattle Housing Authority needed only to state in very broad terms its intention to implement an MTW activity.

In many cases, MTW activities appeared in multiple plans. The dates included in this section are the first year the activity was mentioned in an approved plan and the first year it was implemented.

Each MTW activity represents an authorization previously approved by HUD. The implementation of these activities may vary over time as Seattle Housing Authority strives to continuously improve its practices and respond to a changing environment. For the sake of the demonstration, we attempt to specify the strategies that are utilized. However, these strategies are part of a whole and cannot always be viewed as distinct parts.

Implemented MTW Activities

Please note that activities are generally numbered in chronological order. Some activities have been closed out and are not listed below.

MTW Activity #1 – Development Simplification

Status

Active - First included in the 1999 MTW Agreement and 1999 MTW Annual Plan. First implemented in 2004.

Description

Development simplification helps Seattle Housing Authority to move quickly to acquire, finance, develop, and remove public housing properties from its stock in an efficient, market-driven manner. MTW flexibilities allow the agency to respond to local market conditions and avoid time delays and associated costs incurred as a consequence of HUD requirements and approval processes. While of greatest impact when the housing market is highly competitive, these strategies present opportunities at all times for Seattle Housing Authority to avoid costs and increase housing options as circumstances arise.

Authorization

MTW Agreement - Attachment C (C)(12), (C)(13), (C)(16); Attachment D (C)(2). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Public Housing Development Simplification Strategies

Not Needed in 2013

- Streamlined public housing acquisitions: Acquire properties for public housing without prior HUD approval, provided that HUD site selection criteria are met. (MTW Strategy #1.P.02. Implemented in 2004.)
- Design guidelines: Seattle Housing Authority may establish reasonable, modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities. (MTW Strategy #1.P.01. The agency has not yet needed to exercise this flexibility.)
- Total development cost limits: Replaces HUD's Total Development Cost limits with reasonable limits that reflect the local market place for quality construction. (MTW Strategy #1.P.03. The agency has not yet needed to exercise this flexibility.)

Inactive

- Streamlined mixed-finance closings: Utilize a streamlined process for mixed-finance closings. (MTW Strategy #1.P.04. Implemented in 2005, but replaced by HUD's streamlined process published in 2013 in the final capital fund rule.)
- Streamlined public housing demo/dispo process: Utilize a streamlined demolition/disposition protocol negotiated with the Special Applications Center for various public housing dispositions (including those for vacant land at HOPE VI sites and scattered sites property sales). (MTW Strategy #1.P.05. Implemented in 2004, however, most of the streamlined features are now available to all housing authorities.)

Impact

Development simplification strategies are intended to promote housing choice by allowing Seattle Housing Authority to acquire, finance, develop, and remove property in a manner that maximizes our ability to take advantage of market conditions and provide affordable housing throughout the city of Seattle.

This activity is on schedule.

Impact	Metric	Baseline (2003)	Benchmark	2013 Results	Benchmark Achieved?
Housing Choice	HC1: Number of new housing units made available for households at or below 80% AMI as a result of SHA's MTW development strategies	0	400 cumulative	0	No
	HC2: Number of housing units preserved for households at or below 80% AMI as a result of SHA's MTW acquisitions strategies	0	200 cumulative	1,031 cumulative	Yes

Seattle Housing Authority did not achieve the benchmark for MTW development strategies in 2013 because the agency did not complete new units during the year. Failure to achieve the benchmark in this case solely reflects Seattle Housing Authority's schedule for new projects, which are largely dependent on the availability of financing, the real estate market, and community priorities. Performance against these benchmarks reflects neither positively nor negatively on MTW development strategies.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013.

Seattle Housing Authority previously reported on:

- Public housing units acquired through expedited process
- Public housing units developed/financed through streamlined mixed-finance closings

Seattle Housing Authority will now report on standard metric HC1: Number of new housing units made available for households at or below 80 percent AMI as a result of SHA's MTW development strategies and HC2: Number of housing units preserved for households at or below 80% AMI as a result of SHA's MTW acquisitions strategies.

Data collection methods

Seattle Housing Authority closely tracks all details regarding housing development.

No changes were made to data collection methods in 2013.

MTW Activity #3 - Inspection Protocol

Status

Active - First included in the 1999 MTW Annual Plan. First implemented in 2001.

Description

Seattle Housing Authority uses a cost-benefit approach to unit and property inspections. Current strategies in this approach include using Seattle Housing Authority's own staff to complete HQS inspection of its properties with vouchers, inspecting residences less frequently, and allowing landlords to certify their own corrections of minor items.

Authorization

MTW Agreement- Attachment C (C)(9)(a), (D)(5), (D)(7)(a); Attachment D (D)(1); specific regulations waived include 24 CFR 982.405 (a), 982.352(b)(iv)(A), 983.59, 983.103(f). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Inspection Protocol Strategies

- Reduced frequency of inspections: Cost-benefit approach to housing inspections allows Seattle Housing Authority to establish local inspection protocol, including inspections every other year for residents who have not moved and interchangeable use of HQS and UPCS. (MTW Strategy #3.A.03. Implemented in 2003 for public housing; implementation planned for 2014 for vouchers.)

Under development

- Private sector cost benefit and risk management approaches to inspections such as avoiding duplicative inspections by using other recent inspections for agencies such as the Washington State Housing Finance Commission. (MTW Strategy #3.A.01. Implementation planned for 2014.)

Voucher Inspection Protocol Strategies

- Inspect Seattle Housing Authority-owned properties: Seattle Housing Authority staff, rather than a third party entity, complete HQS inspection of Seattle Housing Authority owned properties with vouchers. (MTW Strategy #3.H.01. Implemented in 2001.)

Inspection strategies that are unique to the project-based program are listed under MTW Activity #9 – Project-Based Program.

Inactive

- Fines for no-shows at inspections (MTW Strategy #3.H.02. Not yet implemented.)
- Self-certification for minor fails: Self-certification by landlords of correction of minor failed inspection items. (MTW Strategy #3.H.04. Implemented in 2010. This policy remains active, however we believe that MTW authority is not required and it is therefore listed as inactive from a MTW perspective. If HUD rules change and MTW authority becomes necessary to continue to implement this policy, we will reactivate this strategy.)

Impact

MTW inspection protocol strategies are intended to increase cost effectiveness by saving staff time through less frequent inspections and by inspecting Seattle Housing Authority's own units rather than contracting this work, with a goal of no negative impact on the quality of housing.

This activity is on schedule.

Impact	Metric	Baseline (2000)	Benchmark	2013 Results	Benchmark Achieved?
Cost Effectiveness	CE1: Total cost of inspections	$383,552 in wages	$518,880 or less in wages adjusted for CPI	$416,399 in wages	Yes
	CE2: Total time to complete inspections in staff hours	16,640 (8 FTE)	14,560 (7 FTE) or less	14,144 (6.8 FTE)	Yes
	Staff time saved from avoided inspections	0	500 hours saved annually	1,096 hours saved (2,191 public housing inspections avoided)	Yes
Maintain housing quality	Voucher participant-requested inspections per leased vouchers	1.8 percent in 2009 (128 inspections were requested out of 6,997 households)	No increase in complaint inspection requests	<1 percent (35 inspections were requested)	Yes
	Percent of voucher units that fail regularly scheduled inspections	In 2009, 29 percent of voucher units failed their regularly scheduled inspections	No more than 33 percent fail regularly scheduled inspections	28 percent of voucher units failed their regularly scheduled inspections (2,344 failed inspections)	Yes

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013.

Seattle Housing Authority will now report on standard metric CE1: Total cost of inspections and CE2: Total time to complete inspections in staff hours.

Seattle Housing Authority is no longer reporting on:

- Average REAC scores for public housing high rises
- Money saved by using SHA staff instead of third party to inspect SHA units with vouchers

Data collection methods

Hours, costs, and time savings for MTW inspection protocol strategies are reported for HCV and public housing portfolios. HOPE VI communities are excluded because their staffing structure for inspections and property management is different and because Seattle Housing Authority has different inspection goals for these portfolios. MTW strategies such as less frequent inspections are not applied in HOPE VI communities and they are therefore not included in the metrics data.

Total hours and costs are reported based on inspections staff and wages only. Other costs such as mileage, overhead, and benefits are not included. Hours are calculated based on actual number of inspections staff.

It should be noted that the methodology for metrics CE1 and CE2 are prescribed by HUD and do not allow for a meaningful understanding of the impacts of these MTW activities. Many factors change over time that are not attributable to MTW activities, such as the number of households served, wage rates, and regulatory and administrative requirements. Seattle Housing Authority has increased its inventory since the baseline year of 2000 and this in itself increases total staff time and costs.

Hours saved from avoiding annual inspections for public housing units is based on the total number of units that did not receive a full inspection during the year multiplied by the 30 minutes averaged per inspection in 2013.

The voucher management system records the results of all inspections by type and inspection requests.

No changes were made to data collection methods in 2013, other than Seattle Housing Authority's clarification that HOPE VI communities continue to be excluded from metrics regarding inspections strategies.

MTW Activity #5 – Local Leases

Status

Active - First included in the 1999 MTW Annual Plan. First implemented in 1999.

Description

Seattle Housing Authority utilizes local lease strategies to incorporate best practices from the private market and encourage self-sufficiency.

Authorization

MTW Agreement - Attachment C (C)(9)(b), (C)(10), (E). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Local Leases Strategies

- Self-sufficiency requirement: All households receiving subsidy from Seattle Housing Authority (public housing or voucher) living in HOPE VI communities must participate in self-sufficiency activities or be working. (MTW Strategy #5.A.01. Implemented in 1999.)

Public Housing Local Lease Strategies

- Lease term of less than one year for public housing units: Seattle Housing Authority may offer lease renewals for six months or month-to-month time periods. (MTW Strategy #5.P.03. Implemented in 2010.)
- Property-specific pet policies: Seattle Housing Authority may establish pet policies, which may include the continuation or establishment of pet-free communities or limits on the types of pets allowed, on a building by building basis. (MTW Strategy #5.P.04. Implemented in 2011.)

Not Needed in 2013

- Local lease: Seattle Housing Authority may implement its own lease, incorporating industry best practices. (MTW Strategy #5.P.01. Not yet implemented beyond the strategies previously enumerated.)

Inactive

- Grievance procedures: Modify grievance policies to require tenants to remedy lease violations and be up to date in their rent payments before granting a grievance hearing for proposed tenancy terminations. (MTW Strategy #5.P.02. Not yet implemented.)

Impact

Local lease strategies are intended to promote self sufficiency by encouraging work-able adults to participate in self-sufficiency activities and housing choice by providing living environments that are pet-free in addition to communities that allow pets.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2013 Results	Benchmark Achieved?
Self sufficiency	SS1: Average earned income of households affected by HOPE VI self sufficiency requirement in dollars	$12,652	$18,082 or more in wages adjusted for CPI	$23,490	Yes
	SS8: Number of households with HOPE VI self sufficiency requirement whose primary source of income was wages	316	500	659	Yes
	Comparison of primary source of income from wages for work-likely households with and without the HOPE VI self sufficiency requirement	69% of work-likely households without HOPE VI self-sufficiency requirement reported wages as primary source of income in 2013	Percent is higher than baseline for HOPE VI households with self-sufficiency requirement	7% higher (74% of work-likely HOPE VI households had primary income through wages in 2013: 659 out of 890)	Yes

Impact	Metric	Baseline (1998)	Benchmark	2013 Results	Benchmark Achieved?
Housing choice	HC1: Number of new housing units made available for households at or below 80% AMI that are pet-free or pet limited	0	894 cumulative	894 cumulative	Yes

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013.

Seattle Housing Authority is no longer reporting on:

- Number of public housing units for which lease renewals of less than one year are available
- Resident satisfaction with living environment

Seattle Housing Authority will now report on standard metric SS1: Average earned income of households affected by HOPE VI self sufficiency requirement in dollars, SS8: Number of households with HOPE VI self sufficiency requirement whose primary sources of income was wages, and HC1: Number of new housing units made available for households at or below 80% AMI that are pet-free.

Data collection methods

Income and unit data is routinely maintained for all household members. Baseline data from 1998 for primary source of income through wages does not include households at Holly Park, for whom this information is not available.

No changes were made to data collection methods in 2013.

MTW Activity #8 – Special Purpose Housing Use

Status

Active - First implemented prior to MTW participation in 1999 and continued throughout MTW participation.

Description

Seattle Housing Authority utilizes public housing units to provide special purpose housing and to improve quality of services or features for targeted populations. In partnership with agencies that provide social services, Seattle Housing Authority is able to make affordable housing available to households that would not likely be admitted in traditional public housing units. With this program Seattle Housing Authority allows partner agencies to use residential 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 facilitates this work, by allowing units to target populations with specific service and housing needs, or specific purposes.

Authorization

MTW Agreement- Attachment C (B)(2), (B)(3), (B)(4), (C)(1), (C)(2), (C)(4), (C)(5), (C)(6), (C)(9)(a), (C)(9)(b), (C)(10), (C)(11), (C)(15); Attachment D (Uses of MTW Funds), (B). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Public Housing Special Purpose Strategies

- Agency units for housing and related supportive services: Seattle Housing Authority makes residential units available for service-enriched housing by partner agencies. (MTW Strategy #8.P.01. Implemented prior to MTW participation in 1999.)
- Agency units for services: Make residential units available as space for community activities, management use, and partner agencies providing services in and around the community. (MTW Strategy #8.P.02. Implemented prior to MTW participation in 1999.)
- Designate public housing units for special purposes/populations: Seattle Housing Authority may designate properties/units for specific purposes to more effectively serve diverse populations. (MTW Strategy #8.P.03. Implemented in 2000.)
- Program-specific waiting lists: Seattle Housing Authority or agencies operate separate waiting lists for specific programs such as service enriched units. (MTW Strategy #8.A.02. Implemented prior to MTW participation.)
- Service enriched housing: With the help of key partners, Seattle Housing Authority may develop supportive housing communities. (MTW Strategy #8.A.03. Implemented in 2001.)

Inactive

- Conditional Housing: Housing program for those who do not currently meet Seattle Housing Authority's minimum qualifications. (MTW Strategy #8.A.01. Not yet implemented.)
- Definition of elderly: Changes definition of elderly for HUD-designated elderly preference public housing from 62 to 55. (MTW Strategy #8.P.04. Not yet implemented.)
- Pet-free environments: Establish pet-free environments in connection with selected service enriched housing. (MTW Strategy #8.P.05. Not yet implemented.)

Impact

Active Special Purpose Housing Use strategies are intended to increase housing choice by providing service-enriched housing for households that would otherwise be difficult to serve in traditional housing authority units and by enabling services to be available in the community.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2013 Results	Benchmark Achieved?
Self sufficiency	SS5: Number of households receiving services aimed to increase self sufficiency	0	50	188	Yes
	SS8: Number of households that transitioned to unsubsidized housing	0	50	99	Yes
	Number of on-site agencies in Seattle Housing Authority's residential units	5	5	6	Yes

Impact	Metric	Baseline (1998)	Benchmark	2013 Results	Benchmark Achieved?
Housing choice	HC1: Number of new service-enriched housing units made available for households at or below 80% AMI	0	50 total	74 total	Yes
Maintain and increase stability for households in service-enriched units	Percent of exiting households that leave service-enriched units for stable housing destinations (transitional, permanent, or unsubsidized market-rate housing)	0%	70%	63% of households exiting service-enriched units (70 out of 111 households exiting service-enriched units in 2013); 24% of individuals leaving medical respite care (72 out of 299)	No

Service-enriched agency units did not achieve the benchmark of 70% of exiting households departing for stable housing conditions. At this point it is too early to know whether this is a temporary aberration or a longer-term trend. Seattle Housing Authority will continue to monitor housing destination at departure for all of the agencies to assess whether any changes are needed.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013.

Seattle Housing Authority will now report on standard metric SS5: Number of households receiving services aimed to increase self sufficiency, SS8: Number of households that transitioned to unsubsidized housing, and HC1: Number of new service-enriched housing units made available for households at or below 80% AMI.

Seattle Housing Authority is no longer reporting on:

- Number of households served in service-enriched units annually per unit

Data collection methods

Unit use is tracked by staff in Seattle Housing Authority's property management software. Outcome measures, including households served, are reported by partner agencies according to their lease terms and contract for services.

No changes were made to data collection methods in 2013.

MTW Activity #9 - Project-based Program

Status

Active - First included in the 1999 MTW Annual Plan. First implemented in 2000.

Description

Seattle Housing Authority uses MTW to develop and implement a local project-based program, providing vouchers to subsidize units in Seattle Housing Authority-owned and privately owned properties throughout Seattle. Seattle Housing Authority's project-based activities include a large number of MTW strategies to reduce costs, make project-based programs financially feasible for owners, and to provide housing choice in the City. The project-based program promotes housing choice through strategies such as offering site-specific waiting lists maintained by providers (and, therefore, does not issue exit vouches), expanding the definition of eligible unit types, allowing more project-based units per development and overall, admitting certain types of felons, allocating vouchers to programs and providers (not just units), allowing payment standards that promote services and the financial viability of projects, and coupling housing assistance with services by working with partners . The project-based program reduces Seattle Housing Authority's costs through strategies allowing project-based owners to self-certify selected inspections and maintain their own waiting list, reducing the frequency of inspections by Seattle Housing Authority staff, streamlining admissions, and non-competitively allocating subsidies to Seattle Housing Authority units. Project-based program strategies also make contract terms consistent with requirements for other leveraged funding sources.

Authorization

MTW Agreement- Attachment C (B)(1)(b)(vi),(vii), (B)(2), (B)(4),(D)(1)(a),(b),(c),(e)(f), (D)(2), (D)(3)(b), (D)(4), (D)(5), (D)(6), (D)(7); Attachment D (B)(ix),(x),(D)(1), (D)(2); specific regulations waived include 24 CFR 982.204(a), 982.401, 982.405(a), 982.451, 983.103(c), 983.20, 983.202(a),

983.251(c), 983.260(b), 983.30, 983.51, 983.53(a)(7), 982.553(a), 983.51(e), 983.56(a), 983.59(a), 983.59(b)(1), 983.6(a), 5.609(b)(3). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Voucher Project-based Program Strategies

- Cost-benefit inspection approach: Cost-benefit approach to housing inspections allows Seattle Housing Authority to establish local inspection protocol, including allowing project-based building management to self-certify that HQS is met at the time of move in for mid-year turnover project-based units. (MTW Strategy #9.H.01. Implemented in 2004.)
- Choice offered at beginning (no exit vouchers): Because housing choice is provided at the beginning of the project-based admissions process through site-specific waiting lists, exit vouchers are not offered. (MTW Strategy #9.H.03. Implemented in 2000.)
- Contract term: Project-based commitments are renewable up to 40 years. (MTW Strategy #9.H.04. Implemented in 2000.)
- Eligible unit types: Seattle Housing Authority allows shared housing and transitional housing under project-based contracts. (MTW Strategy #9.H.05. Implemented in 2002.)
- HAP contracts: HAP contract are modified to ensure consistency with MTW changes and add tenancy addendum. (MTW Strategy #9.H.06. Implemented in 2000.)
- Non-competitive allocation of assistance: Seattle Housing Authority allocates project-based subsidy non-competitively to Seattle Housing Authority controlled units. (MTW Strategy #9.H.07. Implemented in 2000.)
- Owners conduct new construction inspections: Seattle Housing Authority may allow project-based owners to conduct their own new construction/rehab inspections and to complete unit turnover inspections. (MTW Strategy #9.H.08. Implemented in 2005.)
- Percent of vouchers that may be project-based: Seattle Housing Authority allows a greater percentage of vouchers that are project-based than non-MTW HUD limits. (MTW Strategy #9.H.09. Modified in the 2008 MTW Annual Plan.)
- Unit cap per development: Waives the 25 percent cap on the number of units that can be project-based in a multi-family building without supportive services or elderly/disabled designation. (MTW Strategy #9.H.10. Implemented in 2008.)
- Streamlined admissions: The applications process is streamlined for project-based voucher units. (MTW Strategy #9.H.12. Implemented in 2000.)
- Competitive allocation process: Commit vouchers to the City's competitive process for housing funding. (MTW Strategy #9.H.13. Implemented in 2005.)

- Payment standards for Seattle Housing Authority units: Allows higher than Voucher Payment Standard for Seattle Housing Authority-operated project-based units if needed to support the project budget (while still taking into account rent reasonableness). (MTW Strategy #9.H.14. Implemented in 2004.)
- Admissions - admit felons under certain conditions: Allows for the admission into Project-based Voucher units of Class B and Class C felons subject to time-limited sex offender registration requirements who do not, in the opinion of the owner of the subsidized units, constitute a threat to others. (MTW Strategy #9.H.16. Implemented in 2005.)
- Program-based vouchers: Seattle Housing Authority allocates a floating voucher subsidy to a defined group of units or properties. (MTW Strategy #9.H.17. Implemented in 2007 in Seattle Housing Authority's Seattle Senior Housing Program.)
- Provider-based vouchers: Provide vouchers to selected agencies to couple with intensive supportive services. The agency master leases units and subleases to tenants. (MTW Strategy #9.H.18. Implemented in 2007.)
- Partners maintain own waiting lists: Allow partners to maintain waiting lists for partner-owned and/or operated units/vouchers and use own eligibility and suitability criteria. (MTW Strategy #9.H.20. Formerly 12.H.01. Implemented in 2000.)
- COPES housing assistance payment calculations: Count as zero income for residents who are living in project-based units at assisted living properties where Medicaid payments are made on their behalf through the COPES system (MTW Strategy 9.H.21. Implemented prior to MTW status.)

Inactive

- Assets in rent calculation: Only calculate income on assets declared as valuing $5,000 or more. (MTW Strategy #9.H.02. Implemented in 2005, superseded by MTW Strategy #10.H.12, which increased the threshold for calculating asset income to an amount up to $50,000.)
- Rent cap-30 percent of income: Project-based participants can not pay more than 30% of their adjusted income for rent and utilities. (MTW Strategy #9.H.11. Implemented in 2000.)
- Subsidy cap in replacement units: Cap subsidy at levels affordable to households at 30% AMI in project-based HOPE VI replacement units where Seattle Housing Authority also contributed capital to write-down the unit's affordability to that level. (MTW Strategy #9.H.15. Included in the 2004 MTW Annual Plan and currently active as a policy; however, we believe that MTW authority is not required for this policy at this time. If HUD policies change, we will reactivate this MTW activity.)
- Streamlined admissions and recertifications: Seattle Housing Authority may streamline admissions and recertification processes for provider-based, project-based and mod rehab programs. (MTW Strategy #9.H.19. Not yet implemented.)

Impact

The project-based program is intended to promote cost effectiveness by reducing staff time and leveraging funding, as well as expanding housing choice by increasing access to service-enriched affordable housing.

This activity is on schedule.

Impact	Metric	Baseline (1999)	Benchmark	2013 Results	Benchmark Achieved?
Cost effectiveness	CE2: Total time to administer project-based vouchers in staff hours	0	16,640 (8 FTE)	16,640 (8 FTE)	Yes
	CE4: Amount of funds leveraged in dollars	0	$200,000	$726,327	Yes
	SHA hours saved by allowing partners to maintain their own waiting lists and not conducting new and turnover inspections	0	1,400 hours annually	1,058	No
	Seattle Housing Authority hours spent on project-based v tenant-based vouchers (Year end FTEs per leased vouchers)	.003 FTE per leased tenant-based voucher (18 FTE for 5,959 tenant-based vouchers)	Average staff time for project-based voucher is equal to or less than average staff time for tenant-based voucher	.003 FTE per leased project-based voucher (8 FTE for 2,842 project-based vouchers	Yes

Impact	Metric	Baseline (1999)	Benchmark	2013 Results	Benchmark Achieved?
Housing choice	HC1: Number of new service-enriched housing units made available for households at of below 80% AMI	0	2,000 total	3,213 total	Yes

Seattle Housing Authority did not achieve the benchmark for hours saved by allowing partners to maintain their own waiting lists and not conducting new and turnover inspections. However, this is not due to incomplete or faulty implementation of the policy, but instead reflects low turnover rates throughout the project-based portfolio.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on CE2: Total time to administer project-based vouchers in staff hours, CE4: Amount of funds leveraged in dollars, and HC1: Number of new housing units of type made available for households at of below 80% AMI.

Seattle Housing Authority is no longer reporting on:

- Project-based HAP costs
- Cost of the COPES program to SHA
- Number of service enriched units
- Number of low-income households housed in assisted living units with 100 percent exempted income
- Number of units with leveraged service funding

Data collection methods

Seattle Housing Authority maintains detailed tenant, inspection, landlord, and voucher allocation information in its voucher management system. Partner agencies maintain waiting list information and commit to service levels in their application for project-based vouchers. Staff hours are calculated based on actual number of project-based staff. Time savings are based on an estimated one hour of time saved processing a new tenant application for each new household served off of a partner's waiting list and one half hour per turnover inspection avoided.

No changes were made to data collection methods in 2013.

MTW Activity #10 – Local Rent Policy

Status

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

Description

Seattle Housing Authority's rent policy tackles a number of objectives, including cost effectiveness and self sufficiency through a minimum rent and asset income threshold and through streamlined rent review processes.

Authorization

MTW Agreement - Attachment C (C)(11), (D)(1)(c), (D)(2)(a),(c); Specific regulations waived include 24 CFR 982.352(b)(iv), 982.508, 24 CFR 982.517, 982.604(a), and 5.609. Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Public Housing Rent Policy Program Strategies

- Absolute minimum rent: The minimum rent for all residents will be established annually by Seattle Housing Authority. No rent will be reduced below the minimum rent amount by a utility allowance. (MTW Strategy #10.P.01. Implemented in 2001.)
- Earned Income Disregard: HUD's Earned income Disregard is not offered to public housing residents. (MTW Strategy #10.P.02. Implemented in 2001.)
- Imputed income from public benefits: Seattle Housing Authority may impute income in rent calculation for tenants declaring no income who are eligible for but decline to collect cash benefits. (MTW Strategy #10.P.08. Implemented in 2005.)
- SSHP rent policy: Rents in Seattle Senior Housing Program (SSHP) units are one of four flat rents based on the tenant's percentage of Area Median Income, with annual adjustments and income reviews only every three years. (MTW Strategy #10.P.17. Implemented in 2011.)
- No HUD-defined flat rents: Seattle Housing Authority does not offer tenants the choice of "flat rents" as required of non-MTW agencies. (MTW Strategy #10.P.18. Implemented in 2001).
- Asset income threshold: Seattle Housing Authority will increase the threshold for including asset income in rent contribution calculations to an amount up to $50,000 for public housing program participants. (Strategy #10.P.19. Formerly 10.P.17. Implemented in 2013.)
- Simplified Utility Assistance Payment for HOPE VI communities: HOPE VI participants receive a water and sewer utility allowance in the form of a maximum level of consumption rather than a rent reduction and incentive for conservative consumption. Annual adjustments are made at the next regularly scheduled annual review or update. (MTW Strategy #10.P.20. Implemented in 2013.)

Under Development

- Rent reviews for elderly and disabled households every three years: Rent reviews conducted for elderly and disabled households on a triennial basis with rent increases by Social Security Cost of Living Adjustment in intervening years. (MTW Strategy #10.P.03. First implemented in 2004. Implementation paused in 2013 to allow for new software programming, with re-implementation anticipated for 2014.)

Not Needed in 2013

- Utility allowance-schedule: Seattle Housing Authority may change utility allowances on a schedule different for current residents and new move-ins. (MTW Strategy #10.P.12. Implemented in 2008.)
- Utility allowance-frequency of utility allowance updates: Seattle Housing Authority may revise the schedule for reviewing and updating utility allowances due to fluctuations in utility rates no more than annually. (MTW Strategy #10.P.15. Implemented in 2010 for selected mixed-finance communities.)

Inactive

- Rent freezes: Voluntary rent policy freezes rent in two year intervals. (MTW Strategy #10.P.04. Implemented in 2001, inactive since 2005.)
- TANF rent calculation: Calculate TANF participant rent on 25% of gross income. (MTW Strategy #10.P.05. Implemented in 2000, inactive since 2005.)
- Tenant Trust Accounts (TTA): A portion of working public housing residents' income may be deposited in an escrow account for use toward self-sufficiency purposes. (MTW Strategy #10.P.06. Implemented in 2001; inactive since Fall 2012.)
- Ceiling rent two year time limit: When a tenant's calculated rent reaches the ceiling rent for their unit, the rent will not be increased beyond the rent ceiling for 24 months. (MTW Strategy #10.P.07. Implemented in 2005; inactive since Fall 2012.)
- Partners develop separate rent policies: Allow partner providers and HOPE VI communities to develop separate rent policies that are in line with program goals and/or to streamline. (MTW Strategy #10.P.09. Not yet implemented.)
- Studio vs. 1 bedroom: Differentiate rents for studios vs. 1 bedroom units. (MTW Strategy #10.P.10. Not yet implemented.)
- Utility allowance-self-sufficiency and resource conservation: Change utility allowance where metering permits to encourage self-sufficiency and resource conservation. (MTW Strategy #10.P.11. Not yet implemented.)
- Streamlined for fixed income: Further streamline rent policy and certification process for fixed income households. (MTW Strategy#10.P.13. Not yet implemented.)
- Streamlined rent policy for partnership units: Allow non-profit partners operating public housing units to implement simplified rent policies. (MTW Strategy #10.P.14. Not yet implemented.)

- Utility allowance-local benchmark: Seattle Housing Authority may develop new benchmarks for "a reasonable use of utilities by an energy conservative household" - the standard by which utility allowance are calculated. (MTW Strategy #10.P.16. Not yet implemented.)

Voucher Rent Policy Program Strategies

- Rent burden-include exempt income: Exempt income included for purposes of determining affordability of a unit in relation to 40 percent of household income. (MTW Strategy #10.H.01. Implemented in 2005.)
- Rent cap-use gross income: Rent burden calculated on 30 percent of Gross Income, up from HUD's standard 30 percent of Adjusted Income. (MTW Strategy #10.H.02. Implemented in 2005.)
- Rent reasonableness at Seattle Housing Authority owned units: Allows Seattle Housing Authority staff to perform rent reasonableness determination for Seattle Housing Authority owned units. (MTW Strategy #10.H.03. Implemented in 2000.)
- Payment standard-SROs: Seattle Housing Authority may use the studio payment standard for SRO units. (MTW Strategy #10.H.06. Implemented in 2003.)
- Rent reviews for elderly and disabled households every three years: Rent reviews for elderly and disabled households conducted triennially. (MTW Strategy #10.H.10. Implemented in 2010.)
- 180-day EOP clock (Previous MTW Strategy #10.H.11 has been renumbered 13.H.02 and moved to the following section on Homeownership and Graduation from Subsidy.)
- Asset income threshold: Increased threshold for calculating asset income to an amount up to $50,000. (MTW Strategy #10.H.12. Implemented in 2010.)
- Simplified utility allowance schedule: HCV participants' rent is adjusted for a Utility Estimate based on the number of bedrooms (defined as the lower of voucher size or actual unit size) and tenant responsibility for payment of energy, heat, and sewer/water under their lease, with a proration for energy-efficient units. (MTW Strategy #10.H.14. Implemented in 2011.)

Under Development

- Rent reasonableness streamlining: Allows Seattle Housing Authority to streamline rent reasonable determinations. (MTW Strategy #10.H.09. Seattle Housing Authority is considering implementation in 2014.)
- Absolute minimum rent: The minimum rent for all residents will be established annually by Seattle Housing Authority. No rent will be reduced below the minimum rent amount by a utility allowance. (MTW Strategy #10.H.05. Implementation is currently on hold while additional rent policy options are being considered.)

Not Needed in 2013

- Payment standard: If certain market triggers or other guidelines are met, payment standard may exceed 120% of Fair Market Rent. (MTW Strategy #10.H.04. Not yet implemented.)

Inactive

- Tenant-based self-sufficiency incentives: Rent policies to foster self-sufficiency among employable households, including income disregards proportional to payroll tax; allowances for employment-related expenses; intensive employment services coupled with time limits; locally-defined hardship waivers. (MTW Strategy #10.H.07. Not yet implemented.)
- Imputed income from TANF: Impute TANF income if household appears eligible and has not documented ineligibility. TANF not counted toward income if family is sanctioned. (MTW Strategy #10.H.08. Not yet implemented.)
- Streamlined medical deduction: Seattle Housing Authority provides medical deductions based on a standardized schedule. (MTW Strategy #10.H.13. Not yet implemented. MTW authority is not needed for the current approach of allowing self certification of medical expenses under $5,000.)

Impact

Local rent policy strategies are intended to promote cost effectiveness by saving staff time and self sufficiency by encouraging households to build income, employment, and assets.

This activity is on schedule.

Impact	Metric	Baseline (1999)	Benchmark	2013 Results	Benchmark Achieved?
Cost Effectiveness	CE1: Total cost of recertifications	(2009) $814,099 in wage costs attributable to preparing and conducting certifications	$885,546 in wage costs attributable to preparing and conducting certifications	$822,484	Yes
	CE2: Total time to complete recertifications in staff hours	(2009) 34,552 staff hours	37,361 staff hours	33,823 staff hours	Yes
	Staff time savings from local rent policy	(1999) 0	1,100 hours saved from local rent policy strategies	1,028	No

Impact	Metric	Baseline (1999)	Benchmark	2013 Results	Benchmark Achieved?
Self Sufficiency	SS1: Average earned income of households affected by absolute minimum rent	(1999) $13,815	$19,318 or more in earned income adjusted for CPI	$18,997	No
	SS8: Number of households in properties with absolute minimum rent that have primary source of income from wages	(1999) 1,080	1,200	1,115	No

Seattle Housing Authority did not reach the benchmarks for households with wages as the primary source of income and average earned income for households affected by absolute minimum rent. There are likely a number of factors in play, including the economy and the slower rate of growth in wages and in benefits from fixed income sources. Both work-likely and elderly and disabled households are subject to the absolute minimum rent. In addition, with inflation the $50 minimum rent has become comparatively less substantial than when first implemented. If minimum rents do in fact have an impact on earned income, it is possible that the comparative decrease in mandatory rent renders it less influential. Seattle Housing Authority is evaluating the minimum rent strategy along with other components as we consider reforming our rent policy.

Seattle Housing Authority also fell just short of the benchmark for staff time savings from local rent policy. This is likely due to the temporary suspension of triennial recertifications in the public housing portfolio, as new software required programming to support this policy. Triennial recertifications will be implemented in public housing after programming is complete in 2014.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on CE1: Total cost of recertifications; CE2: Total time to complete recertifications in staff hours; SS1: Average earned income of households affected by absolute minimum rent, and SS8: Number of households in properties with absolute minimum rent that have primary source of income from wages.

Seattle Housing Authority is no longer reporting on:

- Seattle Housing Authority staff time saved by not calculating asset income below $50,000, three-year schedule for rent reviews for fixed income (including SSHP) households, and streamlined utility allowance
- Annual number of households who move into units that would have otherwise been ineligible without using exempt income, gross income, or 120 percent FMR
- Percentage of senior housing residents whose rent remains stable
- Number of (one bedroom) senior housing residents paying more than 40% of their income for rent
- Hardship requests concerning the simplified utility allowance resolved
- Cost savings from avoided professional fees for property-specific utility allowance calculations

Rent Reform Hardship Requests

In 2013, there were three hardship requests under the public housing rent policy and zero hardship requests under the voucher program rent policy. All were approved.

Data collection methods

Seattle Housing Authority conducted a 2013 time study to determine the amount of staff time spent on public housing annual and interim recertifications and a 2011 time study for the HCV program.

Seattle Housing Authority began implementing rent reforms in 2001. However, meaningful data from that time period for staffing and hours spent on recertifications is unavailable. We therefore use 2009 as the baseline year for recertification metrics because data is available and because this year precedes the most recent round of rent policy strategies that had a measurable impact on staff hours, including implementation of triennial recertifications in the HCV program.

Costs reported in this category reflect only staff wages attributable to conducting certifications that impact rent or income and do not include benefits, taxes, or costs for resources such as postage and paper. Total wages are calculated by multiplying median wage rates for the staff positions times the amount of time per certification times the number of certifications. This methodology is used rather than total wages because many staff are engaged in a number of activities not related to certifications, such as processing work orders.

It should be noted that the methodology for metrics CE1 and CE2 are prescribed by HUD and do not allow for a meaningful understanding of the impacts of these MTW activities. Many factors change over time that are not attributable to MTW activities, such as the number of households served, wage rates, regulatory and administrative requirements (such as income verification rules or tracking of HUD's Community Service and Self-Sufficiency Requirement). Even since 2009, Seattle Housing Authority has increased the number of public housing and voucher units by more than 1,000. This in itself will result in

an increase in total staff time and costs. Using HUD's methodology it will appear that the MTW activities are actually making certifications take longer, but this is not the case. Therefore, Seattle Housing Authority utilizes additional metrics to more accurately reflect the impact of the activity.

Baseline data for 1999 for households whose primary source of income is through wages does not include Holly Park, for whom this data is not available.

MTW Activity #11 – Resource Conservation

Status

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

Description

Seattle Housing Authority's resource conservation strategies take advantage of the agency's existing relationships with the City of Seattle and local utility providers, which continuously identify opportunities to increase resource conversation and reduce costs, rather than conducting a HUD-prescribed energy audit every five years. Conservation strategies have already achieved significant energy and cost savings to the agency, including conversion to more efficient toilets and electrical upgrades.

Authorization

MTW Agreement - Attachment D (C)(1). Our MTW authority is used for the strategy described below.

No changes were made to authorizations in 2013.

Public Housing Resource Conservation Strategies

- Energy protocol: Seattle Housing Authority employs a cost-benefit approach for resource conservation in lieu of HUD-required energy audits every five years. (MTW Strategy #11.P.01. Implemented in 2000.)

Impact

Resource conservation strategies are intended to increase cost effectiveness by working continuously with local utility providers and the City of Seattle to identify conservation measures in a timely manner and avoiding the cost of hiring a third party to conduct energy audits every five years.

This activity is on schedule.

Impact	Metric	Baseline	Benchmark	2013 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of energy audits in dollars	(2009) $102,000	$110,758 or less adjusted for CPI	$24,138	Yes
	Savings from water conservation measures (primarily toilet replacement)	0	$900,000/year	$1.3 million in 2013; $9.9 million since implementation	Yes
	Savings from electricity conservation measures (homeWorks renovations 2004-2009)	0	$147,000/year	$178,000 in 2013; $878,000 since implementation	Yes

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on CE1: Total cost of energy audits in dollars.

Seattle Housing Authority is no longer reporting on:

- Cost savings from not paying a third party to conduct energy audits

Data collection methods

Seattle Housing Authority maintains detailed utility consumption and rate data supplied by utility providers and Seattle Housing Authority's own water billing system. Cost savings measures look solely at the impact of conservation initiatives and are not an agency-wide measure of utility usage. For example, portfolios that were not included in the conservation initiatives are not included in the analysis. Cost savings represent the total amount of energy saved through conservation initiatives and do not distinguish between resulting decreases in expenses for the agency and for tenants.

The baseline cost of energy audits is based on the real cost to SHA of $51,000 for an energy audit of 520 units in 2009, resulting in a proportionate estimated cost of $510,000 for 5,200 public housing units. Since energy audits are required only once every five years, this is divided by five to calculate an average annual

cost of $102,000 for the baseline. The 2013 cost of energy audits is based on a percentage (15 percent and 20 percent respectively) of the median salary for two Seattle Housing Authority staff responsible for energy and utility analysis. This analysis does not include factors such as overhead or benefits.

MTW Activity #12 – Waiting Lists, Preferences, and Admission

Status

Active - First included in the 2000 MTW Annual Plan. First implemented in 2000.

Description

Seattle Housing Authority's waiting list, preferences, and admission strategies have two primary objectives: to decrease costs and to facilitate partnerships with agencies that provide supportive services. Seattle Housing Authority's MTW flexibilities in this area allow the agency to provide a greater percentage of vouchers to service providers and make special decisions if needed to prevent homelessness. These strategies also expedite admission into the program for partner agencies' clients by allowing agencies to maintain their own waiting lists and allowing applicants referred by selected providers to receive the next available unit.

Authorization

MTW Agreement - Attachment C (B)(1)(b)(vi), (C)(1), (C)(2), (D)(4); Specific regulations waived include 24 CFR 982.204(a),(f). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Public Housing Waiting Lists, Preferences, and Admission Strategies:

- Partners maintain own waiting lists: Seattle Housing Authority allows partners to maintain waiting lists for partner-owned and/or operated units (traditional LIPH units; service provider units, etc.) and use their own eligibility and suitability criteria. (MTW Strategy #12.P.02. Implemented in 2000.)
- Expedited waiting list: Seattle Housing Authority allows applicants referred by selected partners (primarily transitional housing providers) to receive expedited processing and receive the "next available unit." (MTW Strategy #12.P.03. Implemented in 2004.)
- Eligibility criteria: Unique eligibility criteria for specific units or properties, such as service enriched units. (MTW Strategy #12.P.05. First implemented in 2008.)
- Seattle Senior Housing Program (SSHP) waiting list policy: Seattle Housing Authority does not distinguish between senior and non-senior disabled households in filling vacancies in the SSHP portfolio based on bedroom size, while maintaining a 90 percent senior, 10 percent non-senior disabled ratio at the AMP level. (MTW Strategy #10.P.06. First implemented in 2013.)

Inactive

- Site-based waiting lists: Applicants can choose from several site-specific and/or next available waiting lists. (MTW Strategy #12.P.01. First approved in 1999, but MTW flexibility is no longer required.)
- No waiting list: Allows for filling units without a waiting list. (MTW Strategy #12.P.04. Has not yet been implemented.)

Voucher Waiting Lists, Preferences, and Admission Strategies:

- Voucher distribution through service provider agencies: Up to 30 percent of Seattle Housing Authority's tenant-based vouchers may be made available to local nonprofits, transitional housing providers, and divisions of local government that provide direct services for use by their clients without regard to their client's position on Seattle Housing Authority's waiting list. (MTW Strategy #12.H.02. Implemented in 2002.)
- Special issuance vouchers: Seattle Housing Authority has established a "special issuance" category of vouchers to address circumstances where timely issuance of vouchers can prevent homelessness or rent burden. (MTW Strategy #12.H.03. Implemented in 2003.)
- Limit eligibility for applicants in subsidized housing: Implements limits or conditions for tenants living in subsidized housing to participate in the HCV program. For example, before issuing a public housing resident a voucher, they must fulfill the initial term of their public housing lease. (MTW Strategy #12.H.05. Implemented in 2012.)

Inactive

- Local preferences: Seattle Housing Authority may establish local preferences for federal housing programs. (MTW Strategy #12.A.01. Included in the 2002 MTW Annual Plan; however, this policy is available to all PHAs.)
- Admit applicants owing SHA money: Provide voucher assistance to households owing SHA money from prior tenancy under specific circumstances, for example if they enter into a repayment agreement. (MTW Strategy #12.H.04. First implemented in 2008 and still in place; however MTW authority is no longer needed.)
- Streamlined eligibility verification: Streamline eligibility verification standards and processes, including allowing income verifications to be valid for up to 180 days. (MTW Strategy #12.H.06. Not yet implemented.)

Impact

Waiting list, preferences, and admission strategies are intended to increase cost effectiveness by reducing avoidable turnover and avoiding costs for tasks that can be fulfilled by service providers.

This activity is on schedule.

Impact	Metric	Baseline (1999)	Benchmark	2013 Results	Benchmark Achieved?
Cost effectiveness	CE1: Total cost of waiting lists and admissions in dollars	$442,791 in wages for admissions staff	$619,155 or less in wages adjusted for CPI	$298,896 in wages for admissions staff	Yes
	CE2: Total time to complete waiting lists and admissions in staff hours	24,960 (12 FTE)	20,800 (10 FTE) or less	12,480 (6 FTE)	Yes
Increase availability of affordable housing in combination with supportive services	Number of applicants newly receiving housing through agency referrals or waiting lists	0	75	15 in 2013 (8 through the expedited waiting list and 7 through agency vouchers)	No
Decrease costs	Staff time savings from agencies maintaining their own waiting lists	0	$24,960	$25,350	Yes

SHA did not achieve the benchmark for applicants newly receiving housing through agency referrals or the expedited waiting list. The decrease in this category was due to low turnover rates. Low turnover rates also decreased opportunities for staff time savings from agencies maintaining their own waiting lists.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on CE1: Total cost of waiting lists and admissions in dollars and CE2: Total time to complete waiting lists and admissions in staff hours.

Seattle Housing Authority is no longer reporting on:

- Average length of time in filling two-bedroom unit vacancies in the SSHP portfolio
- Ratio of senior and non-senior disabled households housed in the SSHP portfolio

Data collection methods

Avoided costs from agencies maintaining their own waiting lists is calculated based on savings of $195 per newly occupied unit for partnership and service-provider operated housing units. The $195 per unit is derived from the agency's real cost in 2010 of $879,050 to conduct regular admissions for 4,500 units.

Hours are calculated based on actual number of admissions staff. Staff costs are calculated based on the median wage per position, but do not include other costs such as benefits and overhead.

No changes to data collection methods were made in 2013.

MTW Activity #13 – Homeownership and Graduation from Subsidy

Status

Active - First included in the 2004 MTW Annual Plan. First implemented in 2004.

Description

Seattle Housing Authority strives to support participants in the multiple ways that households can successfully move away from housing subsidy. These strategies include not only homeownership programs, but also programs that incentivize and help build savings for households transitioning to unsubsidized rental units in the private market, including a savings match program and end of participation policies for higher income households.

Authorization

MTW Agreement - Attachment C (B)(1),(D)(8); Attachment D (B). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Homeownership and Graduation from Subsidy Strategies

- Savings match incentive: Seattle Housing Authority has implemented a program that matches savings and provides financial information for participating public housing and HCV households leaving subsidized housing for homeownership or unsubsidized rental units. (Strategy #13.A.02. Implemented in 2013.)

Inactive

- Down payment assistance (DPA): allocates MTW Block Grant funds to offer a local down payment assistance program. (MTW Strategy #13.A.01. Implemented in 2004.)

Public Housing Homeownership and Graduation from Subsidy Strategies

Under Development

- End of Participation for higher income households in mixed-income communities: In mixed-income communities, Seattle Housing Authority will remove subsidy when household income exceeds the established limit for six months. (MTW Strategy #13.P.01. Implementation planned for 2014.)

Voucher Homeownership and Graduation from Subsidy Strategies

- The 180-day End of Participation "clock" due to income will start when a family's Housing Assistance Payment (HAP) reaches $50 or less. (MTW Strategy #13.H.02. Formerly #10.H.11. Implemented in 2010.)

Inactive

- Monthly mortgage assistance (MTW Strategy #13.H.01. Not yet implemented.)

Impact

Homeownership and graduation from subsidy strategies promote self sufficiency and create housing opportunities for waiting list households by helping participants leave subsidized housing. This activity is on schedule.

Impact	Metric	Baseline	Benchmark	2013 Results	Benchmark Achieved?
Self sufficiency	SS8: Number of households who transitioned to unsubsidized housing due to homeownership and graduation from subsidy strategies	0	25	18 due to End of Participation clock	No

Seattle Housing Authority failed to meet its benchmark for homeownership and graduation from subsidy strategies in 2013. We believe that this is due to multiple factors. Many of our strategies in this area are newly implemented (such as the Savings Match Program) or on hold (such as the Down Payment Assistance Program), resulting in fewer opportunities for participants to take advantage of them. In addition, the private rental and homeownership markets in Seattle grow increasingly expensive, broadening the gap between subsidized and unsubsidized housing and making it more difficult for many households to transition from subsidy.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on SS8: Number of households who transitioned to unsubsidized housing due to homeownership and graduation from subsidy strategies.

Seattle Housing Authority is no longer reporting on:

- Number of Savings Match participants that purchase homes
- Number of DPA participants experiencing foreclosure in first three years of homeownership
- Number of subsidized units made available due to End of Participation policy in mixed income communities
- Number of savings match participating households that leave subsidized housing
- Number of households leaving the HCV program due to 180 day EOP clock at a HAP between $1 - $50
- Number of mixed income community EOP households that request to return to subsidy within 1 year

Data collection methods

Savings Match and Down Payment Assistance program participation is tracked through spreadsheets maintained by Seattle Housing Authority staff. End of participation information is maintained in Seattle Housing Authority's participant databases.

No changes were made to data collection methods in 2013.

MTW Activity #15 – Combined Program Management

Status

Active - First included in the 2008 MTW Annual Plan. First implemented in 2008.

Description

In some of its communities, Seattle Housing Authority co-locates units funded through project-based vouchers and low income public housing. Combining program management and policies for both of these types of units within the same community makes sense and reduces costs by eliminating redundancies, including duplicative rent reviews and inspections. It also avoids unnecessary disparities between tenants of the two different types of units. Seattle Housing Authority's current implementation of this activity calls for all units subsidized by project-based housing choice vouchers to be operated just like public housing subsidized units.

Authorization

MTW Agreement, Attachment C (C)(1), (C)(2), (C)(4), (C)(9), (C)(10), (C)(11), (D)(1), (D)(2), (D)(3), (D)(4), (D)(5), (D)(7); specific regulations waived include 24 CFR 983.51(b)(2). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Combined Program Management Strategies

- Combined program management: Combined program management for project-based vouchers and public housing in communities operating both subsidy types. (MTW Strategy #15.A.01. Implemented in 2008.)

Impact

Combined program management strategies are intended to increase cost effectiveness by decreasing staff time through the elimination of duplicated activities, such as inspections and waiting lists, and the streamlining of rent and other policies that would otherwise be similar, but different, if the units were operated under the separate subsidy programs.

This activity is on schedule.

Impact	Metric	Baseline (2007)	Benchmark	2013 Results	Benchmark Achieved?
Cost effectiveness	CE2: Total time to complete recertifications for combined program management (SLIHP) units	472 hours	450 hours	420 hours	Yes

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on CE2: Total time to complete recertifications for combined program management (SLIHP) units in staff hours.

Seattle Housing Authority is no longer reporting on:

- Staff time saved by not duplicating rent reviews and inspections

Data collection methods

Staff time is calculated based on a 2011 voucher time study and 2013 public housing time study, which found that on average it took 16 minutes to key an annual review in HCV's data system of record, plus an average of 146 total minutes to complete a regular recertification in public housing. The time required for a regular recertification in public housing is used as a proxy for the equivalent amount of time required to complete an annual tax credit certification in the HOPE VI units. While we provide these numbers as our best estimate, we believe that the averages may not fully capture the time required for these units due to factors such as property management staff requiring extra time to complete information and train others in a data system that they do not use on a daily basis. The baseline figure is derived from the average total time required to complete a public housing annual review plus the average total time required to complete a project-based voucher annual review.

The data provided on time saved through this strategy reflects only time spent on annual recertifications and does not reflect the added opportunities for efficiencies through unified waiting lists and inspections.

MTW Activity #17 – Performance Standards

Status

Active - First included in the 1999 MTW Annual Plan. First implemented in 1999.

Description

Seattle Housing Authority has used alternative performance measurements since becoming a Moving to Work agency in 1999. Because Moving to Work agencies are allowed to try out new strategies that fall outside of regular HUD activities, some of the standard measures that HUD uses to measure housing authorities' accomplishments may not apply to Moving to Work agencies. Seattle Housing Authority has continued to work with other MTW agencies to develop HUD-approved measures for MTW housing authorities that can serve as an alternative to HUD's Public Housing Assessment System (PHAS), including the development in 2012 of proposed measures set forth in the "Chicago Report" and continuing work in 2013 and 2014 to combine the recommended measures into a cohesive assessment and reporting tool.

Authorization

MTW Agreement - Attachment D (A)(1). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Local Asset Management Program Strategies

- Local performance standards in lieu of HUD measures: Develop locally relevant performance standards and benchmarks to evaluate the agency performance in lieu of HUD's Public Housing Assessment System (PHAS). (MTW Strategy #17. Implemented in 1999.)

Evaluation of this activity is not required by HUD.

MTW Activity #18 – Short-Term Assistance

Status

Active - First included in the 2013 MTW Plan. First implemented in 2013.

Description

Seattle Housing Authority is working on multiple fronts with community partners to develop innovative new assistance programs that are designed to be short-term in length. These programs help households both access and retain housing through one-time or temporary assistance such as rent, deposits, arrears, and utility assistance as needed. Short-term assistance is paired with targeted services when needed, including connections to employment, childcare services, and domestic violence counseling.

Authorization

MTW Agreement, Attachment D (B)

No changes were made to authorizations in 2013.

Voucher Short-Term Strategies

- Short-Term Rental Assistance: Seattle Housing Authority provides funding for short-term shallow rental assistance through a cooperative initiative to reduce and prevent homelessness through targeted housing assistance and services. (MTW Strategy #18.H.01. First implemented in 2013.)

Impact

Short-term assistance strategies contribute to self sufficiency by providing youth and adults with the services and financial assistance that they need to remain stable in their housing and/or to obtain housing.

This activity launched in late 2013, but the initial referral process was slow and no households were enrolled until 2014.

Impact	Metric	Baseline (2012)	Benchmark	2013 Results	Benchmark Achieved?
Self sufficiency	SS6: Average amount of Section 8 subsidy per household	$8,598 in 2012 ($8,455 in 2013)	$3,000	N/A (0 households served with SHA dollars in 2013)	No
	SS8: Number of households who transitioned to unsubsidized housing through short-term assistance	0	20	0	No
	Number of households served through the Short Term Rental Assistance Program	0	32	0	No

While Seattle Housing Authority failed to achieve benchmarks for short-term assistance strategies in 2013, we strongly believe that this is due to the late in the year implementation of the short-term rental assistance program and slow initial enrollment. Enrollment has picked up dramatically in 2014 and we fully expect this strategy to be successful in subsequent years.

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on SS6: Average amount of Section 8 and/or 9 subsidy per household and SS8: Number of households who transitioned to unsubsidized housing through short-term assistance.

Seattle Housing Authority is no longer reporting on:

- Number of families that retain their housing through the short-term rental assistance program
- Seattle Housing Authority cost per household served compared to average annual HAP

Data collection methods

Outcomes for youth and families served are tracked through both program records and HMIS. Seattle Housing Authority costs are tracked via the agency's regular accounting software.

No changes were made to data collection methods in 2013.

MTW Activity #20 – Local Non-Traditional Affordable Housing Strategies

Status

Active - First described as an MTW activity in the 2013 MTW Plan in response to HUD guidance. First implemented in 1999.

Description

Seattle Housing Authority sometimes uses MTW Block Grant funds to support affordable housing outside of the traditional public housing and voucher programs. This support may include funding for development, capital improvements, and both physical and financial maintenance. While this was previously an unremarkable use of MTW Block Grant funds under our Local Asset Management Program, new guidance from HUD on local non-traditional activities (PIH Notice 2011-45) has made it advisable for us to call out this use of funds as an MTW activity.

This use of MTW funds allows Seattle Housing to maintain or broaden the availability of housing in the city affordable to households below 80 percent of Area Median Income. This activity may include both short and long term funding for development, capital improvement, and maintenance of affordable housing units. It may also provide financial maintenance, such as the contribution of funds to meet an established Debt Coverage Ratio, required for continued operation of the affordable units.

Authorization

MTW Agreement, Attachment D – Use of Funds

No changes were made to authorizations in 2013.

Agency-wide Local Non-Traditional Strategies

- Use of Funds for Local Non-Traditional Affordable Housing: SHA may use Block Grant funds to develop, capitally improve, and/or maintain affordable housing outside of the traditional public housing and voucher programs. (MTW Strategy #20.A.01. First described as an MTW strategy in the 2013 Plan in response to HUD guidance. First implemented in 1999.)

Impact

Local Non-Traditional Affordable Housing strategies support housing choice by preserving affordable housing options for households below 80 percent AMI throughout the city of Seattle.

This activity is on schedule.

Impact	Metric	Baseline (1998)	Benchmark	2013 Results	Benchmark Achieved?
Housing choice	HC2: Number of housing units preserved for households at or below 80% AMI that would otherwise not be available.	0	90 total	90 total	Yes

Revisions to benchmarks or metrics

Seattle Housing Authority made changes to benchmarks and metrics in order to comply with the revised Form 50900 issued in 2013. Seattle Housing Authority will now report on HC2: Number of housing units preserved for households at or below 80% AMI that would otherwise not be available.

Seattle Housing Authority is no longer reporting on:

- Number of local nontraditional affordable housing units

Seattle Housing Authority is also revising the benchmark for local non-traditional affordable housing units to correct the previous accidental inclusion of units that do not fall within the local non-traditional category. These changes include:

- Units at Telemark Apartments, which were mistakenly construed to be local non-traditional housing due to housing assistance payments made to support tenant-based voucher holders.
- Units at Wedgewood Estates that benefited from bridge financing. MTW funds were never intended to be a permanent source of financing and all MTW funds have been repaid with no MTW funds remaining in the project.
- HOPE VI straight tax credit units, which should not have been included as local non-traditional housing because investments in these properties were proportionate with Section 8 and Section 9 (HCV and Public Housing) units in the properties.

Data collection methods

Seattle Housing Authority routinely tracks information on all of its housing stock, including funding type.

No changes were made to data collection methods in 2013.

Not Yet Implemented MTW Activities

MTW Activity #2 – Family Self-Sufficiency Program

Status

Under development - First included in the 1999 MTW Annual Plan. Not yet implemented.

Description

Seattle Housing Authority's Family Self-Sufficiency Program supports residents with services and financial incentives that help them to pursue self sufficiency in multiple arenas, including employment, education, and moves to market-rate housing. MTW strategies have been designed to help the Family Self-Sufficiency Program to expand its impact by partnering with other agencies, providing incentives for participation, and using local selection criteria, contract terms, and escrow calculation methods.

Authorization

MTW Agreement- Attachment C (C)(5), (C)(11), (E). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Family Self-Sufficiency Program Strategies

Under Development

- FSS escrow accounts: Use local policies for determining escrow calculation, deposits, and withdrawals. (MTW Strategy #2.A.03. Not yet implemented.)
- FSS program incentives: Provide incentives to FSS participants who do not receive escrow deposits. (MTW Strategy #2.A.06. Not yet implemented.)
- FSS selection preferences: Up to 100 percent of FSS enrollments may be selected by local preferences. (MTW Strategy #2.A.07. Not yet implemented.)

Inactive

- Partner with city: Partner with the City of Seattle to share responsibilities and resources for a new integrated FSS program. (MTW Strategy #2.A.01. Implemented in 1998; discontinued in 2000.)
- SJI preference + time limits: Preference for Seattle Jobs Initiative participants coupled with time limits. (MTW Strategy #2.A.02. Implemented in 1998; discontinued in 2000.)
- FSS participation contract: Locally designed contract terms including length, extensions, interim goals, and graduation requirements. (MTW Strategy #2.A.04. Not yet implemented.)
- FSS Program Coordinating Committee: Restructure Program Coordinating Committee (PCC) to better align with program goals and local resources. (MTW Strategy #2.A.05. Not yet implemented.)

Implementation

Seattle Housing Authority previously delayed implementation of FSS MTW strategies because of limitations imposed by HUD funding requirements, particularly Notices of Funding Availability (NOFAs) that did not allow MTW agencies to implement approved MTW activities while continuing to receive funding for FSS staff. Seattle Housing Authority is encouraged by the NOFAs released in recent years, which appear to allow agencies to exercise their MTW authority while continuing to receive FSS funding.

In 2013 Seattle Housing Authority contemplated agency-wide rent reform, including potential implementation of the MTW strategies for the FSS program. Changing the way that the agency calculates rent for its participants will require a great deal of thought, discussion, and analysis. The rent reform discussions will continue into 2014, including further consideration of the agency's FSS strategies.

MTW Activity #19 – Mobility and Portability

Status

Under Development - First included in the 2013 MTW Plan. Not yet implemented.

Description

Mobility and portability strategies are designed to support cost effectiveness by allowing the Seattle Housing Authority to deny requests for portability moves to another jurisdiction when the receiving housing authority intends to administer rather than absorb the voucher and the combination of higher payment standards or more generous subsidy standards would result in a higher payment standard for the household than the payment standard applicable within Seattle Housing Authority's jurisdiction.

Authorization

MTW Agreement, Attachment C (D)(1)(g)

No changes were made to authorizations in 2013.

Voucher Mobility Strategies

Under Development

- Limiting portability in high cost areas: Seattle Housing Authority may deny requests for portability moves to another jurisdiction when the receiving housing authority intends to administer rather than absorb the voucher and the resulting payment standard would be higher than SHA's payment standard.

Implementation

Seattle Housing Authority did not need to limit portability in high cost areas in 2013 and limitations are not currently planned for 2014. However, Seattle Housing Authority will continue to annually revisit whether this activity should be implemented based on federal funding context and number of port-outs.

On Hold Activities

MTW Activity #4 – Investment Policies

Status

On Hold - First included in the 1999 MTW Annual Plan. First implemented in 1999. Placed on hold in 2013.

Description

Seattle Housing Authority's MTW investment policies give the agency greater freedom to pursue additional opportunities to build revenue by making investments allowable under Washington State's investment policies in addition to HUD's investment policies. Each year, Seattle Housing Authority assesses potential investments and make a decision about whether this MTW flexibility will be needed. In 2013 investment flexibility was not needed and all Seattle Housing Authority investments followed HUD policies.

Authorization

MTW Agreement - Attachment C (B)(5). Our MTW authority is used for the strategies described below.

No changes were made to authorizations in 2013.

Agency-wide Investment Policy Strategies

Not Needed in 2013

- Investment policies: Seattle Housing Authority may use Washington State investment policies in lieu of HUD investment policies. (MTW Strategy #4.A.01. Implemented in 1999.)

Reactivation

Seattle Housing Authority annually assesses potential investments to determine which investment policies are most beneficial. MTW alternate investment polices were not needed in 2013 and the agency does not anticipate using alternate investment policies in 2014. However, Seattle Housing Authority will continue to revisit its investment strategies annually in consideration of both the agency's financial plans and available investment opportunities.

Closed Out Activities

MTW Activity #6 – MTW Block Grant and Fungibility

First implemented with MTW participation in 1999. Closed out in 2011.

While Seattle Housing Authority maintains this important MTW authority, HUD has requested that we no longer report on it as a standalone MTW activity. Previously approved strategies for this activity were:

- MTW Block Grant: Seattle Housing Authority combines all eligible funding sources into a single MTW Block Grant used to support eligible activities.
- Operating reserve: Maintain an operating reserve consistent with sound management practices.
- Utilization goals: HCV utilization defined by use of budget authority.
- Obligation and expenditure timelines: Seattle Housing Authority may establish timelines for the obligation and expenditure of MTW funds.

While the Block Grant, fungibility, operating reserve, and utilization goals continue to be active and critical elements of Seattle Housing Authority's participation as an MTW agency, this activity may be considered closed out as of 2011, which was the last year that Seattle Housing Authority reported on it as a separate activity. HUD no longer allows Seattle Housing Authority to establish timelines for the obligation and expenditure of MTW funds.

MTW Activity #7 - Procurement

First implemented with MTW participation in 1999. Closed out in 2011.

While Seattle Housing Authority's MTW procurement activity was approved by HUD in the 1999 Annual Plan, HUD has since that time taken the position that it is not an allowable MTW activity.

Previously approved strategies for this activity were:

- Construction contract: Locally-designed form of construction contract that retains HUD requirements while providing more protection for Seattle Housing Authority.
- Procurement policies: Adopt alternative procurement system that is competitive, and results in Seattle Housing Authority paying reasonable prices to qualified contractors.
- Wage rate monitoring: Simplified process for monitoring the payment of prevailing wages by contractors.

This activity may be considered closed out as of 2011, which was the last year that Seattle Housing Authority reported on it as a separate activity.

MTW Activity #14 – Related Nonprofits

First approved in the 2004 MTW Annual Plan. Closed out in 2013.

Seattle Housing Authority never implemented this activity, which would have allowed the agency to enter into contracts with related nonprofits. Seattle Housing Authority determined that existing partnership structures were adequate without needing additional MTW authority.

Previously approved strategies for this activity were:

- Related non-profit contracts: Seattle Housing Authority may enter into contracts with any related nonprofit.

This activity may be considered closed out as of 2013. Seattle Housing Authority closed out this activity without implementing it because it found that MTW flexibility was not needed for the activities intended. As a result, there are no outcomes to report.

MTW Activity #16 – Local Asset Management Program

First included in the 2000 MTW Annual Plan and first implemented in 2000.

While Seattle Housing Authority maintains Local Asset Management Program (LAMP) authority, we no longer report on this as an MTW activity at HUD's request.

Previously approved strategies for this activity were:

- Local Asset Management Program: Use asset management principles to optimize housing and services.

Although Seattle Housing Authority continues to operate under the LAMP and this remains an essential element of the agency's participation in the MTW program, this activity may be considered closed out at HUD's request as of 2013. No final outcomes can be reported as the LAMP is a way of doing business rather than a discrete program or activity, and because Seattle Housing Authority continues to implement this activity.

V. Sources and Uses of Funding

This section describes aspects of Seattle Housing Authority's revenues and expenditures for 2013, local asset management program, and use of MTW single fund authority.

Sources and uses of MTW funds

In previous MTW reports, Seattle Housing Authority provided detailed information on annual sources and expenditures of funding in this section of the report. However, with the new 50900 requirements issued by HUD in 2013, public housing authorities now submit their information through the Financial Assessment System - PHA (FASPHA) rather than in the MTW report. The following pages provide information on a few aspects of the MTW Block Grant and Replacement Housing Factor (RHF) funding, but are not comprehensive.

Single Fund Flexibility

A critical element of MTW participation is the MTW Block Grant, which combines public housing capital, operating, and Housing Choice Voucher subsidy into a single source of funding that MTW housing authorities are able to allocate to meet local needs. The following table describes how Seattle Housing Authority used this single fund flexibility in 2013.

Describe the Activities that Used Only MTW Single Fund Flexibility
Seattle Housing Authority established a MTW Block Grant Fund under the original MTW Agreement in 1999. Seattle Housing continues to use single-fund flexibility under the First Amendment to the MTW Agreement. The Authority's flexibility to use MTW Block grant resources to support its array of low-income housing services and programs is central to the agency's Local Asset Management Plan (LAMP). Seattle Housing Authority's LAMP includes the whole of its operations and MTW Block Grant funds. During 2013, Seattle Housing Authority exercised its MTW flexibility to allocate MTW Block Grant revenues among the Authority's housing and administrative programs. This enabled SHA to further its mission and strategic plan by balancing the mix of housing types, services, capital investments, and administrative support to different low-income housing programs and different groups of low-income residents and voucher participants. In 2013, Seattle Housing used Block Grant flexibility of $9,836,000 to support the following local programs: • Local low income housing operations, assistance, and capital repairs • Community services for tenants, including employment opportunity programs, recreation and youth educational programs; translation services; and self-sufficiency programs • Local low-income housing development. While these activities benefit from the flexibility of Seattle Housing Authority's MTW Block Grant, nearly all are for Section 8 and Section 9 participants and are not local non-traditional MTW activities as defined in PIH Notice 2011-45. Seattle Housing Authority remains in compliance with the guidance regarding use of funds described in PIH Notice 2011-45.

V.4.Report.Local Asset Management Plan	
B. MTW Report: Local Asset Management Plan	
Has the PHA allocated costs within statute during the plan year?	**Yes**
Has the PHA implemented a local asset management plan (LAMP)?	**Yes**
Has the PHA provided a LAMP in the appendix?	**Yes**

Seattle Housing continued to operate under its approved Local Asset Management Plan (LAMP), as first stipulated in the 2000 Plan and in practice since the beginning of MTW participation. No significant changes were made to Seattle Housing's LAMP during 2013 but indirect service fees (ISF) continue to be updated annually, new programs are added as needed, and on-site maintenance staffing has been implemented at select communities. Seattle Housing Authority's LAMP was submitted with our 2013 MTW Plan and approved by HUD in a letter received in December of 2012.

Sources and uses of the Central Services Operating Center (CSOC):
In compliance with the First Amendment to the MTW Agreement and the Office of Management and Budget (OMB) Circular A-87 requirements, Seattle Housing Authority has set up an indirect services fee. The indirect cost plan is described in more detail in Seattle Housing's LAMP in the appendices of this report. Similar to HUD's COCC and consistent with A-87, Seattle Housing created a Central Services Operating Center ("CSOC") to represent the fee charges and expenses for overhead costs.

Cost allocation or fee-for- service approach:
As described above, Seattle Housing Authority has developed an indirect services fee (ISF) in compliance with OMB Circular A-87 requirements. Seattle Housing Authority's CSOC is more comprehensive than HUD's asset management system, which focuses only on fees for services for public housing properties. Seattle Housing Authority's work is much broader than public housing and therefore Seattle Housing Authority's LAMP is also broader. The LAMP includes local housing, for sale activities, limited partnership properties, and other activities not found in traditional HUD programs. Seattle Housing Authority's ISF is based on anticipated indirect costs serving all direct service programs. In accordance with OMB Circular A-87 requirements, the ISF is determined in a reasonable and consistent manner based on total units and leased vouchers. The ISF is a standard fee calculated annually per housing unit or per leased voucher charged each month to each program. Please see the LAMP in the report appendices to review Seattle Housing Authority's Indirect Cost Plan.

Replacement Housing Factor (RHF) Funding

Seattle Housing Authority receives Replacement Housing Factor (RHF) funding to support the creation of new affordable housing. Since 2001, Seattle Housing Authority has used first and second increment RHF funding to create new affordable housing with several large-scale mixed finance projects at NewHolly, Rainier Vista, High Point, and Yesler Terrace.

In order to combine RHF funding with the MTW Block Grant, Seattle Housing Authority provides an annual update on expenditures of RHF funding in the MTW report. In 2013, the agency received $3.0 million in RHF funding and spent $3.3 million on RHF activities. Expenditures supported the Yesler Terrace project, which is gaining momentum on site and within the community, including predevelopment costs at Yesler and construction at two sites, 1105 East Fir and the Baldwin Apartments.

VIII. Administrative Information

This section provides documentation of findings from HUD audits and monitoring visits and certifies compliance with regulations.

Reviews, audits, or inspection issues

Seattle Housing Authority did not receive any findings from HUD audits or monitoring visits in 2013.

Agency-Directed Evaluations

Seattle Housing Authority is not currently engaged in any agency-wide evaluations of its MTW program.

Certification of Compliance with Regulations

- At least 75 percent of families assisted by Seattle Housing Authority are very low-income.
    - Seattle Housing Authority certifies that it is meeting this statutory objective. HUD, as stated in Section II, will confirm this with PIC data and the information Seattle Housing Authority provides in this report on households served by local, non-traditional programs. According to Seattle Housing Authority's data at the end of 2013, more than 96 percent of households we served in Seattle were very low-income (as detailed in Attachment C).
- Seattle Housing Authority continues to assist substantially the same number of eligible low-income families as would have been served had the amounts (MTW funds) not been combined.
    - Seattle Housing Authority continues to meet this requirement and in 2013 served more households than we would have had the amounts not been combined. Supporting details in HUD's prescribed format will be submitted separate from this report.
- Seattle Housing Authority has maintained a comparable mix of families (by family size as would have been served absent the demonstration).
    - Seattle Housing Authority has maintained a comparable mix of families by family size as would have been served absent the demonstration. While the distribution of family sizes served has shifted since Seattle Housing Authority began its MTW participation, these shifts are largely attributed to changes in housing stock and community demographics, as explained in Section II of this report.

Appendices

The appendices of this report include:

Appendix A:	Housing Stock and Leasing Overview
Appendix B:	New Project-based Voucher Units
Appendix C:	Housing and Applicant Demographics
Appendix D:	Local Asset Management Plan

Appendix A – Housing Stock and Leasing Overview

In the body of this report, we provide statistics on properties and units funded through the MTW Block Grant. However, Seattle Housing Authority owns and manages additional housing stock funded through other sources. In this appendix we provide an overview of Seattle Housing Authority's housing stock and leasing rates for units that are both MTW and non-MTW funded.

Table 1: Changes in housing inventory

Housing Program	2012 year end (actual)	2013 year end (projected)	2013 year end (actual)
MTW Block Grant-funded Housing			
Housing Choice Voucher	8,798	9,134	9,134
Tenant-based	5,871	5,959	5,971
Project-based – partner-owned	2,466	2,722	2,702
Project-based – SHA-owned	387	379	387
Program-based – SHA-owned	15	15	15
Provider-based	59	59	59
Public Housing	6,335	6,295	6,295
*SHA-owned **	6,295	6,255	6,255
Partner-owned	40	40	40
MTW Block Grant-funded Housing Total	**15,133**	**15,429**	**15,429**
Other HUD-funded Housing			
Housing Choice Vouchers - Special Purpose	871	535	751
Family Unification Program	200	200	200
Mainstream Disability	75	75	75
Housing Conversion	336	0	181
Veterans Affairs Supportive Housing	260	260	295
Section 8 New Construction	130	130	130
Section 8 Moderate Rehab	759	759	759
Other HUD-funded Housing Total	**1,760**	**1,424**	**1,640**
Local Housing			
Seattle Senior Housing Program *	100	100	100
Seattle Senior Housing Program – operated by partners	65	65	65
Tax credit housing (without public housing subsidy)	739	739	739
Other affordable housing	811	811	811
Local Housing Total	**1,715**	**1,715**	**1,715**

Table 1: Changes in housing inventory

Housing Program	2012 year end (actual)	2013 year end (projected)	2013 year end (actual)
Managed by SHA for other owners	8	14	8
Total Housing**	**18,206**	**18,174**	**18,382**

**Includes residential units leased to agencies that provide transitional housing or supportive services and units for live-in staff.*

***Due to project-basing and program-basing of Housing Choice Vouchers in Local Housing, Total Housing is the sum of all housing units minus Housing Choice Vouchers-MTW Project-based – SHA-owned and Program-based – SHA-owned. Managed by SHA for other owners is also not included in Total Housing.*

Table 2: Changes in units leased

HOUSING PROGRAM	2012 year end	2013 year end
Housing Choice Vouchers-MTW	8,243	8,287
Housing Choice Vouchers-Non-MTW	571	514
Family Unification Program	173	167
Mainstream Disability	72	72
Housing Conversion	142	27
Veterans Affairs Supportive Housing	184	248
Low Income Public Housing	6,154	6,082
Section 8 Moderate Rehab	746	733
Section 8 New Construction	128	129
Local Housing*	1,620	1,619

**Does not include 65 local SSHP units operated by partners; includes residential units leased to agencies that provide transitional housing or supportive services and units for live-in staff. Includes overlap between local housing and Housing Choice Vouchers as vouchers can be used in otherwise unsubsidized units.*

Appendix B – New Project-based Voucher Units

Seattle Housing Authority project-based 132 MTW project-based vouchers during the year. Please note that not all of the vouchers project-based in 2013 and described below are MTW. There were eight additional Veterans Affairs Supportive Housing (VASH) vouchers project-based at Ernestine Anderson Place.

Aurora House						
Project description	Aurora House, owned by Downtown Emergency Service Center, is an 87 unit building located on Aurora Avenue in North Seattle. This project is a Housing First project that will provide permanent supportive housing for chronically homeless, single adults who have disabilities including chemical dependency, mental illness, and other conditions. All units are targeted to homeless individuals at or below 30% of Area Median Income, including project-based units. The building staffs a 24/7 Residential Counselor to support residents with the challenges of daily living and residents also receive case management on-site from DESC Clinical Support Specialist. Tenants also benefit from further support from DESC such as employment support. The building includes common space for residents, such as meeting rooms and dining area, courtyard garden, and rooftop deck and is located close to public transportation. This project was funded through the Combined Funders NOFA.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
87	30	0	0	0	0	30

Ernestine Anderson Place						
Project description	Ernestine Anderson Place, owned by Low Income Housing Institute, is a newly constructed project in Seattle's Central District neighborhood. The target population is homeless high utilizer seniors at or below 30% of Area Median Income, with 8 units designated specifically for Veterans Administration Supportive Housing (VASH). The building offers tenants community space, an exercise room, library, computer room, and outside garden patio. Low Income Housing Institute has partnered with Sound Mental Health to provide service enriched housing case management. This project was funded through the Combined Funders NOFA.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
60	40	1	0	0	0	41

Emerald City Commons						
Project description	Emerald City Commons, owned by Mercy Housing, is a newly constructed building in Seattle's Rainier Valley neighborhood. The property's target population is low wage working families and small households earning between 30-60% of the Area Median Income, with 30 units for household at or below 30% AMI (project-based units included). Twelve of these units are specifically designed to be accessible for person with disabilities. Emerald City Commons tenants have access to many indoor and outdoor common spaces, a computer lab, secure children's play area, and the ground floor houses Urban Impact's Rainier Health and Fitness program, which offers affordable access to fitness programs. Additionally Mercy Housing and Urban Impact provide "enhanced property management" to help residents achieve and increase stability. The building is located within a mile of public transportation, parks, community centers, and public schools. This project was funded through the City of Seattle RFP.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
61	0	0	6	6	0	12

Imani Village						
Project description	Imani Village, owned by First Place School, is a 16 unit newly constructed complex in Seattle's Central District neighborhood. This project will be available to families at or below 30% who are homeless or transitioning out of homelessness, including project-based units. The building offers a community room, courtyard, and playground area. In addition the project is located within a half mile of medical centers, public libraries, several supermarkets, several parks, community programs, and transportation. This project was funded through the City of Seattle RFP.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
16	0	0	4	4	0	8

Parker Apartments						
Project description	Parker Apartments, owned by Bellwether Housing, is a 50 unit building located in Seattle's Queen Anne neighborhood. This former college dormitory was rehabilitated to include studios, 1-bedroom and 2-bedroom units targeted to serve individuals and small families earning between 50-60% Area Median Income (workforce housing) with project-based units reserved for families at or below 30% AMI. This project offers its tenants ideal location near public transit, 15 minutes from downtown, and has easy access to several public schools, grocery stores, and employment centers. The building features a common laundry, unit balconies, and a rear courtyard for the use and enjoyment of the tenants. This project was funded through the City of Seattle RFP.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
50	0	0	8	0	0	8

Pat Williams Apartments						
Project description	The Pat Williams Apartments, Plymouth Housing Group, is an 84 unit building located in Seattle's Cascade neighborhood. This project provides permanent supportive housing for veterans, persons with serious mental illness, including those with a dual diagnosis of mental illness and substance abuse, person exiting institutions and people living in shelters and transitional housing who have multiple barriers to housing stability. All must also have 30% or less Area Median Income. The project employs an intensive service model including a 24-hour desk and three on-site housing case managers providing an array of services to focus on stabilizing tenants and added emphasis on supporting tenants in their recovery from substance use disorder. The newly constructed building provides tenants two community rooms, a community kitchen, a computer resources center, outdoor garden area, and security desk. The building is located in a central part of the city with easy access to transportation, community services, and supermarkets. This project was funded through the Combined Funders NOFA.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
81	20	0	0	0	0	20

Sand Point Housing Phase 2.2						
Project description	Sand Point Housing Phase 2.2, owned by Solid Ground, is newly constructed at the former Sand Point Naval Base in Northeast Seattle, providing permanent supportive housing. The target population for this project is families and singles that meet the HUD definition of homelessness and earn less than 30% Area Median Income. Features include a community space, courtyard, large playground area, and access to Lowry Community Center. This campus includes previously developed affordable/low income housing within a 350-acre park with many options for youth sponsored by the YMCA and Magnuson Community Center. Within two miles are a major shopping area, elementary schools, renowned hospitals, many banks, and public transportation. Solid Ground also provides supportive case management individually customized to a resident's need for stability and reducing homeless recidivism. This project was funded through the City of Seattle RFP.					
Total units in property	**Project-based units**					
	Studios	**1 Bedroom**	**2 Bedrooms**	**3 Bedrooms**	**4 Bedrooms**	**Total**
54	0	0	12	9	0	21

Appendix C – Household and Applicant Demographics

This appendix provides specific data on changes in the number and characteristics of households housed in Seattle and applicants. Unless otherwise noted, data represents year-end information (December 31, 2013). Slight variations in totals from table to table indicate detailed data is missing for a few households. Additional data notes are provided at the end of this appendix.

Existing Households

Race of head of household

Low-Income Public Housing Residents as of 12/31/2013

Community Type	Caucasian	African / African American	Native American	Asian / Asian American	Native Hawaiian & Pacific Islander	Multi-Race	Total
Garden Communities[1]	115	695	21	462	9	2	1,304
High-Rises[2]	1,558	822	68	429	12	24	2,913
Mixed Income	27	29		3		1	60
Partnership Units	17	29		3		1	50
Scattered Sites	166	354	18	87	13	8	646
SSHP-LIPH	648	101	6	107	3		865
Townhouses	13	39		9	2		63
LIPH Total	**2,544**	**2,069**	**113**	**1,100**	**39**	**36**	**5,901**
Percent of Total	**43.1%**	**35.1%**	**1.9%**	**18.6%**	**0.7%**		
2012 Year-end	2,567	2,075	123	1,172	17	20	5,974
Percent of Total	43.0%	34.7%	2.1%	19.6%	0.3%	N/A	
Percent Change from Prior Year	-0.9%	-0.3%	-8.1%	-6.1%	129.4%	N/A	-1.2%
Difference in Ratios	0.1%	0.3%	-0.1%	-1.0%	0.4%	N/A	

[1]Excludes 1 household whose race is unknown. [2]Excludes 1 household whose race is unknown.

Section 8 Program Participants as of 12/31/2013

Program	Caucasian	African / African American	Native American	Asian / Asian American	Native Hawaiian & Pacific Islander	Multi-Race	Total
HCV Tenant-	1,768	2,149	110	577	31	-	4,635
HCV Project-	1,319	1,175	80	268	29	-	2,871
S8 Mod	363	179	35	148	5	-	730
S8 New	62	22	3	4	-	-	91
Section 8	**3,512**	**3,525**	**228**	**997**	**65**	**-**	**8,327**
Percent of	**42.2%**	**42.3%**	**2.7%**	**12.0%**	**0.8%**	**0.0%**	
2012 Year-	3,541	3,566	233	998	66	0	8,404
Percent of	42.1%	42.4%	2.8%	11.9%	0.8%		
Percent	-0.8%	-1.1%	-2.1%	-0.1%	-1.5%	0.0%	-0.9%
Difference in	0.0%	-0.1%	0.0%	0.1%	0.0%	0.0%	

[3] Excludes households that have left SHA's jurisdiction (1,782 households, a.k.a. port-outs) and those who live in SSHP and are counted in those tables (12 households), and includes households that have entered SHA's jurisdiction (493 households, a.k.a. port-ins). [4] Excludes 7 households whose race is unknown.

SSHP Residents (non-LIPH) as of 12/31/2013

Program	Caucasian	African / African American	Native American	Asian/ Asian American	Native Hawaiian & Pacific Islander	Multi-Race	Total
SSHP Total[5]	**50**	**11**	**3**	**30**	**0**	**0**	**94**
Percent of	**53.2%**	**11.7%**	**3.2%**	**31.9%**	**0.0%**	**0.0%**	
2012 Year-	46	11	3	36	0	0	96
Percent of	47.9%	11.5%	3.1%	37.5%	0.0%	0.0%	
Percent	8.7%	0.0%	0.0%	-16.7%	0.0%	0.0%	-2.1%
Difference in	5.3%	0.2%	0.1%	-5.6%	0.0%	0.0%	

Other Non-Federal Program Residents as of 12/31/2013

Program[6]	Caucasian	African / African American	Native American	Asian/ Asian American	Native Hawaiian & Pacific Islander	Multi-Race	Total
HOPE VI	36	157	2	34	1	3	233
Special	65	69	-	3	1	-	138
Special Portfol	215	29	-	19	5	-	268
Other Non-	**316**	**255**	**2**	**56**	**7**	**3**	**639**
Percent of	**49.5%**	**39.9%**	**0.3%**	**8.8%**	**1.1%**	**0.5%**	
2012 Year-	365	258	2	65	9	1	700
Percent of	52.1%	36.9%	0.3%	9.3%	1.3%	0.1%	
Percent	-13.4%	-1.2%	0.0%	-13.8%	0.0%	0.0%	-8.7%
Difference in	-2.7%	3.0%	0.0%	-0.5%	-	0.3%	

[6] Excludes households represented in other housing programs, such as those with Housing Choice Vouchers or in Low Income Public Housing units. [7] Excludes six households in HOPE VI tax credit properties whose race is unknown. Excludes 14 households in Special Portfolio - SHA Managed properties whose race is unknown. [8] Excludes 4 Special Portfolio - Privately Managed households whose race is unknown.

Ethnicity of head of household`

Ethnicity – Hispanic / Non-Hispanic as of 12/31/2013

Program	Hispanic	Non-Hispanic	Total
Low Income Public Housing[9]	302	4736	5,038
SSHP-LIPH	47	818	865
HCV Tenant-Based[10]	203	4432	4,635
HCV Project-Based	139	2732	2,871
Section 8 Mod Rehab	42	688	730
Section 8 New Construction	4	94	98
Seattle Senior Housing Program [11]	3	91	94
Other Non-Federal Programs [12]	29	619	648
Total Households	**769**	**14,210**	**14,979**
Percent of Total	**5.1%**	**94.9%**	
2012 Year-end	720	14,464	15,184
Percent of Total	4.7%	95.3%	
Percent Change from Prior Year	6.8%	-1.8%	-5.6%
Difference in Ratios	0.4%	-0.4%	

Excludes port-outs and SSHP voucher holders; includes port-ins. [12]Excludes 15 households whose ethnicity is unknown.

Income distribution as a percent of median income

Median Incomes Levels for the Seattle-Bellevue Area -Effective 12/1/2013

Family Size	30% Median	50% Median	80% Median
Single Individual	$18,200	$30,350	$45,100
Family of Two	$20,800	$34,700	$51,550
Family of Three	$23,400	$39,050	$58,000
Family of Four	$26,000	$43,350	$64,400
Family of Five	$28,100	$46,850	$69,600
Family of Six	$30,200	$50,300	$74,750
Family of Seven	$32,250	$53,800	$79,900
Family of Eight	$34,350	$57,250	$85,050

Distribution of Household Annual Income as of 12/31/2013

Program	Below 30% Median Income	30% - 50% Median Income	50% - 80% Median Income	Over 80% Median Income	Total
Low Income Public Housing[13]	4,398	499	121	18	5,036
SSHP-LIPH	687	147	30	1	865
HCV Tenant-Based[14]	3,958	587	84	6	4,635
HCV Project-Based	2,636	213	20	2	2,871
Section 8 Mod Rehab	680	41	5	4	730
Section 8 New Construction[15]	86	6	-	-	92
Seattle Senior Housing Program	79	11	3	1	94
Other Non-Federal Programs[16]	148	146	180	77	551
Total Households	**12,672**	**1,650**	**443**	**109**	**14,874**
Percent of Total	**85.2%**	**11.1%**	**3.0%**	**0.7%**	
2012 Year-end	12,989	1,631	407	197	15,224
Percent of Total	85.3%	10.7%	2.7%	1.3%	
Percent Change from Prior Year	-2.4%	1.2%	8.8%	-44.7%	-2.3%
Difference in Ratios	-0.1%	0.4%	0.3%	-0.6%	

[13] Excludes 2 households whose income is unavailable. [14] Excludes port-outs and SSHP voucher holders; includes port-ins.

[15] Excludes 6 households whose income is unavailable. [16] Exclude 112 households whose income is unavailable.

Total population by age group (minors, adults and elderly)

Low-Income Public Housing Residents as of 12/31/2013

Development[17]	Minors	Non-Elderly Adults	Elderly Adults	Total Individuals	Elderly >70
Garden Communities	1,743	1,856	503	4,102	260
High-Rises	59	1,788	1,361	3,208	700
Mixed Income	53	59	8	120	3
Partnership Units	78	105	9	192	3
Scattered Sites	1,022	1,012	118	2,152	49
SSHP-LIPH	-	83	866	949	639
Townhouses	193	133	9	335	2
LIPH Total	**3,148**	**5,036**	**2,874**	**11,058**	**1,656**
Percent: Actual	**28.5%**	**45.5%**	**26.0%**		**15.0%**
2012 Year-end	3,317	5,236	2,818	11,371	1,652
Percent of Total	29.2%	46.0%	24.8%		14.5%
Percent Change from Prior Year	-5.1%	-3.8%	2.0%	-2.8%	0.2%
Difference in Ratios	-0.7%	-0.5%	1.2%		0.4%

[17] Excludes occupants of employee and agency units.

Section 8 Participants as of 12/31/2013

Program	Minors	Non-Elderly Adults	Elderly Adults	Total Individuals	Elderly >70
HCV Tenant-based[18]	3,786	5,030	1,551	10,367	810
HCV Project-based	1,849	2,811	733	5,393	357
Section 8 Mod Rehab	81	625	225	931	106
Section 8 New Construction	1	62	38	101	15
Section 8 Total	**5,717**	**8,528**	**2,547**	**16,792**	**1,288**
Percent of Total	**34.0%**	**50.8%**	**15.2%**		**7.7%**
2012 Year-end	5,938	8,654	2,477	17,069	1,246
Percent of Total	34.8%	50.7%	14.5%		7.3%
Percent Change from Prior Year	-3.7%	-1.5%	2.8%	-1.6%	3.4%
Difference in Ratios	-0.7%	0.1%	0.7%		0.4%

[18]Excludes port-outs and SSHP voucher holders; includes port-ins.

SSHP Residents (non-LIPH) as of 12/31/2013

	Minors	Non-Elderly Adults	Elderly Adults	Total Individuals	Elderly >70
SSHP Total	**0**	**11**	**101**	**112**	**73**
Percent of Total	**0.0%**	**9.8%**	**90.2%**		**65.2%**
2012 Year-end	0	10	106	116	75
Percent of Total	0.0%	8.6%	91.4%		64.7%
Percent Change from Prior Year	0.0%	10.0%	-4.7%	-3.4%	-2.7%
Difference in Ratios	0.0%	1.2%	-1.2%		0.5%

Other Non-Federal Program Residents as of 12/31/2013

Program	Minors	Non-Elderly Adults	Elderly Adults	Total Individuals	Elderly >70
HOPE VI Tax Credit	304	420	30	754	13
Special Portfolio – Seattle Housing	95	164	12	271	4
Special Portfolio – Privately Mngd	100	362	49	511	N/A
Other Non-Federal Total	**499**	**946**	**91**	**1,536**	**17**
Percent of Total	**32.5%**	**61.6%**	**5.9%**		**1.1%**
2012 Year-end	434	917	88	1,439	13
Percent of Total	30.2%	63.7%	6.1%		0.9%
Percent Change from Prior Year	15.0%	3.2%	3.4%	6.7%	30.8%
Difference in Ratios	2.3%	-2.1%	-0.2%		0.2%

People with disabilities

Low-Income Public Housing Residents as of 12/31/2013

Development	Disabled Minors	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
Garden Community	32	208	280	520	4,102
High-Rises	3	1,292	726	2,021	3,208
Mixed Income	-	11	4	15	120
Partnership Units	1	5	-	6	192
Scattered Sites	23	170	42	235	2,152
SSHP-LIPH	-	66	82	148	949
Townhouse	2	5	7	14	335
LIPH Totals	**61**	**1,757**	**1,141**	**2,959**	**11,058**
Percent of Total	**0.6%**	**15.9%**	**10.3%**	**26.8%**	
2012 Year-end	24	1,850	1034	2,908	11,371
Percent of Total	0.2%	16.3%	9.1%	25.6%	
Percent Change from Prior Year	154.2%	-5.0%	10.3%	1.8%	-2.8%
Difference in Ratios	0.3%	-0.4%	1.2%	1.2%	

Section 8 Participants as of 12/31/2013

Program	Disabled Minors	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
HCV Tenant-based	243	1,797	1,204	3,244	10,367
HCV Project-based	73	1,280	469	1,822	5,393
Section 8 Mod Rehab	3	365	174	542	931
Section 8 New Construction	-	61	34	95	101
Section 8 Total	**319**	**3,503**	**1,881**	**5,703**	**16,792**
Percent of Total	**1.9%**	**20.9%**	**11.2%**	**34.0%**	
2012 Year-end	335	3,510	1,778	5,623	17,069
Percent of Total	2.0%	20.6%	10.4%	32.9%	
Percent Change from Prior Year	-4.8%	-0.2%	5.8%	1.4%	-1.6%
Difference in Ratios	-0.1%	0.3%	0.8%	1.0%	

SSHP Residents (non-LIPH) as of 12/31/2013

	Disabled Minors	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
SSHP Totals	**0**	**3**	**0**	**3**	**112**
Percent of Total	**0.0%**	**2.7%**	**0.0%**	**2.7%**	
2012 Year-end	0	4	16	20	116
Percent of Total	0.0%	3.4%	13.8%	17.2%	
Percent Change from Prior Year	0.0%	-25.0%	-100.0%	-85.0%	-3.4%
Difference in Ratios	0.0%	-0.8%	-13.8%	-14.6%	

Other Non-Federal Program Residents as of 12/31/2013

Program	Disabled Minors	Non-Elderly Disabled	Elderly Disabled	Total Disabled	Total Individuals
HOPE VI Tax Credit	2	3	7	12	754
Special Portfolio – Seattle Housing	-	2	1	3	271
Special Portfolio – Privately Managed	N/A	19	N/A	19	511
Section 8 Total	2	24	8	34	1,536
Percent of Total	0.1%	1.6%	0.5%	2.2%	
2012 Year-end	2	30	7	39	1,439
Percent: Projected	N/A	2.1%	0.5%	2.7%	
Percent Change from Prior Year	0.0%	-20.0%	14.3%	-12.8%	6.7%
Difference in Ratios	0.0%	-0.5%	0.0%	-0.5%	

Households served in Seattle by unit size at year end – comparing Seattle Housing Authority's first year of MTW (1999), the prior year (2012), and the current year (2013)

Program	Year	0-Br	1-Br	2-Br	3-Br	4-Br	5+-Br	Total
Low Income Public Housing	1999	257	3,158	1,470	935	231	36	6,087
	2012	814	2,369	988	729	196	38	5,134
	2013	791	2,321	966	734	190	36	5,038
Seattle Senior Housing Low-	2012	1	782	83	0	0	0	866
Income Public Housing	2013	1	781	83	0	0	0	865
Housing Choice Voucher Tenant-	1999	250	1,117	1,079	872	279	82	3,679
& Project-based Assistance[5]	2012	1,848	2,111	1,843	1,220	405	148	7,575
	2013	1,925	2,069	1,802	1,189	377	144	7,506
Section 8 New Construction	1999	10	141	0	0	0	0	151
	2012	0	97	0	0	0	0	97
	2013	0	98	0	0	0	0	98
Seattle Senior Housing Program	1999	161	913	85	0	0	0	1,159
(non-LIPH)	2012	0	87	10	0	0	0	97
	2013	0	84	10	0	0	0	94
Other Non-Federal	1999	0	0	0	0	0	0	0
	2012	50	188	317	143	21	6	725
	2013	42	151	287	159	22	2	663
Total	1999	678	5,329	2,634	1,807	510	118	11,076
	2012	2,713	5,634	3,241	2,092	622	192	14,494
	2013	**2,759**	**5,504**	**3,148**	**2,082**	**589**	**182**	**14,264**
Distribution of	1999	6.1%	48.1%	23.8%	16.3%	4.6%	1.1%	100.0%
Unit sizes	2012	18.7%	38.9%	22.4%	14.4%	4.5%	1.3%	100.0%
	2013	19.3%	38.6%	22.1%	14.6%	4.1%	1.3%	100.0%

[19]Excludes Mod Rehab units. Not all units include MTW funds.

Average Length of Participation by Housing and Household Type

Elderly/Disabled Households (elderly or disabled head of household) as of 12/31/2013

Program	House-holds	Average Number of Years	2 Years or Less	2-5 Years	5-10 Years	10-20 Years	20 Years or More
Public Housing	4,168	9	33%	10%	21%	22%	14%
HCV Tenant-Based	2,880	10	17%	17%	17%	17%	17%
HCV Project-Based	1,918	4	50%	18%	26%	6%	0%
Section 8 Mod-Rehab	557	6	39%	15%	19%	21%	7%
S8 New Construction	92	10	16%	17%	21%	37%	9%
Seattle Senior Housing Program	88	8	32%	9%	23%	31%	6%
Other Non-Federal	88	7	38%	8%	33%	15%	7%
Total Elderly/Disabled	**9,791**	**8**	**32%**	**12%**	**24%**	**24%**	**9%**

Family Households (non-elderly ,non-disabled head of household, including single individuals) as of 12/31/2013

Program	House-holds	Average Number of Years	2 Year or Less	2-5 Years	5-10 Years	10-20 Years	20 Years or More
Public Housing	1,733	7	28%	18%	33%	15%	6%
HCV Tenant-Based	1,754	7	22%	14%	33%	28%	3%
HCV Project-Based	953	3	58%	23%	16%	3%	0%
Section 8 Mod-Rehab	173	5	48%	17%	19%	13%	3%
S8 New Construction	0	0					
Seattle Senior Housing Program	6	8	50%	0%	17%	17%	17%
Other Non-Federal	522	4	51%	18%	22%	7%	2%
Total Family	**5,141**	**6**	**35%**	**17%**	**28%**	**16%**	**3%**

All Households as of 12/31/2013

Program	House-holds	Average Number of Years	2 Year or Less	2-5 Years	5-10 Years	10-20 Years	20 Years or More
Public Housing	5,901	8	32%	12%	25%	20%	11%
HCV Tenant-Based	4,634	8	19%	11%	29%	34%	6%
HCV Project-Based	2,871	3	53%	19%	23%	5%	0%
Section 8 Mod-Rehab	730	6	41%	15%	19%	19%	6%
S8 New Construction	92	10	16%	17%	21%	37%	9%
Seattle Senior Housing Program	94	8	33%	9%	22%	30%	6%
Other Non-Federal	610	4	49%	17%	24%	8%	3%
Total Combined	**14,932**	**7**	**33%**	**14%**	**25%**	**21%**	**7%**

Applicant Demographics

Low-Income Public Housing Applicants as of 12/31/2013

Household Size	Caucasian	African / African American	Native American	Asian & Pacific Islander	Multi-Race	Total
1	1,610	1,299	100	525	21	3,555
2	210	393	22	344	3	972
3	129	308	7	125	2	571
4	81	202	2	106	1	392
5	42	140	2	43	1	228
6+	32	141	1	18	0	192
LIPH Total	**2,104**	**2,483**	**134**	**1,161**	**28**	**5,910**
Percent of Total	**35.6%**	**42.0%**	**2.3%**	**19.6%**		
2012 Year End	2,479	2,827	182	1,179	N/A	6,667
Percent : Projected	37.2%	42.4%	2.7%	17.7%		
Percent Change from	-15.1%	-12.2%	-26.4%	-1.5%		-11.4%
Difference in Ratios	-1.6%	-0.4%	-0.5%	2.0%		

[23] Excludes 894 applicants whose race is unknown. .

SSHP-LIPH Applicants as of 12/31/2013

Household Size	Caucasian	African / African American	Native American	Asian & Pacific Islander	Multi-Race	Total
1	1469	449	42	152	20	2132
2	107	43	6	87	2	245
3	11	10	0	5	0	26
4	0	0	0	2	0	2
SSHP Total	**1587**	**502**	**48**	**246**	**22**	**2405**
Percent of Total	**66.0%**	**20.9%**	**2.0%**	**10.2%**		
2012 Year End	743	243	21	124		1131
Percent: Projected	65.7%	21.5%	1.9%	11.0%		
Percent Change from Projections	113.6%	106.6%	128.6%	98.4%		112.6%
Difference in Ratios	0.3%	-0.6%	0.1%	-0.7%		

Housing Choice Voucher Applicants as of 12/31/2013

Household Size	Caucasian	African / African American	Native American	Asian & Pacific Islander	Multi-Race	Total
1	526	456	25	89	39	1,135
2	149	225	7	56	32	469
3	89	147	5	48	18	307
4	58	92	5	19	12	186
5	26	61	3	14	6	110
6+	21	61	0	11	3	96
2013 Year End	**869**	**1042**	**45**	**237**	**110**	**2303**
Percent: Projection	**76.6%**	**40.2%**	**2.2%**	**7.8%**	**3.4%**	**130%**
Percent Change from	148	282	13	60	5	508
Difference in Ratios	29.1%	55.5%	2.6%	11.8%	1.0%	

[24] Excludes 37 households whose race is unknown.

Section 8 New Construction Applicants as of 12/31/2013

Household Size	Caucasian	African / African American	Native American	Asian & Pacific Islander	Multi-Race	Total
1	77	69	7	7		160
2	6	3		6	1	16
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6+	0	0	0	0	0	0
Section 8 New Construction	**83**	**72**	**7**	**13**	**1**	**176**
Percent of Total	**47.2%**	**40.9%**	**4.0%**	**7.4%**		
2012 Year End	135	100	12	15		262
Percent of Total	51.5%	38.2%	4.6%	5.7%		
Percent Change from Prior	-38.5%	-28.0%	-41.7%	-13.3%		-32.8%
Difference in Ratios	-4.4%	2.7%	-0.6%	1.7%		

SSHP Applicants (non-LIPH) as of 12/31/2013

Household Size	Caucasian	African / African American	Native American	Asian & Pacific Islander	Multi-Race	Total
1	50	50	3	81	0	184
2	6	6	0	86	0	98
3	1	3	0	1	0	5
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
SSHP Total	**57**	**59**	**3**	**168**	**0**	**287**
Percent of Total	**19.9%**	**20.6%**	**1.0%**	**58.5%**		
2012 Year End	129	64	4	86		283
Percent: Projected	45.6%	22.6%	1.4%	30.4%		
Percent Change from	-55.8%	-7.8%	-25.0%	95.3%		1.4%
Difference in Ratios	-25.7%	-2.1%	-0.4%	28.1%		

Income distribution as a percent of median income

Applicant Household Annual Incomes as of 12/31/2013

Program	Below 30% Median Income	30% - 50% Median Income	50% - 80% Median Income	Over 80% Median Income	Total
Low Income Public Housing	6,445	321	27	11	6,804
SSHP - LIPH	2,040	311	67	5	2,423
HCV Tenant-based	2,173	113	50	4	2,340
Section 8 New Construction	172	4	1	0	177
Seattle Senior Housing Program[8]	277	12	2	1	292
Unique Households [9]	**8,918**	**632**	**127**	**18**	**9,695**
Percent of Total	**92.0%**	**6.5%**	**1.3%**	**0.2%**	
2012 Year End	7,003	479	82	22	7,586
Percent: Projected	92.3%	6.3%	1.1%	0.3%	
Percent Change from Projections	27.3%	31.9%	54.9%	-18.2%	27.8%
Difference in Ratios	-0.3%	0.2%	0.2%	-0.1%	

[25]Applicant households may appear on more than one wait list; therefore the unique households row does not equal the sum of the program rows.

Additional data notes – the following notes apply to all tables within this appendix:

- Low Income Public Housing excludes occupants of employee and agency units.
- Housing Choice Vouchers excludes households that have left Seattle Housing Authority's jurisdiction (1,687 port-out households); excludes households using vouchers in the SSHP program (16 households accounted for in the SSHP demographics); and includes households that have entered Seattle Housing Authority's jurisdiction (471 port-ins households).
- Other Non-Federal excludes occupants of units managed by Seattle Housing Authority for other owners and excludes households in these properties that are represented in other data tables (such as tenant-based Housing Choice Vouchers).
- Length of Participation data excludes households in properties managed by SHA but not SHA owned and households whose original move-in date is temporarily unavailable. Family households are defined as a head of household adult who is under age 62 and not disabled. Elderly and Disabled households are defined as a head of household who is 62 or over and/or is disabled.

Appendix D – Local Asset Management Plan

This is a republishing of Seattle Housing Authority's LAMP, originally submitted as Appendix A of the 2010 MTW Plan

I. Introduction

The First Amendment to the Amended and Restated Moving to Work (MTW) Agreement ("First Amendment") allows the Seattle Housing Authority (Seattle Housing Authority or the Authority) to develop a local asset management program (LAMP) for its Public Housing Program. The agency is to describe its LAMP in its next annual MTW plan, to include a description of how it is implementing project-based management, budgeting, accounting, and financial management and any deviations from HUD's asset management requirements. Under the First Amendment, Seattle Housing Authority agreed its cost accounting and financial reporting methods would comply with federal Office of Management and Budget (OMB) Circular A-87 and agreed to describe its cost accounting plan as part of its LAMP, including how the indirect service fee is determined and applied. The materials herein fulfill Seattle Housing Authority's commitments.

II. Framework for Seattle Housing Authority's Local Asset Management Program

A. Mission and Values

Seattle Housing Authority was established by the City of Seattle under State of Washington enabling legislation in 1939. Seattle Housing Authority provides affordable housing to about 26,000 low-income people in Seattle, through units Seattle Housing Authority owns and operates or for which Seattle Housing Authority serves as the general partner of a limited partnership and as managing agent, and through rental assistance in the form of tenant-based, project-based, and provider-based vouchers. Seattle Housing Authority is also an active developer of low-income housing to redevelop communities and to rehabilitate and preserve existing assets. Seattle Housing Authority operates according to the following Mission and Values:

> ***Our Mission***
>
> *Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.*
>
> ***Our Values***
>
> *As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.*

Seattle Housing Authority owns and operates housing in neighborhoods throughout Seattle. These include the four large family communities of NewHolly and Rainier Vista in Southeast Seattle, High Point in West Seattle, and Yesler Terrace in Central Seattle. In the past fifteen years, Seattle Housing Authority has undertaken redevelopment or rehabilitation of three of our four family communities and 21 of our public housing high-rise buildings, using mixed financing with low-income housing tax credit limited partnerships.

Seattle Housing Authority has approximately 590 employees and a total projected operating and capital budget of $220 million for Calendar Year 2010.

B. Overarching Policy and Cost Objectives

Seattle Housing Authority's mission and values are embraced by our employees and ingrained in our policies and operations. They are the prism through which we view our decisions and actions and the cornerstone to which we return in evaluating our results. In formulating Seattle Housing Authority's Local Asset Management Program (LAMP) our mission and values have served as the foundation of our policy/cost objectives and the key guiding principles that underpin Seattle Housing Authority's LAMP.

Consistent with requirements and definitions of OMB Circular A-87, Seattle Housing Authority's LAMP is led by three overarching policy/cost objectives:

- ***Cost Effective Affordable Housing:*** To enhance the Seattle community by creating, operating, and sustaining decent, safe, and affordable housing and living environments for low-income people, using cost-effective and efficient methods.
- ***Housing Opportunities and Choice:*** To expand housing opportunities and choice for low-income individuals and families through creative and innovative community partnerships and through full and efficient use of rental assistance programs.
- ***Resident Financial Security and/or Self-Sufficiency:*** To promote financial security or economic self-sufficiency for low-income residents, as individual low-income tenants are able, through a network of training, employment services, and support.

C. Local Asset Management Program – Eight Guiding Principles

Over time and with extensive experience, these cost objectives have led Seattle Housing Authority to define an approach to our LAMP that is based on the following principles:

(1) ***In order to most effectively serve low-income individuals seeking housing, Seattle Housing Authority will operate its housing and housing assistance programs as a cohesive whole, as seamlessly as feasible.***

We recognize that different funding sources carry different requirements for eligibility and different rules for operations, financing, and sustaining low-income housing units. It is Seattle Housing Authority's job to make funding and administrative differences as invisible to tenants/participants as

we can, so low-income people are best able to navigate the housing choices and rental assistance programs Seattle Housing Authority offers. We also consider it Seattle Housing Authority's job to design our housing operations to bridge differences among programs/fund sources, and to promote consolidated requirements, wherever possible. It is also incumbent on us to use our own and MTW authority to minimize administrative inefficiencies from differing rules and to seek common rules, where possible, to enhance cost effectiveness, as well as reduce the administrative burden on tenants.

This principle has led to several administrative successes, including use of a single set of admissions and lease/tenant requirements for Low Income Public Housing and project-based Housing Choice Voucher tenants in the same property. Similarly, we have joint funder agreements for program and financial reporting and inspections on low-income housing projects with multiple local and state funders.

An important corollary is Seattle Housing Authority's involvement in a community-wide network of public, nonprofit, and for-profit housing providers, service and educational providers, and coalitions designed to rationalize and maximize housing dollars – whatever the source – and supportive services and educational/training resources to create a comprehensive integrated housing + services program city and county-wide. So, not only is Seattle Housing Authority's LAMP designed to create a cohesive whole of Seattle Housing Authority housing programs, it is also intended to be flexible enough to be an active contributing partner in a city-wide effort to provide affordable housing and services for pathways out of homelessness and out of poverty.

(2) ***In order to support and promote property performance and financial accountability at the lowest appropriate level, Seattle Housing Authority will operate a robust project and portfolio-based budgeting, management, and reporting system of accountability.***

Seattle Housing Authority has operated a property/project-based management, budgeting, accounting, and reporting system for the past decade. Our project-based management systems include:

- Annual budgets developed by on-site property managers and reviewed and consolidated into portfolio requests by area or housing program managers;
- Adopted budgets at the property and/or community level that include allocation of subsidies, where applicable, to balance the projected annual budget – this balanced property budget becomes the basis for assessing actual performance;
- Monthly property-based financial reports comparing year-to-date actual to budgeted performance for the current and prior years;

Quarterly portfolio reviews are conducted with the responsible property manager(s) and the area or housing program managers, with Seattle Housing Authority's Asset Management Team.

Seattle Housing Authority applies the same project/community based budgeting system and accountability to its non-federal programs.

(3) ***To ensure best practices across Seattle Housing Authority's housing portfolios, Seattle Housing Authority's Asset Management Team provides the forum for review of housing operations policies, practices, financial performance, capital requirements, and management of both Seattle Housing Authority and other housing authorities and providers.***

A key element of Seattle Housing Authority's LAMP is the Asset Management Team (AM Team) comprised of upper and property management staff from housing operations, asset management, property services, executive, legal, finance and budget, community services, communications, and rental assistance. This interdisciplinary AM Team meets weekly throughout the year and addresses:

- All critical policy and program issues facing individual properties or applying to a single or multiple portfolios, from rent policy to smoke-free buildings to rules for in-home businesses;
- Portfolio reviews and follow-up, where the team convenes to review with property management staff how well properties are operating in relation to common performance measures (e.g. vacancy rates; turnover time); how the property is doing in relation to budget and key reasons for deviations; and property manager projections and/or concerns about the future;
- Annual assessment of capital repair and improvement needs of each property with property managers and area portfolio administrators in relation to five year projections of capital preservation needs. This annual process addresses the capital needs and priorities of individual properties and priorities across portfolios; and.
- Review and preparation of the annual MTW Plan and Report, where key issues for the future are identified and discussed, priorities for initiatives to be undertaken are defined, and where evaluation of MTW initiatives are reviewed and next steps determined.

The richness and legitimacy of the AM Team processes result directly from the diverse Team composition, the open and transparent consideration of issues, the commitment of top management to participate actively on the AM Team, and the record of follow-up and action on issues considered by the AM Team.

(4) ***To ensure that the Authority and residents reap the maximum benefits of cost-effective economies of scale, certain direct functions will be provided centrally.***

Over time, Seattle Housing Authority has developed a balance of on-site capacity to perform property manager, resident manager and basic maintenance/handyperson services, with asset preservation services performed by a central capacity of trades and specialty staff. Seattle Housing Authority's LAMP reflects this cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, pest control, and asset preservation as direct costs to properties. Even though certain maintenance functions are performed by central trade crews, the control remains at the property level, as it is the property manager and/or area or program manager who calls the shots as to the level of service required from the "vendor" – the property services group – on a unit turnover, site landscaping, and maintenance and repair work orders. Work is not performed at the property by the

central crews without the prior authorization of the portfolio manager or his/her designee. And all services are provided on a fee for service basis.

Similarly, Seattle Housing Authority has adopted procurement policies that balance the need for expedient and on-site response through delegated authorization of certain dollar levels of direct authority for purchases, with Authority-wide economies of scale and conformance to competitive procurement procedures for purchases/work orders in excess of the single bidder levels. Central procurement services are part of Seattle Housing Authority's indirect services fee.

(5) ***Seattle Housing Authority will optimize direct service dollars for resident/tenant supportive services by waiving indirect costs that would otherwise be born by community service programs and distributing the associated indirect costs to the remaining direct cost centers.***

A large share of tenant/resident services are funded from grants and foundations and these funds augment local funds to provide supportive services and self-sufficiency services to residents. In order to optimize available services, the indirect costs will be supported by housing and housing choice objectives.

There are a myriad of reasons that led Seattle Housing Authority to this approach:

- Most services are supported from public and private grants and many of these don't allow indirect cost charges as part of the eligible expenses under the grant;
- Seattle Housing Authority uses local funds from operating surpluses to augment community services funding from grants; these surpluses have derived from operations where indirect services have already been charged;
- Seattle Housing Authority's community services are very diverse, from recreational activities for youth to employment programs to translation services. This diversity makes a common basis for allocating indirect services problematic.
- Most importantly, there is a uniform commitment on the part of housing and housing choice managers to see dollars for services to their tenants/participants maximized. There is unanimous agreement that these program dollars not only support the individuals served, but serve to reduce property management costs they would experience from idle youth and tenants struggling on their own to get a job.

(6) ***Seattle Housing Authority will achieve administrative efficiencies, maintain a central job cost accounting system for capital assets, and properly align responsibilities and liability by allocating capital assets/improvements to the property level only upon completion of capital projects.***

Development and capital projects are managed through central agency units and can take between two and five or more years from budgeting to physical completion. Transfer of fixed assets only when they are fully complete and operational best aligns responsibility for development and close-out vs. housing operations.

The practice of transferring capital assets when they are complete and operational, also best preserves clear lines of accountability and responsibility between development and operations; preserves the relationship and accountability of the contractor to the project manager; aligns with demarcations between builders risk and property insurance applicability; protects warranty provisions and requirements through commissioning; and, maintains continuity in the owner's representative to ensure all construction contract requirements are met through occupancy permits, punch list completion, building systems commissioning, and project acceptance.

(7) ***Seattle Housing Authority will promote service accountability and incorporate conservation incentives by charging fees for service for selected central services.***

This approach, rather than an indirect cost approach, is preferred where services can be differentiated on a clear, uniform, and measureable basis. This is true for information technology services and for Fleet Management services. The costs of information technology services are distributed based on numbers of personal computers, "thin clients", and printers; the fees differentiate the operating costs of these equipment items and provide incentives for shared equipment use for printers and use of the lower cost thin client computers.

The Fleet service fee encompasses vehicle insurance, maintenance, and replacement. Fuel consumption is a direct cost to send a direct conservation signal. The maintenance component of the fleet charge is based on a defined maintenance schedule for each vehicle given its age and usage. The replacement component is based on expected life of each vehicle in the fleet, a defined replacement schedule, and replacement with the most appropriate vehicle technology and conservation features.

(8) ***Seattle Housing Authority will use its MTW block grant authority and flexibility to optimize housing opportunities provided by Seattle Housing Authority to low-income people in Seattle.***

Seattle Housing Authority flexibility to use MTW Block Grant resources to support its low-income housing programs is central to our Local Asset Management Program (LAMP). Seattle Housing Authority will exercise our contractual authority to move our MTW funds and project cash flow among projects and programs as the Authority deems necessary to further our mission and cost objectives. MTW flexibility to allocate MTW Block Grant revenues among the Authority's housing and administrative programs enables Seattle Housing Authority to balance the mix of housing types and services to different low-income housing programs and different groups of low-income residents. It enables Seattle Housing Authority to tailor resource allocation to best achieve our cost objectives and therefore maximize our services to low-income residents and applicants having a wide diversity

of circumstances, needs, and personal capabilities. As long as the ultimate purpose of a grant or program is low income housing, it is eligible for MTW funds.

III. Seattle Housing Authority's Local Asset Management Program (LAMP) Implementation

A. Comprehensive Operations

Consistent with the guiding principles above, a fundamental driver of Seattle Housing Authority's LAMP is its application comprehensively to the totality of Seattle Housing Authority's MTW program. Seattle Housing Authority's use of MTW resource and regulatory flexibility and Seattle Housing Authority's LAMP encompass our entire operations; accordingly:

- We apply our indirect service fees to all our housing and rental assistance programs;
- We expect all our properties, regardless of fund source, to be accountable for property-based management, budgeting, and financial reporting;
- We exercise MTW authority to assist in creating management and operational efficiencies across programs and to promote applicant and resident-friendly administrative requirements for securing and maintaining their residency; and,
- We use our MTW Block Grant flexibility across all of Seattle Housing Authority's housing programs and activities to create the whole that best addresses our needs at the time.

Seattle Housing Authority's application of its LAMP and indirect service fees to its entire operations is more comprehensive than HUD's asset management system. HUD addresses fee for service principally at the low income public housing property level and does not address Seattle Housing Authority's comprehensive operations, which include other housing programs, business activities, and component units.

B. Project-based Portfolio Management

We have reflected in our guiding principles above the centrality of project/property-based and program-based budgeting, management, reporting and accountability in our asset management program and our implementing practices. We also assign priority to our multi-disciplinary central Asset Management Team in its role to constantly bring best practices, evaluations, and follow-up to inform Seattle Housing Authority's property management practices and policies. Please refer to the section above to review specific elements of our project-based accountability system.

A fundamental principle we have applied in designing our LAMP is to align responsibility and authority and to do so at the lowest appropriate level. Thus, where it makes the most sense from the standpoints of program effectiveness and cost efficiency, the Seattle Housing Authority LAMP assigns budget and management accountability at the property level. We are then committed to providing property managers with the tools and information necessary for them to effectively operate their properties and manage their budgets.

We apply the same principle of aligning responsibility and accountability for those services that are managed centrally, and, where those services are direct property services, such as landscaping, decorating, or specialty trades work, we assign the ultimate authority for determining the scope of work to be performed to the affected property manager.

In LIPH properties, we budget subsidy dollars with the intent that properties will break even. Over the course of the year, we gauge performance at the property level in relation to that aim. When a property falls behind, we use our quarterly portfolio reviews to discern why and agree on corrective actions and then track their effectiveness in subsequent quarters. We reserve our MTW authority to move subsidy and cash flow among our LIPH properties based on our considered assessment of reasons for surplus or deficit operations. We also use our quarterly reviews to identify properties whose performance warrants placement on a "watch" list.

C. Cost Allocation Approach

Classification of Costs

Under OMB Circular A-87, there is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances, either as a direct or an indirect cost. Consistent with OMB Circular A-87 cost principles, Seattle Housing Authority has identified all of its direct costs and segregated all its costs into pools, as either a direct or an indirect cost pool. We have further divided the indirect services pool to assign costs as "equal burden" or hard housing unit based, as described below.

Cost Objectives

OMB Circular A-87 defines cost objective as follows: *Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.* The Cost Objectives for Seattle Housing Authority's LAMP are the three overarching policy/cost objectives described earlier:

- Cost Effective Affordable Housing;
- Housing Opportunities and Choice; and,
- Resident Financial Security and/or Self-Sufficiency

Costs that can be identified specifically with one of the three objectives are counted as a direct cost to that objective. Costs that benefit more than one objective are counted as indirect costs.

Seattle Housing Authority Direct Costs

OMB Circular A-87 defines direct costs as follows: *Direct costs are those that can be identified specifically with a particular final cost objective.* Seattle Housing Authority's direct costs include but are not limited to:

- Contract costs readily identifiable with delivering housing assistance to low-income families.
- Housing Assistance Payments, including utility allowances, for vouchers
- Utilities
- Surface Water Management fee
- Insurance
- Bank charges
- Property-based audits
- Staff training
- Interest expense
- Information technology fees
- Portability administrative fees
- Rental Assistance department costs for administering Housing Choice Vouchers including inspection activities
- Operating costs directly attributable to operating Seattle Housing Authority-owned properties
- Fleet management fees
- Central maintenance services for unit or property repairs or maintenance
- Central maintenance services include, but are not limited to, landscaping, pest control, decorating and unit turnover
- Operating subsidies paid to mixed income, mixed finance communities
- Community Services department costs directly attributable to tenants services
- Gap financing real estate transactions
- Acquisition costs
- Demolition, relocation and leasing incentive fees in repositioning Seattle Housing Authority-owned real estate
- Homeownership activities for low-income families
- Leasing incentive fees
- Certain legal expenses
- Professional services at or on behalf of properties or a portfolio, including security services
- Extraordinary site work
- Any other activities that can be readily identifiable with delivering housing assistance to low-income families
- Any cost identified for which a grant award is made. Such costs will be determined as Seattle Housing Authority receives grants

- Direct Finance staff costs
- Direct area administration staff costs

Seattle Housing Authority Indirect Costs

OMB Circular A-87 defines indirect costs as *those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.* Seattle Housing Authority's indirect costs include, but are not limited to:

- Executive
- Communications
- Most of Legal
- Development
- Finance
- Purchasing
- Human Resources
- Housing Finance and Asset Management
- Administration staff and related expenses of the Housing Operations and Rental Assistance Departments that cannot be identified to a specific cost objective.

Seattle Housing Authority Indirect Service Fee – Base, Derivation and Allocation

Seattle Housing Authority has established an Indirect Services Fee (IS; ISF) based on anticipated indirect costs for the fiscal year. Per the requirements of OMB Circular A-87, the ISF is determined in a reasonable and consistent manner based on total units and leased vouchers. Thus, the ISF is calculated as a per-housing-unit or per-leased-voucher fee per month charged to each program.

Equitable Distribution Base

According to OMB Circular A-87, *the distribution base may be (1) total direct costs (excluding capital expenditure), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.* Seattle Housing Authority has found that unit count and leased voucher is an equitable distribution base when compared to other potential measures. Testing of prior year figures has shown that there is no material financial difference between direct labor dollar allocations and unit allocations. Total units and leased vouchers are a far easier, more direct and transparent, and more efficient method of allocating indirect service costs than using direct labor to distribute indirect service costs. Direct labor has other complications because of the way Seattle Housing Authority charges for maintenance services. Using housing units and leased vouchers removes any distortion that total direct salaries and wages might introduce. Units leased vouchers is an equitable distribution base which best measures the relative benefits.

Derivation and Allocation

According to OMB Circular A-87, where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits. Seattle Housing Authority divides indirect costs into two pools, "Equal Burden" costs and "Hard Unit" costs. Equal Burden costs are costs that equally benefit leased voucher activity and hard, existing housing unit activity. Hard Unit costs primarily benefit the hard, existing housing unit activity.

Before calculating the per unit indirect service fees, Seattle Housing Authority's indirect costs are offset by designated revenue. Offsetting revenue includes 10 percent of the MTW Capital Grant award, a portion of the developer fee paid by limited partnerships, laundry revenue and antenna revenue.

A per unit cost is calculated using the remaining net indirect costs divided by the number of units and the number of leased vouchers. For the 2010 budget, the per unit per month (PUM) cost for housing units is $52.10 and for leased vouchers is $21.21.

Annual Review of Indirect Service Fee Charges

Seattle Housing Authority will annually review its indirect service fee charges in relation to actual indirect costs and will incorporate appropriate adjustments in indirect service fees for the subsequent year, based on this analysis.

D. Differences – HUD Asset Management vs. Seattle Housing Authority Local Asset Management Program

Under the First Amendment, Seattle Housing Authority is allowed to define costs differently than the standard definitions published in HUD's Financial Management Guidebook pertaining to the implementation of 24 CFR 990. Seattle Housing Authority is required to describe in this MTW Annual Plan differences between our Local Asset Management Program and HUD's asset management program. Below are several key differences:

- Seattle Housing Authority determined to implement an indirect service fee that is much more comprehensive than HUD's asset management system. HUD's asset management system and fee for service is limited in focusing only on a fee for service at the Low Income Public Housing (LIPH) property level. Seattle Housing Authority's LAMP is much broader and includes local housing and other activities not found in traditional HUD programs. Seattle Housing Authority's LAMP addresses the entire Seattle Housing Authority operation.
- Seattle Housing Authority has defined its cost objectives at a different level than HUD's asset management program. Seattle Housing Authority has defined three cost objectives under the umbrella of the MTW program, which is consistent with the issuance of the CFDA number and with the First Amendment to the MTW Agreement. HUD defined its cost objectives at the property level and Seattle Housing Authority defined its cost objectives at the program level. Because the cost objectives are defined differently, direct and indirect costs will be differently identified, as reflected in our LAMP.
- HUD's rules are restrictive regarding cash flow between projects, programs, and business activities. Seattle Housing Authority intends to use its MTW resources and regulatory flexibility to move its MTW funds and project cash flow among projects without limitation and to ensure

that our operations best serve our mission, our LAMP cost objectives, and ultimately the low-income people we serve.

- HUD intends to maintain all maintenance staff at the property level. Seattle Housing Authority's LAMP reflects a cost-effective balance of on-site and central maintenance services for repairs, unit turnover, landscaping, and asset preservation as direct costs to properties.

HUD's asset management approach records capital project work-in-progress quarterly. Seattle Housing Authority's capital projects are managed through central agency units and can take between two and five or more years from budgeting to physical completion. Transfer of fixed assets only when they are fully complete and operational best aligns responsibility for development and close-out vs. housing operations.

Balance Sheet Accounts

The following balance sheet accounts will be reported in compliance with HUD's Asset Management Requirements:

- Accounts Receivable
- Notes Receivable
- Accrued Interest Receivable
- Leases
- Fixed Assets
- Reserves
- Advances
- Restricted Investments
- Notes Payable – short term
- Deferred credits
- Long Term Liabilities
- Mortgages
- Bonds